

STATE OF NEVADA

Performance Audit

Nevada Department of Wildlife

2016



Legislative Auditor
Carson City, Nevada

Audit Highlights



Highlights of performance audit report on the Nevada Department of Wildlife issued on January 18, 2017. Legislative Auditor report # LA18-05.

Background

The Nevada Department of Wildlife's (NDOW) mission is to protect, preserve, manage, and restore wildlife and its habitat for the aesthetic, scientific, educational, recreational, and economic benefits to citizens of Nevada and the United States, and to promote the safety of persons using vessels on the waters of Nevada.

NDOW consists of a Director's Office and the following seven divisions: Conservation Education, Fisheries, Game, Habitat, Law Enforcement, Operations, and Wildlife Diversity. The Board of Wildlife Commissioners is responsible for establishing policy, setting annual and permanent regulations, reviewing budgets, and receiving input on wildlife and boating matters from entities, such as the 17 county advisory boards.

As of June 30, 2015, NDOW had 283 filled positions located in its Elko, Ely, Fallon, Henderson, Las Vegas, Reno, and Winnemucca offices. In fiscal year 2015, NDOW was primarily funded by licenses and fees of \$17.2 million and federal grants of \$15.5 million. In addition, NDOW received a General Fund appropriation of about \$495,000 in fiscal year 2015.

Purpose of Audit

The purpose of this audit was to evaluate the Department's strategic planning process, including the relevance and reliability of performance measures. Our audit focused on fiscal year 2014 performance data, extending to fiscal year 2015 based on the availability of performance data.

Audit Recommendations

This audit report contains four recommendations to strengthen the agency's strategic planning and performance measurement processes.

The Department accepted the four recommendations.

Recommendation Status

The Department's 60-day plan for corrective action is due on April 13, 2017. In addition, the six-month report on the status of audit recommendations is due on October 13, 2017.

Nevada Department of Wildlife

Summary

NDOW can take steps to strengthen its strategic planning process. Strategic planning is a long-term, future-oriented process of assessment, goal setting, and decision making. It includes a multi-year view of objectives and strategies essential for the accomplishment of agency goals. Our review of NDOW's strategic planning process revealed opportunities for improvement. An up-to-date strategic plan organized by division, with all key strategic planning components identified, will assist the agency in effectively using the plan to achieve and communicate its mission, goals, and objectives.

Improvements are needed regarding the oversight of activities related to the proper administration of performance measures. We found reported results for measures were not always reliable. Improvements are also needed to align measures with the agency's strategic plan and key program activities. Furthermore, additional guidance and oversight can improve the reliability of the agency's measures. Performance measures facilitate accountability and provide an opportunity to evaluate success in achieving goals. Measures must also be reliable to help the Governor, Legislature, and agency officials make informed budgetary and policy decisions.

Key Findings

NDOW's strategic plan is missing certain required components. The agency's plan does not include its mission statement or performance measures, fundamental components necessary to guide the agency in its strategic planning process. (page 9)

The Department's strategic plan is not used in its daily operations. A successful strategic plan enhances decision making by improving internal communication. By not utilizing its strategic plan, the agency is losing out on the many benefits a strategic plan provides. (page 10)

NDOW's strategic plan is outdated and incomplete. Since it was created in 2009, certain outcomes, goals, and objectives are no longer relevant, and revisions are needed to reflect current operations. Our review also revealed incomplete desired outcome and objective statements, as well as unresolved comments and remarks. Management and staff indicated that they are taking steps to improve upon their strategic planning process. The agency plans to revise their strategic plan by July 2017. (page 11)

Performance measures cannot be considered reliable unless they are supported by sufficient underlying records. Our review of NDOW's fiscal year 2014 and 2015 performance measures revealed 16 of 20 measures and 3 of 19 measures were not adequately supported. (page 14)

Performance measures are reliable when the reported results are calculated using a sound and consistent methodology. Our review found 5 of 20 fiscal year 2014 measures and 2 of 19 fiscal year 2015 measures were calculated using an inappropriate methodology. Additionally, three 2015 measures were not calculated in the same manner as in previous years. (page 14)

Certain performance measures were not reliable due to mathematical errors. Our review found one 2014 and three 2015 measures to be inaccurate. The mathematical errors stemmed from manual counts of hardcopy reports and spreadsheet data. Although the mathematical errors were relatively minor, these errors went undetected because of the lack of review over performance data calculations. (page 15)

Some performance measurement descriptions did not match what was reported. Our review found three 2014 and one 2015 measurement title did not reflect reported information. (page 15)

Most performance measures are not aligned with the agency's objectives included in its strategic plan. Our review of fiscal year 2014 and 2015 performance measures revealed 19 of 20 measures and 18 of 19 measures did not relate to a corresponding agency objective. (page 16)

Department policies and procedures do not provide adequate guidance to assist staff with measuring performance. During our testing, division administrators were in the process of developing measurement procedures; however, we found 16 of 20 fiscal year 2014 measures and 14 of 19 fiscal year 2015 measures still lacked adequate procedures. (page 17)

NDOW's current practice for developing, maintaining, and monitoring performance data makes it difficult to assess performance. We found five of the agency's eight divisions do not use their performance measures to manage daily activities. Seven of the eight divisions also did not calculate their fiscal year 2015 measures until July 2016. (page 19)

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This report contains the findings, conclusions, and recommendations from our performance audit of the Nevada Department of Wildlife. This audit was conducted pursuant to the ongoing program of the Legislative Auditor as authorized by the Legislative Commission. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

This report includes four recommendations to strengthen the agency's strategic planning and performance measurement processes. We are available to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other state officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rocky Cooper".

Rocky Cooper, CPA
Legislative Auditor

December 28, 2016
Carson City, Nevada

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Introduction

Background

The Nevada Department of Wildlife's mission is to protect, preserve, manage, and restore wildlife and its habitat for the aesthetic, scientific, educational, recreational, and economic benefits to citizens of Nevada and the United States, and to promote the safety of persons using vessels on the waters of Nevada.

NDOW consists of a Director's Office and the following seven divisions that are responsible for the restoration and management of fish and wildlife resources, and the promotion of boating safety on Nevada's waters:

- Conservation Education – Provides public affairs and outreach, hunter and angler education, recruitment and retention, wildlife education, the volunteer program, publications, and website administration.
- Fisheries – Provides reservoir and stream management, fish hatcheries and the fish stocking program, management of native fish including recovery actions for federally listed threatened and endangered species, crustaceans and amphibians management, urban fishery development and stocking, and angler information.
- Game – Provides oversight of the avian and terrestrial game species management; landowner programs for game species incentive tags, depredation control, and compensation; predator management; wildlife health and disease monitoring; and air operations.
- Habitat – Provides consultation and reviews of land use plans; and oversees the state's Wildlife Management Areas, natural and artificial water developments, habitat rehabilitation and restoration, wetlands acquisitions and

restoration, the mining assessment and reclamation program, and bond funded habitat enhancement projects.

- Law Enforcement – Provides oversight of wildlife protection; Operation Game Thief; investigates major wildlife crimes; provides law enforcement dispatch services and communications; boating education and enforcement; human-wildlife conflicts; guide program; regulation adoption; and officer recruitment, retention, and training.
- Operations – Provides oversight of hunting, fishing, and trapping license sales statewide and via the internet; the license agent program; special licenses and permits; boating access, registration, and titling; application hunts for game species (tagged); engineering and facility maintenance; and information technology.
- Wildlife Diversity – Provides the implementation of Nevada’s Wildlife Action Plan, the Lake Tahoe Environmental Program, and the Geographical Information System Section. The division also ensures state involvement in species-based and habitat-based conservation planning at the state, regional, and national levels.

The Board of Wildlife Commissioners, a 9-member governor-appointed board, is responsible for establishing policy, setting annual and permanent regulations, reviewing budgets, and receiving input on wildlife and boating matters from entities, such as the 17 county advisory boards. The county advisory boards solicit and evaluate local opinions and advise the Commissioners on matters relating to the management of wildlife within their respective counties.

Budget and Staffing

In fiscal year 2015, NDOW was primarily funded by licenses and fees of \$17.2 million and federal grants of \$15.5 million. In addition, NDOW received a General Fund appropriation of about \$495,000 in fiscal year 2015.

As of June 30, 2015, NDOW had 283 filled positions located in its Elko, Ely, Fallon, Henderson, Las Vegas, Reno, and Winnemucca offices. NDOW has 13 budget accounts; 8 division accounts and 5 special revenue accounts used for recording licenses and fees, habitat mitigation funds, sportsmen revenue, and contributions. Exhibit 1 shows revenues and positions by division.

Division Revenues and Positions **Exhibit 1**
Fiscal Year 2015

Division	Revenues	Positions
Operations	\$ 7,391,417	37
Fisheries	6,701,134	57
Law Enforcement	6,492,284	49
Habitat	5,691,898	38
Game	4,857,588	39
Director's Office	3,452,540	27
Wildlife Diversity	2,431,058	17
Conservation Education	2,301,768	19
Totals	\$39,319,687	283

Source: State accounting and human resource systems.

Note: Exhibit shows only division revenue accounts. Other Department revenues relating to Wildlife Capital Improvement Projects, Habitat Enhancements, Heritage Account, Wildlife Fund, and Wildlife Trust Account are recorded in separate special revenue accounts totaling over \$22 million.

One of NDOW's special revenue accounts is its Wildlife Fund Account. NRS 501.356 requires nearly all money received by NDOW to be deposited in the Wildlife Fund Account. This includes all fees for the sale or issuance of stamps, tags, permits, and licenses. In fiscal year 2015, revenues in this account amounted to over \$19.4 million, which makes up a majority of the \$22 million recorded in all NDOW special revenue accounts. Money deposited in the account is then transferred during the year to NDOW divisions for carrying out its duties. Exhibit 2 shows revenues and expenditures in the Wildlife Fund Account during fiscal year 2015.

**Wildlife Fund Account
Revenues and Expenditures
Fiscal Year 2015**

Exhibit 2

<u>Revenues</u>	<u>Amount</u>
Sportsmen License & Tag Fees	\$ 9,725,139
Boat Fees & Fuel Tax	2,856,771
Hunt Application Fees	2,148,000
Miscellaneous Fees & Transfers ⁽¹⁾	910,270
Trout Stamps	590,372
Predator Fees	574,312
Aquatic Invasive Species Decal Fees	474,075
Mining Fees	465,920
Convenience & Merchant Fees	457,780
Habitat Conservation Fees	343,983
Elk Damage Fees	276,816
Upland Game Stamps	268,231
Duck Stamps	92,385
License Plate Charges	87,190
Resource Enhancement Stamps	79,412
Beginning Cash	58,146
Treasurer's Interest Distribution	51,388
Operation Game Thief Donations	16,507
Total Revenues	\$19,476,697
Expenditures	
Law Enforcement	\$ 5,669,635
Operations	4,347,644
Habitat	2,518,992
Fisheries	2,121,084
Game	1,744,774
Director's Office	979,629
Conservation Education	831,179
Other Expenditures ⁽²⁾	828,486
Wildlife Diversity	435,274
Total Expenditures	\$19,476,697

Source: State accounting system.

⁽¹⁾ Miscellaneous fees & transfers include special permits; general application, program, and distributor fees; advertising, publication, and excess property sales; fines, penalties, and return check fees; agency transfers; and dream tag collections.

⁽²⁾ Other expenditures include transfers to county school districts, the Department of Conservation and Natural Resources, and the Community Foundation.

Scope and Objective

The scope of our audit focused on fiscal year 2014 performance data, extending to fiscal year 2015 based on the availability of performance data. Our audit objective was to:

- Evaluate the Department's strategic planning process, including the relevance and reliability of performance measures.

This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission, and was made pursuant to the provisions of NRS 218G.010 to 218G.350. The Legislative Auditor conducts audits as part of the Legislature's oversight responsibility for public programs. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

Strategic Planning Process Can Be Strengthened

NDOW can take steps to strengthen its strategic planning process. Strategic planning is a long-term, future-oriented process of assessment, goal setting, and decision making. It includes a multi-year view of objectives and strategies essential for the accomplishment of agency goals. Our review of NDOW's strategic planning process revealed opportunities for improvement. An up-to-date strategic plan organized by division, with all key strategic planning components identified, will assist the agency in effectively using the plan to achieve and communicate its mission, goals, and objectives.

Strategic Planning Is Essential to a State Agency

Strategic planning is an essential tool for a state agency to manage and communicate its goals. A strategic plan is an organized, documented method of determining what an agency hopes to accomplish and how it will accomplish it. A strategic plan also looks forward, indicating to management and staff what the agency's focus will be for the next 3 to 5 years or more.

There are several components of a well-written strategic plan. The following describes each component:

- Vision Statement – A brief, bold, broad statement of the agency's ideal future. It states how Nevada will be better as a result of an agency's work.
- Mission Statement – A declaration of what the agency does, for whom, and why it is important.
- External/Internal Assessment – A look at events happening outside the agency (external) that will impact it, such as pending legislation, other funding sources, public perception, etc., and determine whether or not these events will be an opportunity or a threat. The same

process occurs inside the agency's walls (internal) identifying its strengths and weaknesses.

- Philosophy Statement – Defines the agency's core beliefs and values as it goes about achieving its mission.
- Goals – Broad statements of what the agency hopes to accomplish over the next several years, with each goal supporting the agency's mission.
- Strategies – The “how” part of a strategic plan detailing the steps an agency will take to achieve each goal.
- Objectives – Specify how much of a particular goal the agency wants to achieve and when to achieve it. Objectives should be SMART: Specific, Measurable, Achievable, Realistic, and Time-Specific.
- Performance Measures – Performance data unique to each activity relating to the agency's objectives. There are several types of performance measures, including outcome, efficiency (cost), efficiency (timeliness), and quality. Other types of measures include population, workload, and input.

Strategic planning is important, as it is a means for management and staff to discuss what the agency's goals should be, share ideas, and learn staff perspectives. It also lets staff know where the agency is headed over the next few years, and the role they will play in moving the agency forward. Additionally, an agency's strategic plan serves as the foundation to its budget.

The Governor has reiterated the importance of strategic planning in the April 2016, Nevada's Strategic Planning Framework. In this document, the Governor outlined the state's vision, mission, and values. The Governor also established the following four overarching strategic priorities:

- Vibrant and sustainable economy;
- Educated and healthy citizenry;
- Safe and livable communities; and

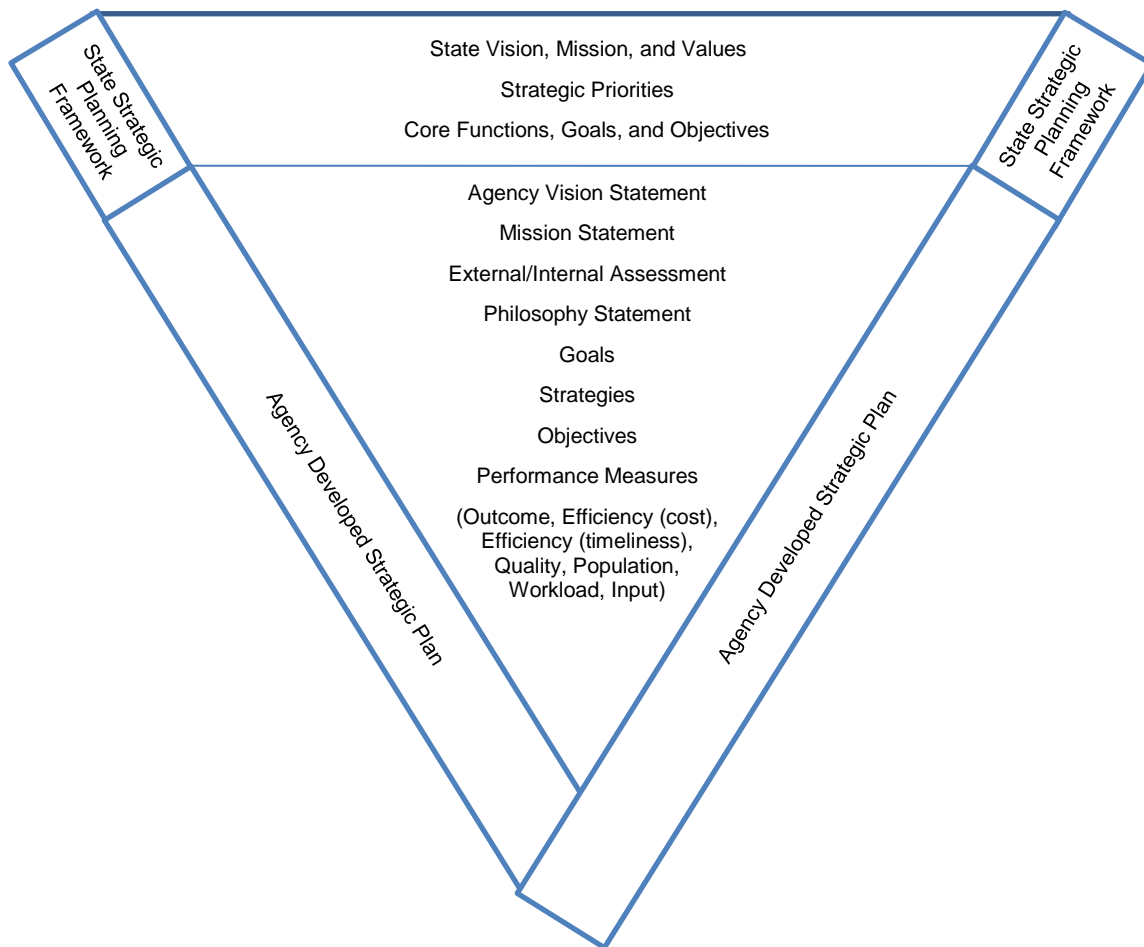
- Efficient and responsive state government.

Within each of these strategic priorities lie the programs and services provided by state agencies. Nevada's Strategic Planning Framework also identifies several essential core functions of government, and the State's goals and objectives to be achieved over the next 5 years.

During our discussions, NDOW management and staff indicated the importance of Nevada's Strategic Planning Framework when updating its strategic plan. Exhibit 3 shows the relationship between the State and agency strategic planning components.

State and Agency Strategic Planning Components

Exhibit 3



Source: Auditor prepared from Nevada's Strategic Planning Framework (April 2016) and Governor's Finance Office – Budget Division Biennium Budget Instructions (2015-2017).

Opportunities Exist for Improving Strategic Plan

Our review of NDOW's strategic plan has identified a number of opportunities for improvement, which will assist the agency in updating its strategic plan. Including certain fundamental components and organizing its plan by division will provide a strategic plan that incorporates and sets the direction for the agency's operations.

Strategic Plan Missing Certain Fundamental Components

NDOW's strategic plan is missing certain required components. The agency's plan does not include its mission statement or performance measures. These fundamental components are necessary to guide the agency in its strategic planning process and establish a basis for measuring success.

NRS 353.205 and state budget instructions require agencies to develop a mission statement and performance measures for each activity. Additionally, other key components recommended for a well-written strategic plan that are not included in NDOW's strategic plan include a vision statement, external/internal assessment, philosophy statement, and strategies. Without these strategic planning components, the agency may have difficulty determining and communicating what it hopes to accomplish, and how it will accomplish its mission and goals in the upcoming years.

Defining these key components are essential and serve as the foundation for the agency's strategic planning process. Our review of other state wildlife agencies found certain states, such as Louisiana, Texas, Oregon, and Wyoming include these fundamental strategic planning components in their strategic plans. The ultimate goal of strategic planning is to describe what the agency is and intends to be, including the principles guiding it, and to anticipate the future by identifying issues, opportunities, and problems.

Strategic Plan Not Activity Based

The strategic plan is not organized by the activities or divisions carrying out the agency's mission. Instead, the plan is structured by the general type of services provided. Organizing the strategic plan in this manner results in areas for which more than one

division may be responsible. As a result, the divisions share multiple outcomes, goals, and objectives due to these overlapping responsibilities. For example, NDOW's strategic plan includes the following goal: "NDOW will provide a timely and efficient response and resolution to human/wildlife conflicts that pose a threat to public safety." Based on our discussions with staff, the obtainment of this goal is the responsibility of Conservation Education, Game, Law Enforcement, and Wildlife Diversity.

State budget instructions require the components of a strategic plan to be at the agency activity level. Structuring the plan in this manner facilitates accountability and provides an opportunity to identify programs that work and those in need of improvement or elimination. Without this type of organization, confusion can occur as to which division is responsible for meeting certain outcomes, goals, and objectives. This was apparent during our discussions, as staff had difficulty determining which areas of the agency's strategic plan pertain to their division. Our review of other state wildlife agencies found that these states also have strategic plans organized by the agency's activities or divisions.

Strategic Plan Underutilized

The Department's strategic plan is not used in its daily operations. A successful strategic plan enhances decision making by improving internal communication. By not utilizing its strategic plan, the agency is losing out on the many benefits a strategic plan provides.

State budget instructions indicate an agency's strategic plan is a management and communication tool. Our discussions revealed NDOW's strategic plan was developed with little to no input from agency staff. Without staff participating in the process, the plan was viewed as a "budget requirement" lacking staff ownership. Successful strategic planning is characterized by management and staff being committed to the planning process and the strategic plan. Ultimately, strategic planning will succeed or fail according to how well the process results in a quality and useful document developed by key personnel in each division and communicated throughout the agency.

Staff discussions also revealed that the agency's strategic plan lacks the detail needed to guide its daily operations. Staff believe the plan is very important for conveying NDOW's overall duties; however, other internal documents such as Nevada's Wildlife Action Plan and federal grant reports provide better staff guidance. Although these documents provide specific details on the agency's activities, the strategic plan is just as important as it incorporates and sets direction for all agency operations. Furthermore, it communicates the agency's mission, goals, and objectives to external parties, such as the Governor, Legislature, other state agencies, wildlife organizations, and the public.

Strategic Plan Outdated and Incomplete

NDOW's strategic plan is outdated and incomplete. Since it was created in 2009, our audit work revealed certain outcomes, goals, and objectives are no longer relevant, and revisions are needed to reflect current operations. For example, two objectives included transitioning to the State of Nevada Integrated Financial System and developing a new employee orientation program, both of which were completed several years ago.

Our review of the agency's strategic plan also revealed incomplete desired outcome and objective statements, as well as unresolved comments and remarks. For example, a Fisheries Division objective states, "Something here about our AIS legislation..." for which no objective had been developed. Additionally, a Director's Office objective states, "Something here about complying with new requirements from higher authorities." These unresolved areas indicate the strategic plan lacked a thorough review.

A successful strategic plan is characterized not only by compliance with statutory requirements, but also by agency management and staff being committed to the strategic planning process and the strategic plan.

Steps Taken to Improve Strategic Planning

Management and staff indicated that they are taking steps to improve upon their strategic planning process. The agency plans to revise their strategic plan by July 2017. Management explained that the revised plan will involve participation from all staff and be

organized by division. Additionally, management indicated emergency wildlife incidents requiring immediate staff response (reactionary duties) are an important aspect of NDOW's operation and will need to be addressed in its strategic plan.

Management added that the agency will receive federally funded assistance from an independent contractor to facilitate the creation, collaboration, and execution of its strategic plan. In July 2016, the agency solicited proposals in response to state budget instructions requiring agencies without a strategic plan or whose plan had not been updated in more than 5 years to create or update their plan prior to July 2017. In September 2016, the State Board of Examiners approved a 1-year contract in an amount not to exceed \$49,250. Our review of this contract revealed that strategic planning training will also be provided to staff, which is important as staff will be responsible for periodically reviewing and updating the agency's strategic plan in the future.

Recommendation

1. Update the strategic plan to ensure compliance with state law and policy, including planning components and activity level reporting, and establish a process to ensure the plan is periodically updated.

Performance Measure Oversight Needed

Improvements are needed regarding the oversight of activities related to the proper administration of performance measures. We found reported results for measures were not always reliable. Improvements are also needed to align measures with the agency's strategic plan and key program activities. Furthermore, additional guidance and oversight can improve the reliability of the agency's measures. Performance measures facilitate accountability and provide an opportunity to evaluate success in achieving goals. Measures must also be reliable to help the Governor, Legislature, and agency officials make informed budgetary and policy decisions.

The agency reported 22 fiscal year 2014 performance measures in the 2015-2017 Executive Budget, including 2 new measures with no reportable performance data. For fiscal year 2015, the agency compiled 20 performance measures to be reported in the 2017-2019 Executive Budget, although 1 measure had not yet been calculated during our audit testing. Appendix A shows NDOW's performance measures and reported results for fiscal years 2014 and 2015.

Reliability of Performance Measures Can Be Improved

NDOW can take steps to improve the reliability of performance measures used in the state's budget process. We found performance data was not always supported by sufficient underlying records. In addition, calculation methodologies were not always appropriate and consistent with prior years. Finally, mathematical errors led to inaccurate data, and performance measurement descriptions did not always reflect reported information. Accuracy and reliability are critical for assessing performance and determining whether agency objectives are being achieved.

Results Not Always Supported by Sufficient Records

Performance measures cannot be considered reliable unless they are supported by sufficient underlying records. Our review of NDOW's fiscal year 2014 and 2015 performance measures revealed 16 of 20 measures and 3 of 19 measures were not adequately supported for each respective year. For 11 of the 2014 measures, staff attempted to recalculate the measurement results but came up with different amounts.

Supporting documentation was unavailable due to staff turnover and lack of awareness of the state's records retention policy. The State Administrative Manual requires records used in computing performance measures be retained for 3 fiscal years. The lack of underlying records prevents measurement results from being verified; therefore, the reported results are unreliable.

Inappropriate and Inconsistent Methodologies Used to Compute Performance Measures

Performance measures are reliable when the reported results are calculated using a sound and consistent methodology. Our review found 5 of 20 fiscal year 2014 measures and 2 of 19 fiscal year 2015 measures were calculated using an inappropriate methodology. For example:

- The performance measure "Percent of Change in Anglers" was calculated in fiscal year 2014 using a 10-year moving average. The measure compares the number of current year fishing license holders to the previous year. Using a moving average does not provide an accurate percentage change in fishing license holders between two fiscal years.
- The performance measure "Percent of Projects with Impacts Evaluated and Monitored" was calculated in fiscal year 2014 using estimates. The measure compares the number of development projects reviewed to the number received during the fiscal year. Using estimates does not provide the correct information needed to evaluate the program's performance.

- The performance measure “Percent Development of a Consolidated Big Game Locational Database” was calculated in fiscal year 2015 using staff’s professional judgement, with no documentation showing the basis for this judgment. State budget instructions require quantifiable measures with complete and detailed documentation, so that anyone could recreate the measure’s value.

Additionally, we found three 2015 measures were not calculated in the same manner as in previous years. By not using appropriate and consistent methodologies for calculating performance results, measurement descriptions will not accurately reflect the underlying calculations and contain similar data to be used for evaluating performance over multiple years.

Calculation Errors Resulted in Inaccurate Data

Certain performance measures were not reliable due to mathematical errors. Our review found one 2014 and three 2015 measures to be inaccurate. The mathematical errors stemmed from manual counts of hardcopy reports and spreadsheet data. Although the mathematical errors were relatively minor, these errors went undetected because of the lack of review over performance data calculations.

Measurement Descriptions Did Not Reflect Reported Information

Some performance measurement descriptions did not match what was reported. Our review found three 2014 and one 2015 measurement title did not reflect reported information. For example, the “Percent of Firearm Violations per Firearm Contacts” represents the number of firearm citations and warnings given during wildlife and boating enforcement contacts, not firearm contacts. Game wardens are not usually aware that an individual is carrying a firearm until after speaking with the individual regarding a wildlife or boating violation. By conducting a thorough review of its performance data, the agency can ensure measurement titles accurately reflect what is being reported.

Improved Alignment Between Strategic Plan and Measures Needed

NDOW's performance measures did not sufficiently align with its strategic plan or address all key program activities. Alignment of performance data with agency objectives assists with tracking progress toward achieving goals. Additionally, it is important that performance data covers all significant activities of the agency to evaluate the attainment of agency goals.

Measures Not Aligned With Strategic Plan

Most performance measures are not aligned with the agency's objectives included in its strategic plan. Our review of fiscal year 2014 and 2015 performance measures revealed 19 of 20 measures and 18 of 19 measures did not relate to a corresponding agency objective for each respective year. Although staff indicated certain outcomes, goals, or objectives stated in its strategic plan were related to its measures, we found them to be broad and not SMART (Specific, Measurable, Achievable, Realistic, and Time-Specific). For example, for the performance measure "Percent of Customers Satisfied with the Nevada Wildlife Data System," the division indicated the strategic plan did not include a corresponding objective; however, staff explained the following outcome and goal are related:

Outcome: "A public satisfied with agency services and the procurement of required documents."

Goal: "Servicing the public by providing them ready and cost-effective access to licenses and legally-required documents is essential for collection of revenue and insuring a properly licensed public."

Although the outcome and goal stated above relate to customer satisfaction, they lack essential SMART elements for measuring performance. State budget instructions provide the following example of a SMART objective relating to customer service: "Achieve an "excellent" rating by 80% of our clients by January 15 of next year." Aligning performance measures with SMART objectives in the strategic plan helps management monitor progress toward achieving agency goals.

Measures Lacking Over Certain Key Activities

Performance measures did not address all key agency activities. We identified over half of the agency's eight divisions lacked performance data for certain important activities. Examples of division activities without a performance measure include:

- Fisheries: Aquatic Invasive Species program.
- Game: Wildlife health and disease monitoring.
- Law Enforcement: Operation Game Thief (wildlife violation hotline); dispatch services; licensed master guide program; and officer recruitment, retention, and training.

Without performance measures, important activities cannot be evaluated to determine success. Management indicated these duties are important to each division; although, measures may not have been developed due to not knowing what information should be measured and not wanting to exceed the state requirement of three measures per activity.

State law and budget instructions require agencies to develop performance measures for each agency activity. While three measures per activity is recommended, state guidelines indicate there is no right or wrong number of measures, as long as the measures provide the full story of the operations and value of the activity.

Additional Guidance and Oversight Can Enhance Reliability

NDOW can enhance controls over the reliability of its performance measures by providing additional guidance to staff through policies and procedures. Oversight of measurement data is also needed by thoroughly reviewing measurement calculations and supporting documents for accuracy, and ensuring data is compiled in a timely manner.

Written Policies and Procedures Not Adequate

Department policies and procedures do not provide adequate guidance to assist staff with measuring performance. During our testing, division administrators were in the process of developing measurement procedures; however, we found 16 of 20 fiscal year 2014 measures and 14 of 19 fiscal year 2015 measures still

lacked adequate procedures. For five of these measures, established procedures were inaccurate or incomplete and did not reflect the actual process for calculating the measure.

Procedures addressing developing, reporting, and monitoring performance measures are needed to help prevent the problems noted. The State Administrative Manual requires procedures to be developed on how performance measures are computed, including the formulas and information where the data is obtained and which reports are used. Procedures should include but not be limited to guidance addressing:

- Developing measures over key activities.
- Aligning measures with agency objectives.
- Using sound and consistent calculation methodologies.
- Verifying the accuracy of measurement results.
- Retaining supporting documentation.

Written procedures demonstrate a commitment to reliable performance measures by providing agency staff clear instructions for collecting applicable information. Procedures also help ensure the process for collecting performance data is reasonable and consistent over time, which is especially important since NDOW has experienced high staff turnover over the last few years.

Performance Data Was Not Reviewed

Performance data is collected and compiled by individuals within each division with little or no review. We found all fiscal year 2014 and 2015 measures lacked an adequate review of measurement calculations and detailed support. For 13 of 20 measures, staff indicated the measure was reviewed; although, no documentation existed to support this review. Based upon our discussions, agency staff indicated a documented review process will be conducted for performance data reported in the future. However, during our testing, this review was not performed.

The State Administrative Manual requires agencies to assign fiscal and program staff the responsibility of reviewing performance data. A thorough review reduces the risk of errors and ensures measures are reliable and relevant to agency operations. For instance, during our review we identified a performance measure no longer relevant to the agency. The performance measure “Percent of Regulation Paperwork Legislative Legal Deems Complete” represents the number of proposed regulations prepared and submitted by agency staff that are complete without any errors. Staff indicated this measure is no longer relevant, as they are no longer notified of incomplete submissions.

Performance Data Not Always Utilized and Prepared Timely

NDOW’s current practice for developing, maintaining, and monitoring performance data makes it difficult to assess performance. We found five of the agency’s eight divisions do not use their performance measures to manage daily activities. Seven of the eight divisions also did not calculate their fiscal year 2015 measures until July 2016.

Agency staff indicated that their performance measures are calculated every biennium during the state budget process; therefore, the measurement results are not used on an annual basis to monitor performance. Instead, the underlying raw data used in calculating its measures is included in annual federal grant reporting documents. It is this raw data each division uses to manage daily operations.

A lack of performance measurement training contributed to staff not realizing the benefits of accurate and reliable measures to monitor performance. Performance measures are designed to assist an agency and government officials in identifying financial and program results, evaluating past resource decisions, improving future resource allocation decisions, and communicating program results. By preparing and utilizing performance data in a timely manner, the agency can evaluate whether resources are being used efficiently and effectively to carry out its mission and determine the success of its programs.

Recommendations

2. Complete written policies and procedures for compiling performance measures to help ensure reported results are reliable, including appropriate measurement descriptions and computations, supervisory review of calculations and methodology, and retention of supporting documentation.
3. Evaluate and revise performance measures to help ensure proper alignment of measures with the strategic plan and that key program activities are measured.
4. Ensure applicable staff receives adequate training for compiling performance data in a timely manner and using the data to manage the agency's operations.

Appendix A

NDOW's Performance Measures

Fiscal Years 2014 and 2015

Division	Performance Measure	Reported Results	
		FY14	FY15
<u>Director's Office</u>			
1	Percent of Work Programs Rejected by the Budget Office as Incomplete	2.06%	Eliminated
2	Percent of Public Records Requests Compliant	100.00%	61.90%
3	Percent of Regulation Paperwork Legislative Legal Deems Complete	90.00%	Eliminated
<u>Operations</u>			
4	Percent of Customers Satisfied with Application Hunt System	93.84%	93.41%
5	Percent of Customers Satisfied with the Nevada Wildlife Data System	95.49%	93.79%
<u>Conservation Education</u>			
6	Nevada Schools Participating in the National Archery in the Schools Program	58	84
7	Value of Volunteer Instructor Time	\$443,421	\$334,195
<u>Law Enforcement</u>			
8	Percent of Boating Violations per Boating Contacts by Wardens	52.35%	44.24%
9	Percent of Wildlife Violations per Wildlife Contacts	7.15%	10.77%
10	Percent of Firearm Violations per Firearm Contacts	4.49%	0.47%
<u>Game</u>			
11	Number of Big Game Tag Applications	193,920	207,201
12	Big Game Ungulate Species Stable to Increasing	4	6
13	Percent Development of a Consolidated Big Game Locational Database	New	1.00%
<u>Fisheries</u>			
14	Percent of Annual Fish Stocking Plan Targets Completed	New	85.58%
15	Percent of Native Aquatic Species Program Projects Completed	91.89%	90.63%
16	Percent of Change in Anglers	1.00%	-10.66%
<u>Wildlife Diversity</u>			
17	Percent of Wildlife Action Plan Projects Completed ⁽¹⁾	100.00%	27
18	Acres of Habitat Restored or Projects Completed	250	Eliminated
19	Percent of GIS or Data Analysis Requests Completed	100.00%	100.00%
<u>Habitat</u>			
20	Percent of Projects with Impacts Evaluated and Monitored	100.00%	85.46%
21	Percent of Managed Projects Completed to Enhance Water, Food, and Cover	89.04%	90.57%
22	Percent of Managed Lands Attaining Management Goals	94.96%	92.86%

Source: 2015-2017 Executive Budget and Budget Analysis System of Nevada (October 2016).

⁽¹⁾ Measurement description changed in fiscal year 2015 to Wildlife Action Plan Projects Completed.

Appendix B

Audit Methodology

To gain an understanding of the Nevada Department of Wildlife (NDOW), we interviewed management and reviewed statutes and regulations significant to its operations. We also reviewed financial information, prior audit reports, budgets, legislative committee minutes, and other information describing NDOW's activities. Furthermore, we assessed internal controls over strategic planning, including performance measures.

To obtain a general understanding of NDOW's strategic planning process, we discussed with management the agency's strategic plan and performance measures. We then identified the agency's fiscal year 2014 performance data stated in the 2015-2017 Executive Budget and fiscal year 2015 performance data to be reported in the 2017-2019 Executive Budget.

To obtain a more in-depth understanding of NDOW's strategic planning process, we discussed with each of the agency's eight division administrators their division's purpose, strategic plan, and performance measures. To obtain feedback on established goals and objectives, we discussed the division's portion of NDOW's strategic plan and its connection to the division's performance measures. Furthermore, we discussed modifications that could be made to existing performance measures to reflect current operations, including developing more meaningful and important measures to reflect the division's performance.

To determine the relevance and reliability of performance measures, we discussed with staff how each measure is calculated, reviewed, and reported. We then obtained supporting documentation for each measure and reviewed for mathematical accuracy, verified the name of the measure represented reported information, and the methodology used was appropriate and consistent with prior years. We also verified compliance with state

policies and laws. Based on our discussions and testing, we concluded on the adequacy and relevance of each division's portion of NDOW's strategic plan, including performance measures.

To determine whether NDOW's performance measures adequately address the agency's established goals and objectives, we analyzed the agency's strategic plan. We also discussed with NDOW management the strategic plans of other states with similar wildlife agencies. From our research and staff discussions, we identified four state wildlife agencies to compare strategic plans and related performance data to NDOW.

Our audit work was conducted from March to September 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In accordance with NRS 218G.230, we furnished a copy of our preliminary report to the Nevada Department of Wildlife. On December 16, 2016, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix C which begins on page 24.

Contributors to this report included:

Tammy A. Goetze, CPA
Deputy Legislative Auditor

Jelena Williams, CPA
Deputy Legislative Auditor

S. Douglas Peterson, CISA, MPA
Information Systems Audit Supervisor

Appendix C

Response From the Nevada Department of Wildlife



STATE OF NEVADA
DEPARTMENT OF WILDLIFE
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Reno, Nevada 89511
Phone (775) 688-1500 • Fax (775) 688-1495

TONY WASLEY
Director
LIZ O'BRIEN
Deputy Director
JACK ROBB
Deputy Director

December 23, 2016

Mr. Rocky Cooper, CPA, Legislative Auditor
State of Nevada Legislative Counsel Bureau
Legislative Building
401 S. Carson St.
Carson City, NV 89701

Subject: **Performance Audit-2016**

Dear Mr. Cooper:

The Nevada Department of Wildlife (NDOW) responses to the Performance Audit-2016 are provided below:

1. Update the strategic plan to ensure compliance with state law and policy, including planning components and activity level reporting, and establish a process to ensure the plan is periodically updated.

The Department accepts the Audit Recommendation.

Even prior to this audit, the Department recognized the need to update the strategic plan and review the mission, vision and goals. The Department began this process in June of 2016 by applying for a federal grant with the United States Department of the Interior, Fish and Wildlife Service which was awarded August 9, 2016. In August, 2016 a request for proposal was completed resulting in the Department contracting with M3 Planning/On-Strategy to help coordinate and plan the process of updating our strategic plan. It is anticipated that this process will be completed in June, 2017. The Department plans to continue to review this process every three to five years as needed.

2. Complete written policies and procedures for compiling performance measures to help ensure reported results are reliable, including appropriate measurement descriptions and computations, supervisory review of calculations and methodology, and retention of supporting documentation.

The Department accepts the Audit Recommendation.

Divisions within the Department have begun drafting internal policies and procedures for compiling information to calculate reliable performance measure results. Instructions on appropriate measurement descriptions and computations as well as supervisory review of calculations and methodology will be included in the procedures. The Department's Director's Office will complete the final review/approval and will compile and retain the supporting documentation from each division. This process should be completed by June, 2017.

Mr. Rocky Cooper, CPA, Legislative Auditor
December 23, 2016

3. Evaluate and revise performance measures to help ensure proper alignment of measures with the strategic plan and that key program activities are measured.
The Department accepts the Audit Recommendation.

Performance measures are currently being evaluated and revised for alignment with the strategic plan process as defined in the response to recommendation number one above. This process should be completed by June, 2017.

4. Ensure applicable staff receives adequate training for compiling performance data in a timely manner and using the data to manage the agency's operations.
The Department accepts the Audit Recommendation.

Applicable staff will receive training on compiling performance data and using the data to manage the agency operations through the strategic planning process as defined in the response to recommendation number one above. This process should be completed by June, 2017.

If you have any questions or need further information, please contact Deputy Director Liz O'Brien at (775) 688-1982.

Sincerely,



Tony Wasley
Director

Attachment

cc: Tammy Goetze, Deputy Legislative Auditor
Liz O'Brien, Deputy Director
Jack Robb, Deputy Director

Nevada Department of Wildlife’s Response to Audit Recommendations

<u>Recommendations</u>	<u>Accepted</u>	<u>Rejected</u>
1. Update the strategic plan to ensure compliance with state law and policy, including planning components and activity level reporting, and establish a process to ensure the plan is periodically updated	<u> X </u>	<u> </u>
2. Complete written policies and procedures for compiling performance measures to help ensure reported results are reliable, including appropriate measurement descriptions and computations, supervisory review of calculations and methodology, and retention of supporting documentation.....	<u> X </u>	<u> </u>
3. Evaluate and revise performance measures to help ensure proper alignment of measures with the strategic plan and that key program activities are measured	<u> X </u>	<u> </u>
4. Ensure applicable staff receives adequate training for compiling performance data in a timely manner and using the data to manage the agency’s operations	<u> X </u>	<u> </u>
TOTALS	<u> 4 </u>	<u> </u>