Public Sector (Outcomes) Performance Measurement: Ethics, mechanics, challenges & lessons learned
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We begin with a value proposition to bring about a change of public value, public good

- Proposed Expected (intended) Outputs = to be produced
- Proposed Expected (intended) Outcomes = enduring change of public value (part of the value proposal, justification “why”)
- Public Sector Bottom Line = Creation of Public Good through Public Funds
Proposal accepted → public funding received → promise to bring about the proposed change

- Hence, the (legal, policy, moral) obligation to demonstrate (accountability) whether
  - (and to what) extent the promise is kept
  - any course correction is needed (effectiveness and appropriateness of interventions)
  - there are lessons learned to inform future decisions
  - adequate public value is created for the amount of public investments made (economy and efficiency, value for money)
Performance Measurement (PM): essential to define and account for the promise (Process)

1. Define expected results (change, policy)
2. Design effective interventions to bring about the change (program)
3. Articulate program logic (logic model)
4. Establish relevant PM indicators + baseline measures + targets
5. Secure outcomes data to populate PM indicators
6. Implement systematic measurement (PM data collection/management to measure indicators)
7. Make use of PM (analyse, course correct, support evaluation and audits, inform decisions: policy, program, resource utilization; and support reporting of outcomes to the public)
Performance Measurement (PM): essential to define and account for the promise (Challenges)

1. Expected results (change) poorly defined, focus often on actions and outputs
2. Interventions (program) not specifically designed or tested to bring about the intended change
3. Faulty logic model: relationships are not logical or evidence based
4. Indicators lack relevance + baseline measures lacking + targets missing or not grounded in evidence
5. Outcomes data to populate PM indicators absent
6. PMS / PMF, if developed, often shelved, not populated or implemented, implementation oversight missing
7. When available, PM data is ignored, at best selectively used in policy/program design, decision making
Lessons Learned - Horizontal management

• **Integrate** policy, operations (program), MRRS, data, evaluation, audit, risk, finance

• Integrate PM **vertically**: departmental, policy/program, operational, corporate

• Inter-sectoral whole-of-department governance with appropriate controls and oversight to ensure
  – integrity of PMS, PMEP, PMF
  – consistent and systematic use of PM data
Lessons Learned – Strategic Investments

- **PM data**: operational, outcomes, financial
- **PM capacity** through continuing learning
  - Logic model, indicator, data, measurement...
  - Culture change
- **Ethics** of spending public funds, management by results, accountability
- **Walking the talk “Open Government”**: 
  - open information (meaningful results reporting)
  - open data
  - open dialogue (engaging stakeholders re expected and actual results)
Questions / considerations

• What value audit can bring to strengthening the implementation and use of performance measurement in Public Service?
• How to best integrate audit and evaluation interests in performance measurement?
• ?
Audit Criteria

- Performance expectations are clear and concrete.
- A process is in place to establish indicators and targets.
- Results are reported against expectations.
- Performance information is complete, and supported by reliable sources and data quality.
- The use of performance information for decision making is demonstrated.
ANNEX: PM Audit Criteria-2

- “Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors, Internal Audit Sector Office of Comptroller General, (March 2011)”

Statement of Expectation: “Relevant information on results (internal, service and program) is gathered and used to make departmental decisions, and public reporting is balanced, transparent, and easy to understand.”

RESULTS AND PERFORMANCE: Audit Criteria / Sub-Criteria

1. Management has identified planned results linked to organizational objectives.
   a. Results and Management Accountability Frameworks (RMAFs) are in place for new or renewed policies, programs and initiatives and specify planned outputs and immediate-, intermediate- and long-term outcomes all of which are linked to objectives.

2. Management has identified appropriate performance measures linked to planned results
   a. Planned results are achievable and measurable.
   b. Performance measurement strategies are in place and are applied for new or renewed policies, programs or initiatives.
   c. Performance measures are reviewed on a periodic basis and updated as required.

3. Management monitors actual performance against planned results and adjusts course as needed.
   a. Responsibility for monitoring and updating performance measures is clear and communicated.
   b. Management has established a capable and adequate evaluation function that conducts its activities in accordance with TBS policy and sound professional standards.
   c. Results of performance measurement are documented, are reported to required authority levels (according to established reporting requirements) and factor into decision-making.
   d. Active monitoring is demonstrated.

4. Performance results are linked to management and staff evaluations.
   a. Annual staff evaluations (at an appropriate level) include consideration for performance results.
   b. Achievement or not, of performance results directly play a part in the assessment of staff (at an appropriate level).