

EXHIBITS

Exhibit 2: Management Responses

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF MOTOR VEHICLES



OFFICE OF THE DIRECTOR

February 20, 2001

Charles C. Maddox
Inspector General
Office of the Inspector General
717 14th Street, N.W.
Washington, D.C. 20005

Dear Mr. Maddox:

This letter is in response to Management Alert Report No. 01-A-03 dated February 1, 2001. We appreciate your office's audit work, and agree with its findings and recommendations. As requested, we are providing you with a summary of our remedial efforts, including planned actions and target dates for completion:

Recommendation 1: That DMV discloses in its performance reports the extent to which the results capture and omit locations and customers.

At this time, we have no scheduled performance reports due to the Mayor's Office. However, we are planning on publishing and distributing an Annual Report to our customers and other stakeholders in April 2001. Prior to publication, we will revise our Scorecard Goal results to reflect Recommendation 1.

Recommendation 2: That DMV includes all locations when calculating contract performance measures and scorecard measures to the extent it is cost effective.

We have built a new spreadsheet to calculate performance measures for all locations where Q-Matic is installed, including 301 C St, Rooms 1157 and 1032, and the RFK Stadium trailer. We have recalculated our FY 2000 results using the prescribed methodology and will add data from other locations should Q-Matic be installed.

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Recommendation 3: That DMV develops written procedures and controls to describe proper methodology to measure, calculate, and report performance results.

We are in the process of reassessing our current performance measurement procedures and controls and expect to develop written guidelines by the end of April 2001.

Recommendation 4: That DMV discontinues computing average service time using customer service surveys and determines the average inspection service time of a vehicle by the data from ICVIS.

We will discontinue computing average service time using customer service surveys at the end of February and will begin to determine average inspection service time through data derived from a more appropriate method in the next 60 days.

Should you have any questions or require further assistance with this matter, please contact me on (202) 724-2034.

Sincerely,



Sherryl Hobbs Newman
Director

SHN/kc

cc: Doug D. Smith
Allen G. Brooks
Angell Jacobs

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

OF THE CITY ADMINISTRATOR
MAYOR



February 20, 2001

Charles G. Maddox
Inspector General
Office of the Inspector General
717 14th Street, NW, Fifth Floor
Washington, DC 20005

RE: MAR-No. 01 A-02

Dear Mr. Maddox:

I am writing in response to a recommendation made by the Office of the Inspector General related to establishing written performance agreements with interim and acting agency directors who assume their positions in mid-year. Historically, when the District has executed a performance contract with a permanent agency director and that individual leaves their position for whatever reason, we have not executed performance agreements or contracts with their successors until the following fiscal year.

In reviewing the performance goals and measures for the Department of Public Works (DPW) and the District Division for Transportation (DDOT), the OIG audit team found it challenging to assess the incumbent directors' performance against goals that had been agreed upon with their predecessor. The goals for Public Works and Transportation were under the single authority of the former Director of Public Works; the District has subsequently divided those responsibilities.

In particular, the OIG recommendation reads as follows:

- **Recommendation 2.** We recommend that the Deputy Mayor/City Administrator establish accountability for agency implementation of performance measures at all times, including those periods in which an acting or interim director is in charge of an agency.

We agree in principle and propose the following process:

1. **FY 2001 Performance Contracts:** All incumbent permanent agency directors will execute FY 2001 performance contracts by the end of March 2001. Historically, we have asked newly appointed agency directors to develop an *initial strategic plan* (see *Long-term Strategic Planning* below) within 45 days of their appointment and we will execute a performance contract based on that plan within 15 days.

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Charles G. Maddox

February 20, 2001

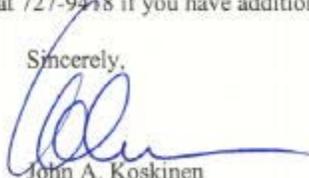
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2. Incumbent Interim Directors: We are nearing the conclusion of searches for directors of two agencies that are currently under the leadership of Interim Directors, both of whom are candidates for the permanent positions. Depending on the outcome of those searches, the incumbent Interim Directors will either execute performance contracts by the end of March or the newly appointed Directors will execute initial strategic plans and performance contracts on the 60 day calendar discussed under item 1.
3. Long-term Strategic Planning: All agencies will review and revise existing strategic plans during April-July 2001 to extend them through FY 2002-2004. As such, the *initial strategic plan* discussed under item 1 for acting directors will be a plan that addresses agency activities through the remainder of FY 2001 and early FY 2002.
4. Future Interim Directors: In the future, when interim directors are appointed, they will develop a short-term action plan memo that commits to addressing the performance requirements in their predecessor's performance contract or specifies where their actions will differ. We will ask interim directors in writing to complete this memo within 30 days of assuming their position. In general, interim directorships are expected to last no longer than 180 days.
5. Documenting the Guidelines: Once we complete the FY 2001 performance agreements and the FY 2000 performance reports to the Congress, we will prepare a single set of guidelines related to the entire performance management system. These proposed guidelines will define and explain the interrelationships among the following components of our performance management system: 1) The Citywide Strategic Plan; 2) Agency strategic plans including agency goals and performance measures and targets; 3) Agency director performance contracts; and 4) Agency staff Individual Performance Plans and Individual Development Plans, as required under the D.C. Office of Personnel's Performance Management Program

In addition these guidelines will clarify how the District's performance management system complies with and goes beyond the requirements of the Government Managers Accountability Act of 1995 and the related requirements in the Federal Payment Reauthorization Act of 1994. We anticipate completing these guidelines by the end of summer 2001 concurrent with the completion of DRAFT FY 2002 agency director performance contracts.

I hope that this addresses the concerns raised in your audit team's recommendation. Please do not hesitate to contact me directly at 727-9418 if you have additional questions.

Sincerely,



John A. Koskinen

Deputy Mayor/City Administrator

JAK/dds