

## ROLE 1: AUDIT PERFORMANCE OR PM SYSTEMS

***Practice 1b. Audit performance management systems: Audit or assess existing performance management systems or practices.***

**Florida Office of Program Policy Analysis and Government Accountability (OPPAGA, [www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)):** OPPAGA routinely performs this practice as part of its performance audits (see 1a) and “Program Evaluation and Justification Reviews” (see 5c), but not currently as separate audit projects focusing exclusively on agency performance management systems. In the 1990s, OPPAGA had a greater focus on this practice to help improve agency accountability systems (see 2a) and provide guidance to the legislature on improving Florida’s Performance Based Program Budgeting (PB<sup>2</sup>) system (see 5a) as it was evolving into a mature system.

More recently, in response to the Florida Sharpening the Pencil Act of 2001, OPPAGA and the Florida Auditor General developed “Best Financial Management Practices for Florida School Districts,” and revised them in 2002. As required by the act, the State’s Commissioner of Education adopted the best practices as standards for “Best Financial Management Practices Reviews,” conducted jointly by OPPAGA and the Auditor General, which every public school district in Florida must undergo every five years. These reviews do not typically focus on compliance, but focus more on school districts improving their business and performance management practices. For example, they encourage school districts to:

- Use performance and cost-efficiency measures to evaluate programs;
- Identify potential cost-savings through privatization and alternative service delivery; and
- Link financial planning and budgeting to district priorities, including student performance.

The revised best practices cover ten educational and operational areas, with detailed indicators to assess how well each practice is used. The three most relevant areas to this Guide’s auditor practice “1b. Audit or assess existing performance management systems and practices,” are:

- ***Cost Control Systems***, which addresses, among other things, the usefulness, timeliness, and accuracy of financial data;
- ***Administrative and Instructional Technology***, which addresses, among other things, accuracy of computerized information and appropriate controls on those systems;
- And especially ***Performance Accountability Systems***, which addresses the extent to which:
  - ❑ The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program, as assessed by ten indicators, including, for example, whether the district:
    - Has an accountability system for measuring progress towards program objectives;
    - Designs program objectives to be achievable within existing resources;
    - Compares its performance to benchmarks, which may be its past performance or, when data are available, performance of comparable districts, or industry standards;
    - Regularly tracks and uses performance information to make management decisions.
  - ❑ The district formally evaluates the performance and cost of its major educational and operational programs and uses evaluation results to improve program performance and cost-efficiency as assessed by seven indicators.

- ❑ The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers, as assessed by five indicators, including, for example, whether the district:
  - Reports its progress toward meeting the goals of its major educational programs and, if considered necessary, its other programs, to school advisory councils, parents, and other taxpayers in a manner that is clear and understandable and does not require undue assistance to interpret its meaning or significance;
  - The district's progress reports include disaggregated student performance information for special groups of students (e.g., ESE, ESOL, or at-risk students).

The following audit reports are available from OPPAGA's Florida Monitor website ([www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)):

- The School District Reviews
- Best Practices (Revised in 2002), downloadable by operational area
- Related Resource: OPPAGA's Suggested School District Performance Measures (Appendix A of the report: *Best Financial Management Practices Review of the Bradford County School District*, July 2003).