

LOUISIANA WORKFORCE COMMISSION -
RELIABILITY AND RELEVANCE
OF PERFORMANCE INDICATORS



PERFORMANCE AUDIT
ISSUED SEPTEMBER 14, 2011

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 14, 2011

The Honorable Joel T. Chaisson, II,
President of the Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides the results of our performance audit on the relevance and reliability of performance information for the Office of Workforce Development and the Office of Unemployment Insurance Administration within the Louisiana Workforce Commission.

The report contains our findings, conclusions, and recommendations. Appendix D contains the Louisiana Workforce Commission's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Louisiana Workforce Commission for their assistance during this audit.

Sincerely,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/dl

LWC 2011

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE, Legislative Auditor



Louisiana Workforce Commission - Reliability and Relevance of Performance Indicators

September 2011

Audit Control # 40100027

Objectives and Overall Results

Louisiana Revised Statute 39:87.3 (D) (E) directs the Louisiana Legislative Auditor to provide an assessment of state agencies' performance data. To fulfill this requirement, we examined the relevance and reliability of performance information for the following programs within the Louisiana Workforce Commission (LWC):

- Office of Workforce Development (OWD)
- Office of Unemployment Insurance Administration (UI)

Appendix A contains our scope and methodology and Appendix D contains LWC's response to the audit. The audit objectives and results of our work are as follows:

Objective 1: Is performance information for OWD and UI relevant?

Results: Overall, we found that performance information for OWD and UI is relevant. We identified one instance where an objective was not clearly aligned with a goal.

Objective 2: Are performance indicators for OWD and UI reliable?

Results: In the first and second quarters, 46.2 % and 50%, respectively, of the performance indicators were reliable. We reviewed 26 of LWC's key indicators and found three indicators (12%) that were unreliable. However, for 11 indicators (42%) in the first quarter and 10 indicators (39%) in the second quarter, we could not determine if the value was reliable because LWC did not have original source documentation, or it did not have a methodology to calculate the indicator. The chart below summarizes these results.

Summary of Reliability Results				
Category	1 st Quarter	Percent	2 nd Quarter	Percent
Reliable	12	46.2%	13	50.0%
Reliable with Qualifications	0	0%	0	0%
Unreliable	3	11.5%	3	11.5%
Cannot Determine	11	42.3%	10	38.5%
Total	26		26	

Source: Prepared by legislative auditor's staff using reliability results from Appendix C.

Background on Programs

Office of Workforce Development (OWD)

The OWD is responsible for providing high quality employment, training services, supportive services, and other employment-related services to business and job seekers to build a diversely skilled workforce. In FY2011, the Louisiana Legislature appropriated OWD \$170,947,414 and 603 authorized positions.

Office of Unemployment Insurance Administration (UI)

The UI is responsible for promoting a stable, growth-oriented Louisiana through the administration of a solvent and secure Unemployment Insurance Trust Fund. In addition, this program pays Unemployment Compensation Benefits to eligible unemployed workers. In FY2011, the Louisiana Legislature appropriated UI \$33,387,749 and 255 authorized positions.

Objective 1: Is performance information for OWD and UI relevant?

Overall, we found that performance information for OWD and UI is relevant. We used the following criteria from the state’s performance budgeting manual¹ to determine if these indicators were relevant:

- Performance information exists for all program activities required by law.
- Performance information is aligned (i.e., indicators answer objectives; objectives answer goals).
- Objectives are measurable and time-bound (provide a target date to accomplish).
- Objectives have at least one outcome indicator that shows progress toward meeting objectives.
- Performance information is understandable and does not contain jargon that is not explained by explanatory notes.

The results relating to each of the above criteria are summarized in Exhibit 1.

Exhibit 1 Summary of Results for Relevancy		
Criteria	OWD	UI
Relates to Legal Authority	Yes	Yes
Aligned	Nine of 10 objectives are aligned with goals.	Yes
Measurable and Time-bound	Yes	Yes
Measures Outcomes	Yes	Yes
Understandable	Yes	Yes
Source: Prepared by legislative auditor’s staff using results from Appendix C.		

As the exhibit shows, we identified one objective that did not clearly align with a goal. This objective relates to compliance of regional offices and none of the current goals relate to this administrative activity. Appendix B provides performance information for OWD and UI and detailed results on relevancy.

¹ *Manageware* is published by the state’s Office of Planning and Budget and provides requirements for agencies related to performance measures. The criteria we used to assess relevancy are from this manual.

Recommendation 1: For the one objective that is not aligned with a goal, LWC should ensure that its objective is linked clearly to its goals.

Summary of Management's Response: LWC agrees with this recommendation. However, according to LWC, the objective is aligned with its strategic plan and will work with the Office of Planning and Budget in the Division of Administration to ensure alignment between performance indicators, goals and strategic plan.

Objective 2: Are the performance indicators for OWD and UI reliable?

In the first and second quarters, 46.2 % and 50%, respectively, of the performance indicators were reliable. We identified three indicators (12%) in both the first and second quarters of FY2011 that were unreliable. We reviewed and recalculated 26 key performance indicators² in each quarter and classified our results into the following categories:

- **Reliable** - Reported performance is accurate within +/- 4% and it appears that controls are in place for collecting and reporting data.
- **Reliable with qualification** - Reported performance is within +/-4% but the controls over data collection and reporting are not adequate to ensure continued accuracy.
- **Unreliable** - Reported performance is not within +/-4%.
- **Reliability Undetermined** - Documentation is not available and controls are not adequate to ensure accuracy.

Exhibit 2 summarizes the results of our analysis.

Exhibit 2 Summary of Reliability Results				
Category	1 st Quarter	Percent	2 nd Quarter	Percent
Reliable	12	46.2%	13	50.0%
Reliable with Qualifications	0	0%	0	0%
Unreliable	3	11.5%	3	11.5%
Cannot Determine	11	42.3%	10	38.5%
Total	26		26	
Source: Prepared by legislative auditor’s staff using reliability results from Appendix C.				

Two indicators were not reliable due to miscalculations by the agency and one indicator was not reliable because the reported value in the Louisiana Performance Accountability System (LaPAS) was a percentage while the indicator required a number. These reasons are detailed in Exhibit 3.

² We only reviewed the 26 key indicators that were calculated on a quarterly basis. LWC also has 14 indicators that are calculated annually. We did not include these in our analysis.

Exhibit 3 Explanation of LWC’s Unreliable Performance Indicators		
OWD Performance Indicators	Quarter	Explanation
Percentage of Local Workforce Investment Boards (LWIBs) that undergo formal program compliance review	1 st and 2 nd	Both quarters were unreliable because of an error in calculating the indicator. LWC should be calculating the percentage of audits completed each quarter. LWC is calculating a percentage of the target percentage each quarter.
Percentage of low-income individuals receiving some reportable direct or indirect supported Community Services Block Grant (CSBG) service	1 st and 2 nd	Errors occurred because of a miscalculation by the agency.
Number of apprenticeship programs developed for top demand (targeted) occupations	1 st and 2 nd	The performance indicator calls for the number of top demand occupations, but the indicator is calculated as a percentage and reported incorrectly.
UI Performance Indicators	Quarter	Explanation
None are unreliable		
Source: Prepared by legislative auditor’s staff using information from our analysis of performance indicators.		

As the exhibit shows, we could not determine the reliability for 11 (42%) of the indicators in the first quarter and 10 (39%) in the second quarter. See Appendix C for results. We were unable to determine reliability for these indicators for the following reasons:

- For five indicators, the indicators were generated from a database that included real-time data that could not be re-created with accuracy. In addition, the agency did not maintain a printout or other documentation of the data from which the indicator was calculated.
- For three indicators, the values were not reported because the indicators are new and the agency does not know how to calculate them. Two of these indicators will not be performance indicators in FY2012.
- For two indicators, the values reported did not measure what the performance indicators say they were measuring and the agency did not have a methodology to calculate them correctly.
- For one indicator, the first quarter value was an estimate based on the previous year’s value and no source data was available to calculate the value.

Recommendation 2: For the “Percentage of Local Workforce Investment Boards (LWIBs) that undergo formal program compliance review” indicator, LWC should not average percentages when calculating indicator values.

Summary of Management’s Response: LWC agrees with this recommendation and will calculate this indicator correctly for the fourth quarter in the state fiscal year ending June 30, 2011.

Recommendation 3: For the “Percentage of low-income individuals receiving some reportable direct or indirect supported CSBG service” indicator, LWC should ensure that the indicator is calculated correctly.

Summary of Management’s Response: LWC agrees with this recommendation and will implement a quality-control process to ensure that indicators are calculated correctly.

Recommendation 4: LWC should retain source documentation for all indicators to ensure that indicators can be recalculated with accuracy.

Summary of Management’s Response: LWC agrees with this recommendation and stated they have begun retaining the source documentation for the indicators within this report.

Recommendation 5: LWC should review all indicator calculations to ensure indicators are calculated correctly before being reported in LaPAS.

Summary of Management’s Response: LWC agrees with this recommendation and will implement a quality-control process to ensure that indicators are calculated correctly.

Recommendation 6: LWC should ensure that the values reported measure what the performance indicators say they were measuring for the following two indicators:

- Percent of participants enrolled in training and/or educational or literacy program that are able to attend regularly as a result of direct or indirect CSBG supported services
- Percent of households with an annual increase in the number of hours of employment as a result of direct or indirect CSBG supported services

Summary of Management’s Response: LWC agrees that reported values should measure what the performance indicators say they are measuring. LWC will re-evaluate these two indicators and work with the Office of Planning and Budget if modifications are necessary.

Recommendation 7: LWC should devise a methodology to calculate its new performance indicators.

Summary of Management's Response: LWC agrees with this recommendation and will work with the Office of Planning and Budget to either modify the one remaining indicator in this year's budget or eliminate it for the state fiscal year 2012-13 budget.

APPENDIX A: Audit Initiation, Scope, and Methodology

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. R.S. 39:87.3 (D) (E) directs the Louisiana Legislative Auditor to provide an assessment of state agencies' performance data. To fulfill this requirement, we will periodically examine the relevance and/or the reliability of performance indicators and indicator data for various state agencies. Our audit focused on the relevance and reliability of the performance indicators and indicator data for the Louisiana Workforce Commission (LWC) of the Office of Workforce Development (OWD) and the Office of Unemployment Insurance Administration (UI) for the 1st and 2nd quarters of FY2011.

1. Is performance information relevant?
2. Are performance indicators reliable?

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To answer our objectives, we reviewed internal controls relevant to the audit objectives and performed the following audit steps for each objective:

Objective 1: Is performance information for OWD and UI relevant?

- Conducted background research and a risk assessment, including reviewing state and federal laws relating to performance accountability
- Identified the federal and state legal authority for OWD and UI, including its missions, goals, and objectives
- Reviewed and identified OWD's and UI's performance indicators, mission, goals, and objectives in the Executive Budget Documents of FY2011, as well as its major activities (initiatives)
- Reviewed all 102 OWD performance indicators of FY2011 for relevancy
- Reviewed all four UI performance indicators of FY2011 for relevancy
- Interviewed LWC staff and management to determine how they use performance data to make decisions and manage its programs
- Reviewed *Manageware*, the Office of Planning and Budget's guidance documentation on performance indicators

Objective 2: Are performance indicators for OWD and UI reliable?

- Assessed the control structure and reliability for 22 of OWD's key performance indicators for FY2011
- Assessed the control structure and reliability for four of UI's key performance indicators for FY2011
- Each indicator was classified into one of four different categories:
 - **Reliable** - Reported performance is accurate within +/- 4% and it appears that controls are in place for collecting and reporting data.
 - **Reliable with qualification** - Reported performance is within +/- 4% but the controls over data collection and reporting are not adequate to ensure continued accuracy.
 - **Unreliable** - Reported performance is not within +/- 4%.
 - **Reliability Undetermined** - Documentation is not available and controls are not adequate to ensure accuracy.
- Interviewed LWC staff and management on OWD's and UI's performance indicators, their processes and calculations, and use of their results
- Conducted an online survey and interviewed management to assess performance indicator input, process, and review controls
- Examined OWD's and UI's policies and procedures relating to our audit objectives
- Compared OWD's and UI's performance indicators in the Executive Budget Documents to LaPAS
- Obtained and analyzed performance indicator source data for accuracy and completeness, including database report coding
- Analyzed performance indicator calculation methodology for accuracy
- Recalculated the performance indicators based on established calculation methodology
- Reviewed LaPAS reported results for entry errors
- Assessed performance indicator names and data for clarity
- Calculated the percentage difference between the actual performance and reported performance and if the percentage difference was more than 4%, considered the value to be inaccurate

APPENDIX B: Summary Results for Relevance

OWD Performance Information - Relevancy Results

Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
	Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions
Goals	<ol style="list-style-type: none"> 1. To increase employment and earnings 2. To improve the quality of the workforce 3. To increase educational and occupational skills 4. To enhance productivity and competitiveness of the state through the labor exchange services and training activities 5. To decrease welfare dependency 6. To assist community action agencies that provide a range of social services that have a measurable and potentially major impact on the causes of poverty in the community 7. To ensure that every Louisiana worker is afforded protection from work related abuses 	N/A	YES	N/A	N/A	N/A	N/A

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
	Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions
Objective 1 and Associated Indicators	1. Through the Business Services activity, to increase the number of employers who use LWC services by 20% by fiscal year 2012, to increase the number of workers who became employed or re-employed. <ul style="list-style-type: none"> a. Percent of employer market penetration b. Percentage of individuals receiving services placed in employment c. Percentage of employees trained in LWC defined regionally targeted occupations 	YES	YES	YES	YES	YES	N/A
Objective 2 and Associated Indicators	2. Through the Jobseekers Services activity, to increase the number of adults and youths entering the labor market and/or increase the number of youths receiving a degree or certification by fiscal year 2012. <ul style="list-style-type: none"> a. Percent of adult and dislocated workers employed after receipt of services b. Percent of youth that are employed after receipt of services c. Percent of youth that obtain a degree or certification after receipt of services d. Percentage of individuals served achieving locally defined self-sufficient wages 	YES	YES	YES	YES	YES	N/A

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 3 and Associated Indicators 3. Through the Randolph-Sheppard Business Enterprise activity, to assist licensed entrepreneurs who are blind to successfully manage and maintain viable food service enterprises and increase the number of managers earning at least \$25,000 annually by June 30, 2012. a. Number of Randolph-Sheppard vending facilities b. Average annual wage of licensed Randolph-Sheppard vending facility managers c. Number of Randolph-Sheppard vending facilities managers whose annual earnings increased to \$25,000 or above d. Number of Randolph-Sheppard vending facilities e. Number of new Randolph-Sheppard vending facility locations f. Number of closed Randolph-Sheppard vending facility locations g. Number of licensed managers employed as Randolph-Sheppard vending facility managers h. Average annual wage of licensed Randolph-Sheppard vending facility managers	YES	YES	YES	YES	YES	N/A	

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 4 and Associated Indicators 4. Through the Customized Training activity, to increase the Incumbent Worker Training Program (IWTP) by 10% of incumbent workers that are trained through a customized training program and to train 1,500 employees through the Small Business Employment and Training (SBET) by fiscal year 2012. a. Percent increase in the number of employees trained in LWC defined regionally targeted occupations b. Number of jobs created as a result of IWTP services c. Number of employees trained in SBET	YES	YES	YES	YES	YES	N/A	
Objective 5 and Associated Indicators 5. Through the Vocational Rehabilitation Administrative activity, to provide effective administration of Louisiana Rehabilitation Service programs to assist individuals with disabilities to become successfully employed and advance independence and self-sufficiency through fiscal year 2012. a. Annual average cost per consumer served b. Percentage of consumers rating services as "good or excellent" on consumer satisfaction survey conducted by the Reham Council c. Number of original IPEs developed for transition students	YES	YES	YES	YES	YES	N/A	

OWD Performance Information - Relevancy Results

Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.											
	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions						
	<p>Performance Information</p> <ul style="list-style-type: none"> d. Number of transition students determined eligible for services e. Number of new applicants f. Number of clients determined eligible but placed on a waiting list due to order of selection g. Number of clients determined ineligible h. Number of individuals determined eligible i. Number of new plans of service j. Number of individuals served statewide k. Percentage of clients receiving services who are significantly disabled l. Total number of rehabilitation counselors m. Average caseload size <p>Note: Fifty-three general indicators were not shown due to size limitations.</p>											

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 6 and Associated Indicators 6. Through the Independent Living - Older Blind and Part B activity, to maintain consumer ability to live independently in their homes and community through the provision of Independent Living Services through fiscal year 2012. a. Percentage of recipients whose cost does not exceed average cost of long-term care b. Percentage of consumers rating services as satisfactory c. Percentage of consumers reporting improvement in independent living skills	YES	YES	YES	YES	YES	N/A	

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
	Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions
Objective 7 and Associated Indicators	7. Through the Specialized Client Services for Career Development and Employment activity, to provide vocational rehabilitation services leading to employment outcomes for 1,800 eligible individuals with disabilities through fiscal year 2012. <ul style="list-style-type: none"> a. Percent of consumers successfully employed in one of the top three demand occupational groups b. Percentage of agency compliance c. Number of individuals served statewide d. Number of individuals employed e. Average annual earnings at acceptance f. Average annual earnings at closure g. Percentage of all contracts meeting objectives h. Percentage of consumers who rated CRP programs satisfactory under the services provided 	YES	YES	YES	YES	YES	N/A
Objective 8 and Associated Indicators	8. Through the Administration-JTP activity, to conduct an annual program compliance monitoring review of sub-grantee recipients on 95% of LWIAs. <ul style="list-style-type: none"> a. Percentage of LWIBs that undergo formal program compliance review 	YES	No/ Objective is not aligned with a goal	YES	YES	YES	N/A

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 9 and Associated Indicators 9. Through the Youth Worker Protection activity, to increase the number of inspections and/or reviews for programs related to worker protection which include statutes and regulations related to child labor, apprenticeship programs, private employment services, and company required medical exams/drug testing to 7,500 by fiscal year 2012. a. Number of apprenticeship programs developed for to demand (targeted) occupations b. Number of inspections conducted c. Number of medical exam/drug test and child labor violation cases resolved	YES	YES	YES	YES	YES	N/A	

OWD Performance Information - Relevancy Results							
Mission	To provide high quality employment, training services, supportive services, and other employment-related services to businesses and job seekers to develop a diversely skilled workforce with access to good paying jobs and to support and protect the rights and interests of Louisiana’s workers through the administration and enforcement of state worker protection statutes and regulations.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 10 and Associated Indicators 10. Through the Community Service Block Grant (CSBG) activity, to insure 50% of economically disadvantaged family households and individuals within the state to receive a reportable CSBG service each year by fiscal year 2012. a. Percent of participants enrolled in training and/or educational or literacy programs that are able to attend regularly as a result of direct or indirect CSBG supported services b. Percent of households with an annual increase in the number of hours of employment as a result of direct or indirect CSBG supported services c. Percentage of low income individuals receiving some reportable direct or indirect supported CSBG service d. Percentage of individuals served achieving locally defined self-sufficient wages	YES	YES	YES	YES	YES	N/A	

UI Performance Information - Relevancy Results							
Mission	To promote a stable, growth-oriented Louisiana through the administration of a solvent and secure Unemployment Insurance Trust Fund, which is supported by employer taxes. It is also the mission of this program to pay Unemployment Compensation Benefits to eligible unemployed workers.						
	Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions
Goals	<ol style="list-style-type: none"> 1. To provide financial security to unemployed workers through timely and accurate payment of Unemployment Compensation Benefits funded by employers' payments of quarterly unemployment taxes 2. To administer the Unemployment Insurance Trust Fund supported by employer taxes to pay Unemployment Compensation Benefits to eligible unemployed workers 	N/A	YES	N/A	N/A	N/A	N/A
Objective 1 and Associated Indicators	<ol style="list-style-type: none"> 1. Through the Unemployment Benefit Payments activity, to issue 98% of first payments to intrastate claimants with no issues within seven days of the end of the first payable week and issue 85% of first payments to intrastate claimants with issues within 28 days of the end of the first payable week by fiscal year 2012. <ol style="list-style-type: none"> a. Percent of first payments issued to intrastate claimants without issues within seven days of the end of the first payable week b. Percent of first payments issued to intrastate claimants with issues within 28 days of the end of the first payable week 	YES	YES	YES	YES	YES	N/A

UI Performance Information - Relevancy Results							
Mission	To promote a stable, growth-oriented Louisiana through the administration of a solvent and secure Unemployment Insurance Trust Fund, which is supported by employer taxes. It is also the mission of this program to pay Unemployment Compensation Benefits to eligible unemployed workers.						
Performance Information	Legal Authority	Aligned	Easy to Understand	Measurable and Time-bound (Objectives only)	Has Outcome Measure (Indicators only)	Other Issues and Suggestions	
Objective 2 and Associated Indicators 2. Through the Unemployment Insurance Taxes activity, to collect unemployment taxes from liable employers, quarterly; depositing 100% of taxes in three days, to provide benefits to the unemployed worker and maintain the solvency and integrity of the Unemployment Insurance Trust Fund by fiscal year 2012. a. Percentage of liable employers issued account numbers within 180 days b. Percentage of monies deposited within three days	YES	YES	YES	YES	YES	N/A	

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APPENDIX C: Overview of Performance Indicator Reliability

OWD Indicators	Amount in LaPAS 1 st Quarter	Amount in LaPAS 2 nd Quarter	Our Calculation 1 st Quarter	Our Calculation 2 nd Quarter	1 st Quarter Variance	2 nd Quarter Variance	Assessment 1 st Quarter	Assessment 2 nd Quarter	Explanation
Percentage of Local Workforce Investment Boards (LWIBs) that undergo formal program compliance review	33.68%	33.68%	50.00%	78.00%	48.46%	131.59%	Unreliable	Unreliable	This indicator was calculated using an incorrect methodology.
Percent of employer market penetration	12.50%	17.80%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was pulled using real-time data that was calculated at one point in time.
Percentage of individuals receiving services placed in employment	56.80%	53.80%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was pulled using real-time data that was calculated at one point in time.
Percentage of employees trained in LWC defined regionally targeted occupations	Not reported	Not reported	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was never reported because regionally defined targeted occupations are undefined.
Percent of adult and dislocated workers employed after receipt of services	57.20%	53.40%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was pulled using real-time data that was calculated at one point in time.
Percent of youth that are employed after receipt of services	54.60%	61.90%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was pulled using real-time data that was calculated at one point in time.

OWD Indicators	Amount in LaPAS 1 st Quarter	Amount in LaPAS 2 nd Quarter	Our Calculation 1 st Quarter	Our Calculation 2 nd Quarter	1 st Quarter Variance	2 nd Quarter Variance	Assessment 1 st Quarter	Assessment 2 nd Quarter	Explanation
Percent of youth that obtain a degree or certification after receipt of services	54.40%	53.40%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was pulled using real-time data that was calculated at one point in time.
Percentage of individuals served achieving locally defined self-sufficient wages	Not reported	Not reported	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was never reported because self-sufficient wages have not been defined.
Percent increase in the number of employees trained in LWC defined regionally targeted occupations	48.30%	36.10%	48.30%	36.10%	0.00%	0.00%	Reliable	Reliable	N/A
Number of jobs created as a result of IWTP services	164	331	164	331	0.00%	0.00%	Reliable	Reliable	N/A
Number of employees trained in SBET	196	988	196	988	0.00%	0.00%	Reliable	Reliable	N/A
Percent of participants enrolled in training and/or educational or literacy programs that are able to attend regularly as a result of direct or indirect CSBG supported services	2.52%	-4.62%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	Districts were not following instructions and part of the indicator is undefined and not part of the actual calculation.
Percent of households with an annual increase in the number of hours of employment as a result of direct or indirect CSBG supported services	19.33%	22.70%	N/A	N/A	N/A	N/A	Could not determine	Could not determine	The methodology used to calculate this indicator is not valid (does not measure what it is supposed to measure).

OWD Indicators	Amount in LaPAS 1 st Quarter	Amount in LaPAS 2 nd Quarter	Our Calculation 1 st Quarter	Our Calculation 2 nd Quarter	1 st Quarter Variance	2 nd Quarter Variance	Assessment 1 st Quarter	Assessment 2 nd Quarter	Explanation
Percent of individuals served achieving locally defined self-sufficient wages	Not reported	Not reported	N/A	N/A	N/A	N/A	Could not determine	Could not determine	This indicator was never reported because self-sufficient wages have not been defined.
Percentage of low-income individuals receiving some reportable direct or indirect supported CSBG service	20.59%	47.27%	23.39%	50.82%	13.60%	7.51%	Unreliable	Unreliable	This indicator was unreliable due to a calculation error.
Number of apprenticeship programs developed for top demand (targeted) occupations	88%	88%	45	45	-49%	-49%	Unreliable	Unreliable	This indicator was calculated as a percentage and reported incorrectly.
Number of inspections conducted	1,074	2,040	1,074	2,041	0.00%	0.05%	Reliable	Reliable	N/A
Number of medical exam/drug testing and child labor violation cases resolved	15	37	15	36	0.00%	-2.70%	Reliable	Reliable	N/A
Number of original IPEs developed for transition students	180	254	180	254	0.00%	0.00%	Reliable	Reliable	N/A
Number of transition students determined eligible for services	123	379	123	379	0.00%	0.00%	Reliable	Reliable	N/A
Number of individuals served statewide	22,413	24,744	22,413	24,797	0.00%	0.21%	Reliable	Reliable	N/A
Number of individuals employed	680	1,102	680	1,102	0.00%	0.00%	Reliable	Reliable	N/A

UI Indicators	Amount in LaPAS 1st Quarter	Amount in LaPAS 2nd Quarter	Our Calculation 1st Quarter	Our Calculation 2nd Quarter	1st Quarter Variance	2nd Quarter Variance	Assessment 1st Quarter	Assessment 2nd Quarter	Explanation
Percent of first payments to intrastate claimants without issues within 7 days of the end of the first payable week	96.32%	96.53%	96.32%	96.53%	0.00%	0.00%	Reliable	Reliable	N/A
Percent of first payments to intrastate claimants with issues within 28 days of the end of the first payable week	68.05%	65.38%	68.05%	65.38%	0.00%	0.00%	Reliable	Reliable	N/A
Percentage of liable employers issued account numbers within 180 days	91.90%	93.50%	91.98%	93.52%	0.09%	0.02%	Reliable	Reliable	N/A
Percentage of monies deposited within 3 days	65%	74%	N/A	73.58	N/A	-.6%	Could not determine	Reliable	The value for 1 st quarter was an estimate based on last year's value and without any supporting documentation.

APPENDIX D: Management's Response



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Curt Eysink, Executive Director

Office of the Chief Financial Officer

August 22, 2011

Daryl Purpera, CPA, CFE
Legislative Auditor
Louisiana Legislator Auditor's Office
1600 North Third Street
Baton Rouge, LA 70804

Dear Mr. Purpera,

The Louisiana Workforce Commission appreciates this opportunity to respond to the audit conducted by your performance audit section on the reliability and relevance of performance information within the Office of Workforce Development and Office of Unemployment Insurance Administration.

We have reviewed the revised draft of the audit and concur, for the most part, with the findings and recommendations contained in the report. As requested, we have included the completed checklist for audit recommendations. Our comments regarding each of the seven recommendations are as follows.

Recommendation #1: For the one objective that is not aligned with a goal, LWC should ensure that its objective is linked clearly to its goals.

LWC's response: We concur that the objective is not aligned with a goal. However, the objective is aligned with our strategic plan. We will work with the Office of Planning and Budget in the Division of Administration to ensure alignment between our performance indicators, goals and strategic plan.

Recommendation #2: For the "Percentage of Local Workforce Investment Boards (LWIB's) that undergo formal program compliance review" indicator, LWC should not average percentages when calculating indicator values.

LWC's response: We concur and will calculate this indicator correctly for the fourth quarter in the state fiscal year ending June 30, 2011. This should correct the value for the full fiscal year. We will calculate it correctly in the future.

Recommendation #3: For the "Percentage of low-income individuals receiving some reportable direct or indirect supported CSBG service" indicator, LWC should ensure that the indicator is calculated correctly.

LWC's response: We concur and will implement a quality-control process to ensure that indicators are calculated correctly.

Recommendation #4: LWC should retain source documentation for all indicators to ensure that indicators can be recalculated with accuracy.

LWC's response: We concur and have begun retaining the source documentation for the indicators in this report. As part of our quality control process, we will test to ensure source documentation is retained.

Recommendation #5: LWC should review all indicator calculations to ensure indicators were calculated correctly before being reported in LaPAS.

LWC's response: We concur and will implement a quality-control process to ensure that indicators are calculated correctly.

Recommendation #6: LWC should ensure that the values reported measure what the performance indicators say they were measuring for the following two indicators: 1) Percent of participants enrolled in training and/or educational or literacy programs that are able to attend regularly as a result of direct or indirect CSBG supported services and 2) Percent of households with an annual increase in the number of hours of employment as a result of direct or indirect CSBG supported services.

LWC Response: We concur that reported values should measure what the performance indicators say they are measuring. We will re-evaluate these two indicators and work with the Office of Planning and Budget if modifications are necessary.

Recommendation #7: LWC should devise a methodology to calculate its new performance indicators.

LWC Response: We concur. We will work with the Office of Planning and Budget to either modify the one remaining indicator in this year's budget to one we can calculate or to eliminate it from the state fiscal year 2012-13 budget.

We appreciate the professional efforts of your office in conducting this audit and preparing this report.

Sincerely,



Renée Ellender Roberie, CIA, CGAP, MPA
Chief Financial Officer
Louisiana Workforce Commission