

Insights on performance reporting

June 2023

Introduction

Performance reporting is the process of collecting, analysing and reporting information that allows comparison between projected goals and objectives and the results. Performance reporting is important to public trust in government and supports the accountable use of public resources.

Performance reporting occurs in a broader context of performance and accountability. The ACT Government's *Performance and Accountability Framework* identifies reporting as one of four basic elements of a cycle of continuous review and improvement (along with *planning*, *managing* and *reviewing and evaluating*). The Framework describes principles, and provides guidance, for each of the elements.

Performance information is important to a range of stakeholders including:

- internal users in directorates and agencies, because it supports evaluation against policy goals and objectives; and
- external users in the ACT Legislative Assembly and broader community, because it can support transparency and accountability.

The insights provided in this publication focus on performance reporting to external audiences.

Information provided through annual reports is one mechanism by which ACT Government directorates and agencies report on performance. Some ACT Government programs, services and activities also have performance reporting obligations that arise through a statutory obligation, a policy initiative or as a matter of good practice. This publication focuses on the latter, but the insights highlighted are also relevant to annual reporting processes.

The Audit Office has conducted several performance audits in recent years that have considered performance reporting. This publication presents insights from the following performance audits:

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- ▶ Implementation of the Aboriginal and Torres Strait Islander Agreement (2023)
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- ▶ ACT Childhood Healthy Eating and Active Living Programs (2022)
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- ▶ Teaching Quality in ACT Public Schools (2021)
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- ▶ Management of Closed-Circuit Television Systems (2021)
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- ▶ ACT Government's vehicle emissions reduction activities (2021)
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- ▶ Residential Land Supply and Release (2020)
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Informative performance reporting

The fundamental premise of performance reporting is to inform stakeholders of progress in:

- implementing a program, service or activity; and
- achieving goals and objectives.

Sufficient information should be provided to stakeholders to give them a useful overview of performance. A balance may be necessary between the comprehensiveness of performance reporting and its accessibility (and timeliness). In all instances, however, the focusing principle for performance reporting should be for it to assist with transparency and accountability.

The Audit Office has identified instances of performance reporting that have not been relevant or useful. In these circumstances agencies have provided information that is unrelated or tangential at best. In a number of instances general and summarised information has been conveyed, without reference to the identified goals, objectives or agreed performance indicators.

When presenting performance information on the achievement of goals, objectives and performance indicators, it is important for the agency to provide contextual and explanatory information, such as factors that may have impacted on performance and

whether the reported performance is within acceptable tolerances. Performance analysis and insights is also useful to assist users with interpreting the reported performance information.

Fair and balanced performance reporting

Performance reporting needs to provide a fair and balanced assessment. Performance reporting should provide a clear and unbiased account of performance; it should convey the good with the bad. The social, economic and environmental context of performance reporting should also be considered in order to provide a balanced view that is relevant and specific to the Territory.

The Audit Office has identified performance reporting that has been unduly positive and selective in its approach. In this respect there has been a practice of focusing performance reporting on 'success stories' without an appropriate analysis of performance and achievements. While focusing on 'success stories' has a role in highlighting good practices, it should also be balanced with an honest appraisal of shortfalls and why these have occurred.

Performance reporting cannot achieve accountability and drive better performance if it is not fair, balanced and honest.



Timely performance reporting

Performance reporting is of value when it is timely. Any delays to the preparation and publication of performance reporting diminishes its value and relevance.

To mitigate against the risk of late performance reporting, sufficient time and resources needs to be assigned, at the earliest possible stage, to planning for performance reporting.

Comparable and consistent performance reporting

Performance reporting is often planned to be undertaken on a periodic basis, potentially on a quarterly, half-yearly or annual basis.

When it is done well, periodic reporting such as this can provide users with a picture of performance over time. The value of such reporting is diminished, however, if the performance reporting is inconsistent across the periods.

The Audit Office has identified performance reporting that has been inconsistent and not comparable over time. This has been demonstrated by agencies

changing their approach to performance reporting across the periods, including the goals, objectives and activities that are being reported against. This makes it difficult for users of performance information to obtain a strong and consistent insight into the delivery of the program, service or activity. In some instances, because of the inconsistency in approach, it has not been clear whether particular actions have been delayed or even discontinued.

While it is useful for performance reporting to be comparable and consistent over time, this should not be an excuse for stifling evolution in the way the performance reporting is conducted.

Future performance audit activity

Performance reporting is a fundamental public administration activity. Consideration of agencies' performance reporting is a feature in the planning and scoping of all performance audits. In many instances, the Audit Office subsequently makes findings and recommendations in relation to the quality of performance reporting.

Consideration of performance reporting will continue to be a feature of performance audits into the future.



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About the ACT Audit Office

The ACT Audit Office provides an independent view on the accountability, efficiency and effectiveness of the ACT Public Sector.

Performance audits provide the ACT Legislative Assembly with an independent assessment of the quality of the management of public resources and identify and promote better practices. Further information about performance audits and performance audit reports can be found on the ACT Audit Office website (www.audit.act.gov.au).

The ACT Audit Office publishes an annual performance audit program in June each year. The Performance Audit Program aims to balance coverage across ACT Government agencies and focus on topics that are of interest to ACT Legislative Assembly and the community.

Ideas for performance audits can be submitted to the ACT Audit Office via email: performance-audit-program@act.gov.au