

Performance management, measurement and audit

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The purpose of this presentation is to present results on the use of performance measures, and hence come to some conclusions on when performance measures are effective and when they are not. This work is based on findings from a series of performance audits that the author contributed to over the last five years.

Performance auditing can be a key influence to achieve improvements in performance, especially in Government settings. One way in which this is achieved is through analysing the place of performance information. Mining the results from several performance audits, most conducted by the author, the paper explores the setting, measurement and reporting of performance information, and how this contributes, or not as the case may be, to the achievement of program objectives.

This session will consider the interplay between publicly reported measures (that is, those used for accountability) and those used only by management for business improvement). The session will also consider results from a range of settings, including public safety, justice, and social programs.

The main points to be made in the paper are the following:

- Performance measures can address different timescales. These may be broadly characterised as strategic or longer-term, compared with operational or shorter-term performance measures. (There are many shades across this spectrum, and these are germane in particular to detailed program logic analyses, but this simple dichotomy is enough for this paper)
- There are two main uses of performance information, for accountability and for business improvement. To use only for one purpose is not to gain the full benefit.
- There are four main components to the performance information cycle: definition, collection, reporting and action. The first three are essential for accountability, and all must be present to contribute to performance improvement.
- Reporting may either be within the organisation, or public reporting. Public reporting provides stronger accountability, and in most cases is preferable.

Performance measurement is a cross-cutting endeavour that involves areas such as:

- Senior management and areas such as corporate planning
- Line management and areas such as business planning
- Governance areas such as audit, evaluation and risk management

The overall conclusion is that if all key areas are involved, and if performance measures are used for both management improvement and for accountability, the deployment of performance measures is more likely to be effective for both purposes.

The paper considers and analyses input, activity, output and outcome performance measures for a range of audits, including those related to policing and road safety and courts administration.

Policing and Road Safety

The ACT Audit Office has done two audits in recent years that touched on road safety. One was an audit of the arrangement by which the ACT acquires policing services from the Australian Federal Police (AFP), the other was of measures taken to address road safety. We considered for each whether the measures were defined, collected, reported on and then had actions taken to address them. In brief, the analysis found that when measures were publicly reported, they were more likely to be acted on.

Performance measures for Courts Administration

In the case of courts administration, there is a set of performance measures that includes input, process and output, and so can potentially give a broad picture of how the system is operating.

This audit also considered the typology of indicators used, and found there were no outcome measures reported. This is because the outcome is not in the control of courts administration; rather it is in the control of the judicial officers themselves.