STATE OF NEW HAMPSHIRE
Division of Economic Development, Department of Resources and Economic Development
AUDIT FINDING Corrective Action Plan
Status as of March 7, 2015

Completion Status:
Open •
Partial ••
Substantial •••
Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status	Comments
1	Develop a comprehensive economic development program plan	Establish an economic development program plan which defines the roles of each program, is consistent with the State development plan, and incorporates the input of stakeholders and policy makers.	Support HB 1416, which clearly outlines the elements to be included in the division's strategic plan.	N/A	••••	Legislation passed and signed into law.
			Engage stakeholders in the division's strategic planning process.	Ongoing	•••	Economic Development Advisory Council (EDAC) meets on a quarterly basis to provide input into the division's planning process.
			Create a strategic plan that drives program development and budgeting.	12/15	•••	Staff and the EDAC are engaged in the strategic planning process. As a result of initial planning sessions, the division is working to acquire new tools that will enhance its ability to establish data-driven strategic goals and performance metrics. The first version of our strategic plan will be completed by 12/31/15, as per HB 1416.
2	Implement a performance measurement system to evaluate division activities	•Establish goals linked to the division's mission. •Establish performance measures, with corresponding benchmarks, to track and determine whether the division is achieving the desired level of performance. •Establish policies and	Incorporate specific goals into the division's strategic plan.	12/15	••••	Division has drafted goals. Goals have been presented to the Economic Development Advisory Committee. A division plan will be submitted by 12/15.
			Research best practices in performance measurement by other state economic development agencies	12/14	••••	Best practices have been researched. The results have been conveyed to staff and presented to the Economic Development Advisory Committee. A division plan will be submitted by 12/15.

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		procedures for regularly measuring division performance against benchmarks and evaluating the effectiveness of its programs.	Select performance metrics that the division will use in its first strategic plan.	9/15	••••	Metrics have been presented to Economic Development Advisory Committee. A division plan will be submitted by 12/15.
			Identify resources needed to better evaluate division programs on an ongoing basis and build into FY 16-17 budget request.	10/14	••••	Resource needs have been identified and included for consideration in the proposed 16/17 operating budget.
3	Improve data collection to facilitate communication and a division wide management system	•Consider (again) one database system or an improved system of information sharing to facilitate tracking activities across all programs. •Develop user policies and procedures for consistent, reliable, and complete data collection.	Modify the division's client relationship management (CRM) software to better track activities for business recruitment, business retention, and international trade teams.	8/14	••••	The division has received approval to expend money from dedicated funds for a new customer relationship management database. The proposed 16/17 budget reflects the need to maintain the new CRM.
			Create user guides to CRM for staff.	9/14	•••	Guides for 5 modules/processes have been identified; 3 have been created. Guides for the new CRM will be included in the contract price.
			Determine if business recruitment, business retention, and international trade teams' needs can be met with Neoserra, the CRM used by the division's Procurement Technical Assistance Program.	12/14	••••	It has been determined that Neoserra will meet the needs of the other program. Funds have been approved for purchase.
			Add funding for CRM upgrades and improvements in FY 16-17 budget request.	10/14	••••	A request for sustainable maintenance has been included in the Governor's proposal for the 16/17 budget.
4	Develop an information technology plan and	•Assess areas of risk and develop a data management and information technology plan	Discuss the division's IT needs with DoIT and incorporate them into DoIT's strategic plan.	9/14	••	The needs have been discussed and will be incorporated in to the DoIT planning process.

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	improve controls	•Strengthen general IT controls.

•Develop and implement a plan to enter data gathered during the outage into the CRM. | Establish policies for CRM administration and usage. | 12/14 | •••• | Policies have been created for the CRM. |
| | | | Enter data gathered during CRM outage. | 12/14 | •••• | Staff has entered data collected during down time. |
| 5 | Improve management over tax credit programs | •Develop Administrative Rules for regulations, standards, or forms relative to the Economic Revitalization Zones (ERZ) and Coos County Job Creation (CCJC) tax credit programs.

•Develop and implement policies and procedures to ensure adequate controls over: calculating and awarding tax credits, consistently applying the same criteria to all businesses, supervisory reviews, and obtaining supporting documentation from businesses for information used to calculate tax credit awards. | Establish administrative rules for ERZ | 9/15 | ••• | Rules were drafted in 2013, but put on hold until legislation is passed. |
			Establish administrative rules for CCJC	9/15	•	Rules required for CCJC application form in addition to instructions
			Review and update all tax credit forms and marketing materials	6/15	•••	Stakeholder input solicited. Tax credit forms updated. Website (www.nheconomy.com) is in process of revision (entire website)
			Establish supervisory oversight of tax credit programs	6/14	••••	Deputy Director has oversight responsibilities
			Develop internal policies and procedures for administering ERZ and CCJC tax credit programs.	9/15	•••	Policies created with checks and balances. Additional revisions anticipated during rules process.
6	Evaluate the effectiveness of tax credit programs on job creation and the economy	DRED regularly evaluate the effectiveness of the ERZ, CCJC, and R&D tax credit programs as required by statute to determine whether they have the intended effects on job creation and economic growth. We also recommend the DRED	Introduce legislative clarifications and improvements in the 2015 session.	1/15	••••	Submitted and proceeding forward.
			Assess resources required for evaluation of all tax credit programs and incorporate into agency budget request.	10/14	••••	New tax credit requests include staffing in fiscal notes. Current resource needs reflected in proposed 16/17 budget. As a guide, new programs will equate to 1 new FTE.

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		determine whether improvements are needed to these tax credit programs to better support the State's economy and create new jobs, and make recommendations to the Legislature accordingly.				
7	Improve administration of, and controls over, the job training grant program	•Develop and implement performance measures for the JTG program as required by statute.	Determine if current performance metrics should be modified and clearly articulate what metrics are used by the program.	8/15	•••	Current metrics are being reviewed by committee for purpose of rule revisions.
		•Ensure the Job Training Grant Review Committee adheres to laws and rules.	Provide regular training to the committee to ensure they adhere to laws and rules.	1/15	••••	Membership and quorum issues have been addressed. Training completed and ongoing.
		•Clarify JTG scoring criteria.	Clarify scoring criteria.	8/15	•••	New criteria proposed for upcoming rule revisions.
		•Determine how to best target the JTG to the State's business community, particularly small businesses as the law intended.	Review marketing of program.	8/14	••••	Agency has reviewed and maintains that marketing is appropriate and effective.