

# Technical issues – What makes a good performance measure?

Štefan Kabátek



Supreme Audit Office  
Czech Republic

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# What makes a good performance measure?

## Performance measure & Performance audit

- Performance audit needs to look at performance in context of inputs, outputs and outcomes
- Relationship between inputs, outputs and outcomes is a valuable measure of performance
- Every public organization should establish an appropriate performance information system
- The performance information system of every public institution should focus on aims and objectives to give an overall balanced picture of itself



# What makes a good performance measure?

## What can performance information express?

A terminology is not very consistent:

- ? Targets – a specific level of performance the organization aims to achieve
- ? Standards – a minimum acceptable level of performance (the level is generally accepted)
- ? Criteria – measure for designing and reviewing performance information



# What makes a good performance measure?

## Why is performance information important?

- It helps to identify what policy and process work
- It helps to explain why they work
- It is the key to effective management including planning, monitoring and evaluation
- It improves the performance of the government as a whole



# What makes a good performance measure?

What should be a good performance measure like?

**attributable**

**balanced**

**comparable**

**focused**

**reliable**

**robust**

**verifiable**

**timely**



# What makes a good performance measure?

Does performance audit play an active role in ensuring a good performance measure?

**YES**, but....

IT IS NECESSARY TO HAVE GOOD KNOWLEDGE OF:

- initial capture of performance data
- processing and aggregation of performance data
- the original purpose of data collection
- the level of quality control



# What makes a good performance measure?

Example – Performance reporting used by the Czech Ministry of Defence within a pilot project of outsourcing of the cleaning services (2008)

MOD's reporting system in this pilot project has a number of shortcomings:

- the estimates were not compared with the actual outputs
- the definition of standard outputs was not developed
- reviewing procedures regarding the compliance with the project control were missing
- lack of feedback recommendations on area of identified weaknesses



# What makes a good performance measure?

What topics does Workshop 3 present with respect to previously mentioned issues?

## **Workshop 3 – Technical issues in preparation of PAs**

- determining which combinations of objectives and targets are to be assessed and why
- building and gathering performance data
- designing performance audit criteria
- evaluating evidence against criteria
- securing the right skills and capability for performance auditing





# What makes a good performance measure?

Thank you for your attention.

[www.nku.cz](http://www.nku.cz)

[stefan.kabatek@nku.cz](mailto:stefan.kabatek@nku.cz)

