

**STATE OF NEW HAMPSHIRE****Division of Economic Development, Department of Resources and Economic Development****AUDIT FINDING Corrective Action Plan**

Status as of June 30, 2016

**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. COMPLETED
			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. COMPLETED
			Create a strategic plan that drives program development and budgeting.	12/15	••••	The first version of our strategic plan is complete as of 12/2/15.COMPLETED
2	Implement a performance measurement system to evaluate division activities	<ul style="list-style-type: none"> <li>•Establish goals linked to the division's mission.</li> <li>•Establish performance measures, with corresponding benchmarks, to track and determine whether the division is achieving the desired level of performance.</li> <li>•Establish policies and procedures for regularly measuring division performance against benchmarks and evaluating the effectiveness of its programs.</li> </ul>	Incorporate specific goals into the division's strategic plan.	12/15	••••	Four goals and 11 key industries are included in the strategic plan. COMPLETED
			Research best practices in performance measurement by other state economic development agencies	12/14	••••	Detailed performance metrics were developed for each program and included in the strategic plan. COMPLETED
			Select performance metrics that the division will use in its first strategic plan.	9/15	••••	COMPLETED
			Identify resources needed to better evaluate division programs on an ongoing basis and build into FY 16-17 budget request.	10/14	••••	Resource needs were identified via survey of economic development organizations around the state and included in FY 16-17 budget. COMPLETED
3	Improve data	•Consider (again) one database	Modify the division's client	8/14	••••	Modifications were made to the CRM

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	collection to facilitate communication and a division wide management system	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.	relationship management (CRM) software to better track activities for business recruitment, business retention, and international trade teams.			in 2014 to enable better tracking and reporting. COMPLETED
			Create user guides to CRM for staff.	9/14	••••	COMPLETED
			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. Contract is in process and expected to go before G&C in August 2016.
			Add funding for CRM upgrades and improvements in FY 16-17 budget request.	10/14	••••	Maintenance funding was included in the 16/17 budget. COMPLETED
4	Develop an information technology plan and improve controls	•Assess areas of risk and develop a data management and information technology plan  •Strengthen general IT controls.  •Develop and implement a plan to enter data gathered during the outage into the CRM.	Discuss the division's IT needs with DoIT and incorporate them into DoIT's strategic plan.	9/14	••••	IT needs have been incorporated into DoIT's plan. COMPLETED
			Establish policies for CRM administration and usage.	12/14	••••	Policies have been created for the CRM. COMPLETED
			Enter data gathered during CRM outage.	12/14	••••	Staff has entered data collected during any down time. COMPLETED
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.	Establish administrative rules for ERZ	6/17	•••	Rules are underway. Rules team established. There are anticipated statute changes that may occur prior to submittal.
			Establish administrative rules for CCJC	6/17	•	Rules required for CCJC application form in addition to instructions.

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		•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.				Instructions have been completed but rules still in development.
			Review and update all tax credit forms and marketing materials	6/15	••••	Stakeholder input solicited. Tax credit forms updated. FAQs updated. Website ( <a href="http://www.nheconomy.com">www.nheconomy.com</a> ) updated with an ERZ page. COMPLETED
			Establish supervisory oversight of tax credit programs	6/14	••••	Program manager assigned. Position upgrade being pursued to reflect duties. Business retention staff person designated for support. Deputy Director has oversight responsibilities. COMPLETED
			Develop internal policies and procedures for administering ERZ and CCJC tax credit programs.	9/15	•••	Policies created with checks and balances. ERZ process complete. Additional revisions to procedures anticipated during rules process. COMPLETED
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 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	Introduce legislative clarifications and improvements in the 2015 session.	1/15	••••	Clarification that only full times jobs are eligible. COMPLETED
			Assess resources required for evaluation of all tax credit programs and incorporate into agency budget request.	10/14	••••	Program administrator designated. Position upgrade of position underway to reflect dedicated duties, and to be supported in upcoming budget request for 2018. COMPLETED

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		the Legislature accordingly.				
7	Improve administration of, and controls over, the job training grant program	<ul style="list-style-type: none"> <li>•Develop and implement performance measures for the JTG program as required by statute.</li> <li>•Ensure the Job Training Grant Review Committee adheres to laws and rules.</li> <li>•Clarify JTG scoring criteria.</li> <li>•Determine how to best target the JTG to the State's business community, particularly small businesses as the law intended.</li> </ul>	Determine if current performance metrics should be modified and clearly articulate what metrics are used by the program.	8/15	••••	Current metrics have been reviewed by committee for purpose of rule revisions. Revisions to Program Rules is ongoing. COMPLETED
			Provide regular training to the committee to ensure they adhere to laws and rules.	1/15	••••	Membership and quorum issues have been addressed. A Lean review of program administration was completed and efficiencies have been recognized and put into effect Quorums are required and training on rules and statute are regularly conducted. COMPLETED
			Clarify scoring criteria.	8/15	••••	Scoring criteria has been enhanced to assist committee members to more accurately reflect value of applications. COMPLETED
			Review marketing of program.	8/14	••••	Marketing has been reviewed and new outreach to small business is planned. COMPLETED