

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of State
Analysis of Program Authority
and Performance Data

September 1997



Performance Audit Division

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Legislative Auditor

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**Department of State:
Analysis of Program Authority
and Performance Data**

September 1997



**Performance Audit
Office of Legislative Auditor
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor**

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September 17, 1997

The Honorable Randy L. Ewing,
President of the Senate
The Honorable H. B. "Hank" Downs, Jr.
Speaker of the House of Representatives

Dear Senator Ewing and Representative Downs:

This report gives the results of our performance audit of the Program Authority and Performance Data of the Louisiana Department of State and its related boards and commissions. The audit was conducted under provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. In addition, this audit is one step toward meeting requirements of the Louisiana Performance Audit Program (Louisiana Revised Statute 24:827).

The report represents our findings, conclusions, and recommendations. We have also identified matters for legislative consideration. Appendix C contains the Department of State's response. Appendix D contains the Office of Planning and Budget's response. I trust that this report will be of use to you in your legislative decision-making process.

Sincerely,

David G. Kyle, CPA, CFE
Legislative Auditor

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Office of Legislative Auditor

Executive Summary Department of State: Analysis of Program Authority and Performance Data

For fiscal year 1996-97, the legislature appropriated almost \$11.8 million to the Department of State. Our performance audit of the department's performance data in the 1996-97 executive budget found:

- The department and program missions included in the 1996-97 executive budget are consistent with the responsibilities given the Secretary of State and department by state law.
- The Department of State does not engage in formal strategic planning. The lack of formal strategic planning may explain some of the deficiencies found in the department's performance data. A major deficiency is the lack of goals for any program. As a result, the program managers may not have a sense of direction on how to address their missions.
- The performance information in the executive budget could be made more useful to legislators and others for decision-making purposes. The mission statements generally meet the established criteria. However, none of the 25 objectives contain a time frame for accomplishment, and only one contains a target to be achieved. Although 22 of the objectives specify end results, many of these end results are broadly stated. The performance indicators do not provide sufficiently useful information about the programs' performance. The Administrative program has no performance indicators.
- Two programs within the Department of State perform similar functions that may be duplicative. The Museum and the Archives and Records programs both display exhibits.
- The Department of State has one program, the First Step Shop, which may duplicate a similar program at the Department of Economic Development. These duplicative activities could mean that the state is spending extra time, money, and effort to deliver this service.

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Audit Initiation and Objectives

The Office of the Legislative Auditor conducted this performance audit of the executive budget program information for the Department of State in response to certain requirements of Act 1160 of 1995. This act amended the state audit law by adding Louisiana Revised Statute (R.S.) 24:522, which created the Louisiana Performance Audit Program. This report is one of a series of reports on all major executive branch departments addressing the following objectives:

- Determine if the department's mission and goals as reported in the fiscal year 1996-97 executive budget are consistent with legislative intent and legal authority
- Determine if the department's mission, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget are consistent with established criteria
- Determine if the department's objectives and performance indicators as reported in the fiscal year 1996-97 executive budget collectively provide useful information for decision-making purposes
- Identify any programs, functions, and activities within the department that appear to be overlapping, duplicative, or unneeded

Department Overview

Article IV, Section 7 of the Louisiana Constitution of 1974 creates the Department of State, and designates the Secretary of State as its executive head and as Louisiana's chief election officer. In addition to election responsibilities, this article directs the secretary to perform other duties, such as administer the state corporation and trademark laws. The constitution authorizes the department to carry out functions in four of its programs. Statute authorizes the department to conduct the activities in the Museum/Other Operations program. For the 1996-97 fiscal year, the department had 178 authorized positions and was appropriated nearly \$11.8 million.

(See pages 26-31 of the report.)

**Missions
Consistent With
State Law**

For the most part, the mission statements for all five programs are consistent with the responsibilities given the secretary and department by state law. That is, the missions reflect the intent of the legislature as portrayed in underlying law and the intent of the drafters of Louisiana's constitution. However, the mission statement of the Administrative program does not include some constitutional mandates being carried out by this program. One part of the mission states that this program assists the secretary "in carrying out his duties." This part of the mission statement could be improved by adding the words "constitutional and statutory" to describe the secretary's duties.

(See pages 23-24 of the report.)

According to the 1996-97 executive budget, the Commercial program processes the registration of certain tax-recovered bonds of municipalities and other political subdivisions. According to department officials, this function is being carried out in the Administrative program. This difference may confuse readers of the executive budget about the functions conducted in these two programs.

(See pages 11-12 of the report.)

The 1996-97 executive budget does not contain goals for any department programs. As a result, program managers may not have a sense of direction on how to address their missions.

(See page 23 of the report.)

**Potentially
Overlapping and
Duplicative
Functions**

We reviewed the programs, functions, and activities of the department to identify any that appeared to be overlapping, duplicative, or outmoded. As a result of the review, we found two programs within the Department of State that perform very similar activities. The Museums and the Archives and Records programs both display exhibits.

(See page 12 of the report.)

In addition, the business community and individuals seeking to establish or expand a business can obtain information on various licenses required by state agencies from the First Step Shop. The Department of Economic Development also conducts a

program that provides very similar services to the business community.

These potentially duplicative activities could mean that the Department of State is spending more time, money, and effort in delivering services than is necessary. However, because it was not within the scope of this audit, we did not conduct individual program evaluations to determine if duplication is actually occurring.

(See pages 53-57 of the report.)

Recommendations

With the assistance of the Office of Planning and Budget, the Department of State should:

- 2.1 Amend the Administrative program mission statement to make reference to the Secretary's constitutional and statutory duties performed by this program.
- 2.2 Move the description of processing of the registration of certain tax-exempt bonds of municipalities to the Administrative program, where this processing is actually conducted.

Matter for Legislative Consideration

- 2.1 The legislature may wish to consider consolidating the responsibility for providing assistance to businesses in obtaining licenses and permits into one program. State law presently allows both the Department of Economic Development and the Department of State to carry out this activity.

**Analysis of
Performance
Data**

The Department of State developed performance data for the 1996-97 executive budget without using formal strategic planning. The lack of formal strategic planning may explain some of the deficiencies found in the department's performance data. A major deficiency is the lack of goals in the 1996-97 executive budget.

The mission statements of the department's five programs generally meet the established criteria. However, the mission of the Museums/Other Operations program does not identify its customers. The mission of the Commercial program has six facets. Some facets identify the customers served, but others do not.

Also, the missions of two programs are not consistent with the overall department mission. First, the Museums' function is not a part of the overall department mission. Second, the Administrative program's mission does not list certain constitutional duties that are contained in the overall mission statement.

(See pages 33-36 of the report.)

The Administrative program includes administrative, support, and non-administrative functions. There are objectives for the support and non-administrative functions. However, there are no goals or performance indicators for the entire program. According to a GAOSE official, support and administrative functions should be separated for the purpose of developing performance data. Administration deals with the general management and oversight of a program or department. Support services provide purchasing, payroll, legal and other services to the rest of the department.

(See page 39 of the report.)

Overall, the department's objectives do not meet the established criteria. None of the 29 objectives are timebound, and only one contains a target for accomplishment. While 22 of the department's objectives specify an end result, some of the end results are very broad and general. Also, for four programs, the program objectives are grouped into one long statement. We separated the long statements into 29 individual objectives. Each objective would be more useful for decision-making if it were stated separately.

In general, the performance indicators reported in the executive budget do not provide useful information about the programs' performance. Although they relate to the objectives and are clear and easy to understand, the performance indicators do not measure progress toward achieving the objectives. One program has no performance indicators.

The 16 performance indicators are all output indicators. Moreover, a publication by the Division of Administration's Office of Planning and Budget (OPB), stresses the need for a balanced set of performance indicators. This set of performance indicators should include not only output types, but also input, outcome, and efficiency. Without a balance of indicators in the executive budget, users of these data will not have complete information on program performance.

As a result of deficiencies in the performance data, a legislator may not have sufficient information to evaluate the performance of the department or its programs.

(See pages 33-36 of the report.)

Recommendations

With the assistance of the Office of Planning and Budget, the Department of State should:

- 3.1 Begin developing a strategic plan for the entire department.
- 3.2 Amend the overall department mission statement to include the Museums/Other Operations program's functions.
- 3.3 Formulate objectives and performance indicators for the administrative, support, and other distinct functions within the Administrative program.
- 3.4 Clearly identify, in all program mission statements, the customers served.
- 3.5 Formulate goals for each program that meet the criteria in Exhibit 3-2.

- 3.6 Develop objectives for all major functions within each program. Each objective should contain a target to be achieved, a time frame, and specify an end result for accomplishment. Each objective should be separately stated, and be consistent with the goals.
- 3.7 Develop performance indicators that measure progress toward achieving objectives. In addition, the department should have a balanced set of performance indicators for each program. The set of performance indicators should include some of each type.

Chapter 1: Introduction

Audit Initiation and Objectives

The Office of the Legislative Auditor conducted this performance audit of the executive budget program information for the Department of State in response to certain requirements of Louisiana Revised Statute (R.S.) 24:522. Act 1180 of the 1995 Regular Legislative Session amended the state audit law, R.S. 24:511 *et seq.*, and created the Louisiana Performance Audit Program. Although the legislative auditor has been conducting performance audits since 1986, R.S. 24:522 formalizes an overall performance audit program for the state. In addition to finding solutions to present fiscal problems, the legislature created the Performance Audit Program to identify and plan for the state's long-term needs.

This report is one of a series of reports on all major executive branch departments addressing the following objectives:

- Determine if the department's missions and goals as reported in the fiscal year 1996-97 executive budget are consistent with legislative intent and legal authority
- Determine if the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget are consistent with established criteria
- Determine if the department's objectives and performance indicators as reported in the fiscal year 1996-97 executive budget collectively provide useful information for decision-making purposes
- Identify any programs, functions, and activities within the department that appear to be overlapping, duplicative, or extended

**Report
Conclusions**

Article IV, Section 7 of the Louisiana Constitution of 1974 creates the Department of State and authorizes it to carry out the functions of four of its five programs. State law authorizes the department to carry out the activities in the fifth program, Museums/Other Operations.

Total expenditures of the department for fiscal year 1995-96 were about \$11.2 million. The legislature authorized the department to spend nearly \$11.8 million in fiscal year 1996-97.

The mission statements for the department's five programs are consistent with the responsibilities given the secretary and department by state law. That is, the missions reflect the intent of the legislature as portrayed in underlying law as well as the intent of the drafters of the constitution.

We reviewed the programs, functions, and activities of the department to identify any that appeared to be overlapping, duplicative, or unneeded. As a result, there are two programs within the Department of State that perform similar activities. The Museums program and the Archives and Records program both display exhibits.

The business community and individuals seeking to establish or expand a business can obtain information on the various licenses required by state agencies from the department's First Stop Shop. According to state law, the Department of Economic Development is also authorized to conduct a program that provides very similar services. These duplicative activities could mean that the state is spending more time, money, and effort in delivering this service than is necessary.

The Department of State developed performance data to be included in the 1996-97 executive budget without using formal strategic planning. The lack of strategic planning may explain some of the deficiencies found in the department's performance data. A major deficiency is the lack of goals in the 1996-97 executive budget. As a result, program managers may not have a sense of direction as how to address their missions.

The program mission statements generally meet the established criteria. They state the purpose of the program and are organizationally acceptable. However, the missions of two programs are not consistent with the overall departmental mission. First, the Museums' function is not a part of the overall department mission. Second, the Administrative program's mission does not list certain constitutional duties that are contained in the overall mission statement.

Overall, the department's objectives do not meet the established criteria. None of the 25 objectives provide a time frame in which to achieve the end result, and only one objective is measurable. However, 22 of the objectives specify an end result, although many of these end results are broadly stated.

In general, the performance indicators reported in the executive budget do not provide useful information about the programs' performance. One program has no performance indicators at all. In addition, the performance indicators do not measure progress toward achieving the objectives, although they do relate to the objectives and are clear and easy to understand.

As a result of deficiencies in the performance data, an external user may not have sufficient information to evaluate the performance of the department or its programs.

Accountability Initiatives

Article 14, Section 6 of the Louisiana Constitution of 1974 reorganized the executive branch into 20 departments. State law says that the structure of the executive branch of state government is to, in part, promote economy and efficiency in the operation and management of state government. Since the reorganization, additional efforts have been undertaken to eliminate duplicative, overlapping, and unneeded programs and activities. Some of these efforts require internal reviews of programs, policies, and services of state agencies, and others provide for external reviews.

R.S. 24:522 requires the legislative auditor to annually make recommendations to the legislature relative, in part, to the effectiveness and efficiency of programs and services that the various state agencies provide. In particular, it directs the auditor

to evaluate the basic arrangements underlying all state agencies, programs and services to assist the legislature in identifying those that are vital to the best interests of the people of Louisiana and those that no longer meet that goal. The act also requires state agencies to produce certain information during the budgetary process.

In July 1985, the Office of Legislative Auditor issued a report that examined the performance and progress of Louisiana state government. That report followed up on all recommendations made in performance audits and staff studies issued by the legislative auditor during the previous three years. In that report, we tracked the progress of agencies in implementing recommendations contained in the performance studies and identified related legislation. We also identified a number of problem areas in state government including inadequate oversight and inadequate planning.

As part of our continuing efforts to meet the requirements of R.S. 24:512, we have issued this report that examines the legal authority for the department's programs and services. This report also examines the program information contained in the fiscal year 1986-87 executive budget and builds on the need for better planning. As previously mentioned, similar performance audit reports are to be issued on all other executive branch departments.

State law also requires agencies to provide the legislature with certain internal information to justify their existence to continue. This is referred to as the sunset review process. This process allows the legislature an opportunity and mechanism to evaluate the operations of state statutory entities.

State law also requires an annual report by department undersecretaries on their department management and program analysis. These reports, required by the provisions of R.S. 24:8, are referred to as Act 168 reports, since Act 168 of 1982 originally enacted this law. This law requires agencies to conduct evaluations and analyses of programs, operations, and policies to improve the efficiency, economy, and effectiveness of the departments.

Other performance legislation includes an accountability act for colleges and universities. Also, various agency performance related reports are required to be submitted with the

agency budget request. One of these reports is referred to as the "Sunset Review Budget Request Supplement."

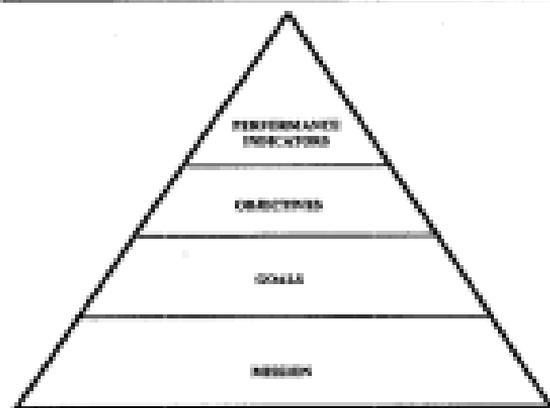
Program Budgeting and Strategic Planning Focus on Outcomes

Act 814 of the 1987 Regular Legislative Session required the state to adopt a program budgeting system beginning in fiscal year 1988-89. R.S. 28:36 requires the executive budget to be in a format that clearly presents and highlights the programs operated by state government. According to *Managersware*, a publication of the Division of Administration's Office of Planning and Budget (OPB), program budgeting is a budget system that focuses on program objectives, achievements, and cost-effectiveness. *Managersware* also states that program budgeting is concerned with outcomes or results rather than with individual items of expenditure.

Strategic planning is a process that sets goals and objectives for the future and strategies for achieving those goals and objectives, with an emphasis on how best to use resources. Program budgeting involves the development of missions, goals, objectives, and performance indicators. These factors are components of the strategic planning process.

Exhibit 1-1 on page 6 shows how missions, goals, objectives, and performance indicators relate to each other. As can be seen in this exhibit, the mission is the base from which goals are derived. Objectives flow from the goals, and performance indicators flow from the objectives.

Exhibit 1-1**Major Components of the Strategic Planning Process**



Source: Prepared by legislative auditor's staff using a similar diagram in *Management*.

Management defines the above terms as follows:

- **Mission:** a broad, comprehensive statement of the organization's purpose. The mission identifies what the organization does and for whom it does it.
- **Goals:** the general end purposes toward which effort is directed. Goals show where the organization is going.
- **Objectives:** specific and measurable targets for accomplishment. Objectives include a degree or type of change and a timetable for accomplishment.
- **Performance Indicators:** the tools used to measure the performance of policies, programs, and plans.

Furthermore, *Management* categorizes performance indicators into five types:

1. **Input indicators** measure resource allocation and demand for services. Examples of input indicators are budget allocations and number of full-time equivalent employees.
2. **Output indicators** measure the amount of products or services provided or the number of customers served. Examples of output indicators include the number of students enrolled in an adult education course, the number of vaccinations given to children, and the number of miles of roads resurfaced.
3. **Outcome indicators** measure results and assess program impact and effectiveness. Examples of outcome indicators are the number of persons able to read and write after completing an adult education course and the change in the highway death rate. Outcome indicators are the most important performance measures because they show whether or not expected results are being achieved.
4. **Efficiency indicators** measure productivity and cost-effectiveness. They reflect the cost of providing services or achieving results. Examples of efficiency indicators include the cost per student enrolled in an adult education course, the bed occupancy rate at a hospital, and the average processing time for environmental permit applications.
5. **Quality indicators** measure effectiveness in meeting the expectations of customers, stakeholders, and other groups. Examples of quality indicators include the number of defect-free reports compared to the number of reports produced, the accreditation of institutions or programs, and the number of customer complaints filed.

Management also points out the benefits of program budgeting. According to *Management*, program budgeting streamlines the budget process. *Management* also says that program budgeting supports quality management by allowing managers more budgetary flexibility while maintaining accountability for the outcomes of programs. Since appropriations

are made at the program level, program managers can more easily shift funds from one expenditure category to another to cover unanticipated needs, according to Altmeyer.

The need for accountability in government operations is gaining recognition both domestically and internationally. According to a recent report issued by the United States General Accounting Office, the federal government is currently implementing the Government Performance and Results Act of 1993. This act requires agencies to set goals, measure performance, and report on their accomplishments. The report also cites several states including Florida, Oregon, Minnesota, Texas, and Virginia and foreign governments such as Australia, Canada, New Zealand, and the United Kingdom that are also pursuing management reform initiatives and becoming more results-oriented.

In Louisiana, the 1996-97 general appropriation bill and resulting act included program descriptions for the first time. The fiscal year 1997-98 general appropriation bill also included performance indicators. For fiscal year 1997-98, this information is presented for informational purposes only. However, in the future, it will serve as a starting point for the full implementation of performance based budgeting.

Beginning in fiscal year 1998-99 and all subsequent fiscal years, key objectives and key performance indicators contained in the General Appropriation Act will be included in the agency's appropriation. Each agency will be required to provide quarterly performance progress reports. The agency's appropriation will be issued conditioned upon the agency preparing and submitting these reports.

Executive Budget Is Basis for General Appropriation Act

Article VII, Section 11(A) of the Louisiana Constitution of 1974 requires the governor to submit a budget estimate to the legislature that sets forth the state expenditures for the next fiscal year. This budget estimate, the executive budget¹, must include recommendations for appropriations from the state general fund, dedicated funds, and self-generated funds.

R.S. 39:36 requires the executive budget to be configured in a format that clearly presents and highlights the programs operated by state government. This statute also requires the executive budget to include:

- (1) an outline of the agency's programmatic structure, which should include an itemization of all programs with a clear description of the objectives of each program;
- (2) a description of the activities that are intended to accomplish each objective; and
- (3) clearly defined indicators of the quantity and quality of performance of those activities.

OPD develops the executive budget based on voluminous material contained in various documents prepared by the departments as part of their budget requests. The budget request packages are made up of six separate components, which are listed below. These packages contain both financial and program information.

1. **Operational plans** describe the various programs within state agencies. They also give program missions, goals, objectives, and performance indicators. Operational plans are derived from long-range strategic plans. Operational plans tell what portions of strategic plans will be addressed during a given operational period.
2. **Existing operating budgets** describe the initial operating budgets as adjusted for actions taken by the Joint Legislative Committee on the Budget, the Louisiana Emergency Board, the legislature, and/or the governor.

¹ The governor also submits a capital outlay budget. However, the scope of this will include only the executive budget.

3. **Continuation budgets** describe the level of funding for each budget unit that reflects the resources necessary to carry on all existing programs and functions at the current level of service in the ensuing fiscal year. These budget components include any adjustments necessary due to the increased cost of services or materials as a result of inflation and increased work load requirements resulting from demographic or other changes. Continuation budgets contain program information.
4. **Technical/other adjustment packages** allow for the transfer of programs or functions from certain agencies or departments to other agencies or departments. However, total overall revenues and expenditures cannot be increased. The technical/other adjustment packages also contain program information.
5. **New or expanded service requests** are designed to provide information about the cost of new and/or expanded services that departments will provide. These service changes can come about as a result of regulation or procedural changes that are/were controlled by the agency or by the addition of services that were not previously provided. The new or expanded service requests also contain program information.
6. **Total request summaries** provide a cross-check of the total budget request document. These forms are designed to provide summaries of all the requested adjustments made to arrive at the total budget requests.

According to *Management*, the total budget request must be accompanied by the Sunset Review Budget Request Supplement (i.e., BRS forms). The BRS forms list all activities that a budget unit has been directed to administer (through legislatively authorized programs and acts of the legislature) for which no funds were appropriated in the existing operating budget. The BRS forms must be submitted to OFD, the Legislative Fiscal Office, and the Joint Legislative Committee on the Budget.

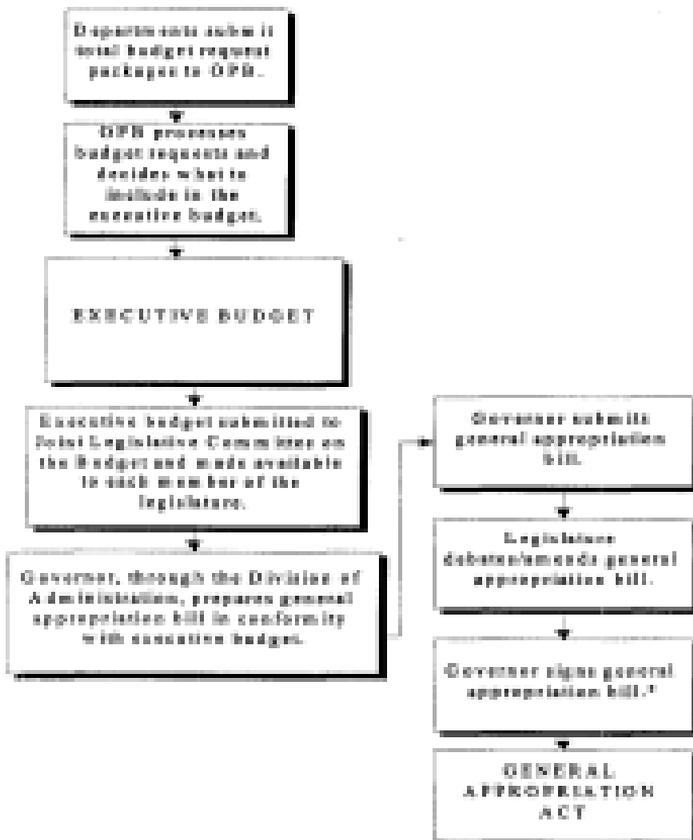
For the 1996-97 fiscal year, OPB prepared and published several volumes of a two-part executive budget using the departments' budget request packages. One part of the executive budget contains financial information, and the other part contains program information. The program information includes program descriptions, missions, goals, objectives, and performance indicators related to the services and products of each department resulting from spending state revenues.

According to R.S. 18-27, the governor must submit the executive budget to the Joint Legislative Committee on the Budget. The governor must make a copy of the executive budget available to each member of the legislature. The constitution requires that the governor submit a general appropriation bill for proposed ordinary operating expenditures in conformity with the executive budget document that was submitted to the legislature.

The general appropriation bill moves through the legislature similar to any other bill. The Appropriations Committee in the House of Representatives initially hears the bill. It then moves to the full House, then to the Senate Finance Committee, and then to the full Senate. Both the House and Senate may amend the bill. The bill is voted upon in its final form by the full membership of both chambers. OPB monitors any amendments the legislature makes to the bill.

After the general appropriation bill passes the legislature, it is forwarded to the governor. Once the governor signs the bill, it becomes law in the form of the General Appropriation Act. After the governor signs the bill, OPB reports to the state departments any amendments made by the legislature. The state constitution allows the governor to veto any line item in the appropriation bill. A veto can be overridden by a two-thirds vote of the legislature. Exhibit 1-3 on page 12 illustrates the executive budget and appropriation processes.

Exhibit 1-3
Executive Budget and Appropriation Process

EXECUTIVE BUDGET PROCESS**APPROPRIATION PROCESS**

*The governor has line-item veto power.

Source: Prepared by legislative auditor's staff using the state constitution, state law, *Management and Finance Legislative Services - State and Local Government in Louisiana: An Overview* (December 1997).

Scope and Methodology

Overview. This performance audit of the Department of State's program information was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. All performance audits are conducted in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Work on this audit began in November 1996.

This section provides a summary of the methodology used in this audit. Based on planning meetings held by legislative audit staff, we formulated audit objectives that would address issues specific to the program information contained in the executive budget. The audit focused on the fiscal year 1996-97 executive budget program information.

References Used. To familiarize ourselves with performance measurement, program budgeting, and accountability concepts, we reviewed various publications including the following:

- *Management* published by the Office of Planning and Budget (1991 and 1996 editions)
- *Service Efforts and Accomplishment Accounting: An Overview* published by the Governmental Accounting Standards Board (GASB) (1999)
- *Executive Guide: Effectively Implementing the Government's Performance and Results Act* published by the U.S. General Accounting Office (June 1995)
- Various reports by the Canadian Comprehensive Auditing Foundation
- Reports from other states that have implemented program budgeting and strategic planning including Florida, Minnesota, Nevada, Oregon, and Texas

These publications are listed in detail in Appendix A. We also conducted interviews with personnel of the Urban Institute, the Federal Office of Management and Budget (COMB), and GASB. These individuals represent both the theoretical and practical sides of current performance measurement and accountability efforts.

To gain an understanding of the state's budget process, we reviewed state laws regarding program budgeting. In addition, we interviewed staff of OFB and the Department of State regarding their budget processes.

Legal Basis for Missions and Goals. We searched state and federal laws to determine whether there was legal authority for missions and goals of the department and its programs. We also reviewed applicable laws to determine legislative intent related to the creation of the department and the functions that the department and its programs are intended to perform. In addition, we reviewed and organized data obtained from the department on its structure, functions, and programs. We also interviewed key department personnel about these issues. We included within the scope of our detailed audit work all related boards, commissions, and like entities that requested funding through a special line item in the executive budget. We also prepared a listing, which is contained in Appendix B, of all related boards, commissions, and like entities we identified, regardless of whether they requested funding.

Comparison of Program Information to Criteria. We developed criteria against which to compare the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget. To help develop these criteria, we gathered information from GASE, OMB, the Urban Institute, and Manageware. During our criteria development process, we obtained ongoing input from GASE. We also obtained concurrence from GASE on our final established criteria. We then compared the missions, goals, objectives, and performance indicators to the established criteria.

In addition, we evaluated the objectives and performance indicators to determine if they collectively provide useful information to decision-makers. When deficiencies or other problems were identified, we discussed them with appropriate personnel of the department and OFB. We did not assess the validity or reliability of the performance indicators.

Although other documents contain program information on the department, we only compared the missions, goals, objectives, and performance indicators contained in the executive budget to the criteria. This decision was made because the executive budget is the submission of OFB's review and refinement of the budget request components. It also represents the governor's official

recommendation to the legislature for appropriations for the next fiscal year.

Potential Overlapping, Duplicative, or Outmoded

Areas. Finally, we reviewed the program descriptions and legal authority for the department's programs to identify areas that appeared to be overlapping, duplicative, or outmoded. We defined these terms as follows:

- + **Overlapping:** instances where two or more programs appear to perform different activities or functions for the same or similar purposes
- + **Duplicative:** instances where two or more programs appear to conduct identical activities or functions for the same or similar purposes
- + **Outmoded:** those programs, activities, or functions that appear to be outdated or are no longer needed

We did not conduct detailed audit work on the areas we identified as potentially overlapping, duplicative, or outmoded. We only identified them for further review at another time.

Areas for Further Study

During this audit, we identified the following areas that require further study:

- + As previously mentioned, assessing the validity and reliability of performance indicators was not within the scope of this audit. However, if the legislature intends to include performance indicators in future appropriation bills and acts, validity and reliability become increasingly important. Consequently, in the future, the legislature may wish to direct a study of the validity and reliability of performance indicators included in appropriation bills.
- + The programs, functions, and activities that appear to be overlapping, duplicative, or outmoded should be assessed in more detail to determine whether they are truly overlapping, duplicative, or outmoded. Once these assessments are completed, the legislature may decide whether any of these programs, functions, or activities should be shared, expanded, or eliminated.

For example, the Departments of State and Culture, Recreation and Tourism both operate museums. Efficiency may be achieved if only one department is in charge of all museums. The Department of Culture, Recreation and Tourism also manages the Office of the State Library and the Office of Cultural Development. SECURE Louisiana's Future's Final Report (April 1994) recommended that the functions of these two offices be transferred to the Department of State.

- The availability of management information systems that can readily integrate data from a variety of sources is essential to a successful program budgeting system. Capturing accurate and meaningful performance data is important, in part, because of the increased emphasis the legislature is placing on program information. Therefore, the capabilities of the department's management information systems as related to program data should be addressed in the near future.

Report Organization

The remainder of this report is divided into the following chapters and appendices:

- Chapter 2 describes the Department of State. This chapter gives the legal authority for the department and its programs as well as other information that describes the department and related boards and commissions. This chapter also compares the missions and goals of the department as reported in the fiscal year 1996-97 executive budget to their legal authority. In addition, this chapter discusses programs, functions, and activities within the department that appear to be overlapping, duplicative, or extraneous, if any come to our attention.
- Chapter 3 gives the results of our comparison of the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget to established criteria. In addition, this chapter discusses whether the objectives and performance indicators collectively

provide useful information for decision-making purposes.

- **Appendix A** is a list of references used for this audit.
- **Appendix B** is a listing of the boards, commissions, and like entities related to the department.
- **Appendix C** is the Department of State's response.
- **Appendix D** is the Division of Administration - Office of Planning and Budget's response.

Chapter 2: Department Overview

Chapter Conclusions

Article IV, Section 7 of the Louisiana Constitution of 1974 creates the Department of State, and provides it with authority to carry out the functions of four of its programs. State law authorizes the department to carry out the activities in the fifth program, Museums/Other Operations.

Total expenditures of the department for fiscal year 1995-96 were \$11,233,093. The legislature authorized the department to spend \$11,791,877 in fiscal year 1996-97.

For the most part, the mission statements for all five programs are consistent with the responsibilities given the secretary and department by state law. That is, the missions reflect the intent of the legislature as portrayed in underlying law as well as the intent of the drafters of the constitution. However, the mission statement of the Administrative program does not include some constitutional mandates being performed by this program. The 1996-97 executive budget does not contain goals for any of the department's programs. As a result, the program managers may not have a sense of direction on how to address their missions.

We reviewed the programs, functions, and activities of the department to identify any that appeared to be overlapping, duplicative, or unneeded. As a result of the reviews we conducted, there are two programs within the Department of State that perform an identical activity. The Museums and the Archives and Records program both display exhibits.

In addition, the business community and individuals seeking to establish or expand a business can obtain information on various licenses required by state agencies from the First Stop Shop. The Department of Economic Development also conducts a program that provides very similar services to the business community. These duplicative activities could mean that the Department of State is spending more time, money, and effort in delivering services than is necessary.

**Secretary of State
Is a Constitutional
Officer**

Article IV, Section 7 of the Louisiana Constitution of 1974 creates the Department of State, and designates the Secretary of State as its executive head and as Louisiana's chief election officer. The Secretary of State administers all laws relating to elections, except voter registration and the custody of voting machines. Article IV, Section 14 of the Louisiana Constitution of 1974 provides that the secretary shall serve as Governor if the offices of Governor and Lieutenant Governor become vacant.

In addition to election responsibilities, Article IV, Section 7 of the Louisiana Constitution of 1974 directs the Secretary of State to perform other duties that include:

- Administer the state corporation and trademark laws
- Serve as the keeper of the Great Seal of the state and attest therewith all official laws, documents, commissions and proclamations
- Administer and preserve the official archives of the state
- Publish all laws enacted by the legislature and retain the originals
- Countersign and keep an official registry of all commissions

The Department of State has five programs to carry out its functions. These programs are Administrative, Elections, Archives and Records, Museums/Other Operations, and Commercial. Exhibit 2-1 on page 21 shows the programs' actual expenditures for fiscal year 1995-96, and the recommended amounts, appropriated amounts, and authorized positions for fiscal year 1996-97. As shown in this exhibit, in terms of expenditures, the Administrative program was the largest area in fiscal year 1995-96.

Exhibit 2-2 on page 22 shows the organization of the Department of State. The department is also organized on a programmatic basis. The major functions within each program are also shown on Exhibit 2-2.

Exhibit 2-1
Department of State
Expenditures, Budget, Appropriation and Staffing Data -
Fiscal Years 1995-96 and 1996-97

Program	Fiscal Year 1995-96	Fiscal Year 1996-97		
	Actual Expenditures	Recommended Amounts	Appropriated Amounts	Authorized Positions
Administration	\$3,343,000	\$3,298,000	\$3,298,000	41
Elections	3,002,000	3,170,000	3,170,000	11
Archives and Records	1,918,000	1,774,034	2,093,278	53
Miscellaneous/Other Operations	1,103,000	1,267,419	1,267,419	24
Commercial	1,002,000	1,361,000	1,361,000	49
Total	\$11,371,000	\$11,470,435	\$11,790,697	178

Source: Prepared by Legislative Auditor's staff using the Comprehensive Annual Financial Report for fiscal year 1995-96, the fiscal year 1996-97 Executive Budget, and the General Fund Appropriations-Executive Summary for fiscal year 1996-97.

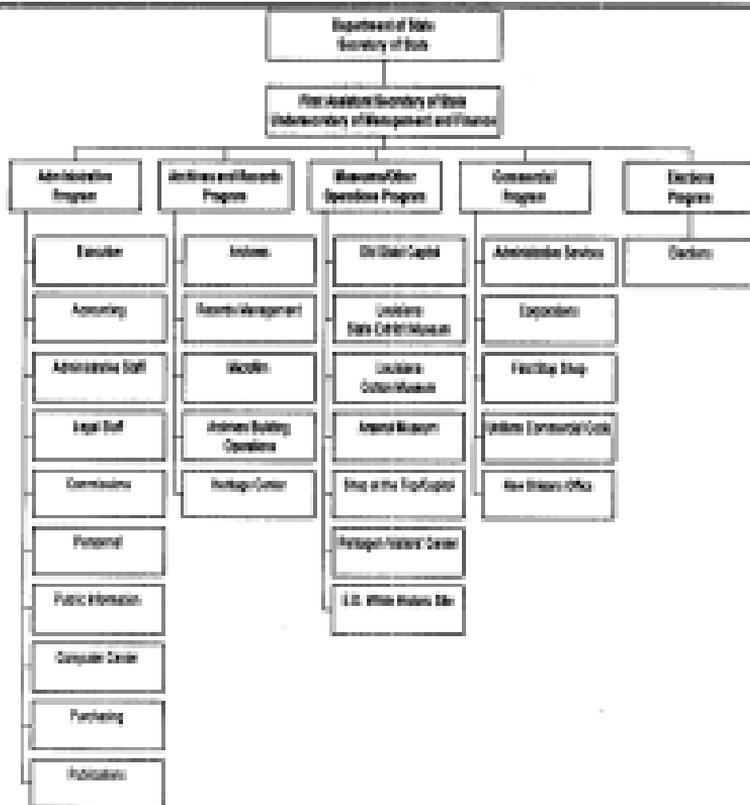
**Department and
Program Missions
Supported by
State Law**

The overall mission statement of the department contains the constitutional responsibilities for the Secretary of State. However, it excludes one major function of the department. Although not specifically designated as an overall mission in the 1996-97 executive budget, the department and the COPB analyst for the department concurred that the following statement would suffice as the overall mission.

Mission of the Department of State

The Department of State is a constitutional entity headed by the Secretary of State. The Secretary of State serves as official keeper of the Great Seal of the State of Louisiana and chief election officer of the state. The Secretary of State countersigns and keeps an official registry of all commissions. Additionally, the Secretary of State is responsible for administering the state's corporation and trademark laws; administering and preserving the official archives of the state; and promulgating and publishing all laws enacted by the legislature and retaining the originals.

**Exhibit 2-3
Department of State
Organization Chart -
Fiscal Year 1996**



Source: Prepared by legislative auditor's staff from information provided by the Department of State.

The overall mission statement contains the constitutional responsibilities for the Secretary of State. However, the mission does not include the functions of the Museums/Other Operations program.

The department has no goals stated in the 1996-97 executive budget for any of its programs. However, according to the Undersecretary, the department is in the process of developing goals. Without goals, program managers may not have a sense of direction on how to address their missions. The 1997-98 executive budget contains goals for all programs except the Museums/Other Operations program.

Each program mission aligns with state law. Therefore, users of the executive budget can be assured that the major programs included in the executive budget are grounded in state law. In some cases, however, program missions do not include all program functions. The remainder of this chapter compares the mission and legal authorization for each program.

Administrative Program Mission Includes a Variety of Functions

The mission of the Administrative program is consistent with the responsibilities assigned the secretary by state law. However, some legally mandated functions are not reflected in the mission statement.

According to the 1996-97 executive budget, the mission of the Administrative program is to:

- Assist the secretary of state in carrying out his duties
- Provide a system for proper maintenance and control over all activities within the department
- Provide for general management and supervision of the department's financial and financial operations
- Provide legal expertise on the functions prescribed by law

Article IV, Section 7 of the Louisiana Constitution of 1974 gives the secretary several duties that are carried out in this program. In addition, R.S. 36:741(B) provides that the secretary of state shall have responsibility for the administration, control, and operation of the functions of the department. R.S. 36:742(7) provides that the secretary is responsible for accounting and budget control, data processing, personnel management, management and program analysis, and procurement and contract management. The Administrative program, within the Department of State, performs these functions.

According to the executive budget, the Administrative program prepares official publications, such as acts of the legislature, rosters of officials (every two years), and election returns (every four years). This program also maintains records of governmental officials, commissions issued, wills registered, and all penal records. However, according to department officials, this program does not maintain all penal records. Instead, it keeps copies of applications for acquisition (certification) and other penal records that require the Governor's signature.

The following constitutional responsibilities of the secretary of state are not specifically included in the mission statement:

- + Serve as the keeper of, and offic, the Great Seal of the state
- + Publish all laws enacted by the legislature
- + Countersign and keep an official registry of all commissions

One part of the mission says this program assists the secretary "in carrying out his duties." This part of the mission statement could be improved by adding the words "constitutional and statutory" to describe the secretary's duties.

Clients Served. According to unaudited information provided by the department, during fiscal year 1995-96, the Administrative program provided publications services to approximately 8,000 customers, including newspapers, state and local governmental agencies, law firms, elected officials, and the general public. These services included publishing acts of the legislature and constitutional amendments, proceeding indices

and acts of the legislature; and publishing codes such as the Election Code and the Code of Governmental Ethics.

During the same fiscal year, the program provided commission services to approximately 120,000 individuals. Services included preparing the certification of all elected officials, notaries, and members of state boards and commissions.

Elections Program Carries Out Department's Elections Functions

The mission of the Elections program conforms to provisions of state law. As with the other programs, the executive budget does not contain any goals for the Elections program.

The mission of the Elections program is:

To conduct timely and error-free elections for every public office, proposed constitutional amendments, and local propositions; administer state election laws, providing assistance to federal, state and local election officials, the judiciary, media and the general public; and meet program requirements which include:

- Candidate qualifying and candidate numbering
- Assembling, printing and distribution of absentee, machine and sample ballots for the state's nearly 4,000 voting precincts
- Compilation and promulgation of election returns
- Conducting elections seminars for parish officials

Article IV, Section 7 of the Louisiana Constitution of 1874 directs the Secretary of State to administer all laws relating to elections, except voter registration and the custody of voting machines. This constitutional provision also requires the secretary to certify the ballots for all elections, and to officially publish all election returns. According to the executive budget, the Elections program carries out these functions.

The Secretary of State serves on the State Board of Election Supervisors, which is established in the Department of State. This board reviews election laws and procedures and issues reports to the legislature. Appendix B provides more information concerning this board.

Clients Served. According to unclassified information received from the department, the Elections program provides services to approximately 15,000 clients each year. The types of clients include, but are not limited to, clerks of court, candidates, registrars of voters, elected officials, governing authorities, and the Federal Election Commission.

Archives and Records Program Has a Multi-Faceted Mission

According to the executive budget, the Archives and Records program has a three-part mission. All three parts are consistent with state law. The mission is to:

- Serve as the official state archival repository for all documents judged to have sufficient historical or practical value to warrant preservation by the state
- Provide a records management program for various agencies of state government and political subdivisions of the state
- Provide access to genealogical vital records

Article IV, Section 7 of the Louisiana Constitution of 1974 supports the first part of the mission and directs the secretary to administer and preserve the official archives of the state. R.S. 44:401 establishes a division of archives, records management, and history within the department. R.S. 44:405 grants the state archivist the responsibility of collecting and preserving court records, official documents, church records and other historical materials pertaining to the colonial, territorial, and statehood periods from the earliest times to the present. R.S. 44:405(A)(4) directs the secretary to establish procedures for the preservation, repair and restoration of old, fragile, or torn documents.

The second part of the mission is supported by R.S. 44-403. This law directs the secretary, acting through the state archivist, to prescribe policies for state and local governmental agencies to follow in conducting records management programs. R.S. 44-403(A) directs the secretary to establish procedures for disposal of records. This law also directs the secretary to establish procedures for reproduction of public records to assure preservation of the records. R.S. 44-415 establishes a centralized microfilm section for the state in the Archives and Records program.

The third part of the Archives and Records program's mission aligns with R.S. 40:16(7). This law allows the state registrar of vital records to transfer annually all birth records over 100 years old. This law also allows transfer of other records such as death, stillbirth, or marriage records that are over 50 years old to the secretary of state. The Archives and Records program is authorized to receive these vital records and to make them available for use by genealogists and the general public. These records are housed in the Archives Research Library. This program also operates the Heritage Center, which offers genealogical information on births, deaths, and marriages extracted from records of 80 countries.

According to the executive budget, the program also offers a variety of exhibits. The exhibits relate to the artistic, social, cultural, and political heritage of Louisianians.

Clients Served. According to unaudited information provided by the Department of State, during fiscal year 1993-94, more than:

- 4,000 researchers used the Archives Research Library
- 13,480 people viewed exhibits on display
- 26,680 cubic feet of records were placed in archival storage

**Museums/Other
Operations
Mission Statement
Consistent With
State Law**

The mission of the Museums/Other Operations program conforms to the functions assigned the department by state law. The mission is:

To develop and/or supervise operations of:

- Louisiana's Old State Capitol in Baton Rouge
- Louisiana State Exhibit Museum in Shreveport
- Louisiana State Cotton Museum in Lake Providence
- Pentagon Visitors Center Gift Shop
- State Capitol Tower Gift Shop
- Old Arsenal Museum
- Edward Douglas White Historic Site in Thibodaux

The functions of the Museums program are not a constitutional responsibility of the Secretary of State. R.S. 34:144 places the three museums, the museum governing boards, and the historic site under the department.

Except for the gift shops and the Old Arsenal Museum, each entity has a governing board that was established by state law. These boards are included in Appendix B. R.S. 23:375 provides that the secretary shall have custody of, manage and operate the Old State Capitol.

The department also staffs and operates other facilities. According to R.S. 49:153.1, the Old Arsenal Museum and certain other buildings near the state capitol are designated for the sole use of the legislative branch. In November 1992, the department and the Joint Legislative Budgetary Control Council agreed that the department would staff and operate the Old Arsenal Museum, the Shop at the Top of the State Capitol, and the Shop at the Visitor Center of the Pentagon Courts.

Exhibit 2-3 on the following page shows the number of visitors to the museums and gift shops during fiscal year 1995-96.

Exhibit 2-3
Department of State
Number of Visitors -
Fiscal Year 1995-96

Museum or Gift Shop	Number of Visitors
Old State Capitol	47,118
Louisiana State Cotton Museum	1,280
Old Arsenal Museum	11,337
Louisiana State Exhibit Museum	30,041
Edward Douglass White Historic Site	677
Pemagna Vietnam Center Gift Shop	11,185
Shop at the Top of the State Capitol	181,278

Note: The 181,288 visitors went to the top of the State Capitol, but did not necessarily shop at the Shop at the Top of the State Capitol.

Source: Prepared by legislative auditor's staff using unclassified information obtained from the Department of State.

**Commercial
 Program
 Maintains State
 Commerce
 Records**

The Commercial program's six-part mission conforms with the responsibilities given to the secretary of state and department by state law. However, the activities of the First Stop Shop, addressed in the third part of the mission statement, are similar to those required for a program within the Department of Economic Development. Since two programs are providing similar services, state funds are possibly not being used as efficiently as possible. In addition, the registration of certain tax-secured bonds is addressed in the sixth part of the mission statement. This function is really carried out in the Administrative program and not the Commercial program. This situation may confuse readers of the executive budget about activities carried out in each program.

According to the 1996-97 executive budget, the mission is to:

1. Provide for the timely and efficient certification and processing of documents submitted for the purpose of securing and retaining a state charter of incorporation, the registration of a state trademark, the registration of partnerships, the registration of an athletic agent, and the review of certificate of authority applications of foreign corporations qualifying to do business in Louisiana.
2. Coordinate and manage the processing of Uniform Commercial Code (UCC) filings (and related items) that are presented to any of the 64 parish clerks of court.
3. Provide services through the First Stop Shop where the business community and individuals seeking to establish or expand a business can obtain information on the various licenses required by state and local governments.
4. Provide direct computer access to corporate filings.
5. Act as agent for service of process on some foreign corporations and all foreign insurance companies and for out-of-state motorists involved in auto stemming from automobile accidents on Louisiana highways.
6. Process the registration of certain tax-secured bonds of municipalities and other political subdivisions.

State law authorizes the first part of the Commercial program's mission. Article IV, Section 7 of the Louisiana Constitution of 1974 directs the Secretary of State to administer the state's corporation and trademark laws. R.S. 12:301 *et seq.* provides that the secretary receives applications from non-Louisiana corporations to transact business in this state. If the application conforms to law, the secretary issues a certificate of authority allowing the corporation to transact business in Louisiana. R.S. 9:3402 provides that contracts of partnership are

to be filed for registry with the secretary. Finally, R.S. 4:422 requires athlete agents to register with the secretary of state.

The second part of this program's mission is supported by R.S. 10:745. This law establishes the office of the uniform commercial code to develop, implement, manage and operate Chapter 9 of the Louisiana Commercial Laws (R.S. 10:9-101 et seq.). Chapter 9, referred to as "Commercial Law-Secured Transactions," contains statutes that provide for the regulation and filing of security interests in certain property.

The third part of the mission concerns the First Stop Shop where the business community and individuals seeking to establish or expand a business can obtain information on the various licenses required by state and local governments. The First Stop Shop Coordination Council reviews opinions of the First Stop Shop and provides advice and recommendations to the Secretary of State and the legislature for appropriate changes. Appendix II provides more information concerning this council.

R.S. 10:786 and 49:229 create the First Stop Shop, and provide that it will obtain information for members of the business community and persons seeking to establish a business in the state. Examples of the types of services the First Stop Shop provides are:

- + Obtain information regarding all forms of authorization required by any department of state government to begin or continue a business in Louisiana
- + Assist applicants in clarification of licensing requirements, and preparation of applications and forms

The fourth part of the Commercial program's mission is to provide direct computer access to corporate filings. R.S. 49:228 authorizes the secretary to provide direct computer access to public records in the custody of the department. This statute also authorizes the department to charge a fee for this service.

The fifth part of the mission is to act as agent for service of process on certain out-of-state corporations and individuals. R.S. 22:685 and statutes in Chapter 14 of Title 13 of the Louisiana Revised Statutes authorize this part of the mission.

The sixth and final part of the mission is to process the registration of certain tax-secured bonds of municipalities and other political subdivisions. R.S. 38:501 and 39:1118 provide that

the secretary will process the registration of certain tax-secured bonds of municipalities and other political subdivisions. According to department officials, this function is being carried out in the Administrative program, even though this function is included in the Commercial Program's mission statement in the executive budget. This difference may cause confusion to readers of the executive budget about the functions conducted in each program.

Clients Served. The department furnished us with information about the clients served by the Commercial Program during fiscal year 1985-88. We did not audit this information. According to this information:

- + The First Stop Shop provided a licensing checklist to 2,375 individuals and businesses.
- + The Commercial program processed 45,897 new or amended legal documents for entities such as business corporations, non-profit corporations, and partnerships. This number includes both Louisiana and non-Louisiana entities.

Potential Duplicative and Overlapping Functions

We reviewed the programs, functions, and activities of the Department to identify any that appeared to be overlapping, duplicative, or unneeded. We also reviewed the department's 1990-97 operational plan and its organization chart. In these reviews, we compared the program descriptions and missions for similarity.

As a result of these reviews, we found two potential areas of duplication. First, there are two programs that perform similar activities. The Museums program and the Archives and Records program both display exhibits. This duplicative activity could mean that the Department of State is spending more time, money, and effort in performing these functions than if they were performed within a single program. However, because it was not within the scope of this audit, we did not conduct individual program evaluations to determine if duplication is actually occurring.

Second, our research revealed that state law provides for a function similar to that furnished by the First Stop Shop within

another department. R.S. 51:538.1 establishes a one-stop licensing program within the Department of Economic Development. This law requires the department to provide centralized licensing and information services. In addition, the department must assist the applicant in resolution of outstanding issues and furnish permit forms. A permit is defined as a license, certificate, registration, permit or any other form of authorization required by a state agency to engage in commerce. The services furnished by this program are very similar to the First Stop Shop. Since two departments are providing similar services, state funds are possibly not being used as efficiently as possible.

Recommendations

With the assistance of the Division of Administration - Office of Planning and Budget, the Department of State should:

- 2.1 Amend the Administrative program mission statement to make reference to the Secretary's constitutional and statutory duties performed by this program.
- 2.2 Move the description of processing the registration of certain tax-exempt bonds of municipalities to the Administrative program, where this processing is actually conducted.

Matter for Legislative Consideration

- 2.1 The legislature may wish to consider consolidating the responsibility for providing assistance to businesses in obtaining licenses and permits into one program. State law presently allows both the Department of Economic Development and the Department of State to carry out this activity.

Chapter 3: Analysis of Performance Data

Chapter Conclusions

The Department of State developed performance data for the 1996-97 executive budget without using formal strategic planning. This lack of strategic planning may explain some of the deficiencies found in the department's performance data. One major deficiency is the executive budget does not contain any goals for any of the department's programs.

The mission statements of the department's five programs generally meet the established criteria. However, the missions of two programs are not consistent with the overall department mission. First, the Museums' function is not a part of the overall department mission. Second, the Administrative program's mission does not list certain constitutional duties that are contained in the overall mission statement.

Overall, the objectives do not meet the established criteria. None of the objectives are timebound, and only one is measurable. Twenty-two of the department's 25 objectives specify an end result; however, the end result for many objectives is very broad and general.

In general, the performance indicators reported in the executive budget do not provide useful information about the programs' performance. All 16 performance indicators are output type indicators. One program has no performance indicators. Furthermore, some objectives have no performance indicators. Although they relate to the objectives and are clear and easy to understand, the performance indicators do not measure progress toward achieving the objectives.

As a result of deficiencies in the performance data, an external user may not have sufficient information to evaluate the performance of the department and its programs.

**Analysis
Conducted**

We evaluated the department's performance data that appear in the 1996-97 executive budget against a set of established criteria. The established criteria are shown in Exhibit 3-1 on page 37.

We evaluated the overall department mission statement that was not specifically labeled as a mission. However, the department and its COPR planning analyst concurred it would suffice as an overall mission. We evaluated five program mission statements. We also assessed 25 objectives and 26 performance indicators to determine if they provide sufficient information for decision-making.

**Department Does
Not Engage in
Strategic Planning**

The department developed performance data for the 1996-97 executive budget without using formal strategic planning. The lack of formal strategic planning may explain some of the deficiencies we found in mission statements, goals, objectives, and performance indicators. According to *Management*, strategic planning helps an organization manage its future by establishing missions, goals, and objectives. The organization then develops strategies and action plans to provide direction for achieving its goals and objectives. According to the Undersecretary of Management and Finance, the Department of State will implement strategic planning as soon as possible.

Exhibit 3-1**Criteria Used to Evaluate the
Fiscal Year 1996-97 Executive Budget
Performance Data**

- MISSION:** A broad, comprehensive statement of purpose
- ✓ Identifies overall purpose for the existence of the organization, department, office, institution, or program as established by constitution, statute, or executive order
 - ✓ Identifies clients/customers of the organization or external and internal users of the organization's products or services
 - ✓ Organizationally acceptable

GOAL: The general end purpose toward which effort is directed

- ✓ Consistent with department, program, and office missions
- ✓ Provides a sense of direction on how to address the mission; reflects the destination toward which the entity is striving

OBJECTIVE: A specific and measurable target for accomplishment

- ✓ Consistent with goals
- ✓ Measurable
- ✓ Timebound
- ✓ Specifies desired end result

PERFORMANCE INDICATOR: Tool used to measure performance of policies, plans, and programs

- ✓ Measures progress toward objective or contributes toward the overall measurement of progress toward objective
- ✓ Consistent with objective
- ✓ Clear, easily understood, and non-technical

Source: Prepared by legislative auditor's staff based on input from Management, GAO, the Federal Office of Management and Budget, and the Urban Institute to allow OIG to use to evaluate the department's performance data.

Overall Mission Statement Meets the Established Criteria

The overall mission statement for the Department of State in the 1996-97 executive budget meets all of the established criteria in Exhibit 3-1. However, the mission does not include the functions of one program.

Department of State's Mission

The Department of State is a constitutional entity headed by the Secretary of State. The Secretary:

- Serves as official keeper of the Great Seal of the state and chief election officer of the state
- Counts ballots and keeps an official registry of all countesses
- Administers the state's corporation and trademark laws
- Administers and preserves the official archives of the state
- Promulgates and publishes all laws enacted by the legislature and retains the originals

This mission statement was not specifically labeled as a mission in the executive budget. The department and its OPE planning analyst concurred that this statement would suffice as the overall mission.

This mission states the primary purposes of the department. However, the Museums/Other Operations program is excluded. The mission statement identifies the state and the legislature as customers of the department. The department's operational plan includes language similar to the identified mission statement. Therefore, we concluded the overall mission is organizationally acceptable.

**Executive Budget
Contains No
Goals for
Department**

There are no clearly identifiable goals in the executive budget for any of the department's five programs. The 1996-97 operational plan furnished to OPD by the department did contain goals for each program. According to the department's OPB analysts, most of these goals were worded too specifically to be classified as goals and therefore were not included in the 1996-97 executive budget. A lack of goals may mean that legislators and other users of the department's performance data cannot determine in what direction programs are headed. Because of the lack of goals, we could not assess whether goals are consistent with program missions or whether objectives are consistent with goals. As a result, the discussions that follow of each program's performance data do not include goals. The department has developed goals for most of its programs, as mentioned in Chapter 2.

**Administrative
Program's
Performance Data
Lack Critical
Components**

The performance data reported in the 1996-97 executive budget for the Administrative program are not useful for budgetary decision-making. While the mission statement of this program generally recites all of the established criteria, the program objectives only recite a few. This program has no goals or performance indicators. Because the performance data are lacking in these critical components, they do not give useful budgetary decision-making information.

The Administrative program's functions are quite diverse. This program contains administrative, support, and non-administrative functions. There are objectives for the support and non-administrative functions. However, as stated above, there are no goals or performance indicators. According to a GAOB official, support and administrative functions should be separated for the purpose of developing performance data. Administration deals with the general management and oversight of a program or department. Support services provide purchasing, payroll, legal and other services to the rest of the department. If the department developed performance data for these distinct areas, legislators would be able to see the performance of each function.

The performance data for the Administrative program are presented in Exhibit 3-2 on the following page. Specific problems identified with this program's missions, objectives, and performance indicators are described in the following paragraphs.

Mission. The Administrative program's mission statement generally meets all established criteria. However, as mentioned in Chapter 2, this mission does not include some program activities, which are included in the overall mission. The program mission excludes keeping an official registry of all commissions, keeping the Great Seal of the state, and publishing all laws enacted by the legislature. Thus, the mission does not give a complete picture of what this program does.

The mission identifies the secretary and the department as customers. The department's operational plan includes language similar to the mission statement. Therefore, we found that the mission is organizationally acceptable.

Exhibit 5-2
**Performance Data Reported in 1996-97
Executive Budget Administrative Program**

Mission: Assist the Secretary of State in carrying out his duties; provide a system for maintenance and control over all activities within the department; provide general management of the department's finances and financial operations; and provide legal expertise on departmental functions.

Goals: None identified.

Objectives:

- (1) Process fees expeditiously and ensure proper documentation of all fiscal records;
- (2) Keep abreast of any new legislation affecting the department;
- (3) Ensure accuracy of all commission records;
- (4) Monitor and maintain existing application programs to ensure that they continue to meet user needs; and
- (5) Continue to prepare and make available official publications.

Performance Indicators:

None identified.

Source: Prepared by legislative auditor's staff using 1996-97 executive budget.

Objectives. The executive budget contains one long objective for this program, but we divided it into five individual objectives for analysis. One of the Administrative program's objectives is measurable, and none are timebound. All of the objectives specify desired end results.

According to *Management*, one of the typical procedures in strategic planning involves reviewing the organization's mission and goals and setting objectives. Objectives should contain specific and measurable milestones toward realizing a program's goals. The objectives should also set time frames for achieving the results. Instead of having specific desired end results, this program's objectives are very broad, and, in some cases, confusing. As a result, program managers will not have a target against which to measure this program's progress.

For example, the first objective says "process fees expeditiously and ensure proper documentation of all fiscal records." Although this objective provides a general end result, it is not specific. This objective would be clearer if it defined the word "process" and gave a specific time frame for achievement, such as one or two days.

In addition, this objective appears to refer to two different functions: processing fees and documenting fiscal records. It is unclear whether these two functions are related. The lack of strategic planning by the department may contribute to the lack of specific, timebound, and measurable objectives for this, and other, programs.

Performance Indicators. The executive budget contains no performance indicators for the Administrative program. The department should develop indicators to measure progress toward achieving its objectives. If the department improves the mission statement and objectives and formulates goals and indicators, the Administrative program's performance data should become more useful to legislators and other users. Exhibit 3-3 on page 42 shows the results of our analysis of the Administrative program's performance data.

Exhibit 3-3**Results of Comparing Administrative Program's Performance Data to Established Criteria**

Mission	<ul style="list-style-type: none"> • Identifies most purposes of program • Identifies customers • Accepted by agency
Goals	<ul style="list-style-type: none"> • None
Objectives	<ul style="list-style-type: none"> • 0 of 5 is consistent with goals • 1 of 5 is measurable • 0 of 5 is timebound • 5 of 5 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • None

Source: Prepared by legislative auditor's staff from results of comparison of 1996-97 executive budget performance data to criteria in Exhibit 3-1.

**Elections Program
Mission Meets All
Criteria**

The Elections program's mission statement meets the established criteria, but the remainder of its performance data needs improvement. The objectives meet one of the three established criteria. In addition, the program has only one type of performance indicator in the 1996-97 executive budget. As a result, the objectives and performance indicators collectively do not provide sufficient information to enable legislators to make informed decisions about this program.

The performance data for the Elections Program are presented in Exhibit 3-4 on page 43. Specific problems that we identified with this program's performance data are discussed following the exhibit.

Exhibit 3-4
Performance Data Reported in 1996-97 Executive Budget
Elections Program

Mission: Conduct timely and error-free elections for all public officers, proposed constitutional amendments, and local propositions; administer the state election laws; provide assistance to federal, state and local election officials, the judiciary, media, and the general public; and meet program requirements (which include candidate qualifying and candidate numbering, assembling, printing, and distribution of ballots, machine and sample ballots for the state's nearly 4,000 voting precincts, compilation and promulgation of election returns, and conducting elections seminars for parish officials).

Goals: None identified.

Objectives	Performance Indicators
(1) Modernize the elections program in an effort to reduce costs;	+ Statewide Elections
(2) Eliminate duplication;	+ Judicial Officers Elections
(3) Consolidate forms; and	+ Parochial Officers Elections
(4) Broaden and speed dissemination of election information.	+ School Board Officers Elections
	+ Municipal Officers Elections
	+ Special Elections to Fill Vacancies
	+ Propositions (Including Tax and Bonds, Recalls)
	+ Political Committees Elections

Source: Prepared by legislative auditor's staff using 1996-97 executive budget.

Mission. The mission statement meets the established criteria. That is, it identifies the overall purpose of this program, identifies the customers served by this program, and is organizationally acceptable. In addition, it is consistent with the overall department mission statement. Thus, legislators will know the purpose of this program and whom it is supposed to serve.

Objectives. The objectives for the Elections program meet only one of the four established criteria. The executive budget contains one long objective for this program, but we divided it into four individual objectives for analysis. There are no objectives

relating to some aspects of the relation, such as administering election laws and conducting seminars for parish officials.

None of the objectives are timebound or measurable. However, they do provide desired end results. Two of the objectives, eliminate duplication and consolidate forms, are so general that they could relate to any program, not just Elections. The department should make these objectives more program specific by including the areas where duplication needs to be eliminated and including a time frame to achieve this. Also, the objective to consolidate forms should specify the areas where consolidation needs to occur.

Performance Indicators. The performance indicators for the Elections program do not provide useful information for legislators and other external decision-makers. Performance indicators should measure progress toward objectives. However, none of the performance indicators measure progress toward the objectives. All eight performance indicators give a count of the number of different types of elections. Although they provide an idea of the number of elections the program must conduct, they do not measure progress toward achieving the objectives.

We classified all eight performance indicators as output indicators because they provide information on the level of the program's responsibility. None of the indicators measure efficiency, input or outcome. Efficiency indicators are important because they measure cost-effectiveness and productivity. Input indicators measure resource allocation and demand for services. Outcome indicators are the most important types of indicator because they measure results and assess program impact and effectiveness. *Management* stresses the need for a balanced mix of indicators. Without a mix of performance indicators in the executive budget, users of these data will not have complete information on program performance. The department should develop other types of performance indicators.

We found that all eight performance indicators relate to the objective and are clear and easy to understand. However, as stated above, none of the indicators measure progress toward achieving the objective. Exhibit 3-5 on page 45 shows the results of our comparison of the Elections program's performance data to the established criteria.

Exhibit 3-5

Results of Comparing Elections Program's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> + Identifies purpose + Identifies customers + Accepted by agency
Goals	<ul style="list-style-type: none"> + None
Objectives	<ul style="list-style-type: none"> + 0 of 4 is consistent with goals + 0 of 4 is measurable + 0 of 4 is timebound + 4 of 4 specify an end result
Performance Indicators	<ul style="list-style-type: none"> + 0 of 8 measure progress toward objective + 8 of 8 are consistent with the objective + 8 of 8 are clear and easily understood

Source: Prepared by legislative audit's staff from results of comparison of 1996-97 executive budget performance data to criteria in Exhibit 3-1.

Archives and Records Program Mission Meets All Criteria

The mission statement of this program meets the established criteria. However, as with the other programs, the objectives generally do not meet the criteria. The program also has only output type performance indicators. The objectives are grouped together as they are with the Elections program. As a result, the objectives are not clearly presented and it is difficult to determine which indicator relates to which objective. For these reasons, the objectives and performance indicators do not collectively provide enough information to allow an external user to make informed decisions about the program. Exhibit 3-6 on page 46 contains the program's performance data from the executive budget.

Exhibit 3-4
Performance Data Reported in 1996-97 Executive Budget
Archives and Records Program

Mission: Serve as the official state archival repository for all documents judged to have sufficient historical or practical value to warrant preservation by the state; provide a records management program for various agencies of state government and political subdivisions of the state; and provide access to genealogical vital records.

Goals: None identified.

Objectives:	Performance Indicators:
(1) Preserve as complete a documentary record of Louisiana as possible;	+ Total Records Stored (Cubic Feet)
(2) Locate and identify all major governmental and other archival records in the state not stored under archival conditions;	+ Number of Researches Served
(3) Repair and restore original archival documents as needed.	+ Number of Requests for Records Stored
(4) Assist the public in genealogical research; and	+ Number of Visitors to Archives
(5) Offer quality exhibits on Louisiana's vast cultural and historic background.	

Source: Prepared by legislative auditor's staff using 1996-97 executive budget.

Mission. The mission statement of the Archives and Records program meets all of the established criteria. It is also consistent with the overall department mission statement. As a result, legislators will know the purpose of this program and whom it is supposed to serve.

Objectives. The objectives specify general end results, but none of the objectives are measurable or timebound. As with the Elections and Administrative programs, the executive budget contains one long objective that we separated into five individual ones. We analyzed each one separately. The objectives are not consistent with goals because no goals are shown in the executive budget. Objectives are more useful for decision-making if they are specific, measurable, timebound and consistent with goals. Measurable and timebound objectives give legislators an idea of what results will be achieved and when.

Performance Indicators. The four performance indicators for the Archives and Records program generally do not provide sufficient information for external users to make informed decisions about this program. One reason for this is that the objectives are grouped together, making it difficult to associate indicators with objectives. Second, two objectives appear to have no associated performance indicators. These two objectives are to

- Repair and restore original archival documents as needed
- Offer quality exhibits on Louisiana's vast cultural and historic background

The four performance indicators are output indicators. Thus, none of the indicators measure efficiency, outcomes or input. Therefore, an external user does not have sufficient information to judge the performance of this program toward meeting its objectives. Exhibit 3-7 on the following page summarizes the results of comparing the Archives and Records program's performance data to the established criteria.

Exhibit 3-7**Results of Comparing Archives and Records Program's Performance Data to Established Criteria**

Mission	<ul style="list-style-type: none"> • Identifies purpose • Identifies customers • Accepted by agency
Goals	<ul style="list-style-type: none"> • None
Objectives	<ul style="list-style-type: none"> • 0 of 5 is consistent with goals • 0 of 5 is measurable • 0 of 5 is timebound • 5 of 5 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • 0 of 4 measures progress toward objective • 4 of 4 are consistent with the objective • 4 of 4 are clear and easily understood

Source: Prepared by legislative auditor's staff from results of comparing the 1996-97 narrative budget performance data to criteria in Exhibit 3-1.

**Museums
Program's
Performance
Data Need
Improvement**

The Museums/Other Operations program's mission statement meets two of the three established criteria. However, the objectives do not meet most of the established criteria. In addition, this program has only output type performance indicators. For these reasons, the performance data do not provide sufficient information for budgetary decision-making. The performance data for the Museums Program are presented in Exhibit 3-8 on the following page.

Exhibit 3-4**Performance Data Reported in 1996-97 Executive Budget
Museums/Other Operations Program**

Mission: Develop and/or supervise operations of Louisiana's Old State Capitol in Baton Rouge, the Louisiana State Exhibit Museum in Shreveport, the Louisiana Cotton Museum in Lake Providence, the Pentagon Visitors Center Gift Shop, the State Capitol Tower Gift Shop, the Old Arsenal Museum, and the Edward Douglas White Historic Site in Thibodaux.

Goals: None identified.

Objectives:	Performance Indicators:
Develop Louisiana's Old State Capitol into the nation's first Center of Political and Governmental History.	Number of Visitors at Old State Capitol
Renovate the Louisiana State Exhibit Museum in Shreveport and promote tourism in north Louisiana.	Number of Visitors to Louisiana State Exhibit
Work toward the development of the Louisiana Cotton Museum in Lake Providence.	Number of Visitors to Louisiana Cotton Museum
Continue to supervise the operations of the Pentagon Visitors Center Gift Shop, the State Capitol Tower Gift Shop, and the Old Arsenal Museum.	<ul style="list-style-type: none"> • Number of Visitors to State Capitol Tower • Number of Visitors to Pentagon Visitors Center Gift Shop • Number of Visitors to Old Arsenal Museum
Promote the history of the Louisiana Supreme Court and the lives of Chief Justice E. D. White, the only Louisianian to serve on the United States Supreme Court, and his father, Governor Edward Douglas White.	Number of Visitors to Edward Douglas White Historic Site

Source: Prepared by legislative auditor's staff using 1996-97 executive budget.

Mission. The mission statement meets two of the established criteria. It identifies the overall purpose for the program and is organizationally acceptable. However, it does not identify the customers and users of the program. As a result, the mission does not tell users of the executive budget whom the program is intended to serve. Furthermore, the mission statement is not consistent with the department's overall mission statement, because the overall mission excludes the Museums function.

Objectives. The objectives for the Museums/Other Operations program do not meet most of the established criteria. Four of the five objectives specify a desired end result. However, as with other programs, none of the objectives are measurable or timebound.

For example, one objective is to continue to supervise the operation of the Pentagon Visitors Center Gift Shop, the State Capitol Tower Gift Shop, and the Old Arsenal Museum in Baton Rouge. This objective is not measurable or timebound. It also does not provide an end result. Without specific targets, program managers have no clear benchmarks against which to measure program achieved by the program. In addition, legislators and other users of the program data may not be able to tell what the program intends to achieve and by when.

Performance Indicators. The seven performance indicators count the number of visitors to each museum and shop, and, thus, are output indicators. None of the indicators measure efficiency or outcome.

While the performance indicators give the number of visitors at each facility, they do not measure progress toward achieving objectives. For example, the first objective is to develop the Old State Capitol into the nation's first Center of Political and Governmental History. However, the performance indicator only tells the number of visitors to the Old State Capitol. No information is given that tells legislators or other users of the executive budget whether this objective has been achieved. Furthermore, no information is provided to indicate that the Old State Capitol is the nation's first center of political and governmental history.

The performance indicators are consistent with the objectives and are easy to understand. Exhibit 3-9 below summarizes the results of comparing the performance data of the Museums/Other Operations program to the established criteria.

Exhibit 3-9

Results of Comparing Museums/Other Operations Program's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> + Identifies purpose + Does not identify customers + Accepted by agency
Goals	<ul style="list-style-type: none"> + None
Objectives	<ul style="list-style-type: none"> + 0 of 3 is consistent with goals + 0 of 3 is reasonable + 0 of 3 is timebound + 4 of 3 specify an end result
Performance Indicators	<ul style="list-style-type: none"> + 6 of 7 measure progress toward objective + 7 of 7 are consistent with the objective + 7 of 7 are clear and easily understood

Source: Prepared by legislative auditor's staff from results of comparing the 1996-97 executive budget performance data to criteria in Exhibit 3-1.

Commercial Program's Performance Data Need Improvement

The performance data reported in the 1996-97 executive budget for the Commercial Program need improvement. The mission statement meets most of the criteria. However, one part of the mission concerning tax-secured bonds does not meet all criteria. The objectives have the same deficiencies as the other programs' objectives. They are not measurable or timebound. In addition, there is only one type of performance indicators, namely output. These deficiencies, coupled with no program goals, result in these performance data not being useful for budgetary

decision-making. The performance data for the Commercial Program are presented as follows.

Exhibit B-10
Performance Data Reported in 1996-97 Executive Budget
Commercial Program

Mission:

- (1) Provide for the timely and efficient certification and processing of documents submitted for the purpose of securing and retaining a state charter of incorporation, the registration of a state trademark, the registration of partnerships, registration of an athlete agent, the review of certificates of authority applications of foreign corporations qualifying to do business in Louisiana;
- (2) Coordinate and manage the processing of Uniform Commercial Code (UCC) filings (and related items) that are presented to any of the 64 parish clerks of court;
- (3) Provide services through the First Stop Shop where the business community and individuals seeking to establish or expand a business can obtain information on the various licenses required by state and local government;
- (4) Provide direct computer access to corporate filings;
- (5) Act as agent for service of process on some foreign corporations and all foreign insurance companies and for out-of-state motorists involved in suits stemming from automobile accidents on Louisiana highways; and
- (6) Process the registration of certain tax-assured bonds of municipalities and other political subdivisions.

Goals: None identified.

Objectives:

- (1) Ensure corporate information files are kept both accurate and current;
- (2) Meet increased work loads while continuing to provide long-standing levels of service to the corporate community;
- (3) Continue improvements in the level of services offered to the lending and banking community (including direct computer access to corporate data);
- (4) Identify and address opportunities to improve the methods utilized by clerks of court and the program itself in presentation of filings and preparation of certificates;
- (5) Act as agent for service of process; and
- (6) Process the registration of tax-assured bonds.

Performance Indicators:

- + Number Registered:
 - Trademarks
 - Athlete agents
 - Partnerships
 - Limited liability companies
- + Number of Reviews of Applications by Foreign Corporations
- + Number of Charter Filings - Corporations:
 - Domestic
 - Foreign

Source: Prepared by legislative auditor's staff using 1996-97 executive budget.

Mission. The mission statement meets most of the established criteria. It generally identifies the overall purposes of the Commercial Program. As Exhibit 3-10 shows, the mission has six facets. Each facet identifies different functions of the program. Some facets of the mission statement also identify the customers served, but others do not. In addition, five facets of the mission statement are included in the department's operational plan. Therefore, we found these five facets organizationally acceptable.

According to department officials, processing of the registration of certain tax-secured bonds is actually done in the Administrative program. Therefore, this facet of the mission does not correctly identify this function as part of the Commercial program's purpose. The department's operational plan does not describe this program activity in the Commercial program. Therefore, we determined that this facet of the mission is not organizationally acceptable for the Commercial program. As stated in Recommendation 1.3 on page 13, the description of this activity should be transferred from the Commercial program to the Administrative program.

Objectives. The objectives meet few of the established criteria. As with other programs, the Commercial program also has a long statement of its objective, with six components. We analyzed the six components as separate objectives. The objectives would be more useful for decision-making if each objective were stated separately instead of being grouped together in one long sentence.

Separately stated, four of the six objectives give general desired end results, but are not specific. None of the objectives are measurable or timebound. Also, none of the objectives relate to the Five Step Shop, which is an activity within this program.

Performance Indicators. All seven performance indicators show the number of different types of documents filed through this program. These indicators are all output type. There are no input, outcome or efficiency performance indicators. In addition, the indicators do not measure progress toward achieving the objectives. Our analysis of the indicators revealed that they are clear and easy to understand, but all seven relate to only two of the objectives. The two objectives having related indicators are:

- Ensure corporate information files are kept both accurate and current.
- Meet increased work loads while continuing to provide long-standing levels of service to the corporate community.

The department should develop performance indicators for the other four objectives.

As previously discussed, the objectives generally do not meet established criteria shown in Exhibit 3-1. We also pointed out that the First Stop Shop activity has no objective. Furthermore, as discussed, there are only output-type performance indicators associated with just two of the six objectives. For these reasons, the objectives and performance indicators collectively do not provide enough information to enable an external user to make informed decisions about this program. Exhibit 3-11 on the following page shows the results of comparing the Commercial program's performance data to the established criteria.

Exhibit 3-11**Results of Comparing Commercial Program's Performance Data to Established Criteria**

Mission	<ul style="list-style-type: none"> + Identifies most purposes of program + Identifies some customers + Accepted by agency, with one exception
Goals	<ul style="list-style-type: none"> + None
Objectives	<ul style="list-style-type: none"> + 6 of 6 are consistent with goals + 6 of 6 is measurable + 6 of 6 is timebound + 4 of 6 specify an end result
Performance Indicators	<ul style="list-style-type: none"> + 6 of 7 measure progress toward objective + 7 of 7 are consistent with the objective + 7 of 7 are clear and easily understood

Source: Prepared by legislative auditor's staff from results of comparison of 1994-97 executive budget performance data to criteria in Exhibit 3-1.

Recommendations

With the assistance of the Office of Planning and Budget, the Department of State should:

- 1.1 Begin developing a strategic plan for the entire department.
- 1.2 Amend the overall department mission statement to include the Museums/Other Operations program's functions.

- 3.3 Formulate objectives and performance indicators for the administrative, support, and other distinct functions within the Administrative program.
- 3.4 Clearly identify, in all program mission statements, the customers served.
- 3.5 Formulate goals for each program that meet the criteria in Exhibit 2-1.
- 3.6 Develop objectives for all major functions within each program. Each objective should contain a target to be achieved, a time frame, and specify an end result for accomplishment. Each objective should be separately stated, and be consistent with the goals.
- 3.7 Develop performance indicators that measure progress toward achieving objectives. In addition, the department should have a balanced set of performance indicators for each program. The set of performance indicators should include some of each type.

Appendix A

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Appendix B
Boards and Commissions
Related to the
Department of State

Appendix B: Boards and Commissions

Board or Commission	Legal Authority	Purpose/Function
State Board of Election Supervisors	R.S. 18:23-25	<ul style="list-style-type: none"> • Reviews election laws and procedures used in conducting elections in the state • Reports its findings, observations, and recommendations annually to the legislature • Serves as a clearing house for proposed election-related legislation
Advisory Board of the Old State Capitol	R.S. 25:373-374	<ul style="list-style-type: none"> • Advises the Secretary of State on all matters relating to the operations of the Old State Capitol • May seek private funding to support programs for the Old State Capitol
Regional Museum Governing Board of the Louisiana State Exhibit Museum	R.S. 25:179.1-179.6	<ul style="list-style-type: none"> • Establishes policies, rules, and regulations for the operation of the Louisiana State Exhibit Museum • Advises the Secretary of State on all matters relating to the operation of the museum
First Step Shop Coordinating Council	R.S. 49:229.1	<ul style="list-style-type: none"> • Reviews any rules, regulations, and forms to be promulgated by the secretary pursuant to R.S. 49:229(3) prior to the promulgation thereof • Makes express recommendations with respect to such matters to the secretary and the appropriate legislative oversight committee • Reviews the operations of the First Step Shop and provides advice and recommendations for appropriate changes to the secretary and to the legislature
Edward Douglass White Historic Site Governing Board	R.S. 25:380.11-25:380.15	<ul style="list-style-type: none"> • Establishes policies, rules, and regulations for the operation of the Edward Douglass White Historic Site, including setting and charging admissions, tour, user or rental fees to site buildings and exhibits • Advises the Secretary of State on all matters relating to the operations of the historic site

Board or Commission	Legal Authority	Purpose/Function
Governing Board of the Louisiana State Cotton Museum	R.S. 35:380.1-25:380.3	<ul style="list-style-type: none"> • Adopts bylaws and establishes policies and procedures for the museum's governance in accordance with the Administrative Procedure Act • Advises the Secretary of State on all matters relating to the operations of the Louisiana State Cotton Museum
Historical Records Advisory Commission*	Executive Order E/W/ 92-94	Served as an advisory body for historical records planning activities and for projects developed and carried out under the programs of the state.

* This Commission ceased to exist in August 1996, in accordance with R.S. 49:203(C).

Source: Prepared by legislative auditor's staff using the September 1996 *Sourcebook, Committees, and Other Entities Report to the Legislature* and research of state laws.

Appendix C
Department of State's
Response



August 25, 1997

Daniel O. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana, 70884-9397

Re: Analysis of Program Authority and Performance Data pertaining to the Department of State

Dear Dr. Kyle:

The Department of State has reviewed the performance audit and the response of the Department in as follows:

* The performance information in the executive budget could be made more useful to legislators and others for decision-making purposes.

Prior to the preparation of the 1998-97 budget, members of the Secretary of State's staff developed an operational plan utilizing the Management program. As a result, many of the concerns reflected in the audit performance recommendations have been addressed in the current budget.

* The Department does not engage in formal strategic planning.

The Department currently coordinates its planning with the Office of Planning and Budget as well as with the staff of the Appropriation Committee. This process will continue with the intention of producing a clear, concise document that can be efficiently utilized.

* Two programs within the Department of State perform similar functions that may be duplicative. The Museums and Archives and Records programs both display exhibits.

The Archives is to serve as the official state repository of historical state documents. One method of making these documents accessible to the public is through providing exhibits for the public to view. The museum program is a relatively new program to the Secretary of State. Each museum provides exhibits based upon its particular function. Therefore, we do not believe these functions are duplicative.

* The Department of State has one program, The First Stop Shop, which may duplicate a similar program at the Department of Economic Development.

The First Stop Shop is a legislatively mandated function of the Department of State by Act 1053, 1991. Act 1053 designates specific duties to be performed by The First Stop Shop. It is the opinion of the Department that these duties do not duplicate the activities of the Department of Economic Development.

This concludes the Department's response. We look forward to working with you in the future and appreciate your efforts in developing this analysis.

Sincerely,



John T. Jones

Undersecretary of Management and Finance

Appendix D

Division of Administration - Office of Planning and Budget's Response



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF PLANNING AND BUDGET

M. J. "BOB" FOSTER, JR.
GOVERNOR

MARSH C. DEWBERRY
COMMISSIONER OF ADMINISTRATION

August 13, 1987

Daniel S. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-8397

Re: Analysis of Program Authority and Performance Data for Department of State

Dear Dr. Kyle:

Thank you for including members of our staff in the process of your office's performance audit of the Department of State.

Our office agrees with audit recommendations for the improvement of the department's planning and performance accountability. Many of the recommendations have already been incorporated into the FY 87-88 budget documents produced by both the Department of State and the Office of Planning and Budget. We are confident that the Department of State will continue their cooperative efforts with our office to further improve these products. The recommendations your staff has made in the audit will provide excellent guidance for these efforts.

Sincerely,

Stephen R. Winham
State Director of Planning and Budget

SPW:SLD

c: Jane Jones, Undersecretary
Department of State