



## **The Department of Motor Vehicles’ Performance Measures Were Effective but Lacked Proper Controls**

September 29, 2014

### **Audit Team:**

Toya Harris, Audit Supervisor

Gregory Johnson, Auditor-in-Charge

Hussein Aden, Auditor

A Report by the Office of the District of Columbia Auditor  
Lawrence Perry, Acting District of Columbia Auditor



September 29, 2014

Dear Ms. Babers:

Included herein is the Office of the District of Columbia Auditor's (ODCA) report entitled "The Department of Motor Vehicles' Performance Measures Were Effective but Lacked Proper Controls." The audit was conducted pursuant to D.C. Code § 1-614.14 (c), which states that "The Office of the District of Columbia Auditor shall conduct an audit of selected performance measures presented in performance reports of certain agencies each fiscal year." For fiscal year (FY) 2014, it was determined that ODCA would conduct a review of the Department of Motor Vehicles' (DMV) FY 2012 Performance Accountability Report (PAR).

The objectives of the audit were to determine whether the DMV accurately reported their "fully achieved" Key Performance Indicators (KPIs) from their FY 2012 PAR and implemented adequate controls to ensure accurate and reliable performance measures in the FY 2012 PAR. We also sought to determine whether KPIs reported by the DMV in their 2012 PAR met the Office of the City Administrator's standards as effective.

We would like to thank staff from the DMV for their assistance and cooperation during this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence Perry", is written over a horizontal line.

Lawrence Perry  
Acting District of Columbia Auditor

September 29, 2014



## **The Department of Motor Vehicles' Performance Measures Were Effective but Lacked Proper Controls**

### **Why ODCA Did This Audit**

The Audit of the Performance Measures of the Department of Motor Vehicles (DMV) originated from the Office of the District of Columbia Auditor's (ODCA) mandate (D.C. Code 1-614.14c). This mandate states that "The Office of the District of Columbia Auditor shall conduct an audit of selected performance measures presented in performance reports of certain agencies each fiscal year." For fiscal year (FY) 2014, it was determined that ODCA would conduct a review of the Department of Motor Vehicles FY 2012 Performance Accountability Report (PAR).

### **What ODCA Recommends**

1. We recommend that the DMV perform documented verifications of all performance data entered into the performance management database before final submission.
2. We recommend that the DMV establish a monthly recordkeeping process that ensures that complete KPI documentation is retained for the fiscal year reported plus three years.

### **What ODCA Found**

The DMV's mission is to promote public safety by ensuring the safe operation of motor vehicles. The DMV provides service to over 541,000 licensed drivers/identification card holders and 288,000 registered vehicles at four service centers. In addition, they conduct over 189,000 vehicle inspections and collect ticket payments for more than 2.5 million tickets annually. The DMV interacts with District residents and non-residents, with an average of 3,200 daily customer contacts—more than almost any other District government agency.

Pursuant to the Government Manager's Accountability Act of 1995, the DMV annually publishes a PAR. The PAR provides information about agency progress in achieving its goals for the previous year.

Overall, we found control deficiencies while determining whether the DMV's performance measures were accurately reported in their FY 2012 PAR. These deficiencies were related mainly to the lack of a validation process to ensure the accuracy of performance measure results and insufficient document retention.

Our review to determine whether the DMV's performance measures met the Office of the City Administrator standards as effective indicated that all the fully achieved measures reported in the FY 2012 PAR were effective performance measures.

For more information regarding this report, please contact Anovia Daniels, Communications Analyst/ANC Outreach, at [Anovia.Daniels@dc.gov](mailto:Anovia.Daniels@dc.gov) or 202-727-3600.

# Table of Contents

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<b>Background.....</b>	<b>2</b>
<b>Objectives, Scope and Methodology .....</b>	<b>4</b>
<b>Certification Results .....</b>	<b>6</b>
<b>Audit Results.....</b>	<b>12</b>
1. We recommend that the DMV perform documented verifications of all performance data entered into the performance management database before final submission.....	12
2. We recommend that the DMV establish a monthly recordkeeping process that ensures that complete KPI documentation is retained for the fiscal year reported plus three years.....	13
<b>Performance Measure Effectiveness .....</b>	<b>14</b>
<b>Audit Results Summary .....</b>	<b>22</b>
<b>Conclusion .....</b>	<b>23</b>
<b>Agency Comments.....</b>	<b>24</b>
<b>Auditor’s Response to Agency Comments.....</b>	<b>25</b>
<b>Appendix I.....</b>	<b>i</b>

## Background

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“The Government Managers Accountability Act of 1995” (GMAA)<sup>1</sup> mandates that all District of Columbia government agencies transmit to the Council of the District of Columbia (Council) a performance plan at the start of each fiscal year that covers all publicly-funded activities of the agency. Agency performance plans must include the objectives that the agency is working towards, a list of initiatives that will be implemented in order to achieve agency objectives and a set of performance measures and targets that will be used to gauge progress from year to year. Agencies work with the Office of the City Administrator (OCA) to develop their performance measures, reaching a mutual agreement as to which performance measures will best capture progress toward their objectives.

At the end of each fiscal year, each agency reports progress toward the initiatives they announced at the beginning of the year and provides data for each performance measure, showing whether the agency met the established target. OCA and the agency work together to create a Performance Accountability Report (PAR), which includes both a narrative description of progress toward each initiative announced in the performance plan and a chart showing the data for each performance measure. In the PARs, OCA refers to performance measures as Key Performance Indicators (KPIs). In addition, PARs contain workload measures that only identify how much work was performed or how many units of service were provided. These measures do not have a target and do not reveal how efficiently or how well an agency performed.

In the PARs, OCA also assigns a performance rating for each initiative and KPI, judging them either “Fully Achieved,” “Partially Achieved,” or “Not Achieved.”

- A KPI is “Fully Achieved” if the year-end value is equal to or greater than the target for the year.
- A KPI is “Partially Achieved” when the agency achieves less than 100 percent of its goal but equal to or more than 75 percent of the goal.
- A KPI is “Not Achieved” when the agency achieves less than 75 percent of its goal.

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<sup>1</sup> D.C. Code §1-614.11-14 (2013)

Agency performance plans and resulting PARs provide the Council with important information that can be used to conduct oversight and review the operations of District agencies. In addition, because the PARs are made public, residents are informed about the progress of District agencies in achieving their annual goals.

### **The District Department of Motor Vehicles (DMV)**

The mission of the DMV is to promote public safety by ensuring the safe operation of motor vehicles. During fiscal year (FY) 2012, the year ODCA reviewed, the DMV operated through the following six major divisions.

**Agency Management:** Provides general and administrative support and the required tools to achieve operational and programmatic results. This includes financial operations, customer service, administrative services, legislative affairs, facility management, as well as warehousing and inventory control.

**Adjudication Services:** Provides ticket processing, noticing, hearing, and hearing support services to residents and non-residents, in order to render legally sound decisions on parking, photo and moving violations, and to ensure proper processing of violation and penalty payments for those infractions.

**Driver Services:** Provides driver certification and identification services to residents to ensure they have the proper credentials to reflect identity, residence, and driving qualifications so they may legally operate their vehicles.

**Vehicle Services:** Provides certification and inspection services to residents, businesses, and government entities so they may legally park, drive, and sell their vehicles in the District of Columbia.

**Service Integrity:** Ensures the security and integrity of all DMV transactions, employees, and products by implementing and auditing procedures to minimize fraud, abuse, corruption, and risk of financial loss related to the execution of departmental functions.

**Technology Services:** Provides integrated and reliable information systems for all DMV services and complies with District-wide technology standards and requirements.

In the FY 2012 PAR, the DMV reported on 38 KPIs. The results are presented in Figure 1.

**Figure 1**

### **FY 2012 DMV KPI Results**

Fully Achieved	Partially Achieved	Not Achieved	Data Not Available	Workload Measures	Baseline Measures
19	5	0	0	14	0

# **Objectives, Scope and Methodology**

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## **Objectives**

The objectives of the audit were to determine whether:

1. The Department of Motor Vehicles (DMV) accurately reported their “fully achieved” Key Performance Indicators (KPIs) from their fiscal year (FY) 2012 Performance Accountability Report (PAR);
2. The DMV implemented adequate controls to ensure accurate and reliable performance measures in the FY 2012 PAR; and
3. KPIs reported by the DMV in their FY 2012 PAR met the Office of the City Administrator (OCA) standards as effective.

## **Scope**

The scope of the audit is the DMV’s FY 2012 PAR and the activities conducted by the DMV to collect and report their performance data. The DMV’s FY 2012 fully achieved performance measures are included in this report as Appendix I.

## **Methodology**

To accomplish our audit objectives, we utilized the following methodology:

- Reviewed OCA’s “Guide to Performance Management in the District of Columbia”;
- Researched criteria set by other jurisdictions when selecting effective performance measures;
- Reviewed the documentary evidence the DMV used to calculate their fully achieved KPIs;
- Tested the DMV’s documentary evidence in an effort to recalculate the results presented in the FY 2012 PAR;
- Reviewed the DMV’s internal controls over collecting and reporting KPI data to determine if adequate procedures were in place to provide the public with an accurate representation of the DMV’s progress towards reaching their goals; and
- Interviewed the DMV staff responsible for collecting the data used to calculate KPIs across all six (6) DMV divisions and a

representative within the Office of the City Administrator with knowledge of performance management in the District.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## Certification Results

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The Office of the District of Columbia Auditor (ODCA) reviewed the accuracy of the 19 fully achieved Key Performance Indicators (KPIs) reported by the Department of Motor Vehicles (DMV) in its fiscal year (FY) 2012 Performance Accountability Report (PAR). The accuracy of a performance measure was determined by using the DMV's documentary evidence to determine whether we could recalculate the number reported in the FY 2012 PAR. We also reviewed the procedures in place by the DMV to report performance data for each fully achieved KPI.

We summarized the results of our testing using the following three certification ratings: Certified, Certified with Qualifications, or Not Certified.<sup>2</sup> Figure 2 provides definitions for each of the three ratings.

**Figure 2**

**Certification Categories and their Definitions**

Certification Categories	Definitions
<b>Certified</b>	Reported performance measure result is accurate (+/- 5%) AND Adequate procedures are in place for collecting and reporting performance data.
<b>Certified with Qualifications</b>	Reported performance measure result is accurate (+/- 5%) BUT Adequate procedures are not in place for collecting and reporting performance data.
<b>Not Certified</b>	Actual performance is not within five percent of reported performance OR Actual performance measurement data could not be verified due to inadequate procedures or insufficient documentation.

**Source:** ODCA created certification categories based on the Maricopa County (Arizona) document entitled "Performance Measure Certification," published May 2008.

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<sup>2</sup> Our certification process is based on one used by the Maricopa County (AZ) Internal Audit Department. Their process has been recognized by the Government Accounting Standards Board as the "gold standard" of performance measurement auditing.

Overall, we certified 10 of 19 KPIs the DMV reported as fully achieved. The remaining nine KPIs were not certified.

ODCA determined that the following ten fully achieved KPIs were **CERTIFIED**. We found that the following ten KPIs were accurately reported (within +/- 5 percent of the ODCA's recalculation) and adequate procedures were in place for collecting and reporting the performance data.

**Figure 3**

**Certified Key Performance Indicators**

Division	Key Performance Indicator	DMV Calculation	ODCA Calculation
Agency Management	KPI 1.2 – % of organ donors through DMV	37.73% Actual	37.90% Actual
	KPI 1.3 – OIG inquiries completed within deadline	100% Actual	100% Actual
	KPI 1.4 – Correspondence addressed timely	91.29% Actual	91.29% Actual
Adjudication Services	KPI 2.1 – Mail adjudication hearings completed within 150 days	78.59% Actual	78.59% Actual
	KPI 2.2 – Adjudication customers whose wait times are 40 minutes or less	89.93% Actual	88.19% Actual
	KPI 2.7 – Adjudication related OUC service request addressed timely	86.24% Actual	86.17% Actual
Driver Services	KPI 3.6 – Driver related OUC service requests addressed timely	91.22% Actual	92.07% Actual
Vehicle Services	KPI 3.3 – Registrations renewed online	68.33% Actual	65.11% Actual

Division	Key Performance Indicator	DMV Calculation	ODCA Calculation
Service Integrity	KPI 1.1 – Employees completing Fraudulent Document Recognition (FDR) training	92.31% Actual	95.50% Actual
Technology Services	KPI 2.1 – Usage of online driver/vehicle services use	55.59% Actual	53.66% Actual

ODCA could not certify 9 of 19 KPIs DMV reported as fully achieved. The KPIs were classified as **NOT CERTIFIED** because our testing results determined one of the following conditions: (1) actual KPI performance, as recalculated by ODCA, was not within +/- 5 percent of reported performance, or (2) actual performance measurement data could not be verified due to inadequate procedures for collecting and reporting performance data, or (3) insufficient documentation was maintained by the DMV to support their KPI calculations in the PAR. The results of our review of the nine KPIs categorized as not certified are noted below.

**Figure 4**

#### **Adjudication Services KPI 2.3**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Average adjudication customer wait time in minutes	17 minute Actual Fully Achieved	20 minute Actual Fully Achieved

Although the DMV fully achieved the goal of average adjudication customer wait time in minutes of 30 minutes or less, the DMV did not accurately report the results for the Adjudication Services KPI 2.3 in the FY 2012 PAR. Using documentary evidence provided by the DMV, ODCA recalculated the average adjudication customer wait time in minutes. Our recalculation was not within +/- 5 percent of the DMV's calculation in the PAR. According to the DMV staff, the reports generated for our review did not support the data reported by the DMV in FY 2012 due to adjustments made to the database since FY 2012. As a result, the DMV could not reproduce the original data used during FY 2012. We also identified keying error during the 3<sup>rd</sup> quarter data entry into KPI Tracker, the performance management database administered by the Office of the City Administrator.

**Figure 5****Adjudication Services KPI 2.4**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Customers rating adjudication services as satisfactory or better	86.34% Actual Fully Achieved	Unable to Calculate

The accuracy of this performance indicator could not be determined due to the lack of documentary evidence. The DMV uses customer survey cards to track this KPI. At the end of each month, a Management Analyst totals the number of surveys completed and the number of surveys rated as satisfactory or better. Once the results are calculated, the survey cards are discarded.

Since documentary evidence was not retained by the DMV staff, ODCA was unable to recalculate this KPI and could not verify whether this performance indicator was accurately reported in the FY 2012 PAR.

**Figure 6****Adjudication Services KPI 2.5**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Appeals decided based on those filed	55.58% Actual Fully Achieved	48.63% Actual Partially Achieved

The DMV did not accurately report the results for the Adjudication Services KPI 2.5 in the FY 2012 PAR. Using documentary evidence provided by the DMV, ODCA recalculated the percentage of appeals decided based on those filed. ODCA's recalculation was not within +/- 5 percent of the DMV's calculation reported in the PAR. The DMV could not provide an explanation for the sizable difference in the DMV and ODCA's calculation.

ODCA determined that this KPI was incorrectly reported as fully achieved in the FY 2012 PAR. Instead, based upon our recalculation this KPI should have been reported as partially achieved in the FY 2012 PAR.

**Figure 7****Driver Services KPI 3.2**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Average service center customer wait time in	29.75 Actual Fully Achieved	Unable to Calculate

minutes		
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The accuracy of this KPI could not be determined due to the lack of documentary evidence. According to the DMV staff, some service centers that were operational during FY 2012 have closed. As a result of the closures, the data from these locations is no longer retrievable.

Since documentary evidence was not retained by the DMV staff, ODCA was unable to recalculate this KPI and could not verify whether this performance indicator was accurately reported in the FY 2012 PAR.

**Figure 8**

### **Driver Services KPI 3.4 and KPI 3.5**

Key Performance Indicator	DMV Calculation	ODCA Calculation
KPI 3.4 – Licenses renewed online	37.38% Actual Fully Achieved	34.61% Actual Partially Achieved
KPI 3.5 – ID cards renewed online	10.84% Actual Fully Achieved	8.41% Actual Partially Achieved

The DMV did not accurately report the results for the Driver Services KPI 3.4 or Driver Services KPI 3.5 in the FY 2012 PAR. Using documentary evidence provided by the DMV, ODCA recalculated the percentages of driver licenses and ID cards renewed online. ODCA's recalculation of these performance indicators was not within +/- 5 percent of the DMV's calculation. According to the DMV staff, the differences in calculation are due to adjustments made to the database in July 2012 that were never communicated to performance management personnel.

The DMV agrees with ODCA's recalculation and that KPIs 3.4 and 3.5 should have been reported as partially achieved in the FY 2012 PAR.

**Figure 9**

### **Vehicle Services KPI 3.1**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Vehicle inspections per staff hour	4.11 Actual Fully Achieved	Unable to Calculate

The accuracy of this KPI could not be determined due to the lack of documentary evidence. According to the DMV staff, the documentation used to monitor the number of vehicle inspections per staff hour during FY 2012 is no longer available. Therefore,

ODCA could not verify whether or not this performance indicator was reported accurately in the FY 2012 PAR.

**Figure 10**

**Vehicle Services KPI 3.2**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Customers rating vehicle services satisfactory or better	90.45% Actual Fully Achieved	Unable to Calculate

The accuracy of this performance indicator could not be determined due to the lack of documentary evidence. The DMV uses customer survey cards to track their performance. At the end of each month, a Management Analyst totals the number of surveys completed and the number of surveys rated as satisfactory or better. Once the results are calculated, the survey cards are discarded.

Since supporting documentation was not retained by the DMV staff, ODCA was unable to recalculate this KPI and could not verify whether this performance indicator was accurately reported in the FY 2012 PAR.

**Figure 11**

**Vehicle Services KPI 3.4**

Key Performance Indicator	DMV Calculation	ODCA Calculation
Dealer transactions processed within 7 business days	100% Actual Fully Achieved	Unable to Calculate

The DMV provided ODCA with incomplete documentary evidence for this KPI. The documentation provided was missing key information such as start date and end date, which is needed in order to determine whether transactions were actually processed within seven business days.

Since adequate documentary evidence was not provided, ODCA was unable to recalculate this KPI and could not verify whether this performance indicator was reported accurately in the FY 2012 PAR.

# Audit Results

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Overall, we found control deficiencies while determining whether the Department of Motor Vehicles' (DMV) performance measures were accurately reported in the fiscal year (FY) 2012 Performance Accountability Report (PAR). These deficiencies related to the lack of a validation process to ensure the accuracy of performance measure results and insufficient document retention. To address our findings we recommend the following actions.

**1. We recommend that the DMV perform documented verifications of all performance data entered into the performance management database before final submission.**

The Government Accountability Office Standards of Internal Control state that "Activities need to be established to monitor performance measures and indicators. These controls could call for comparisons and assessments relating different sets of data to one another so that analyses of the relationships can be made and appropriate actions taken. Controls should also be aimed at validating the propriety and integrity of both organizational and individual performance measures and indicators."

The DMV manually entered Key Performance Indicators (KPIs) results into an internal master spreadsheet at the end of each month. At the end of each quarter, the DMV entered the results from the master spreadsheet into the Office of the City Administrator's (OCA) performance management database or "KPI Tracker." The KPI results entered into the KPI Tracker were used to create the PAR at the end of the year. The DMV's computer system updates and keying errors led to four KPIs being reported inaccurately in the FY 2012 PAR. Three of the four miscalculated KPIs were incorrectly reported as fully achieved (Adjudication Services KPI 2.5, Driver Services KPI 3.4, Driver Services KPI 3.5), when they should have been reported as partially achieved. With no review process in place, these errors were never detected before being released to the public. The lack of an effective and reliable process for validating KPI results resulted in an inaccurate representation of the DMV's progress towards reaching goals in the FY 2012 PAR.

**2. We recommend that the DMV establish a monthly recordkeeping process that ensures that complete KPI documentation is retained for the fiscal year reported plus three years.**

The State of Texas Guide to Performance Measure Management states that “Performance measure documentation should be retained for the fiscal year reported plus three years in order to respond to audits, as well as to other performance-related questions.” During our review, we found that the DMV did not retain any documentation for four KPIs.

The DMV uses survey cards to assess customer satisfaction. These survey cards gave customers the option of determining whether their experience with the DMV was satisfactory or better. During our review, we found that Management Analysts responsible for Adjudication Services KPI 2.4 and Vehicle Services KPI 3.2 totaled the number of surveys completed and the number of surveys rated as satisfactory or better at the end of month during FY 2012. Once the calculation was completed, the DMV discarded the survey cards.

In addition, for Vehicle Services KPI 3.1, documentation used to monitor the number of vehicle inspections per staff hour was no longer available. When ODCA inquired, we learned that the Inspection Manager no longer had the information from FY 2012.

For Driver Services KPI 3.2, while attempting to verify the average service center customer wait time in minutes, we learned that data from closed DMV locations was no longer retrievable in the DMV’s computer systems.

The lack of an effective and reliable process for retaining supporting documentation resulted in the DMV being unable to fully respond to our audit and other potential performance-related questions.



## Performance Measure Effectiveness

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We analyzed the 19 “fully achieved” the Key Performance Indicators” (KPIs) reported in the Department of Motor Vehicles’ (DMV) fiscal year (FY) 2012 Performance Accountability Report (PAR) to determine whether KPIs were “effective” performance measures. To determine the effectiveness of the KPIs for the DMV in FY 2012, we reviewed a guide published by the Office of the City Administrator (OCA) and entitled “Building and Measuring a City That Works: A Guide to Performance Management in the District of Columbia”. The section on performance indicators include the following list of six characteristics that “good” performance measures should have:

1. Simple: Keeps measures simple and straightforward.
2. Results-oriented: Focuses primarily on outcomes, efficiencies and outputs.
3. Selective: Concentrates on the most important indicators of performance. Do not use more measures than necessary.
4. Useful: Provides information of value to the agency and decision-makers.
5. Accessible: Provides periodic information about results.
6. Reliable: Provides accurate, consistent information over time.

We evaluated each “fully achieved” KPI to determine whether the KPI met the criteria for a good performance measurement contained in OCA’s guide. For those KPIs that met three or fewer of the characteristics included in the OCA guide, we judged the KPI to be “not effective”. KPIs that had four or more of the characteristics on the list were judged “effective”.

Although we determined that all 19 “fully achieved” KPIs were “effective” performance indicators, the reported results for 4 of the 19 could not be considered reliable due to the lack of effective documentation retention. Figure 12 contains the results of ODCA’s determination.

**Figure 12****Effectiveness of the DMV's FY 2012 KPIs**

<b>AGENCY MANAGEMENT</b>		
<b>KPI 1.2: % of organ donors through DMV</b>		
Simple	√	This measure is simple and straightforward.
Results Oriented	√	This measure provides beneficial information about the outcome of an agency action.
Selective	√	This performance measure is an important indicator of agency progress, and tracks the number of organ donors that sign up through the DMV.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively asking citizens whether or not they wish to be an organ and tissue donor at the time of a new application or renewal of vehicle information.
Accessible	√	Organ Donor data is continually tracked throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reported reliably.
<b>KPI 1.3: OIG inquiries completed within deadline</b>		
Simple	√	This measure is simple and straightforward.
Results Oriented	√	This measure provides information about the output of the agency over time.
Selective	√	This measure counts as an important indicator of progress, and tracks the DMV's ability to meet important deadlines.
Useful	√	This performance measure provides useful information about the productivity of the DMV's operations – effectively responding to OIG inquiries within established deadlines.
Accessible	√	OIG inquiries are tracked continually throughout the year and are able to be shown in a trend report.
Reliable	√	The measure appears to be reported reliably.
<b>KPI 1.4: Correspondence addressed timely</b>		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	This measure provides important information about the service quality of the agency.
Selective	√	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster DMV.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – quickly responding to customer requests in a timely manner.
Accessible	√	Customer correspondence is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reported reliably.

ADJUDICATION SERVICES		
KPI 2.1 Mail adjudication hearings completed within 150 days		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the output of the agency over time.
Selective	✓	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – quickly completing mail adjudication hearings in a timely manner.
Accessible	✓	Mail adjudication data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	✓	The measure appears to be reported reliably.
KPI 2.2: Adjudication customers whose wait times are 40 minutes or less		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the output of the agency over time.
Selective	✓	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster and friendlier DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively cutting down customer wait times.
Accessible	✓	Customer wait times are tracked continually throughout the year and are able to be shown in a trend report.
Reliable	✓	The measure appears to be reliably reported.
KPI 2.3: Average adjudication customer wait time in minutes		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the output of the agency over time.
Selective	✓	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster and friendlier DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively working towards getting customers in and out of the DMV in a timely manner.
Accessible	✓	Average customer wait times are tracked continually throughout the year and are able to be shown in a trend report.
Reliable	✓	The measure appears to be reliably reported.
KPI 2.4: Customers rating adjudication services as satisfactory or better		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the service quality of the agency.
Selective	✓	This measure is one of the most important indicators of progress toward achieving a faster and friendlier DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively tracking customer feedback on the DMV's service quality.
Accessible	✓	This measure provides periodic information about results, is tracked continually throughout the year, and is able to be shown in a trend report.

Reliable	X	This KPI is not reliable due to the DMV's insufficient document retention and lack of readily available data. In addition, there is an increased risk of not providing accurate and consistent information over time.
<b>KPI 2.5: Appeals decided based on those filed</b>		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	The measure counts as a results-oriented measure, as it measures the output of the agency.
Selective	√	This measure counts as one of the most important indicators of progress in this area of DMV activity.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – deciding on appeals in an effort to satisfy the DMV's customers.
Accessible	√	Appeal data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.
<b>KPI 2.7: Adjudication related OUC service request addressed timely</b>		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	This measure provides important information about the service quality of the agency.
Selective	√	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster DMV.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – quickly responding to OUC requests in a timely manner.
Accessible	√	OUC data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.

DRIVER SERVICES		
KPI 3.2: Average service center customer wait time in minutes		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	This measure provides important information about the output of the agency over time.
Selective	√	This measure is an important indicator of progress, and tracks the agency's progress towards becoming a faster and friendlier DMV.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively working towards getting customers in and out of the DMV in a timely manner.
Accessible	√	Average customer wait times are tracked continually throughout the year and are able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.
KPI 3.4: License renewed online		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	The measure counts as a results-oriented measure, as it measures the output of the agency.
Selective	√	This measure is an important indicator of progress towards making it easier and faster to do business with the DMV.
Useful	√	The information provided is of clear value to the agency and other decision-makers in the District government as it tracks citizens' activity using online services.
Accessible	√	Online usage data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.
KPI 3.5: ID cards renewed online		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	The measure counts as a results-oriented measure, as it measures the output of the agency.
Selective	√	This measure is an important indicator of progress towards making it easier and faster to do business with the DMV.
Useful	√	The information provided is of clear value to the agency and other decision-makers in the District government as it tracks citizens' activity using online services.
Accessible	√	Online usage data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.
KPI 3.6: Driver related OUC service requests addressed timely		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	This measure provides important information about the service quality of the agency.
Selective	√	This measure counts as an important indicator of progress, and tracks the agency's progress towards becoming a faster DMV.
Useful	√	This performance measure provides useful information to management about the productivity of the DMV's operations – quickly responding to OUC requests in a timely manner.
Accessible	√	OUC data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.

VEHICLE SERVICES		
KPI 3.1: Vehicle inspections per staff hour		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure counts as a results-oriented measure, as it measures the efficiency of the agency's vehicle services.
Selective	✓	This measure counts as an important indicator of progress within a core area of DMV activity.
Useful	✓	This performance measure provides useful information to the Council of the District of Columbia and stakeholders about the resources used by the DMV.
Accessible	✓	Vehicle Inspection data is continually tracked throughout the year and is able to be shown in a trend report.
Reliable	X	This KPI is not reliable due to the DMV's insufficient document retention and lack of readily available data. In addition, there is an increased risk of not providing accurate and consistent information over time.
KPI 3.2: Customers rating vehicle services as satisfactory or better		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the service quality of the agency.
Selective	✓	This measure is one of the most important indicators of progress toward achieving a faster and friendlier DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively tracking customer feedback on the DMV's service quality.
Accessible	✓	This measure provides periodic information about results, is tracked continually throughout the year, and is able to be shown in a trend report.
Reliable	X	This KPI is not reliable due to the DMV's insufficient document retention and lack of readily available data. In addition, there is an increased risk of not providing accurate and consistent information over time.
KPI 3.3: Registrations renewed online		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	The measure counts as a results-oriented measure, as it measures the output of the agency.
Selective	✓	This measure is an important indicator of progress towards making it easier and faster to do business with the DMV.
Useful	✓	The information provided is of clear value to the agency and other decision-makers in the District government as it tracks citizens' activity using online services.
Accessible	✓	Online usage data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	✓	The measure appears to be reliably reported.
KPI 3.4: Dealer transactions processed within 7 business days		
Simple	✓	This measure is simple and straightforward.
Results-Oriented	✓	This measure provides important information about the output of the agency over time.
Selective	✓	This measure is an important indicator of progress towards making it easier and faster to do business with the DMV.
Useful	✓	This performance measure provides useful information to management about the productivity of the DMV's operations – effectively processing dealer transactions within 7 business days.

Accessible	√	Dealer transaction data is monitored continually throughout the year and is able to be shown in a trend report.
Reliable	X	This KPI is not reliable due to the DMV's insufficient document retention and lack of readily available data. In addition, there is an increased risk of not providing accurate and consistent information over time.

TECHNOLOGY SERVICES		
KPI 2.1: Usage of online driver/vehicle services use		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	The measure counts as a results-oriented measure, as it measures the output of the agency.
Selective	√	This measure is an important indicator of progress towards making it easier and faster to do business with the DMV.
Useful	√	The information provided is of clear value to the agency and other decision-makers in the District government as it tracks citizens' activity using online services.
Accessible	√	Online usage data is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.

SERVICE INTEGRITY		
KPI 1.1: Employees completing FDR training		
Simple	√	This measure is simple and straightforward.
Results-Oriented	√	Participants in training and education activities could be considered outputs for the agency, so the measure is results-oriented.
Selective	√	This measure provides an important indicator of performance in ensuring a skilled and diverse workplace.
Useful	√	The information provided is of clear value to the agency and other decision-makers in District government.
Accessible	√	Employee training is tracked continually throughout the year and is able to be shown in a trend report.
Reliable	√	The measure appears to be reliably reported.



## Audit Results Summary

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Our audit identified two recommendations that could benefit the Department of Motor Vehicles (DMV) with ensuring the accuracy of their performance measure results and their ability to respond to audits or any performance-related questions.

Recommendation	Finding
1. We recommend that the DMV implement procedures for performing documented reviews of all performance data entered into the Office of the City Administrator's KPI Tracker before the submission of performance measure results is complete to ensure that data entry is correct.	<ul style="list-style-type: none"><li>We found that four KPIs within the FY2012 PAR were reported inaccurately. Three of the four miscalculated KPIs were incorrectly reported as fully achieved (Adjudication Services KPI 2.5, Driver Services KPI 3.4, Driver Services KPI 3.5), when they should have been reported as partially achieved. With no review process in place, these errors were never detected before being released to the public. The lack of an effective and reliable process for validating KPI results resulted in an inaccurate representation of the DMV's progress.</li></ul>
2. We recommend that the DMV establish a monthly recordkeeping process that ensures that adequate KPI documentation is retained for the fiscal year reported plus three years.	<ul style="list-style-type: none"><li>We found that the DMV did not retain any KPI documentation for their customer survey cards, vehicle inspections per staff hour, or closed DMV service center locations from FY2012.</li></ul>

## Conclusion

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Performance Accountability Reports provide the Council and residents with valuable, quantifiable indicators of the progress an agency made in the previous year toward achieving their objectives and goals. For Performance Accountability Reports to be useful, the information presented in the Performance Accountability Report (PAR) must be reliable and accurate. We found that the Department of Motor Vehicles' (DMV) Key Performance Indicators (KPIs) met the standards of the Office of the City Administrator and were effective.

We were able to certify 10 of 19 KPIs the DMV reported as fully achieved in their fiscal year (FY) 2012 PAR. We were, however, unable to certify the remaining nine KPIs. Our audit of the FY 2012 PAR of the DMV found weaknesses in the internal controls that the DMV used to verify the key performance indicator data presented in the PAR. As a result, the Council and residents did not receive consistent accurate information regarding the progress the DMV made toward meeting the objectives of the agency.

We also found that the DMV did not retain documentation for certain KPIs. We strongly urge the DMV to implement a recordkeeping process that ensures they are able to respond to audits or any performance-related questions.

By improving the accuracy of the key KPIs reported in the PAR and retaining all relevant documentation, the DMV will improve the quality of information that is provided to the Council and residents regarding the operations of the DMV.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence Perry", written in a cursive style.

Lawrence Perry,  
Acting District of Columbia Auditor

## **Agency Comments**

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On September 5, 2014, we submitted a draft version of this report to the Department of Motor Vehicles (DMV).

The Office of the District of Columbia Auditor received written comments from DMV on September 19, 2014. The DMV agreed with the recommendations and identified the steps that have begun to be implemented. The DMV's responses are included with this report.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF MOTOR VEHICLES**



Office of the Director

September 19, 2014

Mr. Lawrence Perry  
Acting District of Columbia Auditor  
717 14<sup>th</sup> Street, NW, Suite 900  
Washington, DC 20005

**RE:** DMV FY2012 KPI Audit Draft Report Entitled: The Department of Motor Vehicles' Performance Measures Were Effective but Lacked Proper Controls

The District of Columbia Department of Motor Vehicles (DC DMV) is providing comments related to the recommendations in the DC Auditor's draft report on the DMV FY2012 KPI Audit as indicated in the paragraphs below.

**Recommendation #1: We recommend that the DMV perform documented verifications of all performance data entered into the performance management database before final submission.**

DC DMV agrees with this recommendation and has already implemented a Key Performance Indicator (KPI) monthly verification process which also requires all data spreadsheets and reports be manually maintained for a period of four years. Additionally, an annual reconciliation process will be conducted with all KPIs reviewed each mid-October prior to final submission.

It should be noted, the three KPIs which the audit indicates were incorrectly reported as fully achieved, were actually partially achieved with the following percentages of the goal met:

- Adjudication Services KPI 2.5: Appeals decided based on those filed – 88.42% of goal met
  - It should be noted the audit incorrectly states DMV could not provide an explanation for the sizable difference (i.e., 6.95%) in the DMV and the Auditor's calculation. However, DMV did provide comments to the Auditor on March 27, 2014 indicating the FY12 calculations did not include meter appeals which were in a separate report. Therefore, this explained the variance in the DMV and the Auditor's calculation.
- Driver Services KPI 3.4: Licenses renewed online – 98.89% of goal met
- Driver Services KPI 3.5: ID cards renewed online – 93.42% of goal met

Although DC DMV strives for all KPIs to be achieved at 100%, we also applaud the efforts of our employees in obtaining a greater than 88% goal met results in these three areas.

**Recommendation #2: We recommend that the DMV establish a monthly recordkeeping process that ensures that the complete KPI documentation is retained for the fiscal year reported plus three years.**

DC DMV agrees with this recommendation and has already implemented a Key Performance Indicator (KPI) monthly verification process which also requires all data spreadsheets and reports be manually maintained for a period of four years. Additionally, an annual reconciliation process will be conducted with all KPIs reviewed each mid-October prior to final submission.

Thank you for the opportunity to respond to your draft report and recommendations. Please contact me at [Lucinda.babers@dc.gov](mailto:Lucinda.babers@dc.gov) or 202-727-2200 if there are any questions or concerns.

Sincerely,

A handwritten signature in purple ink that reads "Lucinda M. Babers". The signature is fluid and cursive, with the first name "Lucinda" being more prominent.

Lucinda M. Babers  
Director

## **Auditor's Response to Agency Comments**

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The Office of the District of Columbia Auditor appreciates the comments provided by the Department of Motor Vehicles. We are pleased to note that in their response they identified the steps currently being undertaken to strengthen their controls for ensuring the accuracy of key performance indicators and document retention.

## Appendix I

Key Performance Indicator	FY 2012 Target	FY 2012 Actual	FY 2012 Rating
Agency Mgmt. KPI 1.2% of organ donors through DMV	37%	37.73%	101.97%
Agency Mgmt. KPI 1.3 OIG inquiries completed within deadline	100%	100%	100%
Agency Mgmt. KPI 1.4 Correspondence addressed timely	90%	91.29%	101.44%
Adjud. Serv. KPI 2.1 Mail adjudication hearings completed within 150 days	75%	78.59%	104.79%
Adjud. Serv. KPI 2.2 Adjudication customers whose wait times are 40 minutes or less	80%	89.93%	112.41%
Adjud. Serv. KPI 2.3 Average adjudication customer wait time in minutes	30 minutes	17 minutes	176.47%
Adjud. Serv. KPI 2.4 Customers rating adjudication services as satisfactory or better	84%	86.34%	102.78%
Adjud. Serv. KPI 2.5 Appeals decided based on those filed	55%	55.58%	101.06%
Adjud. Serv. KPI 2.7 Adjudication related OUC service request addressed timely	85%	86.24%	101.46%
Vehicle Serv. KPI 3.1 Vehicle inspections per staff hour	4/hr.	4.11/hr.	102.65%
Vehicle Serv. KPI 3.2 Customers rating vehicle services as satisfactory or better	85%	90.45%	106.41%
Vehicle Serv. KPI 3.3 Registrations renewed online	55%	68.33%	124.24%
Vehicle Serv. KPI 3.4 Dealer transactions processed within 7 business days	98%	100%	102.04%
Tech. Serv. KPI 2.1 Usage of online driver/vehicle services use	33%	55.59%	168.45%
Service Integ. KPI 1.1 Employees completing FDR training	92%	92.31%	100.33%
Driver Serv. KPI 3.2 Average service center customer wait time in minutes	35 minutes	29.75 minutes	117.65%
Driver Serv. KPI 3.4 License renewed online	35%	37.38%	106.79%
Driver Serv. KPI 3.5 ID cards renewed online	9%	10.84%	120.41%
Driver Serv. KPI 3.6 Driver related OUC service requests addressed timely	87%	91.22%	104.85%