

Auditor Roles in Performance Measurement

Government Performance Reporting Guidance for Canadian Government Entities from the Public Sector Accounting Board (PSAB) and the Treasury Board Secretariat

Note: While the PSAB guidance is generally applicable to all public entities, it is probably most appropriate for auditors of provincial and municipal government entities. Auditors of federal government entities should be sure to use the guidance from the Treasury Board of Canada Secretariat. The Auditor Roles Project suggests they also consider the more generally applicable PSAB guidance on this page for additional possible criteria for assessing performance reports. Guidance from the Treasury Board Secretariat website is on the [next page](#).

Guidance from the Public Sector Accounting Board (PSAB)

Based on the PSAB's 2006 Statement of Recommended Practice (SORP-2): *Public Performance Reporting*. The PSAB is part of the Canadian Institute of Chartered Accountants (CICA).

Outline of *Public Performance Reporting: Guide to Preparing Public Performance Reports (2007)*

- **Report Accessibility and Ease of Use**
 1. Is the report easily accessible and identifiable as the entity's Annual Performance Report?
- **Characteristics of Performance Information**
 2. Does the report provide information that appears reliable and valid?
 3. Is the entity's performance information relevant?
 4. Does the entity provide fair information in its performance report?
 5. Is the entity's performance information comparable and consistent?
 6. Is the report understandable?
- **Content of the performance report**
 7. Does the report focus on the few critical aspects of performance?
 8. Does the report describe the entity's strategic direction?
 9. Does the entity explain actual results for the reporting period and compare them with planned results, explaining any significant variances?
 10. Does the report provide comparative information about trends, benchmarks, baseline data or the performance of other similar organizations?
 11. Does the report describe lessons learned and key factors influencing performance and results?
 12. Did the entity link its financial and non-financial performance information?
 13. Was the basis for reporting disclosed?

Download the complete [Guide to Preparing Public Performance Reports](#) (PDF) from the CICA website for "features" auditors can look for to assess whether or not each of the above practices has been applied. If that direct link does not work, go to www.cica.ca and search for "SORP-2" to find a link. This download was free as of 10/15/2011.

Guidance for Federal Government Entities from the Treasury Board Secretariat

The [Management Accountability Framework](#) (MAF) of the [Treasury Board of Canada Secretariat](#) has a methodology for assessing “areas of management” of federal entities. The following three “lines of evidence” for assessing “Managing for Results” provide guidance for assessing performance measurement and reporting (from “[Overview of MAF Methodology for 2011-2012](#)” as of 9/27/2011):

Line of Evidence 2.1 for Assessing the Quality of the Strategic Outcomes (SO) and Program Activity Architecture (PAA):

Measures:

- Is the SO a clear outcome statement that is at an appropriate level given the mandate and resources of the organization?
- Does the PAA represent a complete inventory of all of the organization’s programs?
- Do all of the programs identified in the PAA meet the definition of a program and have clear supporting titles and descriptions?
- Does the PAA represent a logical structure that clearly aligns its programs to the achievement of the SO(s)?

Line of Evidence 2.1 for Assessing the Quality of the Performance Measurement Framework (PMF):

Measures:

- Are the expected results clear outcome statements that are appropriate for their respective programs?
- Have outputs been defined as products or services that are appropriate for their respective programs?
- Are the performance indicators clear and valid measures for their respective expected results and outputs?
- Have data sources, frequency of data collection and targets been articulated for the performance indicators in the PMF?

Line of Evidence 2.3 for Assessing the Quality of Performance Reporting:

Measures:

- Is the Departmental Performance Report (DPR) balanced? Are performance claims substantiated? Are lessons learned and corrective actions identified in cases where performance was not as expected?
- Does the DPR clearly represent and use Program Activity Architecture (PAA) and Performance Measurement Framework (PMF) information (e.g., to identify performance trends)?
- Does the DPR set performance in context and provide relevant findings from audits and evaluations? Does the DPR source and provide information on the validity of the data used?
- Does the DPR present clear financial information and link resources to results?