

**PERFORMANCE INFORMATION AND THE MANAGEMENT SYSTEM:
PERFORMANCE AND OUTCOME MEASURES
Jennifer Jody Rellar***

INTRODUCTION

Over the past few years the Department of Social Services has made considerable progress in implementing program reforms aimed at providing better value for money and delivery of service. Central to this reform process has been the need for improved accountability for the use of scarce resources. Block grants have created a need for Social Service agencies to Budget for Outcomes¹.

The move to an Output and Outcomes focus for financial management in Social Services agencies means that accountability will focus on performance in delivering those resources and services funded through the Budget, and on ensuring that the Output's assist in achieving appropriate Outcomes.

The move from accountability for data and activities to accountability for performance in achieving objectives requires new skills and understandings in relation to the development of performance measures, the use of evaluation processes and the preparation of performance information.

This document has been prepared as an introductory guide to the management and use of performance information. It is aimed at managers, and covers key issues related to using performance information both for internal management purposes and for external reporting. It outlines the main concepts and principles of performance measures and evaluation and provides practical information that will be of assistance to Governmental agencies in establishing effective systems for developing performance measures and managing performance information.

While the paper has a practical focus, it is not a step-by-step outline of procedures for developing and using performance information. For example, specific requirements for reporting performance information for Budget purposes are not set out in this paper. Rather, the paper provides general guidance that may be of help in preparing and managing performance information for internal and external purposes.

There are two key principles underlying the focus of the paper:

- That management of performance information is an agency responsibility; and

¹ Definition: The process of allocating resources on the Outputs to be produced or delivered.

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- That the development and use of performance measures should be integral to the agency's planning, budgeting and reporting processes.

Five main topics are covered in the paper:

- Purposes for measuring performance;
- Characteristics of performance information and measures;
- Criteria for assessing performance;
- Development and use of performance measures;
- Management of performance information.

The paper is meant to be used as an ongoing reference tool and has been structured to enable important information to be easily identified and extracted for particular purposes. Each section focuses on a discrete issue and a number of summaries of issues and principles relating to various aspects of the measurement of performance have been included. For example: An outline of some common problems in developing and using performance information; and key principles in managing performance information; Some general principles for selecting and using performance measures; A checklist for assessing performance measures; Issues related to assessing quality; Issues related to surveying clients and customers: Along with looking at the aspects of performance; and the characteristics of public sector Outputs.

BACKGROUND

For the story behind the story we need to travel to San Mateo County's Human Services Agency. It was here that I served my internship and gained some insight to performance and outcome measures. San Mateo County requires from its Agencies that each will provide the County Managers office with specific results based on both external and internal expectations and accomplishments for which the agencies operating budgets are then based. I learned that San Mateo's Human Services agency had created a method of operating that allows them to determine, monitor and report on the Agency's performance and outcomes measures by a process that I refer to as a total *Performance Information Management System*.²

In 1995, as a model of service delivery the Human Services Agency of San Mateo County kicked off 'Success'³ as a concept for providing services and method of operating by *Output Methodology*⁴ The Agency's FY 1994-95 budget was the first to include the need for sustainable policy objectives to measure the outcomes of the 'Success'.

² Definition: A systematic process for managing the development and use of performance information on an ongoing basis.

³ In 1995-96, the Human Services Agency, in collaboration with members of the community, sponsored a major effort to develop a new service delivery model. To that end 'Success' was created, its goal to improve the self sufficiency of families and individuals, emphasize prevention and early intervention, and improve accessibility to HAS services.

⁴ Managing an agency through focusing on the goods and services (the Outputs) delivered for external clients, and on ensuring that client needs are satisfied, within a framework of policy objectives specified as Outcomes.

To establish its current policy objectives San Mateo's Human Services Agency began in 1993. It arranged work teams in each of its Division. The teams were comprised of all levels of staff from multi-disciplines. For example: There was workers, analyst and managers, from the various Programs and Services bureaus, working along side staff from Information and Systems, and Fiscal and Operations. The process led to a culmination of fifty outcome statements being created. In addition, 138 specific statements were defined and approved by the Agency's Executive Team, as to how success would be measured. San Mateo was clearly a fitting choice to learn about performance and measures. I was able to gather a volume of resources and examples for conceptual use in this paper.

PERFORMANCE INFORMATION FOR MANAGEMENT AND ACCOUNTABILITY PURPOSES

Why Measure Performance?

The measurement of performance is not something that is done for its own sake. It is a process undertaken to ensure that appropriate and trustworthy information is available, when required, for use in decision-making.

Decision-makers need ongoing access to relevant and reliable information about performance to address two questions that are basic to good management:

- How well are we doing?
- How can we do better?

Through systematic measurement and evaluation of performance, evidence is obtained that assists in developing a better understanding of: How well existing service is perform; how well services meet the needs of clients; and whether the services provided are consistent with Government expectation of agency performance.

Performance information is required for both internal and external purposes (figure 1). The timely availability of such information enables well- . informed decisions to be made about how to improve performance.

When an agency develops and manages performance measures as part of a strategically focused performance information system, both the Government and agency managers are able to have access to information that is relevant, reliable and timely. This places the Government and agency management in a better position for improving strategic decision making and resource allocation. Better-informed decision making should result in more efficient and effective delivery of services and improved Outcomes for the community.

For accountability reporting, agency managers need externally focused Output measures such as indicators of effectiveness, efficiency and appropriateness. Agency managers also need a broad range of measures - both direct measures of Output provision and performance indicators-specifically for internal management purposes. Information generated by internally focused measures is used for monitoring the delivery of Outputs. It ensures that, in the

immediate and short-term, the goods and services being provided are likely to have the intended impact on client, customers or the community at large. These measures provide managers with information that helps the agency identify and adjust to changes, and improve, on an ongoing basis, the provision of goods and services.

What is Performance Information?

Performance information is information that has been collected systematically in order to make judgments about achievement in relation to objectives, plans or intentions. It is information about performance that is suitable for use as evidence in making decision. It can be in the form of number (data, or quantitative information) or words (qualitative information) and consists of four inter-related elements (see figure 2).

Performance information is about what is being achieved by the agency. it is not about what is being done within an agency. Workload measures, measures of demand, and process data, such as activity counts. do not solely provide evidence about performance. These measures are useful in managing an organization and in ensuring that delivery of the Output will be on time. and will meet quality and cost targets. Workload and demand measures are sometimes reported with performance indicators because they can provide information necessary for understanding the performance of the agency and the context within it operates.

Direct Measures and Indicators

Performance information may be obtained using either direct measures or indicators (indirect measures). When seeking or developing direct measure and performance indicators, care needs to be taken to ensure that the information generated through use of the measure will be of the appropriate quality. To ensure that quality information can be obtained, measures must. be:

- 1. Valid, in that the measures actually do measure the characteristics they claim to measure;*
- 2. Reliable, in that, given a set of conditions the information generated against the measure will not vary significantly;*
- 3. Relevant, accurate and timely:*

Direct measure focus on what has been achieved in relation- to targets and can provide information about what has been done and the level of activity involved. It should be noted that direct measures that focus on `inputs' or on the level of `activity,' such as measures of workload are not measuring performance. These measures may provide information about how hard people are working, but they do not show whether anything is being accomplished.

However. some direct measures do measure performance in judging performance in the delivery of Outputs by focusing on the following: Volume, level of supply; Agreed standards; Delivery and/or response time; and Cost per Output.

Indicators are indirect measures. They provide evidence of how well achievements at one stage in the provision translates into results at another stage, or level, of performance. For example: *The number of licensed day care facilities in the county* -Compared to the ratio of childcare openings within the county.

Indicators are useful when assessing important aspects of Output performance such as efficiency, effectiveness, appropriateness, responsiveness and equity or social justice (figure 3).

Expectations and Criteria

The assessment of performance is based on comparing results with expectations. Performance criteria represent an agreement about desired results based on the expectations of customers, clients and stakeholders (CAO). The expectations of stakeholders need to be identified before selecting criteria for use in judging performance, e.g., Government strategic priorities must be considered. It is important that the processes used by the agency for establishing an agreement on expectations, and for selecting criteria, are appropriate to the agency. The processes also must be acceptable to stakeholders.

Criteria can be specified in the form of targets, standards or benchmarks. To ensure the acceptability of the selected criteria, there is a need to involve those who participate in the accountability relationship. The focus should be on a few essential expectations whose criteria are both challenging and feasible. The processes should include ongoing and periodic measures. Most important will be the need to be prepared to change and adapt expectation as experience is gained or circumstances alter. Doing these things will serve as a means of improving performance and motivates good management.

Developing and Using Performance Information

The main purpose for which agencies need access to performance information are for managing the agency, for accountability reporting, both internal and external to the agency, and for whole-of-Government management requirements.

When developing and using performance information it is particularly important to distinguish those measures developed for accountability reporting' for those used in internal management". A common mistake is taking information gathered for one purpose and using it for another purpose for which the information is inappropriate. For example, when reporting internal management information as evidence of performance achievement for budget purposes.

Accountability Reporting and Internal Management

Measure for accountability reporting:

These are concerned with measuring something that senior managers need to know, or something that is required to be reported externally.

Measures for internal management:

These focus on things that need to be monitored, contained or managed within the agency.

To be appropriate for public reporting for accountability purposes, performance information must have an external focus, and be policy oriented. Conversely, the majority of the measure needed for internal management purposes will not have the same required external focus, and will not provide information related to policy. However, they may provide contextual information that will be necessary for understanding the level of performance demonstrated through externally focused measures. Some measures developed for external accountability reporting will also be useful for internal accountability and management purposes.

An agency will require different types of performance measures for different types of internal management decisions, such as:

- Ensuring that the delivery of the service is on target;
- Assessing whether the right things are being done;
- Adjusting to required changes in the delivery of a service'.
- Accounting for what has been done and improving service.

The set of measures developed by an agency should be sufficient to: Cover the range of internal management needs and comply with external accountability requirements and satisfy the whole-of-Government management requirements.

For the County Social Service agencies where external requirements may exist, performance information presented to the County Administrator/Manager is typically used in developing the Budget. The information can also be used by the Agency for accountability reporting for State purposes.

We know that Social Services Agencies are responsible for delivering the required services and goods, on time, within budget, to the standard required, and to the satisfaction of their clients and stakeholders. While agencies have not been responsible for Outcomes in the past, we know attitudes are changing as welfare reform demands. To meet the changes, agencies will need to measure short and medium term impacts on clients and other results of service delivery to be confident that judgements about Output performance will be soundly based to sustain client's success.

Performance measures also need to focus on the users and the choices made by the Government on behalf of the client or the community as a whole. The client's view of the services is important to consider for ensuring that Outputs are of the appropriate quality. The views of stakeholders are important in relation to 'merit' standards in achieving the intended results. Thus, before selecting a performance measure, it is important to be clear about what is to be measured, why it is to be measured, who will be using the information, and how and when the intended information will be used.

In other words, the appropriateness and usefulness of a measure will depend on how effectively it is matched to: the types of decisions that will be made by the information, the audience the information is intended for and the nature of the Output.

The cost of collecting performance information is an important consideration when selecting or developing measures. The cost related to the collection, storage and use of information should not outweigh the benefits arising from the collection of additional or more accurate information. For example, San Mateo County invested in SMART; a systems program designed to manage case data by linking benefits and services information within the agency.

In accessing the need to collect particular information, the resources required for a range of tasks will need to be taken into account. For example, resources will usually be needed to: develop the instrument; collect, analyze and prepare reports; disseminate the information about the level of performance achieved and the resulting action plan, ensure that the required action is implemented; and update both the measures and the performance data as necessary.

Keep in mind that it is often not necessary to measure everything about the Output, or to measure some things all the time. Well designed sampling procedures (both 'statistical', and in relation to 'purpose') can provide reliable data at reduced administrative cost and burden.

Managing Performance Information

Measuring performance is difficult and complex. The process of developing and implementing a satisfactory set of valid and reliable performance measures, with each measure underpinned by an appropriate measurement procedure, is often done by trial and error, requiring a number of years of consistent work. Ensuring that the appropriate action is taken because of performance reports is as difficult and complex.

In many respects, the success or failure of an agency's use of performance measures will depend on the maturity and sophistication with which the management of performance information is handled by managers. The development, use and management of performance information need to occur as an integral part of the agency's strategic and operational planning, reporting and reviewing processes. For performance information to be used effectively within an agency the senior executives have to demonstrate that they believe there is a real need to measure performance, they must be viewed as actively supporting the use of the performance information. Commitment and involvement are basic requirements for successful implementation of an appropriate system for measuring the performance of an agency.

San Mateo understood that the best work done in providing performance information would be of no use unless the measures are owned and understood by those who need to use the information. Therefore, San Mateo grouped teams of line and senior managers who would be producing the desired results to work on developing their outcome measures. These groups took responsibility for the measurement process and for outlining the reporting methods. This required them to be trained in how to identify and create reliable and relevant indicators and to

be provided with external and internal information about the desired government, community and agency outcomes.

Agency managers will find that, in order for their agency to use performance information efficiently and effectively, it will not be sufficient to focus just on developing the performance measure. Managers will need to take responsibility for developing and maintaining a performance information system and for ensuring that performance information is used appropriately. Many aspects of the development, gathering and reporting of performance information can be delegated. However, to make sure that performance information is available when needed, that it is acted upon to improve performance, and that the changes made do result in improvement are the Agency's responsibilities.

To manage performance information, policies and procedures must be documented as well as communicated. For each measure there should be:

- **A documented measurement procedure** that outlines the processes and rules to be followed in collecting and preparing the basic data; generating relevant evidence and preparing performance information for reporting, And
- **A plan of action for each measure** which can list the terms of the measure, e.g., When the information is to be available, how the information is to be presented, who it will be provided to, who is responsible for managing the measure(s), in what form the information is to be used, for what purpose(s) and who is responsible for any action resulting from the performance report, And
- **A description of the process for implementing the measurement procedure** - This consist of the protocols for implementing the measurement procedure for each indicator and direct measure. The protocols identify such things as who is responsible for the measure, how it is linked to other measures, and what has to be done to ensure that the information generated by the measure will be available when required and will be used for the purposes identified, And
- **An outline of the procedures for maintaining and updating the performance information and the measures.** -This is a protocol that documents what is to be done to ensure that both the measures and the information generated by each measure remain current. The protocol identifies who is responsible for each action step and outlines the processes for managing and updating the measures and the performance information.

CONCLUSIONS AND RECOMMENDATIONS

There must be commitment by the Agency's management to ensure that an effective system of managing performance information is developed and maintained. The information on performance must be developed and used as participatory as possible. Performance measures need to be developed and managed as part of a strategically focused performance information system that supports the management process and is integrated with the agency's planning, budgeting and accountability cycle. The system of managing performance information must be integral to the agency's decision-making and problem-solving processes and support and enhance performance improvement on a continuous basis through the agency. The processes must

provide reliable and relevant high-level Output performance information for external accountability reporting, on time and in the appropriate format.

Measures reported internally for improvement purposes must focus in what employees, at each relevant level, can translate into direct corrective action. Bias in the available performance information must be avoided. This can be difficult to identify at the time the measures are developed. Performance measures need to be developed so that they are sensitive to change over time, and to differences among subgroups. They must be capable of demonstrating long term trends as well as shortterm changes. To ensure continuity of the measurement of Output performance over time, all changes to the measure must be recorded as part of the documented measurement procedure to enable the agency to link its past performance indicators with current outcomes to do comparison studies in predicting future measures. Finally, do not stop at measurement. Time and resources must be allocated to the analysis of the information generated by the Outputs measures. Managers will need to know the reasons for the level of performance and identify where improvements can be made that are likely to impact on future performance.

It is important to ensure that any deficiencies in the measure are quickly identified and that action is initiated to implement the required changes. The proposed improvements, along with the performance information on which the proposal has been based, should be widely publicized. This is important particularly within the agency as awareness and consideration should be encouraged at the appropriate levels within the agency.

The final measurement of an Agency's success will be viewed not by the indicators and outcomes it achieves, but by the level of time and resources the Agency devotes to ensuring that the required changes in procedures and behavior have occurred as a result of the things measured. Additionally, the Agency will be graded on the degree in which it monitors the impacts of its changes when it relates to service delivery and customer success. In the end, we must not forget to celebrate outstanding performance.

Figure 1: Performance information for internal and external purposes:

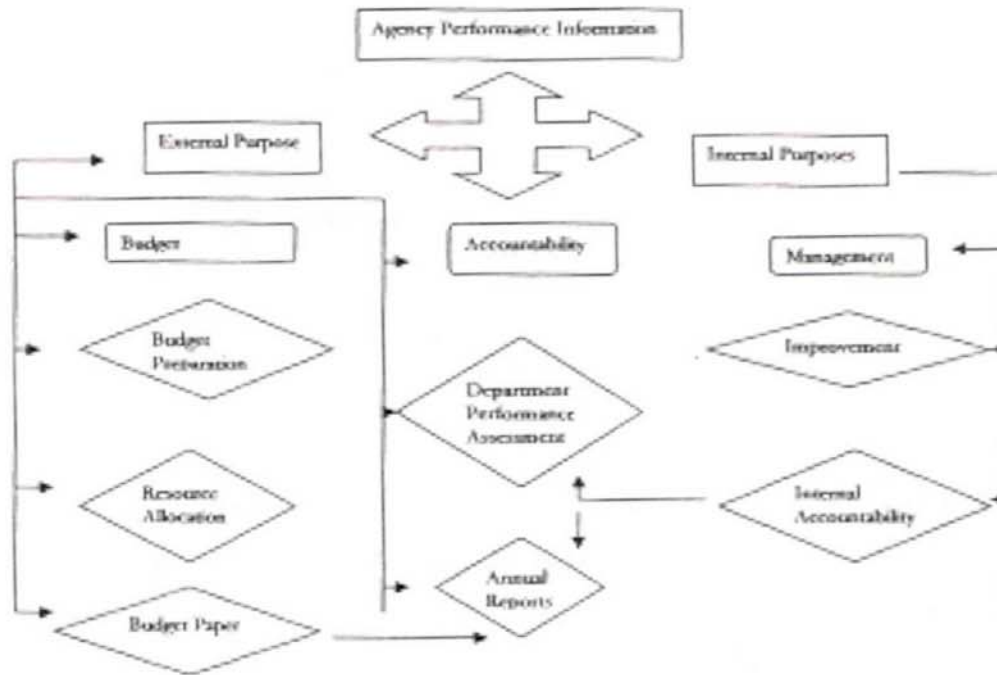
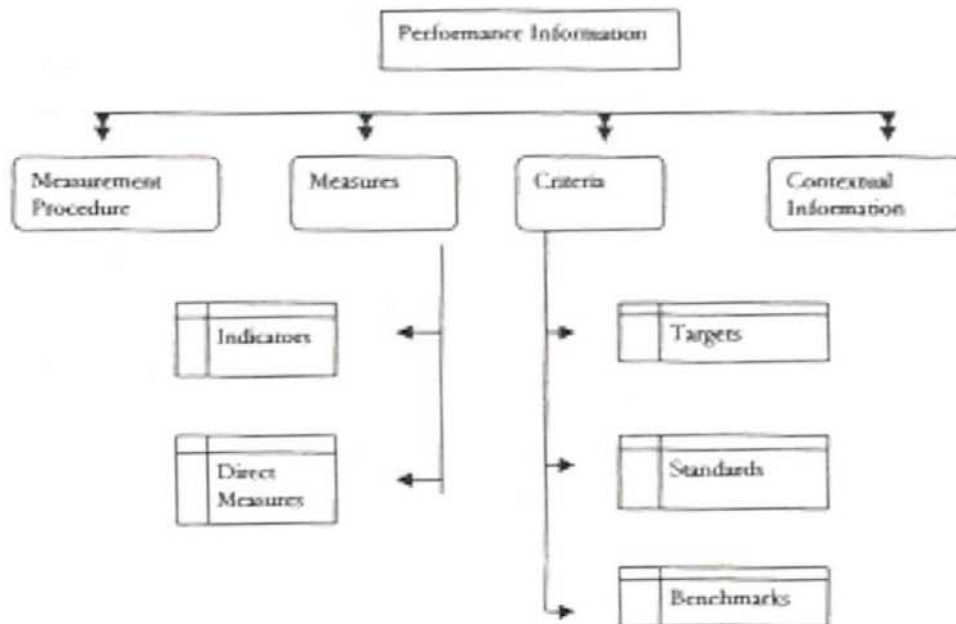


Figure 2: The four elements of performance information



GLOSSARY

Accounting Reporting. Measures used for accountability reporting are concerned with measuring either something that an agency's managers need to know, or something that is required to be reported externally.

Activity. What an agency does to convert inputs to Outputs

Appropriateness. The extent to which the intended outcomes (or the objectives) for an Output are the correct ones; that is, whether the match real needs of clients, customers and stakeholders. Appropriateness may focus on whether objectives for the service have been met, or on the way that the service meets its objectives. Measures of appropriateness address questions such as whether there are realistic alternatives to government provision and funding of the Output, and whether the Output is aligned with government policy priorities. Appropriateness can be measured in terms of adequacy, *relevance*, *sustainability*, and *policy* or outcome achievement.

Benchmarking. A systematic process to identify and introduce best practices into organization by making valid comparisons with other processes or organizations.

Benchmarks. Standards derived from the performance levels achieved by other Government agencies in comparable jurisdictions, by businesses in the private sector, by Government agencies in the same jurisdiction, or by other sections in an agency Benchmarks are used as best practice *standards*, or as challenging *targets* for performance.

Budgeting for Outputs. The process of allocating resources on the basis of the Outputs to be produced or delivered.

Budget Information. Information that is used in the resource allocation process.

Budget Plan. Strategic and/or annual operating plan for an agency or unit. These plans specify the goods and services to be provided and cost.

Community Outcomes. High-level policy objectives of the Government derived from the Government's perception of community expectations. For example, *budget book initiatives derived from the County Administer/Manager*.

Clients/Customers. The people, organizations and government agencies that use services or consume goods provided by an agency.

Criteria. Provide the basis for establishing how performance against a measure is to be judged. Criteria can be as targets standards or benchmarks. They are derived from stakeholders', expectations for the performance of the Output.

Direct Costs. Direct costs are expenses that are directly accountable to the Output. Direct costs can include the costs of intermediate Outputs produced within an agency.

Direct Measures. Direct measures provide evidence of the actual results of specific activities, processes or Output delivery systems. They focus on what has been achieved in relation to targets and provides information about what has been done, what has been delivered, the demand for the service and the workload involved.

Economy. Economy focuses on the input-use achieved in delivering a service. It is a direct measure defined as 'cost per unit of input' and is about minimizing the use of resources.

Effectiveness. The extent to which objectives are being achieved. Effectiveness is determined by the relationship between an organization and its external environment.

Efficiency. Efficiency is about producing more services or better quality services with the same or fewer resources. Mainly the internal structure and operations of an organization determine efficiency. Efficiency indicators related resources inputs to resulting Outputs. They indicate how well an activity or operation is being performed.

Equity Measures. See Social Justice Measures Evaluation. Evaluation is the process of deterring merit, worth and value. In relation to the measurement of Output performance, evaluation is a systematic and disciplined process through which trustworthy information is gathered to enable judgments to be made about appropriateness, effectiveness, efficiency, responsiveness and social justice.

Government Outcomes. Government Outcomes are the short or medium term Outcomes or results desired by Government that are expected to be achieved largely through the resources of Government agencies to produce specified Outputs. Government Outcomes provide the link between the high level and visionary Community Outcomes and agency Outputs.

Government Strategic Priorities; Government strategic directions. Government statements of medium term policy priorities.

Indirect (relational) measures. Measures how well results at one level in the process of providing an Output translate into results as the next level of performance. Indicators are indirect or relational measures.

Indicator. See Performance Indicators and Indirect measures.

Indirect Costs. Costs that relate to more than one Output, such as the salary, of the Head of an Agency.

Inputs. Items such as labor, materials, office space and other non-capital or non balance sheet items purchased by the agency for use in producing an Output.

Intermediate Outputs; Sub-Outputs. Goods and services produced by or delivered within an agency which in combination with other internally delivered goods or services contribute to the provision of Outputs. They are the 'output' of sub-systems within an agency (for example

"trained staff" and "research reports") that become inputs to systems that produce the Outputs provided to external clients.

Internal Management Measures. Measures that focus on those things that need to be monitored contained or managed within the agency.

Measure. A measure identifies the focus for measurement: It specifies what is to be measured.

Measurement Procedure. An explanation of how and when required information is to be collected and reported, which identifies who is to be involved in the process of collecting and reporting, and specifies a process for ensuring that both the data and the measure are updated on a regular basis.

Outcomes. 1. High level and long term policy objectives of the Government derived from the Government's perception of community expectations (see Community Outcomes); 2. The short to medium term results desired by Government that are expected to be achieved largely through the resources of Government agencies to produce specified Outputs (see Government Outcomes); 3. Intended impact or effect on the community of the activities and policies of Government.

Outputs. Goods and services by an agency for clients outside the agency.

Output Aggregation. The level at which an Output is specified for a particular decision making or accountability purpose.

Output Adequacy Measure. Information about effort and performance relative to measures of community need or demand.

Output Costs. The cost of producing an Output consists of both direct and indirect expenses (see also Direct Costs; Indirect Costs).

Output Groups. Groups of homogenous Outputs, which contribute to a common service, have the same clients, and usually relate to a discrete *Government Outcome*. [Groups are aggregated Outputs].

Output Methodology. Is a means of managing an agency (or whole-of-Government) through focusing on the goods and services (the Outputs) delivered for external clients, and on ensuring that client needs are satisfied, within a framework of policy objectives specified as *Outcomes*. The methodology involves the process of Outcome clarification, Outcomes specification and costing; resource allocation; and performance specification and measurement. The major vehicles for managing by Outputs are *Government Strategic Plans, Corporate plans and Business plans, Operational plans; Purchase, Service, Performance and Ownership Agreements, Budget information, quarterly reporting, Annual Reports, and performance management processes (See also Budgeting for Outputs)*.

Output Delivery (or Production) system. The processes through which an Output is produced and delivered.

Overheads. See Indirect Costs

Performance. Achievement in relation to objectives, plans or intentions.

Performance Criteria Criteria provide the basis for establishing how performance against a particular measure is to be compared and judged. They represent an agreement about desired levels of performance based on the expectations of clients and important stakeholders (*customers*).

Performance Indicators. 1. Explicit statements that define how success is to be measured, and identify the criteria, or benchmarks, to be used in judging success. They are expressed as an index, a ratio, a per unit measure or some other form of comparison. 2. Information about a selected aspect of performance, collected in order to assess performance against predetermined targets, which enables a relationship to be inferred between what is measured and other aspects of the agency. Indicators enable general inferences to be made about agency performance; it is the inference that is of major interest, not the information about the specific aspect measured; Performance indicators provide a guide to performance where causal links are not obvious and where changes in performance are difficult to measure directly.

Performance Information. Quantitative and qualitative information collected systematically and used as evidence for making judgments about achievement in relation to objectives, plans or intentions. It is information about performance that is suitable for use as evidence in making decision. Performance information consists of a measure, criteria, and contextual and explanatory information, underpinned by a clearly defined measurement procedure.

Performance Measurement. Any activity through which performance is gauged.

Performance Measures. 1. Explicit statements that define how success is to be measured, and identify the criteria, or benchmarks, to be used in judging success. 2. Discrete and predetermined information collected in order to assess performance against tar- **Quality of Service.** Service quality relates to the gets.

Performance Information Management System. A systematic process for managing the development and use of performance information on an ongoing basis. The management system consists of a strategic plan, a framework for the performance information, a guideline for developing performance indicators, a set of performance indicators, and a process for managing the information. The management system should be a part of the agency's corporate and operational planning, reviewing and reporting process.

Policy Objectives. The Government's high level, intended Outcomes for the community. An example would be budget book initiatives; both the public and the private sector contribute to the achievement of policy objectives through the provision of goods and services.

Processes. The operational policies, strategies, procedures, rules and regulations used by agencies.

Productive Efficiency. Information about how is organized so to get the best performance and adequacy. Productive efficiency is measured in terms of the ratio of inputs needed per unit of Output produced and the relationship between variations in the mix of inputs and variations in the mix of outputs.

Provider. The provider is the agent who delivers the agreed Outputs

Purchaser. The purchaser is the agent who decides what will be produced and who sets the criteria (standards and Targets) for judging performance

Quality of Service. Service quality relates to the characteristics by which an organization, product or service is judged by clients or customers. The dimensions of quality that performance measures can cover: Accuracy, completeness, accessibility, timeliness, risk coverage, compliance with legal standards and satisfaction or qualitatively.

Relevance. The relationship between intended result and actual impact measured either quantitatively or qualitatively.

Resource Allocation. The process by which the Government makes decisions on allocating the funds, or the use of the funds, to purchase goods and services for achieving policy objectives.

Responsiveness. Indicators of 'responsiveness' measure the extent to which the demand and preferences of the public are satisfied. They focus on the

Service agreements; Service Level Agreements. 1. Intra public sector contracts; and intra-agency contracts. 2. Formal arrangements entered into by purchaser and a provider for the purchase of Outputs. 3. Explicit or implicit contracts in which the purchasing agency, or section, 'exchanges' budgetary funds for the delivery of specified services by the provider agency or section; Intra-agency sector and intra-agency service agreements are based on the creation of an internal exchange relationship through the separation of purchaser, funder and needs assessment responsibilities from the service provision and management responsibilities.

Social Justice Measures. Sometimes referred to as equity measures. These measures focus on the social impact of a service in terms of equity of service delivery, and equality of access and participation. These indicators measure the distribution of services, especially in relationship to demographic characteristic and in accordance with various generally accepted criteria of fairness.

Stakeholders. People, organizations and agencies, other than those that are clients or customers, whose interests are affected by the provisions of Outputs.

Standards. Predefined levels of excellence or performance. Standards are often specified as minimum levels of excellence or performance. Standards related to specific aspects of a product or service. such as the level and quality of client service, and can also be set for inputs,

processes, various aspects of service delivery, and objective; For Outputs, standards are set with the aim of defining a level of performance that is appropriate for the service and is expected to be achieved.

Standards of Service Measures. Measures of the quality of service to clients focus on aspects such as client satisfaction with the way they are treated; comparison of current standards of service with past standards; and appropriateness of the standards of service to client needs.

Sub-Outputs. See Intermediate Outputs.

Sustainability. The persistence of impact or results over time.

Targets. Targets are agreed levels of performance to be achieved within a specified period. Targets are usually specified in terms of the actual quantitative results to be achieved or in terms of productivity, service volume, service quality levels or cost effectiveness gains. Agencies are expected to assess progress and manage performance against targets. A target can also be in the form of *standard* or a *benchmark*.

Workload Measures. Measure process and effort. Examples of workload measures are throughputs, production rates, and activity counts. These measures provide evidence of how hard people are working and are useful in managing an organization. They may also provide information helpful in understanding the performance of an agency and the context within which it operates. However, they do not measure performance and, therefore, do not provide evidence about whether the agency is accomplishing anything.