

Measuring and Reporting Performance

Office of the Auditor General of Canada

Edward Wood, P.Eng
18 June 2008



Office of the Auditor General of Canada

Topics

- How the Auditor General serves Parliament
- What the OAG does: legislative auditing
- How the AG is held to account
- Audits of Performance reporting
- Illustrate with the results from the audit of CAFC

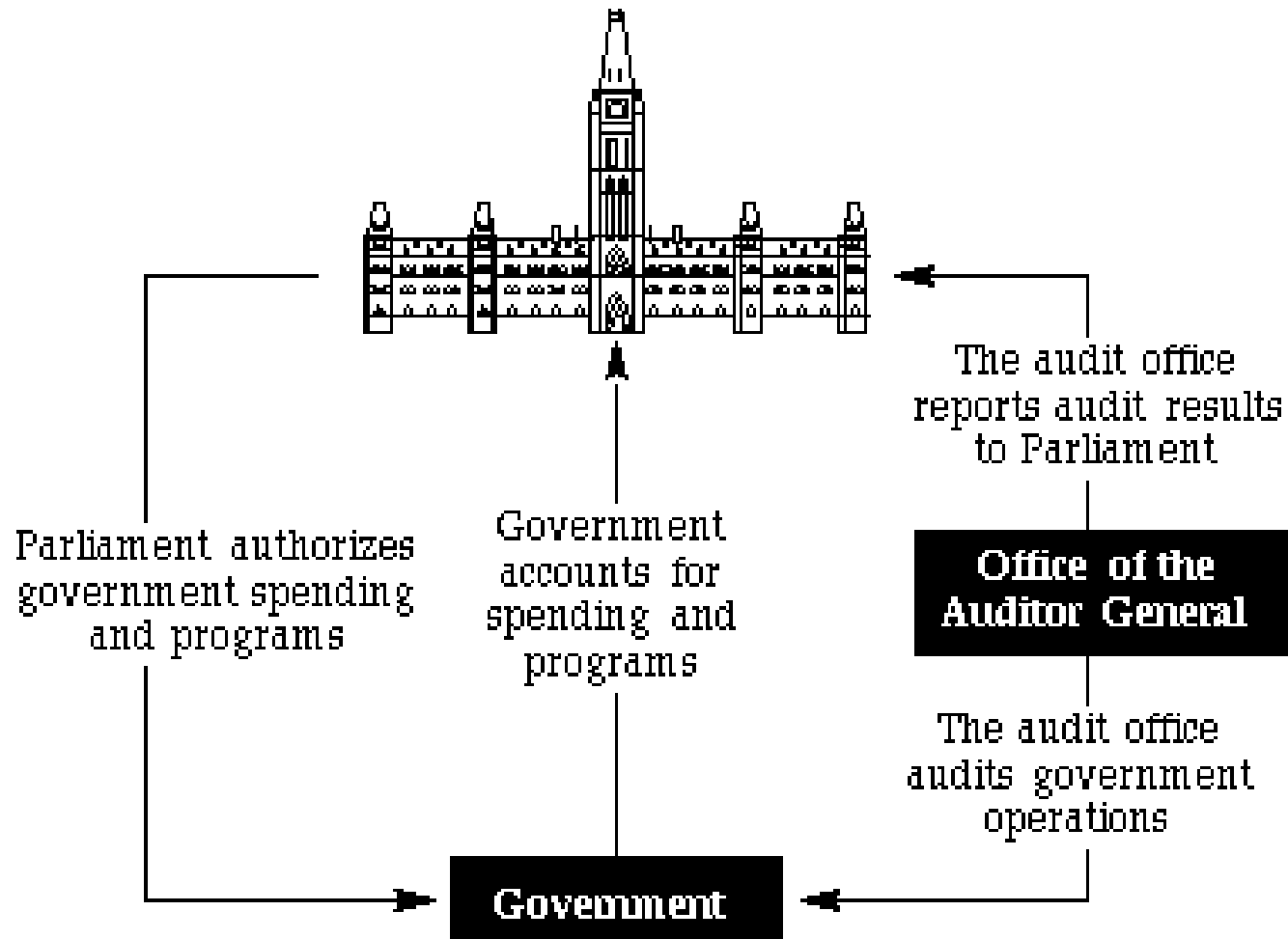


The Auditor General serves Parliament by

- providing **independent and reliable information** about government operations.



Where we fit...



Independence is vital to credibility

The OAG differs from government departments in several ways. The Auditor General:

- ❖ is appointed for 10 years and can be removed only by both the Senate and House of Commons;
- ❖ can choose what, when, and how to audit;
- ❖ has the right to ask the government for any information required to do the job;
- ❖ has the freedom to recruit her own staff; and
- ❖ submits reports directly to all members of the House of Commons through the Speaker, not a minister of the Crown.



Main types of legislative auditing

Financial auditing

- ❖ Annual audit of summary financial statements of the Government of Canada (included in Public Accounts of Canada) and the three territories
- ❖ Annual audits of Crown corporations and other entities (federal and territorial)

Performance auditing

- ❖ Some 30 audits of federal departments and agencies each year

Special examinations of federal Crown corporations

- ❖ Once every 5 years for each Crown corporation



OAG budget and staff

- Roughly \$90 million
- Approximately 650 employees
- Our staff is highly qualified and multidisciplinary. We have accountants, engineers, lawyers, management specialists, information technology professionals, environmental specialists, economists, historians, and sociologists.
- All professional staff have graduate or bachelor's degrees and professional designations, and many have additional credentials.



How is the Auditor General held to account?

- The OAG submits annual spending estimates to Parliament, and the AG goes before the Standing Committee on Public Accounts or the Advisory Panel on the Funding and Oversight of Officers of Parliament to explain our spending and discuss the Office's plans and management practices.
- An external auditor appointed by Treasury Board also audits the OAG's financial operations every year. The auditor's report is submitted to Treasury Board and tabled in the House of Commons.



How is the Auditor General held to account?...

- The OAG voluntarily subjects itself to independent external reviews by peers.
 - ❖ In 1999, an external auditing firm examined our quality management system for annual audits.
 - ❖ In 2003, an international committee of our peers examined our performance audit practices.



We have done many audits that look at Performance measurement

- **1997 Report of the Auditor General, Chapter 5, Reporting Performance in the Expenditure Management System**
- **2000 Report of the Auditor General, Chapter 19, Reporting Performance to Parliament: Progress Too Slow**
- **April 2002 Report of the Auditor General, Chapter 6, A Model for Rating Departmental Performance Reports**
- **2003 Status Report of the Auditor General, Chapter 1, Rating Departmental Performance Reports**
- **2005 April Report of the Auditor General of Canada, Chapter 5—Rating Selected Departmental Performance Reports**
- **2006 May Status Report of the Auditor General of Canada, Chapter 4—Canadian Firearms Program**



Criteria

Our model for good-quality departmental performance reports encompasses the following five criteria:

- Organizational context and strategic outcomes are clear.
- Performance expectations are clear and concrete.
- Key results are reported against expectations.
- Performance information is credible and balanced.
- Use of performance information is demonstrated

- **April 2005 Rating Selected Departmental Performance Reports**



Reporting Performance

Meeting Service Standards

Measuring and reporting on operations

Why it is important - efficiency



Reporting Performance

Meeting expectations

Measuring results

Why it is important - effectiveness



Canadian Firearms Program

- Reported in May 2006 as a follow up audit to our 2002 report
- We looked at performance measurement and reporting
- Reporting of performance has improved



Audit Finding

Reporting performance information is a key component in accountability

CAFC committed to improving its service to the public



CAFC Strategic Outcome

To ensure that “the risks to public safety from firearms in Canada and international communities are minimized.”



Finding

- Performance report focussed on activities but did not show link to strategic outcome
- A Result Chain would help



Results chain

- Show its contribution to a planned outcome
- Link its performance expectations to key results
- Attribute outcomes shared by its partners and other levels of government



CAFC reported performance

- Call wait times
 - ❖ Used average time to answer
 - ❖ Did not know how many met the average
- Application processing times
 - ❖ Mis-reported performance



Summary

- Use relevant targets
- Report accurately
- Set realistic targets that are measurable and can be attributed
- What gets measured gets done, the new Hawthorne Effect



For more information

Please visit our website:

www.oag-bvg.gc.ca

