

Guidance Article: Essential Perspective for Improving Performance Measures: Users and Their Uses of Performance Information

You can also download this [free auditor tool](#) (DOCX) to help put this guidance to use.

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There has been increasing interest and efforts around the world—from local governments to the United Nations—in increasing the usefulness of public performance information. Government auditors have played an important role in this quest over the years, especially by auditing the relevance or reliability of performance measures and data. This practice is central to Role 2 of the [Framework of Auditor Roles and Practices](#) in Performance Measurement: “Assessing the quality of performance information or performance reports.”

The Most Essential Step to Assess Usefulness is to Ask the Users

Clear [criteria for assessing the relevance and reliability of performance information](#) have been established, in which *useful* is a major criterion of *relevance*. There are many steps auditors can take to assess and help improve the usefulness of performance information, relating to several possible audit objectives. For example, they can determine whether data are available in time for decisions, whether appropriate comparisons are made to assist analysis and decision making, whether performance information is understandable, and whether at least some key measures are actionable (i.e., there are policies or practices government can change to improve results). However, the most basic step of all, and essential to any assessment of “usefulness,” is to **ask the intended users**. For example, performance measures that appear understandable to the auditor may not be to the intended user of those measures. Perspectives of intended users will help auditors learn specific user needs for information, how well those needs are met, and barriers to using data most effectively. Auditors can also use information they capture on user perspectives to determine cost-effective ways to meet their needs better so intended users can make more effective use of performance information.

Determining Which Internal and External Intended Users to Ask

To develop a manageable sample of people to consult, determine groups of *intended users* of performance information. For internal performance reporting systems, intended users may be various managers and field staff. Other systems may be intended for non-executive elected officials (e.g., city council members, state or provincial legislators), their staff, and the public. A comprehensive system is likely to provide a broad range of performance information, with some performance measures intended primarily for “front line” internal users (e.g., operational indicators) and some intended primarily for higher-level managers and external users (e.g., high-level outcomes, costs, and revenue). Except for internal systems of very small agencies, it is rarely possible to consult every intended user in a single audit. So an auditor can be practical and take a sampling approach to consult with a reasonable mix of user interests including a “cross section” of intended users.

Internal Users

Internally, a cross section of intended users can involve, for example, at least a few front-line employees, several levels of supervision and management, perhaps up to a department head or chief executive, and staff from cognizant oversight agencies such as a budget office.

External Users

Externally, a cross section of intended users can include a sample of legislators serving on committees that oversee the agency audited and on a committee with a potentially broad interest in using performance data, such as an appropriations or budget committee. (If the legislature is a small city council or county board, it may be practical to consult all members.) If members of the public are intended users, then it is useful to identify groups with significant interests in the performance of the agency audited. For example, neighborhood groups would be useful to consult about performance measures of a neighborhood services agency. For some agencies, it would be wise to extend consultation to groups with interests beyond service customers to those with other interests in how an agency performs, such as businesses regulated by environmental or consumer affairs agencies. The idea is not to be exhaustive, but to engage people or groups with a reasonable mix of significant interests related to performance of the agency audited.

Selecting Users of Public Performance Reporting by a General Purpose Government

If an audit is intended to cover an entire multi-agency general purpose government, rather than just one or two agencies, it is unlikely to be practical to engage all kinds of external interests in the jurisdiction. Instead, an auditor can look for a sampling of “most likely” users that represent a variety of interests, though not all. For example, a small number of civic groups that tend to represent resident interests may be included as well as a chamber of commerce or other business group. If there are groups of any type that are known to have already made use of the jurisdiction’s public data (e.g., university or other local research organizations), they would be good candidates to include. When trying to help improve the usefulness of performance reporting by a general purpose government to a broad-based public, an audit office may need to think long-term and focus on just the “most likely” external users during a first audit of this type. The audit may then include a recommendation that management follow the auditor’s lead and reach out to more groups to determine the usefulness of performance information to them, and how to make it more useful. The recommendation might also suggest that each agency reach out to groups with significant interest in their performance. Later, when following up on audit recommendations, the audit office can determine whether management has reached out to more groups with more interests, or auditors can reach out to additional interest groups as part of a follow-up audit.

Collecting Data on “Usefulness” from Intended Users

Each intended user can respond to performance information in different ways, have different uses for the information, and have different reasons for using the data or not. So, ***ultimately, there is no substitute for one-on-one interviews or in some cases small group interviews with intended users.*** But if the sample of intended users is too large to personally interview them all within the scope of an audit, ***other techniques may also be used to broaden the base of users, such as focus groups or surveys.*** For example, a cross-section of management, a few key legislators, and members of two or three civic groups known to use performance data may be targeted for interviews. Members of other groups who are potential users of performance information could be invited to focus groups to learn if there are users and uses in the community beyond those already known, and how well these intended users are served by performance information. The focus groups and interviews may help determine common existing uses, barriers to use, and changes that could overcome barriers to make performance information more useful to various users. (See examples in Box below.)

If the audit scope for this phase will allow it, consultation can be broadened further through a survey of additional intended users or user groups. Results of interviews and focus groups can help the auditor craft

questions and multiple choice answers with the most common uses and barriers, with optional open-ended questions for respondents to describe other uses and barriers, describe more specifically how they use the data, and what would make performance information more useful for them. The auditor might then follow-up with phone or in-person interviews of a few survey respondents who provided interesting answers and said they'd be willing to be interviewed. Obtaining responses from a truly representative sample of potential users or interests may not be possible, but it is not essential, as the qualitative information obtained from the survey is likely to be more important than quantitative data from the multiple choice questions. When reporting on the survey, the auditor should cite limitations of the survey data (e.g., potential bias due to unrepresentative sample) and explain why some survey results are nonetheless valuable.

Typical Uses, Barriers, and Ways to Overcome Barriers to Make Performance Information More Useful

It is important to obtain and analyze detailed information from specific intended users in each jurisdiction, rather than rely on general lists as described here. But these lists can be a starting point for an auditor's exploratory questions to determine what to ask about in interviews, focus groups, or surveys.

Typical Uses

- > Performance targeting and accountability, from personal, team, or organizational monitoring of actual performance vs. targets to performance evaluation at all levels
- > Policy development and improvement, including budgeting
- > Resource reallocation within existing budgets
- > Performance improvement, from outcome and service improvements to cost savings and revenue increases

Typical Barriers and Ways to Overcome Them to Make Performance Information More Useful

Barrier: Users do not trust the reliability of the data

Overcome: Start a program of auditing and improving data reliability, possibly followed up by training managers to assess and improve the reliability of their agencies' data.

Barrier: Up-to-date performance data not available in time for key decisions

Overcome: Improve timeliness of performance reporting.

Barrier: Intended users do not understand performance information, its relevance, or how it can be used

Overcome: Provide clear explanations of key performance measures, data, and analyses; where practical, provide training or technical assistance to key users (e.g., legislators) or engage third-party "data intermediaries" (e.g., from a university) to assist residents.

Barrier: Data not detailed enough for some users

Overcome: Make disaggregated data available (e.g., geographic or demographic disaggregation).

Barrier: Users feel that performance measures do not cover their most important issues

Overcome: Consult users when there are opportunities to revise performance measures.

In Interviews, Ask Users to Document or Demonstrate Their Uses

To learn how performance information is really used, and how valuable it is for each use, in addition to asking users to describe their uses, ask them to SHOW YOU how they use it. You can build this into each user interview, and alert intended users in advance that if they do use performance information, you'd appreciate it if they would demonstrate or document their use in some way. You can suggest in advance two or three options for users to show you their uses. For example, an audit office's invitation to a user might include:

“If you use performance information, we would appreciate it if you can show our auditor how, by either:

- Providing backup documentation showing examples of analyses or decisions based on the information.
- Or providing a ‘walk through’ of computer screens or pages of reports to cite specific measures and how you use them for specific purposes.”

In this part of an interview, try for a level of detail so each use is very clear (e.g., if this measure is 15% above target, we find out why, and may adjust schedules to improve timeliness; if this measure is 10% low, we look for practices to change to improve quality).

This part of each interviews is intended both to substantiate actual uses for your audit report, and, just as important, to help you, as an auditor, thoroughly understand each user’s uses of performance information. By comparing these details across users, you may identify ways intended users can learn from each other. For example, some users may have data analysis tools that others lack, leading you to recommend that these tools be shared with all users who have similar information needs. You also may learn common issues across intended users that can be addressed to make the information more useful to multiple users. For example, you may find several users who review jurisdiction-wide information a few times a year and take it into account when making budget requests or considering operational changes, but they would be able to make more targeted operations improvements or resource allocations if they had performance data disaggregated geographically (e.g., by neighborhood) or demographically (e.g., by age, gender, ethnicity, income level).

Analyzing Intended User Information to Find Ways to Increase Usefulness

After information has been collected from at least an initial set of users, it is useful to start summarizing highlights from interview notes, as well as any focus group notes or survey results received to that point. In particular, from each user or user group, highlights should summarize:

- **Uses:** Both *actual uses* and *other desired uses* (additional ways they would like to use performance information)
- **For Each Actual Use: Summary highlights of how they actually use performance information** (e.g., *Use:* Improve service quality; *How it’s done:* Review quarterly data with supervisors and make minor adjustments to improve quality)
- **Barriers to Other Desired Uses:** Why have they not yet used performance information this way?
- **How well their needs for performance information are met and why:** Does performance information adequately serve the intended uses? If not, why not?
- **How to improve usefulness:** What changes, if any, may lead to more effective use of performance information by the user or user group?

You can enter summarized highlights for each user group into a table to help analyze results across users, such as in the table in this [free downloadable audit tool](#) (DOCX) provided by the Auditor Roles project, complete with an example and suggestions for analyzing and using results. You might start building the table after a few interviews, and use what you learn from the partial analysis to inform some of your questions in later interviews, focus groups, or surveys. When you’ve obtained and entered information from all intended users on your list, you can use such a table to do a broad analysis across users to look for:

- *Existing uses or potential new uses that can or do take good advantage of the “information value” of performance data:*

- **Information value** is not “dollar value,” but significant ways some aspects of management, performance, or accountability can be more effective due to the use of performance information, for example:
 - Resources can be better targeted to where they’re most needed
 - Policies can be improved
 - Quality improvement processes can be informed by the data
 - Operations can be made more efficient
 - Outcomes can be improved
 - Cost savings or revenue increases can be achieved.
- For existing uses, look for the extent to which the potential information value is captured (e.g., data are being used to deploy staff where they’re most needed; data are being used to inform policy or operational decisions) and for opportunities for changes to make even better use of the information (e.g., more frequent data can enable fine tuning of staff scheduling for more timely, responsive, or efficient services). Also, try to discern reasons data may not be used as effectively as it could (e.g., not timely enough, lack of analysis tools).
- For each potential new use of performance information, try to discern how management, accountability, or performance could be improved by using data in that way.
- *Common issues or problems across user groups*, especially if a common solution can help multiple users or groups become more effective users of performance information, for example, if several users will benefit from the same type of data disaggregation.

Considering What to Include in Findings and Recommendations

After analyzing information collected from all intended users consulted, an auditor can develop findings and recommendations concerning how to improve the usefulness of performance information. Here are some suggestions for what to consider when doing so:

Give the Organization Audited “Credit” for Substantiated Uses in Audit Findings

It’s important to report findings of real uses that have been substantiated, to indicate that the organization is getting some value from performance information. That would suggest that the cost and effort to collect and report data may be worthwhile, even if the full value of the data has not been realized. Limitations that make these uses less effective than they could be may be cited within these findings or reported separately as other findings in an audit report. Existing substantiated uses can be summarized into a few (e.g., three to five) major types of use in a report. Examples of major types of uses include:

- Performance accountability (e.g., through targeting and monitoring performance vs. targets)
- Policy development and improvement, including budget development and performance budgeting (e.g., involving trade-offs between budgeted resources and targeted performance levels)
- Resource allocation within existing budgets, such as determining where to deploy field personnel, when to schedule personnel, or which facilities to target for specific types of repair or maintenance
- Other performance monitoring and improvement uses, such as use in processes to improve outcomes, quality, timeliness, customer satisfaction, efficiency, cost savings, or revenue increases.

Assuming the Audit Office wants to encourage more use of performance measurement, not less, then it is usually a good strategy to give positive “credit” to agencies for all their substantiated uses in report findings,

even if only minimal uses are found. Other potentially valuable uses not realized would then be presented in report findings as “opportunities for improvement” that would “build on existing uses” rather than presented as negative findings.

In most jurisdictions in North America below the federal level, performance measurement and management systems are not mandated but are voluntary management efforts. So audit reports that only criticize agency attempts at using performance information may discourage managers from doing so and lead to less performance reporting and accountability, rather than more. And even where there are mandates for performance management or reporting, wary agency managers are likely to stick to a minimal “compliance approach” to measurement and accountability if all they see is criticism of their attempts. In either case, what little value is realized from performance measurement is unlikely to outweigh the costs. So it is important for an auditor to be encouraging about substantiated uses found even if most of the report calls attention to the need to unlock much more value from performance information by making it more useful and stimulating more uses. Even if an audit finds only one substantiated use of performance information for accountability or decision making, and nine missed opportunities for other effective uses, it may be best to produce a report that reads as if the glass is 10% full rather than 90% empty.

Keep in Mind Likely Cost-effectiveness of Changes to Performance Information When Reporting Findings and Recommendations

All potential changes that can significantly improve the usefulness of performance information to some users can be worth citing in audit findings, preferably grouped in some way, such as by type of use as noted above, or type of issue (e.g., timeliness of reporting, data disaggregation). When suggesting how to act on findings, keep in mind that there is always a cost to change. So, draw on your analysis of the relative costs of different possible changes and make judgments from user responses of the relative “value” of each possible change in improving decisions, accountability, and performance. Then, however many changes you recommend, be sure to point out which changes may be most cost-effective and why. That can help the organization audited set priorities for improvement. Here are few things to consider to help you determine cost-effective changes:

- *Develop an idea of the relative costs of different possible changes to improve usefulness:* Actual dollar estimates are not needed, but descriptions that provide an idea of relative costs of one change compared with others. For example, a reporting change to provide explanations to help a user understand performance measures or data is less costly than implementing an entirely new data collection technique. Similarly, adding an extra question to a survey that is done every year is less costly than conducting an additional survey.
- *Look for the same change that can improve the value of the information for several users,* though take care to be sure it is *really one change* that will benefit multiple users. For example, timeliness issues may have been identified by several intended users. But this may require more than one change to the measurement system because “timeliness” can mean different things to different users. For example, field supervisors may want more frequent data (e.g., weekly, daily) and want it quickly (e.g., next day). Meeting their need is very different, and probably more costly, than meeting elected officials’ need for getting performance updates a week or two earlier once a year before budget hearings. Audit findings and recommendations should acknowledge these differences.
- *Consider changes to provide “high leverage” opportunities to add value to performance.* For example:
 - Improving the usefulness of performance data for high-budget operations is likely to provide higher leverage than doing the same for data about low-cost activities.

- Obtaining better information on factors that drive high priority community outcomes (e.g., as determined by elected officials or documented in a strategic plan) can be considered “high leverage” even if budgeted government resources involved is relatively small.
- Consider, for each program or service covered by an audit, whether changes to performance information to improve policies or strategies will offer higher leverage than changes to better inform operations. Generally, changes to improve strategy or policy development (including budgeting) or strategy implementation are higher-leverage than changes on the operational level, as it’s important to be sure an organization is “doing the right things” before investing a lot of effort in operationally “doing things right.” But each case is different and generalities do not always hold true. Service operations with known deficiencies or obvious opportunities to improve performance if better operational data become available can offer higher leverage than informational changes that can, at best, enable minor tweaks to policy or strategy.
- *Consider changes that provide potentially important intangible benefits.* For example, changes that increase elected officials’ understanding of reported performance information can increase their use of data and increase their confidence in their budget and policy decisions. Changes that make performance information more useful to residents or their interest groups (e.g., neighborhood associations) can help get more people engaged in their communities and build public trust in government. Similarly, changes to provide better information to help any key interest group the government works with (e.g., businesses, universities, nonprofits) can make partnerships more effective at addressing priority community issues that cannot be resolved by government alone.
- *Consider changes that provide or increase “open data” opportunities to “citizen scientists” and civic-minded app developers.* This is growing trend that benefits communities and their residents and has even occurred at the federal level. Instead of only making summary performance data available as typically found in performance reports or performance reporting websites, some jurisdictions are making detailed electronic data sets available as “open data.” Anyone or any group with appropriate skills can access and use the data sets for civic research or create software applications individuals or groups can use for public benefit, from enhancing public services, to increasing and improving community engagement, to finding innovative solutions to public problems, to increasing productive use of volunteers.

The same [downloadable tool](#) (DOCX) noted above to assist in analysis of user information includes a detailed example with summary information from eight user groups, and draws upon that user information to illustrate several of the considerations for findings and recommendations above.

Numerous Examples and Tools for Assessing Relevance and Reliability Available

In addition to this article and related tool, auditors from across North America have shared their experiences in assessing relevance or reliability of performance information with the Auditor Roles project, and many [stories of their exemplary practices](#) are available at this website. They have also been generous in sharing their guidance papers, audit steps and programs, and other [auditor tools for assessing relevance or reliability](#). Also, if you are interested in assessing relevance and reliability, you are likely to be interested in our earlier articles on [how auditing performance information adds value to performance auditing](#) and on [criteria for assessing the relevance and reliability](#) of performance information.