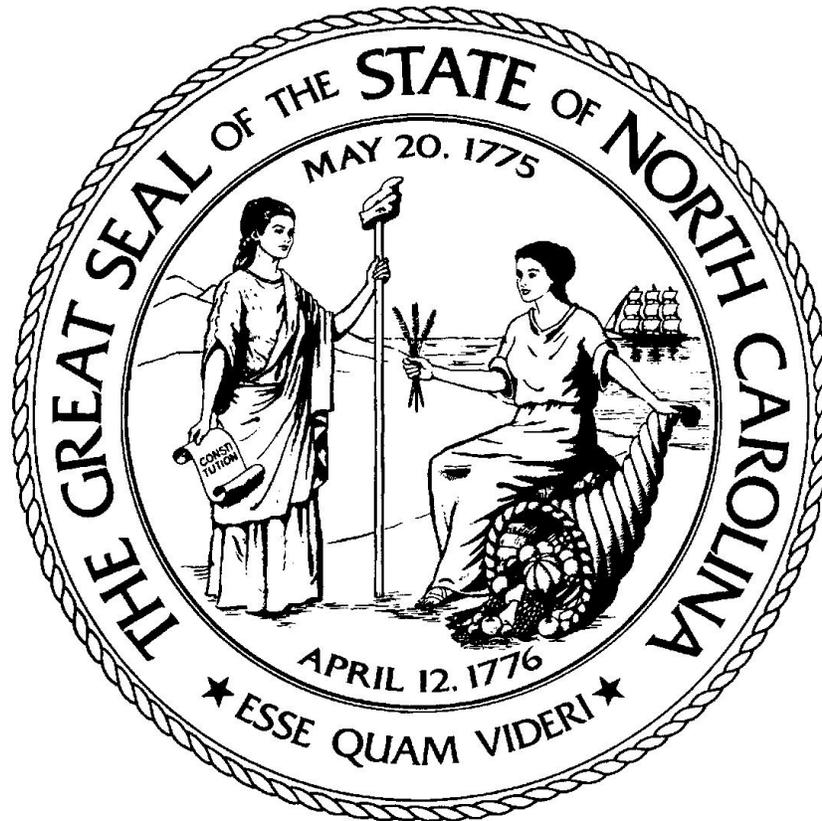# North Carolina Office of the State Auditor

Strategic Plan

2023 – 2025

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1. Strategic Plan Executive Summary

About OSA

The Office of the State Auditor (OSA) performs an array of work, including financial statement audits, performance audits, information technology audits, and investigative audits. This includes the examination of all facets of state government, including education, health, transportation, computer systems, regulatory processes, and public safety. OSA's work is critical in assisting with improving the efficiency of North Carolina State government and helps the state retain its coveted AAA bond rating.

Under North Carolina statutes, the State Auditor is provided broad powers to examine all books, files, papers, documents, and financial affairs of every state agency. Additionally, OSA has the authority to summon people to produce records and answer questions under oath.

OSA's work is focused on improving government services and uncovering wasteful spending. The focus is on state agencies and other agencies receiving state and federal funds. OSA seeks to protect the future of North Carolinians by providing stakeholders with unbiased and irrefutable audits and investigations to allow them to make informed decisions, hold entities accountable, and ensure good stewardship of public funds. This focus is designed to foster change that improves the lives of North Carolinians through audit accountability and impact.

Strategic Plan Executive Summary

OSA's strategic plan was developed utilizing the Balanced Scorecard Institute's Nine Steps to Success™ methodology, based on the early work of Dr. Robert Kaplan and Dr. Robert Norton at Harvard University where the concept of the Balanced Scorecard was introduced.

The Nine Steps to Success™ "is a disciplined, practical, and tested approach to developing a strategic planning and management system based on the balanced scorecard. It provides organizations a way to 'connect the dots' between the various components of strategic planning, budgeting, operations and management; meaning there will be a visible connection between day-to-day operations, the measurements being used to track success, the strategic objectives the organization is trying to accomplish, and the mission, vision and strategy of the organization."

Strategic Plan Methodology

The development of the OSA's strategic plan is an office-wide collaborative effort and is a continuous process which requires constant re-evaluation. Leadership began the process by performing the steps in the methodology described above which resulted in an updated Mission, Vision, Goals, Objectives, and Key Performance Indicators.
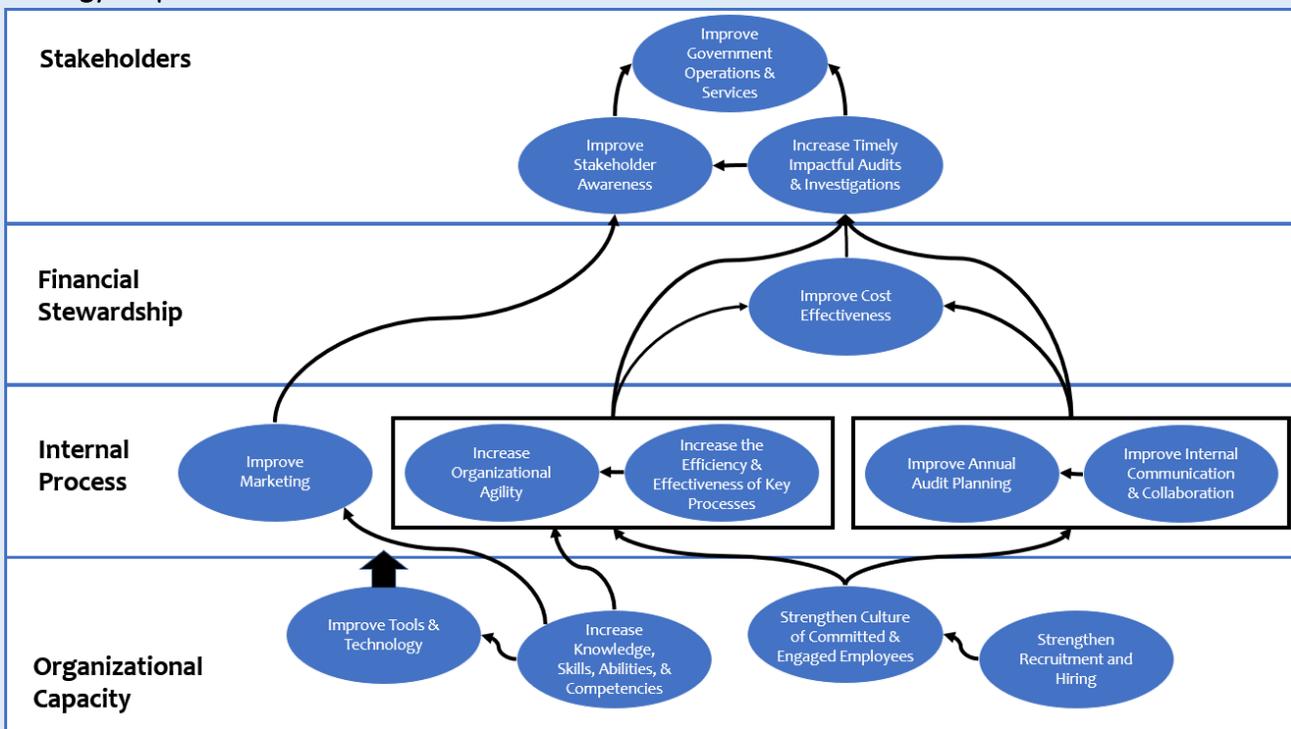
Perspectives

To develop the strategic plan, OSA examined our organization from four perspectives. These perspectives were used to develop the objectives, key performance indicators (KPIs), targets, and related initiatives.

1. *Stakeholder Perspective: OSA's primary stakeholders are the citizens of North Carolina, legislators, and agency organizational heads.*
2. *Financial Stewardship Perspective: OSA, as a part of the North Carolina primary government, is supported by appropriations and receipts, therefore, there is no focus on profits. Instead, financial stewardship is driven by achieving cost effectiveness of resources to achieve the mission.*
3. *Internal Process Perspective: OSA's internal processes are all driven by the maximization of timely and impactful audits.*
4. *Organizational Capacity Perspective: OSA focuses on the need to recruit and retain well-qualified individuals that embody the mission and vision of OSA. OSA recognizes human capital is one of its most valuable resources.*

The strategy map on the following page illustrates the cause and effect relationships of the OSA's strategic objectives and their alignment with the four focus points/perspectives and provides a visual representation of the OSA's overall strategic plan. The arrows illustrate how objectives are inter-related. A large arrow indicates that a particular objective supports all of the objectives in the subsequent perspective. A box around two or more objectives indicates that those two objectives are directly related.

Strategy Map

This map depicts how these four focus points/perspectives are aligned to build value from the internal (bottom of map) to the external (top of map), ultimately achieving the OSA's overall strategic plan.

Beginning from the internal, **strengthening recruitment and hiring** *and improving our* **culture of committed and engaged employees** *is central to supporting organizational capacity. Our staff must feel supported and*

*successful through **improving tools and technology**, as well as through continuous development of the **knowledge, skills, abilities, and competencies** of our staff.*

*Internal processes seek to **increase the efficiency and effectiveness of key processes** which leads to **increased organizational agility**. **Improved internal communications and collaboration** leads to **improved annual audit planning**. All four of these objectives support the external values of financial stewardship through **improved cost effectiveness** and **stakeholder services** through **timely, impactful audits and investigations**. Other objectives to our strategy are to **improve marketing**, which will promote **recruitment and hiring** and serve to **improve stakeholder awareness**.*

*The ultimate objective of this strategic plan is to **improve government operations and services** for the benefit of North Carolinians. **Improvements to government operations and services** occur when: we issue more timely, impactful audits and investigations and our stakeholders become more aware of OSA's work and how it impacts the management of government services and the use of taxpayer dollars.*

2. Mission, Vision, and Values

Agency Mission Statement

We are the State's Independent Auditor. We provide unbiased and irrefutable audit and investigative reports so stakeholders can make informed decisions, hold entities accountable, and ensure good stewardship of public funds.

Agency Vision Statement

To protect the future of North Carolinians by devoting the majority of our resources toward eliminating wasteful government spending and improving government services.

Agency Values

The Office of the State Auditor's (OSA's) core values are the beliefs and principles that drive its culture. These are the standards that describe how OSA's employees and OSA, as a whole, are expected to behave internally and externally. They serve as the basis for decision-making and influence actions in everyday situations.

Commitment to Excellence
Strive to continuously improve to be the best.

Personal Responsibility
Take ownership and be accountable for individual actions and collective results.

Teamwork
Work collaboratively, with consideration and respect for each other, to achieve the OSA Mission and Vision.

Core Values

Professionalism
Hold yourself to the high standards of OSA in your work, appearance, language, demeanor, and behavior at all times.

"Can-Do" Attitude
Approach every situation with agility and a positive attitude.

Personal Integrity
Strive to always do the right thing, even when no one is watching. Be honest, fair, and reliable in everything you do.

3. Goals, Objectives, and Performance Measures

Strategic Approaches (Goals)

There are three strategic approaches (goals) that the Office of the State Auditor (OSA) will use to achieve our Vision:

1. ***Impactful Audits and Investigations*** *– We will know that our **audits and investigations are impactful** when North Carolina has significantly reduced wasteful spending of public funds and improved government services.*
2. ***Operational Excellence*** *– We will know that we have achieved **operational excellence** when we successfully recruit and retain highly competent professionals committed to working together for the good of the public. These competent professionals will collaborate across divisions, leveraging technological resources, and demonstrate continuous improvement.*
3. ***Culture of Excellence*** *- We will know that we possess a **culture of excellence** where everyone feels their work is meaningful, significant, and has purpose. Everyone is inspired by our Mission and Vision. Everyone is striving to be their "best" self.*

Objectives

The three strategic approaches to realizing our Vision are accomplished through 13 objectives, which require the achievement of internal activities and milestones measured through Key Performance Indicators (KPIs):

- *Improve Government Operations and Services*
- *Improve Stakeholder Awareness*
- *Increase Timely Impactful Audits & Investigations*
- *Improve Cost Effectiveness*
- *Improve Marketing*
- *Increase Organizational Agility*
- *Increase the Efficiency & Effectiveness of Key Processes*
- *Improve Annual Audit Planning*
- *Improve Internal Communication & Collaboration*
- *Improve Tools & Technology*
- *Increase Knowledge, Skills, Abilities, & Competencies*
- *Strengthen Culture of Committed & Engaged Employees*
- *Strengthen Recruitment and Hiring*

The table below illustrates the alignment of each objective with its strategic approach(es):

Strategic Objectives	Strategic Approaches		
	Impactful Audits and Investigations	Operational Excellence	Culture of Excellence
Improve Government Operations & Services		✓	
Improve Stakeholder Awareness		✓	
Increase Timely Impactful Audits & Investigations	✓	✓	
Improve Cost Effectiveness	✓	✓	✓
Improve Marketing	✓		
Increase Organizational Agility			✓
Increase the Efficiency & Effectiveness of Key Processes	✓	✓	✓
Improve Annual Audit Planning	✓		
Improve Internal Communication & Collaboration	✓	✓	✓
Improve Tools & Technology	✓	✓	
Increase Knowledge, Skills, Abilities, & Competencies	✓	✓	✓
Strengthen Culture of Committed & Engaged Employees	✓	✓	✓
Strengthen Recruitment and Hiring	✓	✓	✓

Strategic Approach 1 – Impactful Audits and Investigations
North Carolina has significantly reduced wasteful spending of public funds and improved government services as a result of timely, impactful audits and investigations.

Strategic Approach 2 – Operational Excellence
We successfully recruit and retain highly competent professionals committed to working together for the good of the public. These competent professionals will collaborate across divisions, leveraging technological resources, and demonstrate continuous improvement.

Strategic Approach 3 – Culture of Excellence
We possess a culture of excellence where everyone feels their work is meaningful, significant, and has purpose. Everyone is inspired by our Mission and Vision. Everyone is striving to be their "best" self.

Strategic Objective 1 –	KPI (Key Performance Indicator) 1.1– *Follow up Actions on Audit Findings*
<u>*Improve Government Operations and Services*</u>	Percentage of corrective action implementations to total audit recommendations.
We provide decision makers with timely, impactful audits and investigations to be utilized for them to improve the delivery of government services. These audits and investigations will include irrefutable findings and actionable recommendations for the reduction of waste, improved utilization of public funds and resources, as well as the improved delivery of program services.	
Strategic Objective 2 –	KPI 2.1 – *Number of Subscribers*
<u>*Improve Stakeholder Awareness*</u>	Percent change in subscribers monthly.
Increase citizens' awareness of OSA's work and how it impacts the management of government services and the use of tax dollars. Increasing transparency and accountability of government agencies will equip citizens with the knowledge to strongly encourage needed changes and allow them to make informed voting decisions.	
Strategic Objective 2 –	KPI 2.2 – *Social Media Tracking*
<u>*Improve Stakeholder Awareness*</u>, *cont'd.*	"Engagement Rate by Reach" that measures percentage of people choosing to interact with posted content after notification.

Strategic Objective 2 – *Improve Stakeholder Awareness*, *cont'd.*	**KPI 2.3** – *News Article Mentions* Monthly number of news articles about OSA or State Auditor
Strategic Objective 3 – *Increase Timely Impactful Audits & Investigations* Increase number of timely audits and investigations that are impactful, meaning they identify problems that are socially and/or economically consequential to citizens if not corrected. Timely and impactful audits and investigations will improve government operations, reduce wasteful spending, and provide accurate, reliable, and irrefutable information for decision making. Provide actionable recommendations for key stakeholders.	**KPI 3.1** – *Audits Meeting Target Date* Percentage of Audits Issued by Target Date
Strategic Objective 3 – *Increase Timely Impactful Audits & Investigations*, *cont'd.*	**KPI 3.2** – *Impact Index of Waste Identified, Violations Identified, and/or Cost Savings Identified* Cumulative Impact Score
Strategic Objective 4 – *Improve Cost Effectiveness* We are a cost-conscious office in everything we do. We continuously monitor the costs of delivering our services within our budget. We innovate to control and lower operating costs to dedicate more resources to impactful results.	**KPI 4.1** – *Percent Change in Impactful Audits and Investigations Hours* Number of hours spent on audits deemed impactful divided by total audit hours (cumulative for the year to date, evaluated monthly).
Strategic Objective 4 – *Improve Cost Effectiveness*, *cont'd*.	**KPI 4.2** – *Percentage Change in Ratio of Dollars Spent on Impactful Audits/Investigations vs. All Dollars Expended by OSA* Dollars spent on audits deemed impactful divided by total dollars (cumulative for the year to date, evaluated monthly).

Strategic Objective 5 – *Improve Marketing* Focus marketing and rebranding to the general public by promoting OSA's impactful work, accomplishments, and value provided to the State. Increase public awareness through expanding speaking engagements, increasing the use of social media, and distributing more promotional materials.	**KPI 2.3** – *News Article Mentions* Monthly number of news articles about OSA or State Auditor
Strategic Objective 5 – *Improve Marketing, cont'd.*	**KPI 5.2** – *Hotline Calls* Monthly number of calls to the Hotline as a result of marketing efforts.
Strategic Objective 5 – *Improve Marketing, cont'd.*	**KPI 5.3** – *Number of New Job Applications* Number of job applications citing marketing efforts as source.
Strategic Objective 6 – *Increase Organizational Agility* The ability to pivot in the face of change, individually and as an organization, to keep OSA moving toward accomplishing the Vision. This includes being able to quickly adapt to change using agile management principles and doing the best with readily available resources. We will increase the number of subject matter experts (SMEs) and develop a pool of staff, who are competent and confident in their skills, making OSA more readily able to adapt to change. We will develop SOPs for OSA to facilitate sustainable knowledge transfer.	**KPI 6.1** – *Multidiscipline Employees* *(crossing over division)* Percentage of Employees that charge hours to time codes of other divisions.

Strategic Objective 7 – _Increase the Efficiency & Effectiveness of Key Processes_ Improve OSA audit and support processes to produce more timely, impactful audits and investigations. Streamline processes, develop Standard Operating Procedures (SOPs) and reduce time spent on non-value-added work. Enhance the use of technology and develop project management skills to ensure duties and tasks are executed more efficiently.	**KPI 7.1** – _Percentage of Project/Audit/Investigation Milestones Met_ Percentage of milestones completed during period.
Strategic Objective 7 – _Increase the Efficiency & Effectiveness of Key Processes_, _cont'd._	**KPI 7.2** – _Effectiveness Index_ Index of effectiveness measures that includes: audit planning hours as a percentage of total audit hours, manager hours as a percentage of audit planning hours, fieldwork hours incurred after fieldwork target date, planning hours incurred after fieldwork target date, etc.
Strategic Objective 8 – _Improve Annual Audit Planning_ The annual audit plan is a collaborative process built on priority (when the results are needed) and the efficient use of resources. Engagements are timely, focused, impactful, and aligned with our vision and mission. Engagement plans include staff assignments that promote cross divisional collaboration, skill development, and career progression.	**KPI 8.1** – _Auditor Time on Impactful Engagements_ Percentage change of total hours on impactful audits
Strategic Objective 8 – _Improve Annual Audit Planning_, _cont'd_.	**KPI 8.2** – _Return on Investment (ROI)_ Percentage of total dollars of identified in audit findings to total cost of audit
Strategic Objective 8 – _Improve Annual Audit Planning_, _cont'd._	**KPI 8.3** – _ROI of impactful money spent_ Percentage of total dollars incurred for impactful audits to total appropriations

Strategic Objective 9 – _Improve Internal Communication & Collaboration._ We will foster an environment that increases effective communication and collaboration across OSA to allow the sharing of resources and knowledge.	**KPI 9.1**– _Climate Survey Improvements_ Percentage change of employees indicating satisfied or very satisfied in current survey.
Strategic Objective 10 – _Improve Tools & Technology_ Increase the use and leverage the capabilities of new and existing technology, in secure ways, to reduce manual processes and improve productivity. All staff accept ownership for providing business solutions in collaboration with TIMS.	**KPI 10.1** – _Time Cost Related to Technology Issues_ Percentage change in monthly hours recorded as "Computer Problems"
Strategic Objective 10 – _Improve Tools & Technology_, cont'd.	**KPI 10.2** – _Time Cost Related to Maintenance_ Percentage change in monthly hours charged to "Upgrades/Routine Maintenance"
Strategic Objective 10 – _Improve Tools & Technology_, cont'd.	**KPI 10.3** – _Data Analytic Utilization in Audits and Projects_ Percentage of audits/investigations/projects using Data Analytics
Strategic Objective 11 – _Increase Knowledge, Skills, Abilities, & Competencies_ Identify and deliver targeted and relevant training for all staff to increase knowledge, skills, abilities, and competencies (KSAC). This includes formal training, on-the-job training, reinforcement of trainings through coaching, and direction provided by supervisors using situational leadership. Train individuals to quickly shift focus as needed for operational needs (agility) and maximize resources. Staff development is aligned with the organization's strategic needs.	**KPI 11.1** - _Employee Competency Ratings_ Percentage change in employee competency rating

Strategic Objective 11 –	KPI 11.2 - *Multidiscipline Employees (crossing over division)*
Increase Knowledge, Skills, Abilities, & Competencies, *cont'd.*	Percentage of Employees that charge hours to time codes of other divisions.
Strategic Objective 12 – *Strengthen Culture of Committed & Engaged Employees* OSA will build a strong, cohesive organization where employees have a shared belief system and are personally invested in our success. As public servants, employees will: • Be empowered and driven by our purpose, where the intrinsic benefit extends far beyond any personal benefit • Understand the logical connection between the work performed and how it contributes to the fulfilment of the Mission and Vision • Recognize the importance of their work and be committed to effective teamwork and increasing efficiencies We will attract qualified applicants who actively seek to work for OSA due to our reputation and the impact that we have on our state.	KPI 12.1 – *Employee Satisfaction Index* Index of employee satisfaction measures that includes: • employee engagement, • absenteeism, • HR complaints, • appraisals, • satisfaction, • empowerment, etc.
Strategic Objective 12 – *Strengthen Culture of Committed & Engaged Employees*, *cont'd*.	KPI 12.2 – *Retention Marker Index* Index of retention marker measures that includes: Percentage change in turnover of employees separating for factors outside OSA's control, retention rate of employees with annual performance evaluation (APE) ratings great than 2.0, change in vacant positions, etc.

Strategic Objective 13 –	KPI 13.1 – *Recruitment Index*
Strengthen Recruitment and Hiring	Index of recruitment measures that includes:
Increase awareness of OSA as the premier audit firm in the State to expand the pool of quality applicants. Recruiting and hiring well qualified, highly motivated individuals that will embrace the OSA mission, vision, core values, and culture.	Number of qualified candidates per posting, time to hire, interview to hire ratio, offer acceptance rate, first year attrition, etc.

4. Highlights, Collaborative Opportunities, and Priority Questions

Agency Highlights

OSA Strategic Plan

The Office of the State Auditor (OSA) has developed a strategic plan aimed at translating OSA's strategic approaches (goals) into a set of performance objectives that, in turn, are measured, monitored, and changed if necessary to ensure that OSA's strategic approaches, Mission, and Vision are met. OSA's strategic approaches are:

- *Impactful audits and investigations;*
- *Operational excellence; and*
- *Culture of excellence.*

OSA involved leaders from various levels and positions throughout OSA to gain insight, understanding, buy-in, and ownership of the organizational strategy. The ultimate goal of the strategic plan was to ensure every employee of OSA, regardless of position or title, understood how their role, on a daily basis, contributed to the success of OSA achieving its Mission and Vision. Revamping our strategic plan, from the ground up, has greatly increased the agility of OSA. This enables OSA to respond to challenges appropriately and timely through strategic alignment of activities and resources, regardless of the noise caused by constant disruption in today's work environment.

It is because of the tireless efforts of our dedicated, professional, and knowledgeable employees that we are confident in our abilities to raise the bar of performance and exceed the expectations of our stakeholders in the years to come.

Recruitment

The OSA has introduced new Hybrid/Flexible work options for staff to support recruitment and retention efforts. Flexible work options include six scheduling options for employees to "earn" an additional half-day or full day off during the work week. Hybrid work offers in-person/remote work options on a two-week rotation (three days in office/two days remote one week and then three days remote/two days in office the second week). Employees may also opt to work a typical 8-hour, five days a week work schedule.

New Office Space

In the Spring of 2023, the OSA is planning to move from the Old Revenue Building to newly renovated floors four and five in the Albemarle Building. The layout, furnishings, and technological capabilities of the new office space promotes greater collaboration among staff, conveniences such as on-site food options, and a "mother's room," and state-of-the-art technology deployed throughout. The new office space further implements hybrid/remote work options in that staff rotate use of office spaces depending on which days they are in the office.

Impactful Audits

The following is a selection of some of the more notable audits performed by OSA:

- *Untimely First Unemployment Benefit Payments (2022) – This audit looked back at the time period when first-time unemployment claims were heavily increased due to the COVID-19 pandemic. The audit found*

that the Division of Employment Security (DES) did not issue $438 million of first-time unemployment payments timely during this time period. Additionally, the audit found that DES had not issued first-time unemployment payments for over 10 years prior to the economic downturn caused by COVID-19. In response to these findings, DES management will start implementing corrective actions to improve the benefit payment process, improve oversight, and prepare a plan in the event of future economic downturns.

- *Medicaid Provider Enrollment (2021) – The audit found that unqualified medical providers, whose licenses had been revoked, suspended, or had limitations imposed, were serving Medicaid beneficiaries, putting their safety at risk. As a result, the Department of Health and Human Services let go of at least 14 providers and is attempting to get back $13.4 million in improper payments.*

- *Department of Transportation (DOT) Cash Spending Plan (2020) – The audit found that DOT exceeded its Spending Plan by $742 million due to poor forecasting and management's lack of monitoring and enforcement of compliance. As a result, the General Assembly passed legislation requiring more oversight, reporting, and auditing requirements for DOT.*

- *Town of Spring Lake (2022) – The audit found that the Town of Spring Lake's former Accounting Technician, who also served as the Finance Director for a period of time, used at least $430,112 of Town funds for personal use, at least $36,400 in cash collected by the Town was not deposited into the Town's bank account, and Town employees spent $102,877 of Town funds on questionable credit card purchases, among other findings. Last December the former Spring Lake finance director was sentenced to four years in federal prison for embezzlement.*

Collaborative Opportunities

Per § 147-64.6(a) of North Carolina General Statutes, OSA is required to remain independent and must take care to ensure that any agency collaboration does not create a conflict of interest. However, OSA gladly collaborates with agencies or organizations where possible while adhering to the restrictions imposed by auditing standards and legislation.

Collaboration with National Partners

OSA collaborates with multiple partners external to the State of North Carolina. These important collaborative efforts ensure that OSA is up to date on professional standards, common issues other states are facing, and emerging trends within the industry. OSA also provides input on potential new auditing standards on a collaborative national level:

National Association of State Auditors, Comptrollers, and Treasurers (NASACT)

The State Auditor is a member of the NASACT, which serves as the premier organization working to bring together state auditors, state comptrollers and state treasurers to cooperatively address government financial management issues.

Currently, State Auditor Wood serves on committees, task forces, or other affiliations within NASACT in the following roles:

1. *Chair of the Strategic Planning Committee*
2. *Chair of the Hall of Fame Selection Committee*
3. *Vice Chair of the Personnel Committee*
4. *Vice Chair of the Training and Professional Development Committee*
5. *Vice Chair of the FAF/GASB/GASAC Selection Task Force*
6. *President of the Center for Governmental Financial Management*

National State Auditor's Association (NSAA, an affiliate of NASACT)

The State Auditor is a member of the NSAA, an organization dedicated to improving state government by providing opportunities for the free exchange of information and ideas and promoting accountability, transparency, and the observance of professional audit standards. Currently, State Auditor Wood serves as Chair of the Resolutions Committee within NSAA.

Staff Committees

As a part of collaboration with NSAA and NASACT, many OSA staff participate in various committees under the NSAA and NASACT umbrellas, such as:

- *Emerging Leaders Conference*
- *Human Resources*
- *IT Conference*
- *Performance Audit*
- *Audit Standards & Reporting*
- *Single Audit*
- *Peer Review*
- *Committee on Accounting, Reporting and Auditing (CARA)*

- *Resolutions*
- *Communications Work Group*
- *Training and Professional Development Committee*
- *Hall of Fame Selection*
- *Strategic Planning*

Collaboration within North Carolina State Government

North Carolina's Council of Internal Auditing (Council)

The State Auditor serves on the Council, established by The North Carolina Internal Audit Act 3 (the Act), which oversees the Internal Audit Program across state government and the University System. The Council provides services to internal audit programs, issues an annual report on agencies' internal audit services and accomplishments, and proposes legislation for consideration by the Governor and General Assembly.

Local Government Commission (LGC)

The State Auditor serves on the Local Government Commission which provides assistance to local governments and public authorities in North Carolina. It approves the issuance of debt for all units of local government and assists those units with fiscal management. The LGC staff oversees the annual independent auditing of local governments, monitors the fiscal health of local governments, and offers broad assistance in financial administration to local governments. OSA offers Quality Control Reviews, on a referral basis, to assist the LGC with these activities.

Other Collaborative Opportunities

OSA staff also participate in the North Carolina Association of Certified Public Accountants (NCACPA) Government Resource Group which helps ensure the prevailing certifying association of our profession is responsive to the needs of accounting professionals in Federal, State, and Local governments.

Priority Questions

The following priority questions are tied to the OSA's most critical strategic objectives and while they are not the only important questions, answering them will have a significant impact on the OSA's resource allocation decisions and strategic direction. Focus on answering these questions will facilitate planning and support for building the evidence needed to improve programs and operations.

Question 1: Which types of audits or audit information can produce the greatest positive impact in the lives of the citizens of North Carolina?

OSA has developed an impact index (KPI 3.2) containing many factors to assist in scoring our audit work and this information will be used to focus efforts on producing more audits and investigations which yield a greater impact for its stakeholders.

OSA performs an array of work, including financial statement audits, financial related audits, performance audits, information technology audits, and investigative audits. We examine all facets of state government, including education, health, transportation, computer systems, regulatory processes, and public safety. We conduct special studies as requested by the Legislature and audit federal grant programs to ensure North Carolina can continue

to receive federal money. Our work helps improve the efficiency of state government and helps the state retain its coveted AAA bond rating. It is through this work that OSA can improve the lives of North Carolina citizens by providing information to those citizens, the legislature, agency heads, and others to make informed decisions about programs and spending in North Carolina.

Answering the question of what kinds of work will yield the greatest impact, will allow OSA to devote more of its resources to truly making positive change in the lives of North Carolinians.

Question 2: How can OSA best connect with its stakeholders effectively to provide the information needed to make informed decisions?

To maximize the impact of the OSA's work, it is important to connect with the people, groups, and organizations that have an interest in OSA. OSA's primary stakeholders are the citizens of North Carolina, legislators, and organizational heads.

Currently OSA provides information through:

1. *Reports published on the public website at https://www.auditor.nc.gov/.*
2. *A subscription service where interested parties can sign up via email to be notified of reports when issued.*
3. *The OSA Monitor, which is a quarterly publication by OSA also available on our website.*
4. *OSA's social media presence on Facebook, Twitter, LinkedIn, and YouTube.*

Additionally, the State Auditor speaks publicly at many civic groups and functions interested in the OSA's work.

Current efforts to broaden the scope of communications to citizens, agency heads, and legislators include additional social media sites, communicating with groups in relation to our recruiting efforts, including additional civic groups in speaking engagements, establishing community service event days for employees to perform public service as a part of outreach, creating podcasts, issuing one-page information sheets, and rebranding OSA's website.

Understanding how to best connect with each of the OSA's various stakeholders will allow OSA to target its communications to those interested parties who can make a difference.

Question 3: How can OSA become a premier and desired place to work, a place where we can attract and retain top talent?

Across the state, many agencies are suffering with unprecedented vacancies. The pool of candidates for OSA is shrinking while competition for candidates with the professional level of knowledge and skills required is greater than ever. High voluntary turnover requires OSA to use funds to address salary adjustment needs, such as compression, equity, and recruitment. Increasing pay scales and salary expectations for current employees and potential new hires, combined with limited funding, continues to exasperate the issue.

OSA has implemented the following recommendations by the North Carolina Office of State Human Resources (OSHR) to strengthen retention:

1. *Offering sign-on and retention bonuses,*
2. *Moving positions closer to the midpoint of their range, although over half of our positions are still below midpoint,*

3. *Offering workplace flexibility, including revising our work policy where we now offer a 3/2, 2/3 in the office/virtual workspace policy,*

4. *Addressing pay equity issues,*

5. *Developing career paths for opportunities for growth, and*

6. *Increasing training opportunities.*

Additional strategies that OSA is using to strengthen recruiting and retention include:

1. *Hiring of a recruiting firm to assist with filling the most critical vacancies,*

2. *Intentional efforts to improve the culture within OSA through communication*

3. *Continuous out-reach efforts to:*

   a. *other state auditor entities throughout the USA,*

   b. *college campuses,*

   c. *advertising positions nationally.*

Understanding what strategies are most effective at retaining and recruiting top talent will allow OSA to tailor the OSA's specific efforts in order to create a fully staffed organization of dedicated employees who feel their work is meaningful, significant, and has purpose.