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# *Office of Legislative Auditor*

Grover C. Austin, CPA, First Assistant Legislative Auditor

## **Southern University Agricultural Research and Extension Center**



## **Performance Measures**

**October 2003**

*Audit Control # 03203531*

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To address the provisions of Louisiana Revised Statute (R.S.) 39:87.3, we review and report on the performance data of various state agencies throughout the year and compile a summary report of all results annually. This report gives the results of our examination of performance data reported for the Southern University Agricultural Research and Extension Center for selected quarters of fiscal year 2002 and fiscal year 2003.

- The seven performance indicators that we reviewed for the SU Ag Center are valid. However, we observed that the indicators are so aggregated that specific information about research and extension is lost.
- For all seven performance indicators, the SU Ag Center's management controls do not provide assurance that data used to report performance indicators are accurate and reliable.
- The reported values for all seven indicators are unreliable because of inadequate and inconsistent methods for counting and compiling data, the lack of supporting documentation, inaccurate calculations, and little to no review of the information to ensure its reliability.

Our results are summarized in Exhibit 1 on page 2. The Southern University Agricultural Research and Extension Center concurs with the findings in this report. A summary of the SU Ag Center's response has been incorporated into this report. The SU Ag Center's complete response can be viewed separately on our Web site ([www.la.state.la.us](http://www.la.state.la.us)).

Sincerely,

A handwritten signature in cursive script, appearing to read "Grover C. Austin".

Grover C. Austin, CPA  
First Assistant Legislative Auditor

**Exhibit 1**  
**Southern University Agricultural Research and Extension Center**  
**Objectives and Performance Indicators and Summary of Results**  
**Selected Quarters of Fiscal Year 2002 and 2003**

Objectives	Performance Indicators	Target	Value Reported	Valid	Reliable
1. To maintain the competitiveness and sustainability of the state's renewable natural resource based (agriculture, forestry and fisheries) entrepreneurs, by maintaining the actual adoption rate for recommended cultural and best management practices at 80%.	• Number of clients served	83,253	107,366	YES	NO
	• <b>Percentage of entrepreneurs adoption rate for recommendation</b>	80%*	40%*	YES	NO
2. To facilitate the development of an effective and informed community citizenry by minimizing the decrease of youth involvement in educational programs and activities at the FY 2000-2001 level through the FY 2002-2003.	• <b>Number of volunteers</b>	130	203	YES	NO
	• <b>Number of participants in youth development programs and activities</b>	12,176	38,323	YES	NO
	• <b>Number of youth participants in community services and activities</b>	530	472	YES	NO
3. To enhance the quality of life and services in local communities and the health and well-being of the state's citizens by minimizing the decrease in educational program contacts by 16.5% of the FY 2000-2001 level through fiscal year 2002-2003.	• <b>Number of educational contacts</b>	98,687	176,063	YES	NO
	• <b>Number of educational programs</b>	543	316	YES	NO

**Note:** Key performance indicators are shown in **bold**. An \* indicates data reported for the fourth quarter of FY 2002 because it is only reported on an annual basis. All other performance indicator data listed represents the cumulative totals through the second quarter of FY 2003.

**Source:** Prepared by legislative auditor's staff using data obtained from the Louisiana Performance Accountability System and our analysis of the performance indicators.

## Background

The mission of the **Southern University Agricultural Research and Extension Center** (SU Ag Center) is to conduct basic and applied research and disseminate information to the citizens of Louisiana in a manner that is useful in addressing their scientific, technological, social, economic, and cultural needs. According to the executive budget, the SU Ag Center places particular emphasis on those who are socially, economically, and educationally disadvantaged. The SU Ag Center consists of two major services: Research and Cooperative Extension.

Exhibit 2 shows the amounts expended and the number of filled positions for fiscal year 2002 for both Research and Cooperative Extension services as well as for the entire SU Ag Center.

<b>Exhibit 2 Expenditure and Employee Information Fiscal Year 2002</b>		
<b>Service</b>	<b>Expenditures</b>	<b>Employees</b>
Research	\$2,165,840	32
Cooperative Extension	\$1,890,949	24
<b>Subtotal</b>	<b>\$4,056,789</b>	<b>56</b>
Other services*	\$964,263	7
<b>TOTAL</b>	<b>\$5,021,052</b>	<b>63</b>
*Other services expenditures and employees include administrative and support staff.		
<b>Source:</b> Prepared by legislative auditor's staff using data obtained from the Board of Regents and SU Ag Center staff.		

## Validity

### Are the performance indicators valid?

We determined that all of the SU Ag Center's performance indicators shown in Exhibit 1 on page 2 are valid. However, although the indicators are valid, we found that the presentation of the performance information makes it difficult for a reader to determine whether the information relates to research and/or extension. The indicators are so aggregated that specific information about research and extension is lost.

The validity of a performance indicator is determined by whether it is suitable for its intended use. The factors we used to gauge the validity of the performance indicators include whether they are relevant to the missions, goals, and objectives of the SU Ag Center and whether the mission is comparable and reflective of the SU Ag Center's legal authority. In addition, we determined whether the performance indicators can be linked to major functions of the SU Ag Center.

## Reliability and Management Controls

### Do the management controls provide assurance that the reported performance indicator values are reliable?

We found that none of the values for the seven performance indicators we reviewed are reliable due to significant problems with management controls. Management controls include policies and procedures that management has implemented to

ensure data are accurate. We reviewed controls over the input, processing, and review of the data used to compile the values of the SU Ag Center performance indicators. We found that the controls do not provide assurance that data used to report performance indicators are accurate and reliable. *The SU Ag Center concurs with the findings and has plans to address them, including finalizing a policy manual, training staff, and creating a database to standardize its method of collecting and reporting data.*

### ***No Formal Policies and Procedures***

We found that no formal written policies and procedures exist for collecting and compiling performance indicator data and for entering data into LaPAS. The only documentation the SU Ag Center has for collecting and reporting performance indicator data are memos to faculty and staff that indicate deadlines, provide samples of summary sheets, and state that source documentation is required.

### ***Inadequate and Inconsistent Methods for Compiling and Counting Performance Data***

We found the field agents' and researchers' process for compiling and counting performance data is inadequate and/or inconsistent. Since there are no formal policies and procedures for compiling and counting performance data, we visited with three field agents and two researchers to document their process. We found that they complete manual quarterly summary sheets to report the performance indicator values they count for each quarter. They send the quarterly summary sheets to the SU Ag Center to compile the values to enter into LaPAS.

For all seven indicators, we found that the field agents and researchers, we interviewed, sometimes rely on estimates and memory to count the performance indicator values they provided on their quarterly summary sheets. Examples include the indicators “*Number of clients served*” for objective 1 and “*Number of educational contacts*” for objective 3. As shown in Exhibit 1, the values for these indicators are significant. The field agents sometimes used estimates of clients served or contacted through mass media (e.g., television, radio, newspaper) when compiling these performance indicator values. They said that they estimated the values by taking a percentage of the population in which each program/article was disseminated. Therefore, they could not provide an exact number or any source documentation to support the performance indicator values. Each agent sets his/her own percentage. One agent told us that he used an estimate of 1%; another agent said he used 18%; and the third agent said he used 25%.

We also found that the agents and researchers, we interviewed, counted the number of publications printed for some indicator values. This methodology is not sound because not all copies may be disseminated and read.

In addition, we found instances where the field agents and researchers interviewed recorded data incorrectly on their summary sheets. For example, some field agents recorded performance data gathered from mass media and newsletters in a column designated for programs such as meetings and events. This misplacement of performance data may have skewed some of the SU Ag Center's calculations, again rendering the performance indicator values unreliable.

Because of the inadequate and inconsistent counting and compilation of data by the field agents and researchers, the values of the SU Ag Center performance indicators are not reliable.

***Inconsistent and Missing Source Documentation***

As shown in Exhibit 3, we reviewed the source documentation (such as sign-in sheets, brochures, and phone logs) that the field agents and researchers sent to the SU Ag Center to support the values contained on their quarterly summary sheets. For all seven performance indicators listed on page 2, we found that most field agents and researchers submitted no source documentation to support their performance indicator value. We did not find any instances where the field agents and researchers submitted complete source documentation to confirm the indicator value.

According to field staff and researchers we interviewed, this lack of source documentation was caused by unclear directions from the SU Ag Center Office as to what source documentation they were required to send to support their quarterly summary sheets.

Without complete source documentation, the SU Ag Center cannot be sure that the indicator values it is reporting in LaPAS are accurate.

<b>Exhibit 3 Summary of Supporting Documentation 1st and 2nd Quarters of Fiscal Year 2003</b>		
<b>Extent of Documentation</b>	<b>Number of Instances</b>	<b>Percentage</b>
No source documentation	114	70.4%
Incomplete source documentation	26	16.1%
Non-supportive source documentation*	22	13.5%
Complete documentation	0	0%
<b>Totals</b>	<b>162</b>	<b>100%</b>
*Documentation that could not be traced back to a performance indicator value.		
<b>Source:</b> Prepared by legislative auditor’s staff using data obtained from the SU Ag Center officials, three field agents, and two researchers.		

***Source Documentation Not Checked for Reliability***

Although SU Ag Center officials check the performance indicator values that field agents and researchers submit on the quarterly summary sheets for reasonableness, they have no formal procedures to check the values against source documentation to ensure reliability. The risk of errors in LaPAS increases when source documentation for the performance data is not reviewed for accuracy.

### ***Calculations and LaPAS Reporting Not Thoroughly Reviewed for Reliability***

An SU Ag Center official manually adds the values from each of the quarterly summary sheets to obtain a value to enter into LaPAS for each performance indicator. SU System officials then approve the values entered into LaPAS. We recalculated the amounts on the quarterly summary sheets for each of the seven performance indicators and compared the values to those in LaPAS. In addition, we compared the totals calculated by the SU Ag Center for the performance indicators to those listed in LaPAS. We found that few values matched for either of the comparisons.

### **Our Calculations Compared to LaPAS**

We recalculated the value for each indicator by totaling all of the values from each field agent's and researcher's quarterly summary sheet and then comparing our totals to those reported in LaPAS. For objectives 1 and 3, none of our calculations matched the values that the SU Ag Center reported to LaPAS. For objective 2, our calculations matched the SU Ag Center's LaPAS figure for only one of the three indicators. However, they only matched for the 2<sup>nd</sup> quarter, not the 1<sup>st</sup> quarter. As a result, the SU Ag Center understated its total indicator values in LaPAS by 31% for six of the seven performance indicators for the quarters we reviewed. We also calculated the remaining indicator value (adoption rate), a percentage, to be 70%, while the SU Ag Center reported it as 40%.

### **SU Ag Center Calculations Compared to LaPAS**

Based on our calculations, we found a 22.2% difference between the SU Ag Center's tally sheets and the values the SU Ag Center entered in LaPAS for six of the seven performance indicator values during the quarters we reviewed. For the remaining indicator value (adoption rate), we could not determine what the SU Ag Center calculated because the SU Ag Center did not have any documentation for how it calculated the adoption rate percentage for fiscal year 2002.

When we questioned an SU Ag Center official about the differences between our values, the SU Ag Center's values, and the values reported in LaPAS, she stated that miscalculations can result from human error and late submission of performance indicator data. However, because the summary sheets submitted by field agents and researchers are not dated, we could not corroborate any late submission of performance indicator data.

The SU Ag Center's manual calculations created a risk of mathematical errors. In addition, the calculations were difficult to review because they did not identify which numbers belong to which agents and researchers. Sometimes the numbers were also aggregated on the tally sheets. Because manual calculations and poor reporting procedures were employed along with little review, indicator values in LaPAS were not reliable.

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**Need more information?**

Contact Grover Austin, First Assistant Louisiana Legislative Auditor  
at (225) 339-3800.

A copy of this report is available at our Web site ([www.lla.state.la.us](http://www.lla.state.la.us)).

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October 10, 2003

**Office of the Chancellor**

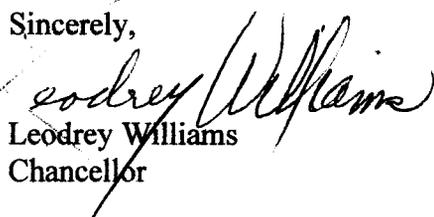
Ashford O. Williams Hall  
Post Office Box 10010  
Baton Rouge, Louisiana 70813  
(225) 771-2242  
(225) 771-2861 Fax  
[www.suagcenter.com](http://www.suagcenter.com)

**Mr. Grover Austin**  
First Assistant Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

Please find enclosed the written response for the findings presented in the performance indicator audit report on the Southern University Agricultural Research and Extension Center. We appreciate the opportunity to provide a response to the audit findings.

Sincerely,



Leodrey Williams  
Chancellor

xc: **Dr. Leon R. Tarver, II, President**  
**Dr. Ralph Slaughter, Vice President**  
**Dr. Adell Brown, Vice Chancellor for Finance and Administration**

# **Southern University Agricultural Research & Extension Center Response to Performance Audit – Performance Indicator**

## **Background**

Southern University Agricultural Research and Extension Center (SUAREC), was approved as the fifth campus of the Southern University and A & M College System in July 2001. Since the Southern University Ag Center is in its early stage of development, it has not yet fully developed its “*Procedure and Policy Manual*” for the planning, evaluating and reporting of data. The Chancellor was appointed in July 2001 and the three Vice Chancellors were appointed April 2003. Additionally, the Southern University Ag Center recently established the Office of Planning and Evaluation to enhance its data management process.

We concur with findings however, the following responses are presented for clarification and to provide corrective actions taken as a result of the performance indicator audit findings:

- 1. The seven performance indicators that we reviewed for the Agricultural Center are valid. However, we observed that the indicators are so aggregated that specific information about research and extension is lost.**

**Response:** First, the aggregation of research and extension data is based on our strategic plan to fully integrate research and extension activities. It is a national trend to align research and extension programs to maximize the impact on the clientele being served. A quick review of research and extension programs at several leading land grant institutions such as Washington State University, University of Nebraska, Texas A&M University, LSU Ag Center, Michigan State University, Mississippi State University, North Dakota State University and Oregon State University reveals an organizational and programmatic structures that integrate cooperative relationship between research and extension. Secondly, effective October 1, 2003, SUAREC has distributed to extension and research personnel the first version of the “*Procedure and Policy Manual*” for the reporting data at the federal, state and local levels.

- 2. For all seven performance indicators, the Agricultural Center’s management controls do not provide assurance that data used to report performance indicators are accurate and reliable.**

**Response:** SUAREC acknowledges the need to implement measures to ensure that data used to report performance indicator is accurate and reliable. The following actions will be taken to address these concerns:

- Finalize the “*Procedure and Policy Manual*” to uniformly report data by October 31, 2003. The manual will be reviewed by appropriate individuals to ensure that it is meeting the intended use.
- Conduct appropriate training sessions for research and extension personnel by November 15, 2003 on measures used to report data for performance indicators established for 2003.
- Conduct random follow up reviews with research and extension personnel.
- Conduct three and six month evaluations of the accountability system to ensure that it is user friendly.

**3. The reported values for all seven indicators are unreliable because of inadequate and inconsistent methods for counting and compiling data, the lack of supporting documentation, inaccurate calculations, and little to no review of the information to ensure its reliability.**

**Response:** SUAREC will address the concerns of reliability of the data in the following ways:

- Effective July, 2003, FileMaker Pro was selected as the database solutions that will allow the Center to standardize its method of collecting and reporting data.
- Conduct a review of primary and secondary information to develop a comprehensive list of items to be submitted as supporting documentation.
- The staff in the Office of Planning and Evaluation will provide leadership for the maintenance of this database and other databases used to support planning, assessment, and monitoring of all data used for reports at the federal, state and local levels.