

ROLE 2: ASSESS PERFORMANCE INFORMATION

Practice 2a. Test relevance or reliability: Test or certify performance measurement relevance, reliability, or both.

State of Louisiana Legislative Auditor (www.la.state.la.us): In 2001, Act 894 required the Office of the Legislative Auditor (OLA) to provide an assessment of agencies deficient in their capacity to execute statutory requirements related to reporting performance progress, including progress on indicators in the State budget. The Fiscal Year 2002 Executive Budget contained over 2,000 performance indicators. To fulfill this requirement, OLA examines a sample of performance indicators of State programs on a quarterly basis. The OLA first looks at high risk indicators, those identified as problematic in past performance audits, and those the legislature has concerns about. The OLA assesses the agency's progress in ensuring that performance data are monitored and supported by agency records. Auditors follow a fieldwork audit plan to examine source documents for the performance indicator values; assess management controls and reliability; and conduct a limited assessment of validity, including relevance. Assessment of relevance includes determining if the reported performance indicators are suitable for their intended use; reviewing the missions, objectives, goals and indicators to determine if they are linked; and identifying the major functions of the program to determine if the indicators are representative of those functions. Staff spend about 2,400 hours annually on this practice, with about 2,040 staff-hours focused on reliability and the remaining 360 on validity.

Revised Statute 39:87.5 (D) (8) directs OLA to verify the material and substantive accuracy of information contained in incentive reward proposals within 30 days from the time they are submitted. Proposals are submitted under a program called the Exceptional Performance and Gainsharing Incentive Program. An incentive reward is based upon an agency's Year End Performance Report and the agency must have exceeded the performance standard for its performance indicators by at least five percent for a particular year to receive an award.

See "Performance Audits" on the OLA website (www.la.state.la.us) for reports on performance measures of State entities, including the 2003 *Annual Assessment of Performance Progress Reports*, August 27, 2003.