Program Name: Division of Motor Fleet Management

Measurability Assessment Conducted by Program Evaluation Division

Overall Indicator Ratings and Table of Contents

Division of Motor Fleet Management

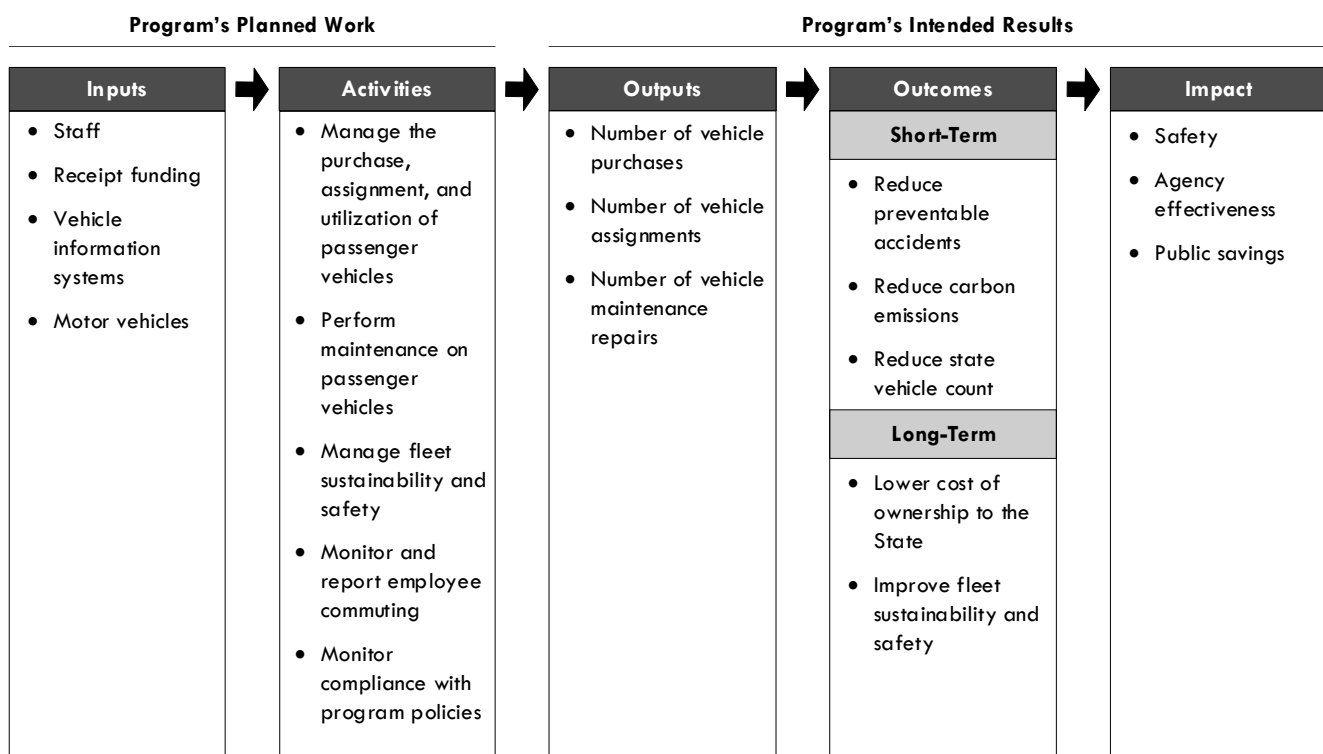Motor Fleet Management is a division within the Department of Administration.

- **Mission:** To provide safe and efficient management, maintenance, and repair of state-owned vehicles and provide a savings to the taxpayers of North Carolina by supplying a centralized source of passenger transportation for all state agencies and to all state employees in the performance of their official duties in the most cost-effective way
- **Statutory Authority:** N.C. Gen. Stat. § 143-341(8)(i)
- **Covered Entities:** All state government entities without statutory exemption

Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	$51,779,176	$51,341,714	$51,341,714
Total Receipts	($57,641,495)	($57,204,032)	($57,204,032)
Change in Fund Balance	$5,862,319	$5,862,318	$5,862,318
Total Positions	48	39	39

Note: For Fiscal Year 2016–17, BEACON shows the Division having 37 positions as of June 30, 2017, instead of 48.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

Logic Model Created by PED

Program's Planned Work   **Program's Intended Results**

Inputs	Activities	Outputs	Outcomes	Impact
• Staff • Receipt funding • Vehicle information systems • Motor vehicles	• Manage the purchase, assignment, and utilization of passenger vehicles • Perform maintenance on passenger vehicles • Manage fleet sustainability and safety • Monitor and report employee commuting • Monitor compliance with program policies	• Number of vehicle purchases • Number of vehicle assignments • Number of vehicle maintenance repairs	**Short-Term** • Reduce preventable accidents • Reduce carbon emissions • Reduce state vehicle count **Long-Term** • Lower cost of ownership to the State • Improve fleet sustainability and safety	• Safety • Agency effectiveness • Public savings

Source: Program Evaluation Division based on information from the Division of Motor Fleet Management.

Program Name: Division of Motor Fleet Management

Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	✓		
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	✓		
1.3 Inventory identifies the purpose of each program.	✓		
1.4 Inventory identifies the services, products, or functions each program is providing.	✓		
1.5 Inventory identifies the target population served by each program.	✓		
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.	✓		
1.7 Inventory is updated periodically.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
1. Program does not duplicate other related programs.		✓	

Description: The Division of Motor Fleet Management has a program inventory that identifies other programs that provide

- short-term rental vehicles to state agencies (Enterprise),
- passenger and non-passenger vehicles to state employees (Administrative Office of the Courts, University System, Legislative Services Commission), and
- specially-equipped vehicles to state employees (Department of Transportation; state law enforcement agencies).

The inventory also identifies programs that purchase vehicles (University System, state agencies). The Division is unique because, pursuant to N.C. Gen. Stat. § 143-341(8)i, it processes vehicles leased or purchased by state agencies that are not exempt from its authority. The inventory identifies the purpose of each program; the services, products, or functions each program is providing; the target population served by each program; and how the Division coordinates with each program. In addition, the Division attempts to avoid wasteful competition and duplication by requesting that state agencies and the University System submit an Application for Agency Purchase of Passenger Vehicle, which asks them to specify the type of vehicle and its intended use. The Division submitted documentation indicating that having a program inventory and updating it periodically will now be part of the Division's Standard Operating Procedures going forward.

Suggestions: The Division should indicate on its program inventory when it was last updated.

Program Name: Division of Motor Fleet Management

Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a "promising approach" or "best practice," problem definition provides a rationale for the transferability of the approach to the population the program serves. *If program is not based on a "promising approach" or "best practice," enter N/A.*	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
2. Program has a problem definition.	✓		

Description: The Division of Motor Fleet Management has a problem definition based on the following examples of supportive evidence from Program Evaluation Division reports (2011, April 2012):

- North Carolina lacks a central source of information for the number and cost of state-owned motor vehicles.
- North Carolina does not have the information necessary to determine the appropriate number of vehicles to meet state government needs.
- North Carolina agencies and institutions that own 200 or more vehicles have not fully implemented fleet management best practices.
- Weak and diffuse oversight results in inefficient use of state-owned vehicles.

The problem definition identifies the major factor contributing to the problem is duplication and inefficiencies that result from decentralized management of state-owned passenger vehicles. The problem definition identifies current gaps in services based on the following examples of issues identified in a Program Evaluation Division report (March 2012):

- The Division's delegation of fleet management and oversight to state agencies hampers its ability to hold agencies accountable.
- The Division does not collect sufficient information to determine the right number of passenger vehicles for state government needs.
- The majority of the Division's motor pool vehicles are underutilized.

The problem definition states the US General Services Administration provides guidelines on motor fleet management best practices, and those best practices are transferable to North Carolina.

Suggestions: The Division could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition.

Program Name: Division of Motor Fleet Management

Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
3. Program has a logic model.		✓	

Description: The Division of Motor Fleet Management has a logic model with specified inputs, such as staff, receipt funding, and vehicle information systems. The logic model includes specified activities, such as managing the purchase of vehicles, performing maintenance on vehicles, and monitoring compliance with program policies. Although the logic model identifies the types of participants in the Division's activities, it does not include specified outputs. The logic model includes short-term outcomes (e.g., reducing preventable accidents) and long-term outcomes (e.g., lowering cost of ownership to the State). The logic model includes specified impacts, such as safety. The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Division should include specified outputs in its logic model, such as number of vehicle purchases, number of vehicle assignments, and number of vehicle maintenance repairs. The Division should share its logic model with staff and key stakeholders. The Division should update its logic model periodically and indicate on the document when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased) and
- differentiate long-term outcomes from impacts.

Program Name: Division of Motor Fleet Management

Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
4. Program is evidence-based.			✓

Description: The Division of Motor Fleet Management did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

Program Name: Division of Motor Fleet Management

Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
5. Program has conducted a scalability analysis.			✓

Description: Although the Division of Motor Fleet Management is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Division did not provide documentation demonstrating it has conducted a scalability analysis.

Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost without negatively affecting satisfaction with current services.

Program Name: Division of Motor Fleet Management

Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
6. Program has a strategic plan.		✓	

Description: The Division of Motor Fleet Management has a mission statement: "to provide safe and efficient management, maintenance, and repair of state-owned vehicles; to provide a savings to the taxpayers of North Carolina by supplying a centralized source of passenger transportation for all state agencies and to all state employees in the performance of their official duties in the most cost-effective way." The Division has a vision statement: "It is our vision to become a best-in-class fleet management operation, while providing the most cost-effective, customer-focused transportation that utilizes industry best practices to foster a culture of safety and sustainability." The Division has a values statement: "quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity."

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan to include program-specific goals, objectives, and performance measures.

Program Name: Division of Motor Fleet Management

Indicators of a Focus on Results (continued)

Key Elements of **Indicator 7: Performance Measurement**	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.	✓		
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
7. Program has performance measures.		✓	

Description: The Division of Motor Fleet Management has performance measures that assess key inputs (e.g., staff, revenue) and key outputs (e.g., gallons of fuel delivered and number of work orders completed). In addition, the Division has performance measures that assess efficiency/process (e.g., cost analysis of the Division by cost of outside agency vehicle maintenance repairs) and quality (e.g., measure of customer satisfaction with its services). The Division has performance measures that assess key outcomes, such as

- reduction in vehicle counts,
- reduction in accidents, and
- reduction in costs.

Therefore, the Division has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. In addition, the Division has a standard format for reporting performance data.

Although the Division has a defined place for storing performance data, the Division did not provide documentation demonstrating it has a defined method for collecting performance data. In addition, although the Division updates its performance on identified performance measures, the Division did not provide documentation demonstrating it validates its performance measures periodically or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, the Division should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

Program Name: Division of Motor Fleet Management

Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	**Partially Meets**	**Does Not Meet**
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	**Partially Meets**	**Does Not Meet**
8. Program has a quality improvement system.			✓

Description: Although the Division of Motor Fleet Management has identified two methods of improving quality (e.g., telematics program and safety platform), these methods are still in development and do not amount to a quality improvement system at this time. Therefore, the Division did not provide documentation demonstrating it has a quality improvement system.

Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance toward these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
9. Program has a risk assessment.		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Division of Motor Fleet Management did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Division.

Suggestions The Division should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
10. Program has a financial forecast.		✓	

Description: The Division of Motor Fleet Management follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. *If program does require cost sharing, enter N/A.*	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. *If program does not require cost sharing, enter N/A.*	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. *If program does not require cost sharing, enter N/A.*	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. *If program does not require cost sharing, enter N/A.*	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
11. Program has cost sharing documents.	✓		

Description: The Division of Motor Fleet Management requires cost sharing. As an internal service fund, the Division is supported on a cost-reimbursement basis by the state entities that utilize its services; the Division charges state entities for the use of state-owned vehicles. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.

Suggestions: None.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	**Partially Meets**	**Does Not Meet**
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	**Partially Meets**	**Does Not Meet**
12. Program has conducted a staffing analysis.			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of Motor Fleet Management did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
13. Program has an accounting system.	✓		

Description: The Division of Motor Fleet Management uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.

Suggestions: None.

Program Name: Division of Motor Fleet Management

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.	✓		
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
14. Program is audited.		✓	

Description: The Division of Motor Fleet Management has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. The Division provided a series of evaluations, which were conducted by the Program Evaluation Division, on data management and oversight to demonstrate it has a record of prior audits. However, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division could improve its record of prior audits by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.