

**Developments in Performance  
Measurement Structures in Public  
Sector Entities**



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The mission of the International Federation of Accountants (IFAC) is to serve the public interest, strengthen the worldwide accountancy profession and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession's expertise is most relevant.

This publication was prepared by IFAC's Professional Accountants in Business (PAIB) Committee. The PAIB Committee serves IFAC member bodies and the more than one million professional accountants worldwide who work in commerce, industry, the public sector, education, and the not-for-profit sector. Its aim is to enhance the role of professional accountants in business by encouraging and facilitating the global development and exchange of knowledge and best practices.

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## **Foreword**

*“Measuring is hitting, guessing is missing.”*

*(Dutch proverb)*

The Professional Accountants in Business Committee of the International Federation of Accountants (IFAC) is keen to continue serving professional accountants and others who work in the public sector. It has used a survey to collect information on the way in which public sector entities, in a wide range of jurisdictions and service sectors worldwide, set financial and non-financial objectives, measure performance and report on results (in brief: “performance measurement”).

The results of this survey will help professional accountants in business, and others who work in the public sector, in evaluating and further improving their own financial and non-financial performance measurement structures. This will enable them to better plan, execute and control their organization’s service delivery and to achieve a higher level of accountability. The results will also help IFAC’s Professional Accountants in Business Committee (PAIB) to consider specific public sector aspects when developing International Good Practice Guidance for professional accountants in business.

If you have any queries, suggestions or comments about this survey, please contact Vincent Tophoff at IFAC by email at [vincenttophoff@ifac.org](mailto:vincenttophoff@ifac.org).

# DEVELOPMENTS IN PERFORMANCE MEASUREMENT STRUCTURES IN PUBLIC SECTOR ENTITIES

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## Summary of Key Findings

In the spring of 2008, the Professional Accountants in Business Committee (PAIB) of the International Federation of Accountants (IFAC) carried out a global survey designed to identify similarities and differences in performance measurement structures in public sector entities and to assess the extent to which these structures help meet their objectives.

The survey results, consisting of 250 responses from all over the world, clearly demonstrate that respondents are much more satisfied with the performance measurement structures in the public sector entities for which they completed this survey, if these structures possess the following, more advanced elements:

- A balanced combination of relevant financial and non-financial objectives; supported by specific measurement indicators (financial and non-financial KPIs);
- Accrual accounting for the budgeting, the (legislative) appropriation and the financial reporting processes;
- Capability for capturing, processing and reporting useful information on both financial and non-financial developments;
- Independent external review of the figures to report on financial and non-financial performance;
- A formal structure for measuring and assessing risk, and developing strategies to control it; and
- A regular review to ensure that the performance measurement structure remains effective and efficient.

The respondents also pointed out the strengths and weaknesses of the performance measurement structures in their public sector entities and provided many recommendations for further improvement.

## Introduction

As part of its mission to serve all professional accountants in business, including those working in the public sector, IFAC's Professional Accountants in Business (PAIB) Committee has conducted a survey to obtain information about developments in financial and non-financial performance measurement and reporting processes in various public sector entities around the world.

Currently, there is little coordinated information available about the ways in which public sector entities set financial and non-financial objectives, measure performance, and report on results. This global survey is designed to identify similarities and differences in performance measurement structures and the extent to which these structures help public sector entities meet their objectives. The survey also seeks examples of strengths and weaknesses of performance measurement structures and what can be done to further improve the assessment, monitoring and reporting of financial and non-financial performance in public sector entities.

The survey is part of a wider project to support professional accountants in business and others working in public sector entities. The PAIB Committee is, for example, contemplating the development of a principles-based International Good Practice Guidance<sup>1</sup> (IGPG) on evaluating and improving performance measurement structures in the public sector. Additionally, the results of this survey will assist the PAIB Committee in considering specific public sector aspects in other PAIB publications. (See also the International Center for Professional Accountants in Business at [www.ifac.org/PAIB](http://www.ifac.org/PAIB).)

## Survey Methodology and Classification

This global online survey was prepared by IFAC's Professional Accountants in Business Committee in close cooperation with IFAC member body the Chartered Institute of Public Finance and Accountancy (CIPFA) in the UK. It was directed to professional accountants in business and others who work in public sector entities. The survey was held between March and May 2008. The complete survey and responses are included in [Appendix A](#) to this report.

### *The response*

With the help of IFAC's member bodies worldwide which helped promoting the survey, in total 250 useful responses from 41 different countries were received (see [Question 1](#)). While this survey is, therefore, worldwide and large enough to produce interesting insights, there is a caveat.

### *Caveat*

As further detailed below, the large variation in the number of responses received from the various sectors and countries leads to an equally large variation in representativeness. Therefore, caution is needed before drawing other than very general conclusions, especially in those categories with a very low response. Also, the overall result is skewed towards the sectors and countries with the highest response. It is best to interpret the results of this survey as a

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<sup>1</sup> See [http://ifac.org/Members/Downloads/Preface\\_to\\_IGPG.pdf](http://ifac.org/Members/Downloads/Preface_to_IGPG.pdf) for further information on IFAC's IGPG series.

temperature check on the current situation of public sector performance measurement in the various sectors and countries.

### *Public sector entities*

Public sector entities<sup>2</sup> come in many forms and the public sector differs substantially between countries. This survey did not define beforehand whether or not certain entities belong to the public sector, relying on the respondents themselves to make that decision (see [Question 2a](#): “For which kind of public sector organization are you completing this survey?”). A determining factor, confirmed by the vast majority of respondents (92.2%), is that the service provided by the entity for which they completed the survey is financed mainly by public money (see [Question 4](#)). But some countries finance a much wider range of activities and organizations with public money than others. As a consequence, this analysis can only define and discuss public sector entities in very broad terms.

Respondents indicated that the members of the managing body, board or council of the public sector entities in this survey are mostly appointed by an executive governmental body (28%) or by its own board or managing body (27%). In other cases, they are elected by the public (22%) or appointed by a legislative (7%) or regulatory body (5%), or otherwise (10%). There is some variation between countries and a larger variation between the various sectors. (See paragraph on sector analysis below. Respondents reported that in the UK and the Netherlands, management teams are more often appointed by the organization’s own board or managing body. In the USA and Canada, management teams are more often elected, and in Australia and Pakistan they are more often appointed by an executive governmental body (see [Question 6](#)).

Also, the correlation between management form (appointed or elected) and satisfaction with the performance structures has been analyzed for this report (see [Question 12](#) and [Question 19](#)). However, the results show only a marginal difference in satisfaction with the current financial and non-financial performance measurement structures between entities with an elected or an appointed management (see [Question 6](#)).

### *Level of government*

Most responses in this survey were received from national government level (55.5%), followed by local (27.4%) and state/provincial/regional (17.1%). Overall, there is a reasonable spread among these three levels of government (see [Question 2b](#)). This has not been used as a differentiator for detailed analysis, however, because of the lack of homogeneity within these levels with many different kinds of organizations and international differences. Instead, the survey responses have been analyzed in totals, by sector and by country.

### *Sector analysis*

The sector analysis is based on the Classification of the Functions of Government (COFOG) as used by most statistical agencies around the world and also by international institutions like the United Nations, OECD and World Bank. Respondents were asked to specify the COFOG sector of the public sector entity for which they completed this survey (see [Question 2c](#)). While this

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<sup>2</sup> In this survey, the words “organization” and “entity” have the same meaning and are used interchangeably throughout this report.

classification is familiar to public sector statisticians, it appears to be less so to individual respondents, a number of whom ticked “*Other*,” although their response on [Question 2a](#) (“*For which kind of public sector organization are you completing this survey?*”) clearly indicated that they belonged to a specific COFOG sector. In these cases, the responses were adjusted to correct this. Data analysis also indicated a number of cases where respondents have probably selected the wrong COFOG entries. Because of the uncertainties, however, these entries have *not* been adjusted. Furthermore, for some COFOG sectors, only very few responses have been received, so the outcome of this survey is certainly not representative for those sectors. Also the differences in responses between the various sectors seem inconsistent and are difficult to rationalize. As a result, this report can only draw very general conclusions based on the sector analysis.

### *Country analysis*

The six countries with the largest individual response have been selected for the country-by-country analysis. These were Australia (8.0% of total responses), Canada (5.6%), the Netherlands (3.6%), Pakistan (5.6%), the UK (38.8%) and the USA (9.2%). Together, these countries cover 70.8% of total responses. The responses from the 35 other countries have been bundled together in the “Other Countries” category that consists of 29.2% of all responses.

By far, the most responses came from the UK. This is not surprising since the UK has several IFAC member bodies, all with active public sector memberships and one (the Chartered Institute of Public Finance and Accountancy, CIPFA) specializing exclusively in that domain. The lower or zero response in some other countries might have been affected by lower levels of engagement of professional accountants and their professional bodies in public sector entities.

Because of the overwhelming UK response (38.8% of total responses), a separate analysis of the non-UK responses was also undertaken to establish how it affects the overall conclusions. Generally, the UK respondents score slightly higher or more on most of the questions than the non-UK respondents. The analysis shows, however, that exclusion of the UK responses does not fundamentally change the results of this survey.

### **Performance Measurement in Public Sector Entities**

From a global perspective, there is little coordinated information available about the ways in which public sector entities currently set financial and non-financial objectives, measure performance and report on results. In that respect, this survey fills a gap. There are, however, various international and national sources of related information. A limited list is included in [Appendix B](#) to this report<sup>3</sup>. Below is a brief discussion about the differences between the public and private sector and about the importance of performance management.

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<sup>3</sup> Suggestions for additional sources, which can be included in electronic updates of this report, are always welcome.

*Public sector versus private sector*

Public sector entities differ in various ways from private sector organizations<sup>4</sup>. Generally, the profit motive is absent or weak, much public expenditure is managed separately from primary revenue raising, policy outcomes are not always easy to measure, service delivery is addressed primarily from a public stakeholder (instead of a shareholder) perspective and the funding is mainly by public resources. However, the proverb in the introduction of this report - *Measuring is hitting, guessing is missing* – equally applies to private and public sector entities. No matter how the organizational objectives are defined (in financial and non-financial terms), only with a measurement system in place an organization can monitor its performance and report - as well as act – on the results in a meaningful way. Furthermore, even if (financial) profit is not the main objective, certain financial performance measures still play a central role in most public sector entity performance evaluations.

*Performance measurement*

In this survey, the term “performance measurement” is used to indicate the way in which public sector entities set financial and non-financial objectives, measure performance and report on results.

The importance of financial management in general and performance measurement in particular is demonstrated in a recent survey by IFAC member body CIPFA (one of the co-authors of this survey). In June 2008, CIPFA published the survey findings that continuing improvements in financial management are driving [UK] public sector performance<sup>5</sup>. The biggest single cause of the improved level of financial management, identified by nearly two-thirds of respondents, was the setting of clear performance targets, which was seen as making a very significant contribution, while nearly half were clear that improved performance flowed from greater financial management skills. The greatest challenge for the future was seen as integrating financial and performance information to give boards and managers a complete and insightful view of their business.

The results of this global survey contribute to a better understanding of the current perspectives and developments of performance measurement in the various public sector entities around the world. In this respect it is helpful that a large majority of respondents (88.4%) indicated that the performance measurement structure in their particular entity is representative for most entities in that sector (see [Question 5](#)).

**Professional Accountants in Public Sector Entities**

According to this survey, many public sector entities around the world (overall 87.4%) typically employ professional accountants (see description below), especially in the UK, Australia and Canada followed by the USA and the other countries<sup>6</sup>. In addition, although there is some

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<sup>4</sup> Although others argue that public and private sector entities are not as different as is widely believed, which should also be reflected in similarities in the respective performance measurement systems.

<sup>5</sup> The full results of the CIPFA survey will be published later in 2008. See also [www.cipfa.org.uk](http://www.cipfa.org.uk)

<sup>6</sup> In some countries, accountants lose their professional designation if they transition from external auditor into another role. Once employed outside an accountancy firm (e.g., in a public sector entity), these persons are no longer part of the (official) accountancy profession.

variance between the COFOG sectors, it seems that professional accountants were reported as being employed in all of them (see [Question 3a](#)). To many this might not come as a surprise, since professional accountants are well qualified to fulfill many crucial roles in public organizations. The following paragraphs provide a brief description of professional accountants, their domain and the capacities (roles) in which, according to this survey, they are involved in public sector entities.

#### *Professional accountants (in business)*

In IFAC publications, the term “professional accountant *in business*” (PAIB) is used to describe the one-and-a-half million professional accountants worldwide employed in commerce, industry, *the public sector*, education, and the not-for-profit sector. Although this may be slightly confusing from a public sector perspective, the professional accountants employed by public sector entities are explicitly included in the term PAIB, as well as in the work program of IFAC’s PAIB Committee and in IFAC’s International Center for Professional Accountants in Business (see also [www.ifac.org/PAIB](http://www.ifac.org/PAIB)). In this survey the terms “professional accountant” and “PAIB” have the same meaning and are used interchangeably throughout this report.

#### *Domain of the PAIB*

As reported in IFAC’s 2005 information paper, [The Roles and Domain of the Professional Accountant in Business](#), the domain of the professional accountant in business includes – among other things – the following activities:

1. Generating or creating value through the effective use of resources (financial or otherwise) through (a) understanding the drivers of value to stakeholders (which may include shareholders, customers, employees, suppliers, communities, and government), and (b) organizational innovation.
2. Providing, analyzing and interpreting information to management for formulation of strategy, planning, decision-making and control.
3. Measuring performance, recording (financial) transactions and communicating the results to board and stakeholders.
4. Determining costs and maintaining (financial) control, through the use of cost accounting techniques, budgeting and forecasting
5. Reducing waste in business processes through the use of process analysis and cost management.
6. Managing risk, and providing internal control and business assurance.

These activities, in which the professional accountant in business is engaged, are strongly aligned with the topic areas covered in this survey: setting financial and non-financial objectives, measuring performance, and reporting on results. Professional accountants in business have a responsibility in all of these areas to ensure that the public sector entity engages in effective and efficient practices, keeps track of its performance and provides relevant, reliable and useful information.

### *Roles*

According to the survey response, professional accountants are employed by public sector entities in various capacities, especially in the areas of financial management and the preparation of reports and accounts, but also in internal audit and to advice on decisions and/or strategy. Many organizations also employ professional accountants in board positions. However, this is much higher in the UK than elsewhere in the world. The survey results also indicate large variances between the COFOG sectors (see [Question 3b](#)).

The 2008 CIPFA survey offers some additional perspectives. One key issue which emerged was the changing role of finance professionals throughout the public services. The traditional area of responsibility of financial monitoring and control has, in many cases, been considerably expanded to include areas as diverse as procurement and property, risk management and human resources.

Many respondents to this survey (41.2%) indicated that employment of professional accountants is even a legal or regulatory requirement in their sector. However, there are material differences between both COFOG sectors and, especially, countries. For example, very few legal or regulatory requirements to employ professional accountants were reported in the USA, rather more in Australia, Canada and the Netherlands, and still more in Pakistan and the UK (see [Question 3c](#)).

### **Report Structure**

The rest of this report follows the structure of the underlying survey, which is included in full in [Appendix A](#) to this report. Like the survey itself, the report has separate sections on financial performance structures and non-financial performance structures<sup>7</sup>, about which the same questions have been asked, covering:

- Setting of performance objectives;
- Demonstration of accountability;
- Satisfaction with performance measurement structures; and
- Strengths, weaknesses and recommendations for further improvement.

The financial performance part additionally reviews the use of accrual and cash accounting.

After a brief discussion on the review of these performance structures and the existence of formal risk and control structures, the report ends with conclusions and a set of recommendations to further enhance the performance measurement structures in public sector entities.

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<sup>7</sup> The order in which both parts are discussed does not imply a higher importance of finance above non finance. At the contrary, as mentioned before, in many public sector entities the financial performance is not paramount.

## Financial Performance Structures

This chapter discusses the current state of affairs of financial performance structures in public sector entities around the globe. Although for many public sector entities the financial profit motive may not be paramount, good or reasonable financial performance – in line with agreed budgets or other authority – is necessary both to continue service delivery and to demonstrate good stewardship of public money raised from taxation or charges for public services. On a more day-to-day basis, financial performance structures should assure the public sector entity that it is financially on track and can meet its financial obligations.

## Financial Performance Objectives

For very many public sector entities that participated in this survey (93.1%), financial performance objectives are set. In a number of countries, including Australia, the Netherlands and the UK, financial performance objectives are set for virtually all public sector entities that responded. In others, it is somewhat less common. The same applies for the various COFOG entries: from virtually all in most sectors to somewhat less in Public Order & Safety and Economic Affairs (see [Question 7a](#)).

In those cases where financial performance objectives are set, significant country-by-country and COFOG sector differences exist in the type of body by which they are set. In Australia, Canada, the Netherlands and the UK, financial performance objectives are most often set outside the organization by a legislative body (e.g., parliament, congress or council), an executive governmental body (e.g., the cabinet or a government department), or a regulatory body. In Pakistan, the USA and in the other countries in this survey, however, financial performance objectives are more often set by the public sector entity's own board or managing body. In some COFOG sectors, like Environmental Protection and Education, it is predominantly the own board or managing body that sets its own financial performance objectives. In other sectors they are mostly set externally (see [Question 7a](#)).

When financial performance objectives are set by somebody outside the entity, there are also significant differences between the various countries and COFOG sectors on how they are set. Respondents from Canada, the Netherlands, Pakistan and the UK, as well as the COFOG sectors Environmental Protection, Housing and Community, Health and Education, indicate that they are most often imposed. In other countries and COFOG sectors in this survey, they are more often negotiated, either confidentially or openly (see [Question 7b](#)).

### *More satisfaction with financial performance objectives*

The survey clearly demonstrates that respondents from public sector entities with financial performance objectives are significantly more satisfied with their performance measurement structure than those without financial performance objectives<sup>8</sup>. In fact, those without financial

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<sup>8</sup> There might be some interference however. For example, respondents from the UK have financial performance objectives set more often and are also relatively more satisfied. Now, are respondents from the UK more satisfied because they relatively more often set financial performance objectives or are respondents who set financial performance objectives more satisfied because a relatively large part of this group is from the UK? Probably the answer is somewhere in the middle.

performance objectives were even somewhat dissatisfied with their performance measurement structure (see [Question 12](#)).

### *Financial KPIs*

Most of the respondents that set financial performance objectives, as discussed in the previous question, indicate that these are supported by specific measurement indicators (KPIs). There are some differences per COFOG sector and per country: from all in the Netherlands and Pakistan, via almost all in the UK and Canada, to slightly less in Australia, the USA and the other countries in this survey (see [Question 7c](#)). Also, here the survey found that respondents from public sector entities with specific measurement indicators (KPIs) are significantly more satisfied with their performance measurement structure than those without (see [Question 12](#)).

There are larger COFOG sector and country differences in the body by which the specific measurement indicators (KPIs) are set. In Canada, the Netherlands and the UK they are most often set outside the organization by a legislative body, an executive governmental body, or a regulatory body. Especially in Pakistan, but also in Australia, the USA and in the other countries, however, specific measurement indicators (KPIs) are more often set by the public sector entity's own board or managing body (see [Question 7c](#)).

### **Cash/Accrual Accounting**

Only until a few years ago, most public sector entities used the cash method as basis of accounting, which recognizes transactions only when there is an exchange of cash. However, after many discussions over the benefits and reservations about the level of costs involved, the use of accrual accounting – which recognizes economic events regardless of when cash transactions happen – has become more popular.

This survey had three questions on the use of cash or accrual accounting in public sector entities for respectively the budgeting process (see [Question 8a](#)), the (legislative) appropriation process (see [Question 8b](#)) and the financial reporting process (see [Question 8c](#)).

### *Budgeting*

Overall, a majority of the respondents in this survey (65.8%) indicates accrual as the primary basis for the budgeting process of the entity. The other public sector entities use a cash basis (28.0%) or another basis (6.2%) for their budgeting process. In all COFOG sectors the accrual basis is prevailing. However, there are large differences between the various countries. Whereas accrual is the primary budgeting method for most public sector entities in most notably the UK, Australia, the Netherlands and Canada, a cash basis is still prevailing in Pakistan, the USA and the other countries in this survey. Some respondents use another basis for their budgeting process, mainly a combination of modified cash and accrual. As one respondent noted, “Cash system is ok but is not sufficient. It encourages people to deplete unused funds the three last months of any financial year that may be synonymous to extravagant or forced expenditure.” (See [Question 8a](#))

*(Legislative) appropriation*

A majority of public sector entities in this survey is also using accrual as the primary basis for the (legislative) appropriation process (albeit with 58.4% to a lesser degree than in the budgeting or the financial reporting processes). And also here the various countries differ substantially, along the same lines as described above (see [Question 8b](#)).

*Financial reporting*

Accrual accounting has the largest acceptance in financial reporting and is now the primary basis for the financial reporting process of public sector entities, with a large majority of 79.1% using accrual, a minority of 15.6% using cash and 5.3% mainly using a combination of modified cash and accrual. Noteworthy is that the use of accrual accounting for financial reporting is prevalent in all COFOG sectors and in all the countries in this survey, even those that mainly use cash for budgeting and appropriation. In other words, it appears that a significant number of public sector entities use a mix of both cash and accrual for different phases in their accounting cycle. One might assume that these organizations gradually “grow” or migrate from a purely cash-based system into a more accrual-based system (see [Question 8c](#)).

*More satisfaction with accrual accounting*

Respondents from public sector entities that use accrual accounting for their budgeting, (legal) appropriation and/or their financial reporting processes are generally much more satisfied with their performance measurement structure than those who use a cash basis (see [Question 12](#)). A possible explanation could be that accrual accounting is seen as a “next step” in accounting, possibly slightly more challenging to implement and operate, but offering more insights and – in the end – more satisfaction.

**Financial Accountability**

Accountability is important for every organization and especially in public sector entities, which are financed by public money and owe a duty of care to the whole community. Annual reports (issued by 85.6% of all respondents) seem to be the main vehicle for externally demonstrating financial accountability in all COFOG sectors and countries. There are differences between countries, however. The percentage of respondents whose public sector entities issue an annual report differs slightly, from all or almost all in the Netherlands, UK and Australia, to a large majority in Canada, the USA, Pakistan and the other countries in this survey. Inclusion in government statistical returns is common practice for many public sector entities from the UK, for some in the other countries, but for only a few in the USA.

Special reports to minister, secretary of state or equivalent are regularly used in Australia, Pakistan, the UK and the other countries, somewhat less in Canada and the Netherlands and only little in the USA. Special reports to regulators are used in the Netherlands, somewhat in the UK, Pakistan and the other countries, but only little or not at all in Australia, Canada and the USA. Inclusion in comparative performance or ‘league’ tables with similar bodies seems typical for the UK, with some public sector entities in Canada, Australia and Pakistan doing so as well. Other ways to externally demonstrate financial accountability are mainly a combination of the other answer categories, as well as reports to parliament, audit reports and press releases. Noteworthy

though is that, overall, public sector entities from the USA score somewhat lower than most of the other countries (see [Question 9](#)).

#### *Independent financial review and oversight*

In a very large majority of responses (93.3%), the figures used to report on financial performance are subject to independent review from outside the entity. Noteworthy is the relative large absence of independent review in especially the Netherlands (25.0%) and also in the USA (16.7%). See [Question 10a](#).

Overall, the independent review on financial performance figures is mostly done by government/state auditors (61.0%), but also by private auditors (31.0%), by a person or body appointed to regulate, monitor and foster performance in the sector (6.1%), or otherwise (1.9%). Again, there are differences between the various COFOG sectors and countries. The Defense sector, for example, only has government or state auditors. In the Netherlands and in the USA private auditors seem more predominant, while other countries use government/state auditors (see [Question 10a](#)). Respondents indicated that independent reviewers are mostly appointed by some sort of supervisory entity.

#### *More satisfaction with independent financial review*

The survey results also show a strong positive correlation between the existence of an independent external financial performance review and the level of satisfaction.

#### *Financial oversight*

In most cases, some sort of supervisory or oversight organization is responsible for assessing the reported financial results against the financial objectives and for requiring any additional action to be taken. Examples of responses given are the (UK) Audit Commission, the board, the council, the directors, the executive committee, the minister and the parliament.

### **Satisfaction with Financial Performance Measurement Structure**

Financial performance measurement structures take many different forms as seen above. In the end, however, it all comes down to the question of how satisfied the various stakeholders are with the existing structures and what could be done to further improve them (as discussed in the next section). Note, however, that most of the respondents mainly work in/for the public sector entities for which they have filled out this survey. As a result, this survey does *not* show how satisfied *external* stakeholders are<sup>9</sup>.

This survey found that, on average, the respondents are reasonably satisfied with the current financial performance measurement structures of their entity (3.35 on a 1 to 5 scale where 3 is neutral), with only a few respondents who are very dissatisfied (= low standard deviation). There is variance between the various COFOG sectors, although most sectors score on average between

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<sup>9</sup> Although surveying external stakeholders would form an interesting follow-up project, it is primarily up to the public sector entities themselves to periodically assess changes in satisfaction with the performance measurement structure among their various stakeholders. See also the comment on user perspective in the “Final Comments” paragraph at the end of this report.

neutral and satisfied. There are significant differences between the various countries: respondents from Canada and the UK seem the most satisfied, those from Pakistan and the other countries in this survey somewhat satisfied, those from Australia and the Netherlands neutral and those from the USA even somewhat dissatisfied.<sup>10</sup> Possibly, these differences in satisfaction can be partly explained by differences in the performance structures of UK/Canadian public sector entities versus the USA entities, as discussed above.

#### *Financial satisfaction correlations*

Especially interesting are the following financial satisfaction correlations, which are also discussed above in their own context (see [Question 12](#)):

- There is much more satisfaction with the current financial performance measurement structures if financial performance objectives are set for the entity: 3.39 vs. 2.76 (see [Question 7a](#)).
- There is much more satisfaction if financial performance objectives are supported by specific measurement indicators (financial KPIs): 3.43 vs. 2.68 (see [Question 7c](#)).
- There is more satisfaction with the current financial performance measurement structures if accrual accounting instead of cash accounting is the primary basis for budgeting: 3.52 vs. 3.11 (see [Question 8a](#)).
- There is much more satisfaction with the current financial performance measurement structures if accrual accounting instead of cash accounting is the primary basis for financial reporting: 3.54 vs. 2.77 (see [Question 8c](#)).
- Finally, there is also much more satisfaction if there is an independent external financial performance review: 3.38 vs. 2.93 (see [Question 10a](#)).

The overall conclusion of these positive correlations is that respondents seem much more satisfied in public sector entities that make use of more advanced financial performance measurement structures.

### **Strengths, Weaknesses and Proposed Improvements in Financial Performance Measurement**

To conclude the first part of this survey, respondents were asked to comment on the strengths and weaknesses of the financial performance measurement structures of their entity and what actions are needed to further improve them. Even though the questions were open ended, the responses centered on a number of central themes.

#### *Strengths in financial performance measurement*

Respondents to this survey identified the following strengths of the financial performance measurement structures of their entity:

- **They contribute to improved transparency, accountability, integrity and professionalism.** As one respondent put it, “There is clear accountability and reporting that

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<sup>10</sup> Due to the relatively high percentage of USA respondents who indicated to be very dissatisfied.

is based on a structure that drives the accountability down and back up through the organization. There is an understanding in the organization of the responsibility for financial performance and it is transparent and there are checks and balances in the system that provide the users of the information with confidence as to its reliability.”

- **They are objective driven and show performance of the entity.** One respondent noted that in his/her organization “there are a limited number of financial performance measures, which are consistent with those required by our Regulating Body and give a clear focus on what the College has to achieve.” Other respondents added that “It clearly set the objectives and targets to motivate staff and to associate some reward after achieving targets,” and “Without KPIs the tax payer has no way of accessing the efficiency, effectiveness and economy of the department,” and “The key strength is simplicity. Targets are either passed or failed, with no grey areas.”
- **They help making the plan-do-check-act managerial control cycle go around.** Responses included “It gives entity the picture of performance; and it will be the base for entity to plan, make decisions and control,” and “The business can be managed effectively and funds used appropriately giving value for money.”
- **They improve risk management and (internal) control.** Respondents said that “The approach is risk-based and allied to business needs and objectives,” and “Clearly defined, embedded and reported.”
- **Improved periodical reporting (using relevant accounting standards).** One respondent noted that “Reporting is [now] monthly, actual versus budget and includes income and expenditure analysis, cash flow analysis, analysis of capital spend, balance sheet analysis and working capital.” Another responded commented: “[Our] integrated financial management information system provides structured reports for users at various levels for planning and decision making.”
- **Contributes to providing good information about the entity.** “They give a breakdown of the performance achievement for each organization to review in a comparable basis,” according to one respondent. “Basically it’s the accurate measurement of performance,” said another.

Providing trust can also lead to receiving trust, as one respondent put it, “The sector [now] has a good deal of autonomy and can use its resources to underpin the overall strategy determined by the governing body within broad overall parameters set by the regulators.”

#### *Weaknesses in financial performance measurement*

The reported weaknesses of the financial performance measurement structures of their entity are generally the contrary of the reported strengths in the previous question. Respondents identified the following weaknesses of the financial performance measurement structures in their entity:

- **Lack of transparency, accountability, integrity, professionalism.** A respondent noted that “Looking good is a stronger pressure than full disclosure,” [leading to a] “lack of accountability for poor performance.”

- **Too little objective driven, focused on the short term and doesn't show performance of the entity.** One respondent indicated that the “Definition of objectives and targets is not completely objective.” Another one added, “As we have no clear vision, we cannot focus ourselves and therefore measure performance.” And not everyone is in favor of simplicity, like the respondent who said, “While the simple targets give black and white answers, there needs to be grey areas that cause management to consider results and strategies carefully.”
- **Plan-do-check-act managerial control cycle doesn't go around.** One respondent noticed that their system was “not a particularly useful management tool, being designed to meet government targets rather than to drive the business forward.” Other respondents added that it is “hard to get acceptance by line managers,” and that “No one makes sure the program does what it was designed to do.”
- **Weak (internal) controls.** One respondent was of the opinion that “[their system is] too easily manipulated,” others observed “little financial awareness outside of finance functions,” and a “[lack of] compliance by non-financial officers.”
- **Weak financial accounting and/or reporting (systems).** One respondent summarized the more common view that there are “too many rules and regulations, which complicates matter resultantly making it bureaucratic and unwilling to own responsibility.” Another one adds that “There is too much time spent reporting slightly different views of the same information to different government/regulatory bodies.”
- **Poor information and/or communication about the entity.** “Not easily understood by non finance staff” and “Poorly understood throughout the organization” and “require an accountant to read them, not public friendly,” as respondents noted.

#### *Improvements in financial performance measurement*

The proposed improvements to the financial performance measurement structures of the entity are generally intended to resolve the reported weaknesses in the previous question. Respondents proposed the following actions:

- **Increase transparency, accountability, integrity, professionalism.** According to one respondent it starts with “More Financial Awareness and accountability by Responsible Budget Holders.” Also, more clarification is needed as indicated by the respondent who said, “Clarification ... who is accountable, what is the appropriate level of control given this accountability, how do you balance this given the desire to maintain innovation and creativity in these sectors, and how to tie financial performance to outcome-based performance.” And finally: “Sanctions for non-performance or [non] compliance.” After all, “Being a public sector entity it should be answerable to the public whose tax money is being used to finance the projects,” as one respondent said.
- **Make them more objective driven, focused on the longer term and actually measure (the real) performance of the entity.** “Move to outcome-based monitoring over a longer time period than annually,” suggested one respondent.
- **Make the plan-do-check-act managerial control cycle go around.** Some of the suggestions were, “Align financial performance to strategy management and link non-financial to financial performance,” and “Establish stronger links between business plans

and budgets,” and “Embed common practices for investment appraisal and project management.”

- **Improve (internal) controls.** For example, respondents noted, “Establish a strong risk management base,” or “Appoint professional accountants,” and “[Implement] regulatory oversight and compliance auditing.”
- **Improve financial accounting/reporting (systems).** Suggestions included “Develop KPIs for full accountability,” “Adopt International Public Sector Accounting Standards (IPSASs),” “Move to accrual basis of accounting,” and “Improve and integrate systems & better train people to use them.”
- **Improve information/communication about the entity.** “[Use] measures that are easily understood by non finance staff,” said one respondent. “Make the financial information more understandable for the average citizen,” said another.

## Non-Financial Performance Structures

This chapter explores and discusses the current situation of non-financial performance structures in public sector entities around the globe. As already mentioned, for many public sector entities service delivery is primarily from a public governance perspective. Often, a combination of financial and non-financial parameters provides the best measure of overall performance.

### Non-Financial Performance Objectives

For a very large number of the public sector entities in this survey, non-financial performance objectives are set. This is just about the same as the high percentage of responding entities for which financial performance objectives are set (91.6% vs. 93.1%, see [Question 7a](#)). Therefore, for most entities both financial and non-financial performance objectives are set.

However, there are some differences between the various COFOG sectors and countries for this question as well. Where non-financial performance objectives are set for all or virtual all (between 95% and 100%) public sector entities that responded from the Netherlands, Pakistan, the UK and Australia, this number is somewhat lower (around 80%) in the responses from Canada, the USA and the other countries in this survey. The same applies for the sectors Economic Affairs and Health (see [Question 14a](#)).

Non-financial performance objectives are mostly set by the public sector entity's own board or managing body (55.7%)<sup>11</sup>, but also by an executive body (16.4%), a legislative governmental body (12.8%), a regulatory body (7.3%) or otherwise (7.8%), which is mainly a combination of the "Other" answer categories. Most of the COFOG sectors show a mixed result. With regard to the various countries, in the USA, Pakistan, the Netherlands and the other countries in this survey, the non-financial performance objectives are predominantly set by the own board or managing body, whereas in Canada, Australia and the UK, they are predominantly set by an external body (see [Question 14a](#)).

When non-financial performance objectives are set by someone outside the entity, they are most often imposed (41.5%)<sup>12</sup> and, otherwise, negotiated confidentially (30.1%) or openly (28.4%). However, again for this question there are significant differences between the various countries: where the non-financial performance objectives are predominantly imposed in the Netherlands, the UK and Pakistan, they are reported as being less often imposed in the other countries in this survey and not at all in Australia and the USA (see [Question 14b](#)).

#### *More satisfaction with non-financial performance objectives*

The survey clearly demonstrates that respondents from public sector entities with non-financial performance objectives are significantly more satisfied with their non-financial performance measurement structure than those without non-financial performance objectives. In fact, those without non-financial performance objectives were even somewhat dissatisfied with their non-financial performance measurement structure (see [Question 19](#)).

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<sup>11</sup> Please note that non-financial performance objectives are more often set by the public sector entity's own board or managing body (55.7%) than financial performance objectives (41.9%, see [Question 7a](#)).

<sup>12</sup> Also note that non-financial performance objectives are less often imposed than financial performance objectives (41.9% versus 48.9%, see [Question 7b](#)).

*Non-financial KPIs*

Most of the respondents that set non-financial performance objectives, as discussed in the previous question, indicate that these are supported by specific measurement indicators (non-financial KPIs). There is a moderate variance between the various COFOG sectors, although they all score high to very high. There are also some country differences – from virtually all in Australia, Canada, the Netherlands and the UK to slightly less in the USA, Pakistan and the other countries in this survey (see [Question 14c](#)).

There is also a large difference between countries in the type body that sets the specific measurement indicators (non-financial KPIs). In Canada, the Netherlands and the UK they are most often set outside the organization by a legislative body, an executive governmental body, or a regulatory body. Especially in Pakistan, but also in the USA, Australia, the Netherlands and in the other countries, specific measurement indicators (non-financial KPIs) are more often set by the public sector entity's own board or managing body (see [Question 14c](#)).

Surprisingly, the use of non-financial KPIs is even higher than in the case of financial KPIs (93.5% vs. 87.1%, see [Question 7c](#)). Similar to the satisfaction with financial KPIs, the survey also found that respondents from public sector entities with specific non-financial KPIs are significantly more satisfied with their performance measurement structure than those without (see [Question 19](#)).

The overall conclusion with regard to specific measurement indicators or KPIs is that most public sector entities in this survey support their performance objectives with both financial and non-financial KPIs, which significantly contributes to the satisfaction with the performance measurement structure of the entity.

*Specification of non-financial performance objectives*

Where financial performance objectives are – by definition – specified in monetary values, non-financial performance objectives require other measurement units. This survey asked how non-financial performance objectives were specified in the respondents' public sector entities. For most of the public sector entities in this survey, non-financial performance objectives are specified in either (multiple answers were possible):

- Outputs (64.4%), for example, the volume of service provided;
- Outcomes (63.2%), for example, the delivery of a policy objective;
- Processes or activities (42.8%), for example, throughput or efficiency of processes;
- Programs (41.6%). This may be a combination of the others, but related to specific policy or investment implementations;
- Inputs (34.8%), for example, resources consumed;
- Organizational structure (19%), for example, the implementation of a certain change; and
- Otherwise (1.2%). Respondents mentioned the following other specifications of non-financial performance objectives: customer service and/or quality, community impact,

products, activities (e.g., deployment), as well as sustainability measures like air quality measurements based on particulate matter, carbon emissions, etc<sup>13</sup>.

Although there are some differences between the various COFOG sectors and countries, in all of them non-financial performance objectives are mostly specified in either outputs and/or outcomes (see [Question 15](#)).

Some countries like the Netherlands and the UK score a higher percentage for “all categories”<sup>14</sup>. This could mean that public sector entities in those countries deploy a more comprehensive range of measured non-financial objectives than entities in other countries do.

### **Non-Financial Accountability**

Since service delivery for many public sector entities is specified in terms of both financial and non-financial performance, non-financial accountability plays an integral part in the way public sector entities interface with their environment, and their rather wider range of stakeholders, which may include electors and taxpayers and the community at large.

Annual reports also appear to be the main vehicle (73.2%) for externally demonstrating non-financial accountability in all COFOG sectors and countries, followed by government statistical returns (39.6%), special reports to government (34.4%), inclusion in comparative performance or ‘league’ tables with similar bodies (22.8%), special reports to regulator (22.0%) and/or otherwise (5.2%). The specifications in this “other” category are mainly a combination of the other answer categories. Some different answers were “reports to elected officials” and “data provided to various inspectors”.

Although there are significant differences between the various COFOG sectors and countries, all of them demonstrate their accountability for achieving their non-financial objectives primarily in annual reports (see [Question 16](#)).

Where the UK scores a substantially higher percentage in all accountability categories, the USA scores substantially lower<sup>15</sup>. This probably means that public sector entities in the UK demonstrate their accountability for achieving their non-financial objectives more often and/or in more different ways than entities in the USA do. The other countries in this survey are in the middle between these two extremes. This may reflect a different attitude to accountability between the USA and the UK. The much bigger USA – having many elected positions that would be appointed in the UK – may have to rely heavily on decentralized political accountability exercised through the ballot. The significantly more centralized public sector of the much smaller UK exercises a more formal hierarchical pattern of accountability based on conventional goal setting and monitoring.

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<sup>13</sup> Most of these are examples of the broader categories above.

<sup>14</sup> The Netherlands and the UK have the highest summation of percentages from all answer categories in [Question 15](#).

<sup>15</sup> The UK has by far the highest summation of percentages from all answer categories in table 16, and the USA has by far the lowest (277.3% vs. 95.7%, with most other countries between 145% - 185%).

*Independent non-financial review and oversight*

A majority of public sector entities in this survey has independent review of the non-financial performance figures. However, this percentage is much lower than for financial performance figures (65.9% vs. 93.4%, see [Question 10a](#)). There are also significant differences between the various COFOG sectors and countries in this survey, from most independent non-financial review in the UK to least in the USA (83.3% vs. 38.9%) and the other countries somewhere in between (see [Question 17a](#)).

The independent review of the non-financial performance figures, where undertaken, is mostly performed by government/state auditors (59.3%), by a person or body appointed to regulate, monitor and foster performance in the sector (22.1%), by private auditors (15.2%) or otherwise (3.4). However, the use of government/state auditors is not predominant in the Netherlands, Pakistan and the USA. Also, a greater use is made of persons or bodies appointed to regulate, monitor and foster performance in the sector (see [Question 17a](#)).

These outcomes are broadly in line with the survey results on financial review (see [Question 10a](#)). Probably, in many public entities the same body or person is performing the review of both the financial and non-financial figures. In other entities, however, the review of non-financial figures may be done by a possibly more specialized person or body.

*More satisfaction with independent non-financial review*

The survey results also show a strong positive correlation between the existence of an independent external non-financial performance review and the level of satisfaction (see [Question 12](#)).

*Non-financial oversight*

Responses indicate that also here, in most cases, it is the supervisory/oversight organization, entity, department or body that is responsible for assessing the reported non-financial results against the non-financial objectives and for requiring any additional action to be taken. Examples are similar to those assessing the reporting financial results: the audit commission, the board, the council, the directors, the executive committee, the minister and the parliament.

**Satisfaction with Non-Financial Performance Measurement Structure**

The survey shows that respondents are moderately satisfied with the current non-financial performance measurement structures of their entity (3.20 on a 1 - 5 scale where 3 is neutral), with not many respondents who are very dissatisfied (= relatively low standard deviation). Satisfaction with the non-financial performance measurement structures is slightly less than with the financial counterpart (see [Question 12](#)).

Most COFOG sectors score between neutral and satisfied, with the exception of Public Order & Safety (2.75) and, most notably, Recreation, Culture and Religion (2.00).<sup>16</sup>

There are significant differences between the various countries, although satisfaction with the financial and non-financial performance structures follows the same pattern (see [Question 11](#)).

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<sup>16</sup> Although this figure is based on only four responses.

Respondents from Canada and the UK report the greatest satisfaction with their non-financial performance structures, while those from Pakistan and the other countries in this survey were somewhat satisfied, those from Australia and the Netherlands neutral and those from the USA even somewhat dissatisfied<sup>17</sup> (see [Question 19](#)).

#### *Non-financial satisfaction correlations*

Especially interesting are the following non-financial satisfaction correlations, which are also discussed above in their own context (see [Question 19](#)):

- There is much more satisfaction with the current non-financial performance measurement structures if non-financial performance objectives are set for the entity: 3.26 vs. 2.53 (see [Question 14a](#)).
- There is much more satisfaction with the current non-financial performance measurement structures if non-financial KPIs are set: 3.25 vs. 2.29 (see [Question 14c](#)).
- There is much more satisfaction with the current non-financial performance measurement structures if there is an independent external non-financial performance review: 3.31 vs. 2.95 (see [Question 17a](#)).

The overall conclusion of these positive correlations is that respondents seem much more satisfied in public sector entities that make use of more advanced non-financial performance measurement structures.

### **Strengths, Weaknesses and Proposed Improvements in Non-Financial Performance Measurement**

At the end of the second part of this survey, respondents were asked for their views on the strengths and weaknesses of the non-financial performance measurement structures of their entity and what actions are needed to further improve them. Even though the questions were open ended, the responses centered on a number of central themes.

#### *Strengths in non-financial performance measurement*

Respondents to this survey identified the following strengths of the non-financial performance measurement structures of their entity:

- **They contribute to improved transparency, accountability, integrity and professionalism.** Responses included, “Performance contracts [that are] signed by the executive makes them responsible,” They provide “a continuous consciousness and awareness of the obligation to produce proper results and outcomes,” and “improve the entity’s behavior and enhance its reputation.”
- **They show performance of the entity in a broader perspective.** One respondent said, “Wide coverage, including qualitative as well as quantitative measures,” while another commented, “It is a way of demonstrating to tax payers the efficiency, effectiveness and economy of the department.” Other respondents added, “The Balanced Scorecard strategic

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<sup>17</sup> This is due to the relatively high percentage of USA respondents who indicated to be *very* dissatisfied.

reporting tool enables to report results monthly across the organization from the board to all employees,” and “Most measures tie well to the programs being measured,” and “[Non-financial performance] is the real business for public organizations.”

- **They help making the plan-do-check-act managerial cycle more complete.** “[They provide a] strong link between my office's vision, mission and strategic objectives and its critical success factors at a business unit level,” said a respondent. These structures also provide “the ability to identify areas of improvement in the organization for management decision,” said another one.
- **They contribute to improved risk management and (internal) control.** “They actually assist the department in finding out whether they are achieving their objectives on delivery,” according to one respondent. “They stimulate debate, solutions, actions and improvements,” according to another.
- **They improve non-financial measuring systems and periodical reporting.** Respondents commented that “[They] show the relationship between input and output as well as cost drivers,” and “[They] provide collaborative evidence to support the financial performance,” and “They add value to the financial performance.”
- **They contribute to providing a picture about the entity and its operations that is easier/better to understand.** According to respondents, non-financial performance measurement structures have “Improved management information, and [provided] greater consistency and comparability,” and “Sometime render more valid information regarding public sector activities than financial information,” and “They are better understood by board and senior management,” and “They make bench marking with colleges a less complicated task.”

#### *Weaknesses in non-financial performance measurement*

The reported weaknesses of the non-financial performance measurement structures of their entity are generally the contrary of the reported strengths in the previous question. Respondents identified the following weaknesses of the non-financial performance measurement structures in their entity:

- **Lack of transparency, accountability, integrity, professionalism.** One respondent noted that they provided “Less credibility than financial information.” Another respondent signaled that “Too much effort is made in ensuring that publicized performance targets are met, particularly those that are used for national league table comparisons. This is not always the in the best interest of our local stakeholders.”
- **Too subjective, unclearly defined measures, which are not linked to strategic objectives and don't show the real performance of the entity.** According to one respondent, “Measures tend to be what is easily measured and at times what is easily managed.” Another argued that “The ability to measure broad social outcomes is challenging at best, we have had great difficulties in trying to identify the right measures to report and that are meaningful. Performance reporting by its nature assumes something is measurable, traceable and reportable. Obviously the ability to do this differs depending on

the area of public sector you look at. Correlation between financial investments and economic and social policy outcomes is very difficult and is not always easy to present in a way that meet the wide variety of users of this type of public sector reporting.”

- **Doesn't (really) help to make the plan-do-check-act managerial cycle better go around /drives opportunistic decision making.** One respondent noted that “There are too many targets and initiatives” Another added that “[Performance] measures are subject to rapid and sometimes arbitrary change, often directly driven by political priorities. This makes it difficult to establish performance measures for operational managers that are stable over time.”
- **Weak (internal) control and/or no independent review.** Respondents noted a “lack of independent review on non-financial performance figures” and “poor supervision from the regulatory body.”
- **No good measuring and reporting systems for non-financial performance indicators.** “Targets are set for non-financial performance, but there is no formal structure for measuring such performance,” one respondent said. “Information systems are lagging in our desire to link performance and financial information,” said another.
- **Poor communication about performance.** “They are very sector specific and can sometimes be at odds with other parts of government,” one respondent said. There are “often too many stats and [then] they start to become meaningless,” another one added. A third one noted, however, that “it is not always easy to present [performance] in a way that meet the wide variety of users of this type of public sector reporting: [from] the general tax payer and politicians to the sector specialists and special interest groups.”

#### *Improvements in non-financial performance measurement*

The proposed improvements to the non-financial performance measurement structures of the entity are generally intended to resolve the reported weaknesses in the previous question. Respondents proposed the following actions:

- **Increase transparency, accountability, integrity, professionalism.** Suggestions were “Embed performance management into culture of organization,” and “Sharper and more appropriate targeting of performance measures, well integrated with governance and management levers of control,” and “More supervision, less political interference.”
- **Define more specific, measurable, achievable, relevant and time-bound (SMART) measures, linked to strategic and financial objectives that better show the real performance of the entity.** Suggestions included, “Closer alignment of financial and non financial performance measurement,” and “Make them more relevant to the key customer/stakeholder objectives of the organization,” and “Establish balanced sets of indicators between financial and non financial indicators, long and short term indicators, and between lead and lag indicators.”
- **Let both financial and non-financial performance indicators help to make the plan-do-check-act managerial control cycle go around better and drive out opportunistic decision making.** Respondents proposed “Deeper involvement of middle management,” “To stimulate buy-in, managers must be included and take ownership of performance

measurement process,” and “Politicians should focus their work on checking the results of government policy instead of wanting to make new policies.”

- **Improve risk management, (internal) control and/or implement independent review.** Respondents recommended to “improve soft controls,” and to “implement effective monitoring,” and to “free regulatory/auditing entities of political interference.”
- **Improve systems to better measure and report on non-financial performance indicators.** One responded commented, “Information systems need to be improved. Common definitions and language would be needed to ensure apples to apples comparison.” Another one urged for “greater clarity about real long term priorities and identification of the key outcomes that need to be measured.”
- **Improve comparability and/or benchmarking and communication about non-financial performance outcomes.** “Review the number of measurements and do not change so frequently so that proper benchmarking exercises can be undertaken,” suggested a respondent. Other respondents recommended “more public involvement,” and “clearer guidance,” and “better education and interpretation,” and the final quoted respondent in this report warned users to always exercise “prudence with interpretation [of performance figures].”

### **Comparison of Financial and Non-Financial Performance Measurement Responses**

As explained in the introduction to this report, the survey had separate sections on financial performance structures and non-financial performance structures, but – as is clear from the preceding detailed discussion – similar questions were asked for both sections. It is therefore instructive to compare the responses to both sections. Although the responses are not identical for financial and non-financial performance measurement, they generally point in the same direction.

#### *Setting of performance objectives compared*

Most public sector entities in this survey have both financial (93.1%) and non-financial (91.6%) performance objectives. However, financial performance objectives are more often set externally by somebody outside the entity, than non-financial objectives (58.1% vs. 44.3%). Non-financial objectives are more often set by the public sector organizations themselves.

If set externally, financial performance objectives are more often imposed and non-financial performance objectives are more often negotiated. Public sector entities in this survey support both their financial and their non-financial performance objectives with KPIs, although slightly more in the latter case.

#### *Demonstration of accountability compared*

Most public sector entities in this survey externally demonstrate their accountability for achieving both their financial and non-financial objectives, although those that demonstrate financial accountability seem somewhat higher. For example, 85.6% of the respondents demonstrate financial accountability via an annual report, compared to 73.2% for non-financial

accountability. The other reporting media – governments statistical returns, special reports and league tables – are also used slightly more for financial than for non-financial accountability.

A larger difference exists with regard to the independent review. While almost all public sector entities in this survey have an independent review of their financial performance figures (93.4%), a much lesser number also has their non-financial performance figures reviewed (65.9%). In both cases, the independent review was most often performed by government or state auditors (61.0% compared to 59.3%). However, for financial figures, using private sector auditors was the second most frequent route (31.0%), while for non-financial figures the runner-up was “a person or body appointed to regulate, monitor and foster performance in the sector” (22.1%).

#### *Satisfaction with performance measurement structures compared*

On average, respondents to this survey expressed a slightly higher satisfaction with their financial performance measurement structures (3.35 on a 1 to 5 scale) than with their non-financial structures (3.20 on a 1 to 5 scale). In both cases, respondents were generally more satisfied than dissatisfied.

#### *Strengths, weaknesses and recommendations for further improvement compared*

In the previous chapters, respondents identified many strengths and weaknesses and provided a range of suggestions for improvement of financial and non-financial performance measurement. In both areas, responses centered on the same themes and respondents seemed to agree that it is the *combination* of financial and non-financial measurement that shows the performance of the public sector entity in a broader perspective.

## Final Questions

At the end of the survey, two additional topic areas were covered that form an integral part of the performance measurement structures in public sector entities: the review of the performance measurement framework and the operation of a risk and control system.

### Review of the Performance Measurement Framework

In order to remain effective and efficient, a performance measurement framework should be reviewed regularly, taking into account the dynamics inside and outside the public sector entity.

In a very large majority of responses (93.2%) the performance management framework is subject to review, mostly ad hoc (42.9%) or every one to two years (42.0%). Although there are some variances, all countries in this survey are in line with these overall findings (see [Question 21](#)).

### Risk and Control Structure

Most respondents (77.3%) indicate that bodies in their part of the public sector are required to operate a formal structure of measuring and assessing risk and developing strategies to control it (“risk and control structure”). Risk and control requirements exist for most public sector entities in all COFOG sectors and in all countries, especially in the UK (92.7%) and Australia (89.5%), with lower percentages for public sector entities from the other countries in this survey (see [Question 22](#)).

Most public sector entities manage their risk and control structure only internally (56.0%). The other public sector entities (44.0%) also report upon their risk and control structure outside the entity, especially those from the UK, Australia and, to a lesser extent, Pakistan (see [Question 22](#)).

### Final Comments

The final question of this survey enabled the respondents to give any additional comments with regard to performance measurement structures in the public sector.

Some of the final comments made:

- **User perspective:** “This is a very challenging area. It would be interesting to see what areas of performance measurement people want from the public sector. What is it that they care about and want to know? I believe we are responsible to the citizens to provide effective stewardship of the resources they have entrusted for the provision of public service, whether that be through policy, direct service delivery, investment of infrastructure or the safe keeping for future generations and in that context we should be prepared to report how we have done in this regard.”
- **Private sector:** “There is need for public sector entity to take on private sector-like approach to business. The need for value creation and enhancing value accountability should be emphasized.”
- **Accrual accounting:** “[The public sector entities in our country] are still coming to terms with the transition to accruals accounting. There is a marked improvement over recent years as systems are better understood. As people become more comfortable with accruals

accounting, I am hopeful that better analysis of the figures will be possible and will lead to improved performance analysis (including non-cash).”

- **Comparability:** “Greater sharing of approaches and reports on performance measurement between countries,” and “There's plenty of talk on the subject and a lack of consistency. We need an international standard,” and “There must be a standard guideline on how to implement performance management systems in the public sector. There are so many approaches and performance measurement software [tools] in the market and some of them have their own strengths and weaknesses. As users we are confused which one to use. There IFAC should come up with a standard performance measurement approach<sup>18</sup>.”
- **Independent review:** “As a standard setting body IFAC should also consider a similar survey to determine the extent to which external auditors are required to assess, review and audit the outcomes of performance measurement and performance reporting in the public sector.”

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<sup>18</sup> Before venturing into such an endeavor, it is very important to understand why performance measurement approaches can be so different around the world.

## Conclusion

Despite the limitations of the feedback, as described in the introduction to this report, the survey results reveal interesting insights. While showing the differences between the various countries and (to a much lesser extent) various sectors, it also highlighted the similarities. Especially noteworthy is the strong, positive correlation between respondents' satisfaction with their performance measurement systems and the presence of more advanced performance measurement features in public sector organizations, more so still if non-financial objectives are included.

As discussed in this report, the survey has generated the following overall findings:

- **Professional accountants** are employed by many public sector entities in various capacities, especially in the areas of financial management and the preparation of reports and accounts, but also in internal audit and to advice on decisions and/or strategy. Professional accountants also fulfill board positions in public sector entities.
- For very many public sector entities that participated in this survey both financial and non-financial **performance objectives** are set, mostly supported by specific measurement indicators (KPIs). Respondents from public sector entities which set performance objectives and KPIs are significantly more satisfied with the performance measurement structure.
- The use of **accrual accounting** has become more common within public sector entities, and respondents are more much satisfied with performance measurement systems that use accrual accounting for their budgeting, (legal) appropriation and/or their financial reporting processes.
- Annual reports – often in combination with various other forms of reporting – seem to be the main vehicle for externally **demonstrating accountability** in public sector entities from all sectors and countries.
- In a very large majority of responses the (annual) accountability reports of public sector entities are subject to **independent review**, mostly by government or state auditors, but also by private auditors.
- Generally, respondents are **reasonably satisfied** with the current performance measurement structures of their public sector entities and they seem much more satisfied in entities that make use of more advanced financial and non-financial performance measurement structures.
- In a very large majority of the public sector entities for which responses were received, the performance management framework is subject to **regular review**.
- Most respondents indicated that entities in their part of the public sector are required to operate a formal **risk and control structure**.
- Finally, respondents highlighted various **strengths and weaknesses** of the performance measurement structures of their public sector entity and proposed a number of concrete **actions for further improvement**.

In conclusion, this survey shows that public sector performance matters everywhere and that expansion of performance measurement in more advanced directions helps public sector entities

to increase the user satisfaction with the performance measurement systems. IFAC's PAIB Committee will explore what sort of guidance might be produced to support those engaged in this particular journey.

IFAC welcomes your ideas and suggestions on further IFAC activities in performance measurement in public sector entities. You can send them to [VincentTophoff@ifac.org](mailto:VincentTophoff@ifac.org).

## Appendix A

### Online Survey Questions

#### **IFAC SURVEY OF PERFORMANCE MEASUREMENT STRUCTURES IN PUBLIC SECTOR ORGANIZATIONS**

This survey is directed to professional accountants in business (PAIB) and others who work in public sector entities. IFAC's PAIB Committee is keen to continue serving professional accountants and others who work in the public sector. It is using this survey to collect information on the way in which public sector entities, in a wide range of jurisdictions and service sectors worldwide, set objectives, measure performance and report on results.

From a global perspective there is little information on the public sector performance measurement structures that are used in different countries. The objective of this survey is to identify similarities and differences that exist in the performance measurement structures of public sector entities, and the extent to which these structures help public sector entities meet their objectives. Additionally, the survey tries to find out examples of strengths and weaknesses of these performance measurement structures and what needs to be done to further improve the assessment, monitoring and reporting of financial and non financial performance in public sector entities.

The results of this survey will help professional accountants in business and others who work in the public sector in the evaluation and further improvement of their own financial and non financial performance measurement systems. They will also help IFAC's PAIB Committee to consider specific public sector aspects when developing International Good Practice Guidance for professional accountants in business.

We ask for your help by completing the survey and also by forwarding it to suitable people in other parts of the public sector in your country. This survey seeks information on a wide range of public services, and it would be most helpful if a response could be obtained from people with specific knowledge and expertise in the different areas of public sector activity. (See question 2.)

We estimate that this survey will take you no more than 10 to 15 minutes to complete.

Thanks in advance.

#### **Structure of this survey**

Following a number of introductory questions, the survey consists of four parts:

Part 1: Classification

Part 2: Financial Performance Measurement Questions

Part 3: Non Financial Performance Measurement Questions

Part 4: Final Questions

At the end of the survey, after a few additional questions, you can provide your contact details to receive an electronic copy of the report that will be written based on the responses.

**Part 1: Classification Questions****Question 1****In which country are you based?**

Response (Alphabetic)	Count	Percent
Argentina	2	0.8%
Australia	20	8.0%
Bangladesh	2	0.8%
Botswana	1	0.4%
Cambodia	1	0.4%
Canada	14	5.6%
China	2	0.8%
Cyprus	7	2.8%
Denmark	1	0.4%
Egypt	1	0.4%
Fiji	1	0.4%
France	1	0.4%
Germany	2	0.8%
Ghana	3	1.2%
Hong Kong	1	0.4%
Ireland	4	1.6%
Italy	1	0.4%
Kenya	4	1.6%
Kosovo	1	0.4%
Latvia	1	0.4%
Malaysia	5	2.0%
Mauritius	1	0.4%
Mexico	1	0.4%
Netherlands	9	3.6%
New Zealand	4	1.6%
Nigeria	5	2.0%
Norway	1	0.4%
Pakistan	14	5.6%
Romania	1	0.4%
Saint Lucia	1	0.4%
Slovakia	1	0.4%
South Africa	7	2.8%
Spain	1	0.4%
Sudan	1	0.4%

Response (Ranking)	Count	Percent
United Kingdom of Great Britain and Northern Ireland	97	38.8%
United States of America	23	9.2%
Australia	20	8.0%
Canada	14	5.6%
Pakistan	14	5.6%
Netherlands	9	3.6%
Cyprus	7	2.8%
South Africa	7	2.8%
Malaysia	5	2.0%
Nigeria	5	2.0%
Ireland	4	1.6%
Kenya	4	1.6%
New Zealand	4	1.6%
Ghana	3	1.2%
Viet Nam	3	1.2%
Argentina	2	0.8%
Bangladesh	2	0.8%
China	2	0.8%
Germany	2	0.8%
Uganda	2	0.8%
Botswana	1	0.4%
Cambodia	1	0.4%
Denmark	1	0.4%
Egypt	1	0.4%
Fiji	1	0.4%
France	1	0.4%
Hong Kong	1	0.4%
Italy	1	0.4%
Kosovo	1	0.4%
Latvia	1	0.4%
Mauritius	1	0.4%
Mexico	1	0.4%
Norway	1	0.4%
Romania	1	0.4%

DEVELOPMENTS IN PERFORMANCE MEASUREMENT STRUCTURES IN PUBLIC SECTOR ENTITIES

<b>In which country are you based?</b>						
Sweden	1	0.4%		Saint Lucia	1	0.4%
Uganda	2	0.8%		Slovakia	1	0.4%
United Arab Emirates	1	0.4%		Spain	1	0.4%
United Kingdom of Great Britain and Northern Ireland	97	38.8%		Sudan	1	0.4%
United Republic of Tanzania	1	0.4%		Sweden	1	0.4%
United States of America	23	9.2%		United Arab Emirates	1	0.4%
Viet Nam	3	1.2%		United Republic of Tanzania	1	0.4%
	<b>250</b>	<b>100%</b>			<b>250</b>	<b>100%</b>

**Question 2a****For which kind of public sector organization are you completing this survey?**

6th form college, a central government department, A Further Education (i.e. Post 16) College, a ministry, a municipality, a public sector commercial bank, A semi-governmental organization, A UK Non-departmental Public Body (NDPB), a water provision organization, Acute Healthcare Trust, Administration of EU money, Agricultural Payments Organization, Airport Authority, Armed services, Audit services organization, Auditor General , Auditor General Of Pakistan, Auditor of public sector operations, Auditor-General - South Africa, Australian Department of Finance and Deregulation, British Columbia Provincial Government, Cardiff University, central bank of Pakistan, Central Government, Central Government (Department for Transport), central government department, Central Government/ Executive Agency, chambre régionale des comptes, Charity - Not for Profit, City Council, City of Toronto, civil service, College, Commerce, Communities & Local Government -Dept. for, Component agency within Cabinet level department, consultancy service, control and accounting government, Council, County Council, county council of lamu, County government, County of Cambria, PA, USA, Cultural, Department, Department for Environment, Food and Rural Affairs, Department for Transport, Department for Work and Pensions, Department Of Health, Department of the Treasury, Dept of Labor USA, District Council, Education, Education provider, Education/Union charity, Educational, Educational Institution, educational organization (University), Electric Power Utility, Employees Provident Fund, energy sector, Environmental agency, executive agency, Federal , Federal Board of Revenue (Revenue Collection body of Pakistan), federal government , Federal Government Agency, finance service, financial management board, Financial Shared Services Centre, for profit organization, further education, Further Education College, Gambling Commission, gemeente Maasdriel, General Purpose Local Government Council - in State of NSW, Government, Government Agency, Government Department, Government Ministry and Department, Government of Botswana, Government Trading Fund / Executive Agency, Govt Department, Health, Health Insurance Organization, Health Services, healthcare, Higher Education, HM Prison Service, hospital, Hospitality, House of Commons, Independent Audit office, Auditor-General, Judicial Branch, kenao, Land Management & Administration, Learning Disability Service Provider, Legislative audit office, local authority, local authority - a district council, Local Authority - County Council, local authority (city council), Local Government, Local Government Authority, local government- children's services, Local government retirement plan, Lorain, Ohio City Government, Management Development, Medical Stores, MEF, Ministry of Defense, Ministry of finance, Ministry of Finance; Danish Agency for Governmental Management, Ministry of Social Affairs, Municipal Council, municipalities and counties, Municipality, N/A I work as an auditor and consultant for the public sector, National Audit Department, National Audit Office, National Health Insurance Authority, National Health Service, National Health Service Foundation Trust, NDPB, NGO, NHS, NHS - Acute Hospitals, NHS - Hospitals Trust, NHS Foundation Trust, NHS Hospital Trust, NHS Trust, nhs trust hospital, Non Departmental Government Body, Non Departmental Government Department , Non-departmental Public Body, Not for Profit, Organization ABC, Pakistan Audit Department Stationary Org., Parastatal, Police Force, Power sector, Power Utility Companies, Primary Care NHS, Provincial Auditors Office, Provincial Government, Public Facilities Management, public sector, public sector organization, Public University, public utility, Regulator of Capital Markets & Corporate, Regulatory body, Republic of Cyprus (central government), Research council, Revenue Agency, rural local government, School, Secondary school, Sewerage Board of Nicosia, Shared Services provider, Social Services - Unitary Authority, State agency, State Authority, State Funded Secondary School, state government, state owned university, State Pension Fund, Steel Industry, Tertiary Institution, The Academy of Economic Sciences of Bucharest, Romania, The Auditor General of Alberta, The Government of Yukon, The Treasury, Training and Education, Treasury and Finance Dept, UK Government Department, Unitary Authority - Local Government, University, Water Corporation, Water Utility.

## Question 2b

On which level of government is this organization?						
	National government:		State/provincial/regional government:		Local government:	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	39	44.8%	15	17.2%	33	37.9%
Defense:	9	100.0%	0	0.0%	0	0.0%
Public order and safety:	9	69.2%	2	15.4%	2	15.4%
Economic affairs:	19	73.1%	4	15.4%	3	11.5%
Environmental protection:	3	50.0%	0	0.0%	3	50.0%
Housing & community:	2	20.0%	4	40.0%	4	40.0%
Health:	22	68.8%	5	15.6%	5	15.6%
Recreation, culture & religion:	3	75.0%	0	0.0%	1	25.0%
Education:	19	51.4%	8	21.6%	10	27.0%
Social protection:	6	60.0%	1	10.0%	3	30.0%
Other/unknown:	5	45.5%	3	27.3%	3	27.3%
<b>All respondents:</b>	<b>136</b>	<b>55.5%</b>	<b>42</b>	<b>17.1%</b>	<b>67</b>	<b>27.3%</b>
Australia:	9	45.0%	7	35.0%	4	20.0%
Canada:	2	14.3%	6	42.9%	6	42.9%
Netherlands:	5	55.6%	1	11.1%	3	33.3%
Pakistan:	10	83.3%	2	16.7%	0	0.0%
United Kingdom:	60	62.5%	7	7.3%	29	30.2%
United States:	5	22.7%	7	31.8%	10	45.5%
Other countries:	45	62.5%	12	16.7%	15	20.8%
<b>All respondents:</b>	<b>136</b>	<b>55.5%</b>	<b>42</b>	<b>17.1%</b>	<b>67</b>	<b>27.3%</b>
NON United Kingdom:	76	51.0%	35	23.5%	38	25.5%

**Question 2c**

<b>In which sector is this organization? (Based on the Classification of the Functions of Government, COFOG)</b>		
	<b>Overall Totals:</b>	
	<b>abs.</b>	<b>pct.</b>
General public services:	88	35.2%
Defense:	9	3.6%
Public order and safety:	13	5.2%
Economic affairs:	26	10.4%
Environmental protection:	6	2.4%
Housing & community:	10	4.0%
Health:	32	12.8%
Recreation, culture & religion:	4	1.6%
Education:	38	15.2%
Social protection:	10	4.0%
Other/unknown:	14	5.6%
<b>All respondents:</b>	<b>250</b>	<b>100.0%</b>

**Question 3a**

<b>In your country, are professional accountants typically employed in this sector?</b>						
	<b>Yes:</b>		<b>No:</b>		<b>Not sure:</b>	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	76	86.4%	11	12.5%	1	1.1%
Defense:	8	88.9%	1	11.1%	0	0.0%
Public order and safety:	9	69.2%	4	30.8%	0	0.0%
Economic affairs:	23	88.5%	2	7.7%	1	3.8%
Environmental protection:	6	100.0%	0	0.0%	0	0.0%
Housing & community:	10	100.0%	0	0.0%	0	0.0%
Health:	31	96.9%	1	3.1%	0	0.0%
Recreation, culture & religion:	3	75.0%	1	25.0%	0	0.0%
Education:	33	86.8%	3	7.9%	2	5.3%
Social protection:	10	100.0%	0	0.0%	0	0.0%
Other/unknown:	7	63.6%	2	18.2%	2	18.2%
<b>All respondents:</b>	<b>216</b>	<b>87.4%</b>	<b>25</b>	<b>10.1%</b>	<b>6</b>	<b>2.4%</b>
Australia:	19	95.0%	1	5.0%	0	0.0%
Canada:	13	92.9%	1	7.1%	0	0.0%
Netherlands:	5	55.6%	3	33.3%	1	11.1%
Pakistan:	9	64.3%	3	21.4%	2	14.3%
United Kingdom:	94	96.9%	3	3.1%	0	0.0%
United States:	19	86.4%	3	13.6%	0	0.0%
Other countries:	57	80.3%	11	15.5%	3	4.2%
<b>All respondents:</b>	<b>216</b>	<b>87.4%</b>	<b>25</b>	<b>10.1%</b>	<b>6</b>	<b>2.4%</b>
NON United Kingdom:	122	81.3%	22	14.7%	6	4.0%

## Question 3b

If you selected "Yes", please specify in which capacity they are employed (multiple answers possible):												
	On the board:		In financial management:		To prepare reports and accounts:		To advise on decisions and / or strategy:		In internal audit:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	21	23.9%	66	75.0%	62	70.5%	47	53.4%	51	58.0%	11	12.5%
Defense:	2	22.2%	8	88.9%	8	88.9%	8	88.9%	7	77.8%	1	11.1%
Public order and safety:	5	38.5%	7	53.8%	7	53.8%	5	38.5%	7	53.8%	2	15.4%
Economic affairs:	11	42.3%	22	84.6%	16	61.5%	15	57.7%	16	61.5%	1	3.8%
Environmental protection:	1	16.7%	6	100.0%	4	66.7%	4	66.7%	2	33.3%	1	16.7%
Housing & community:	7	70.0%	10	100.0%	9	90.0%	8	80.0%	8	80.0%	1	10.0%
Health:	23	71.9%	29	90.6%	29	90.6%	24	75.0%	28	87.5%	1	3.1%
Recreation, culture & religion:	1	25.0%	2	50.0%	3	75.0%	2	50.0%	3	75.0%	0	0.0%
Education:	19	50.0%	31	81.6%	30	78.9%	28	73.7%	24	63.2%	4	10.5%
Social protection:	2	20.0%	9	90.0%	8	80.0%	6	60.0%	7	70.0%	0	0.0%
Other/unknown:	4	28.6%	8	57.1%	7	50.0%	5	35.7%	5	35.7%	1	7.1%
<b>All respondents:</b>	<b>96</b>	<b>38.4%</b>	<b>198</b>	<b>79.2%</b>	<b>183</b>	<b>73.2%</b>	<b>152</b>	<b>60.8%</b>	<b>158</b>	<b>63.2%</b>	<b>23</b>	<b>9.2%</b>
Australia:	7	35.0%	16	80.0%	15	75.0%	12	60.0%	15	75.0%	2	10.0%
Canada:	1	7.1%	11	78.6%	11	78.6%	11	78.6%	9	64.3%	2	14.3%
Netherlands:	1	11.1%	5	55.6%	3	33.3%	2	22.2%	3	33.3%	0	0.0%
Pakistan:	3	21.4%	6	42.9%	7	50.0%	5	35.7%	3	21.4%	1	7.1%
United Kingdom:	62	63.9%	93	95.9%	88	90.7%	79	81.4%	74	76.3%	7	7.2%
United States:	3	13.0%	18	78.3%	16	69.6%	10	43.5%	12	52.2%	3	13.0%
Other countries:	19	26.0%	49	67.1%	43	58.9%	33	45.2%	42	57.5%	8	11.0%
<b>All respondents:</b>	<b>96</b>	<b>38.4%</b>	<b>198</b>	<b>79.2%</b>	<b>183</b>	<b>73.2%</b>	<b>152</b>	<b>60.8%</b>	<b>158</b>	<b>63.2%</b>	<b>23</b>	<b>9.2%</b>
NON United Kingdom:	34	22.2%	105	68.6%	95	62.1%	73	47.7%	84	54.9%	16	10.5%

**Question 3b (continued)**

**Other capacities in which professional accountants are employed in public sector organizations:** Auditing accounts, Auditor-General, Auditors, Budget and program analysts, Due Process and Price Monitoring unit, Even in some policy areas, Executive, External Audit and also Management Audit, External auditors to the public sector, Fraud investigation, Inspection, Lecturing, Consultancy and Research, Management Accounting, Management control, May also hold senior Executive Positions within the Public Service such as Deputy Minister or Assistant Deputy Minister. There is not a board structure for central government, crown corporation boards may contain accountants, particularly audit com, Other Management posts, Performance information, Regulation, Risk Management, Staff and senior accountant roles, Systems implementations, Treasury.

**Question 3c**

<b>Is such employment a legal or regulatory requirement?</b>						
	Yes:		No:		Not sure:	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	25	29.4%	55	64.7%	5	5.9%
Defense:	2	22.2%	5	55.6%	2	22.2%
Public order and safety:	6	46.2%	7	53.8%	0	0.0%
Economic affairs:	14	53.8%	8	30.8%	4	15.4%
Environmental protection:	3	50.0%	3	50.0%	0	0.0%
Housing & community:	2	20.0%	4	40.0%	4	40.0%
Health:	19	59.4%	8	25.0%	5	15.6%
Recreation, culture & religion:	2	50.0%	2	50.0%	0	0.0%
Education:	15	40.5%	19	51.4%	3	8.1%
Social protection:	5	50.0%	3	30.0%	2	20.0%
Other/unknown:	7	63.6%	3	27.3%	1	9.1%
<b>All respondents:</b>	<b>100</b>	<b>41.2%</b>	<b>117</b>	<b>48.1%</b>	<b>26</b>	<b>10.7%</b>
Australia:	4	20.0%	15	75.0%	1	5.0%
Canada:	3	21.4%	10	71.4%	1	7.1%
Netherlands:	2	28.6%	5	71.4%	0	0.0%
Pakistan:	6	42.9%	7	50.0%	1	7.1%
United Kingdom:	45	46.4%	40	41.2%	12	12.4%
United States:	2	9.1%	15	68.2%	5	22.7%
Other countries:	38	55.1%	25	36.2%	6	8.7%
<b>All respondents:</b>	<b>100</b>	<b>41.2%</b>	<b>117</b>	<b>48.1%</b>	<b>26</b>	<b>10.7%</b>
NON United Kingdom:	55	37.7%	77	52.7%	14	9.6%

## Question 4

<b>Is the service provided by entities in this sector financed mainly by public money (for example taxation, grants, international aid, fees and charges for use of publicly owned assets)?</b>				
	Yes:		No:	
	abs.	pct.	abs.	pct.
General public services:	81	93.1%	6	6.9%
Defense:	9	100.0%	0	0.0%
Public order and safety:	13	100.0%	0	0.0%
Economic affairs:	21	80.8%	5	19.2%
Environmental protection:	6	100.0%	0	0.0%
Housing & community:	9	90.0%	1	10.0%
Health:	32	100.0%	0	0.0%
Recreation, culture & religion:	4	100.0%	0	0.0%
Education:	33	89.2%	4	10.8%
Social protection:	9	90.0%	1	10.0%
Other/unknown:	9	81.8%	2	18.2%
<b>All respondents:</b>	<b>226</b>	<b>92.2%</b>	<b>19</b>	<b>7.8%</b>
Australia:	19	95.0%	1	5.0%
Canada:	14	100.0%	0	0.0%
Netherlands:	9	100.0%	0	0.0%
Pakistan:	11	78.6%	3	21.4%
United Kingdom:	90	93.8%	6	6.3%
United States:	20	90.9%	2	9.1%
Other countries:	63	90.0%	7	10.0%
<b>All respondents:</b>	<b>226</b>	<b>92.2%</b>	<b>19</b>	<b>7.8%</b>
NON United Kingdom:	136	91.3%	13	8.7%

## Question 5

<b>Is the performance measurement structure in your entity representative for most entities in this sector?</b>				
	Yes:		No:	
	abs.	pct.	abs.	pct.
General public services:	74	86.0%	12	14.0%
Defense:	5	55.6%	4	44.4%
Public order and safety:	12	92.3%	1	7.7%
Economic affairs:	22	84.6%	4	15.4%
Environmental protection:	4	80.0%	1	20.0%
Housing & community:	9	90.0%	1	10.0%
Health:	28	87.5%	4	12.5%
Recreation, culture & religion:	4	100.0%	0	0.0%
Education:	36	97.3%	1	2.7%
Social protection:	10	100.0%	0	0.0%
Other/unknown:	10	100.0%	0	0.0%
<b>All respondents:</b>	<b>214</b>	<b>88.4%</b>	<b>28</b>	<b>11.6%</b>
Australia:	14	73.7%	5	26.3%
Canada:	12	85.7%	2	14.3%
Netherlands:	9	100.0%	0	0.0%
Pakistan:	12	85.7%	2	14.3%
United Kingdom:	90	94.7%	5	5.3%
United States:	13	59.1%	9	40.9%
Other countries:	64	92.8%	5	7.2%
<b>All respondents:</b>	<b>214</b>	<b>88.4%</b>	<b>28</b>	<b>11.6%</b>
NON United Kingdom:	124	84.4%	23	15.6%

## Question 6

Are members of the entity's managing body, board, council etc?												
	Elected by the public:		Appointed by its own board or managing body:		Appointed by a legislative body (e.g. parliament, congress or council):		Appointed by an executive governmental body (e.g. the cabinet):		Appointed by a regulatory body:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	34	39.5%	10	11.6%	5	5.8%	27	31.4%	1	1.2%	9	10.5%
Defense:	0	0.0%	1	12.5%	1	12.5%	4	50.0%	0	0.0%	2	25.0%
Public order and safety:	1	8.3%	1	8.3%	1	8.3%	4	33.3%	2	16.7%	3	25.0%
Economic affairs:	2	8.7%	4	17.4%	2	8.7%	9	39.1%	2	8.7%	4	17.4%
Environmental protection:	2	33.3%	1	16.7%	1	16.7%	2	33.3%	0	0.0%	0	0.0%
Housing & community:	5	50.0%	0	0.0%	0	0.0%	3	30.0%	1	10.0%	1	10.0%
Health:	1	3.1%	21	65.6%	2	6.3%	3	9.4%	3	9.4%	2	6.3%
Recreation, culture & religion:	0	0.0%	1	25.0%	1	25.0%	2	50.0%	0	0.0%	0	0.0%
Education:	4	10.8%	20	54.1%	3	8.1%	6	16.2%	3	8.1%	1	2.7%
Social protection:	3	30.0%	2	20.0%	0	0.0%	4	40.0%	1	10.0%	0	0.0%
Other/unknown:	1	9.1%	4	36.4%	1	9.1%	3	27.3%	0	0.0%	2	18.2%
<b>All respondents:</b>	<b>53</b>	<b>22.2%</b>	<b>65</b>	<b>27.2%</b>	<b>17</b>	<b>7.1%</b>	<b>67</b>	<b>28.0%</b>	<b>13</b>	<b>5.4%</b>	<b>24</b>	<b>10.0%</b>
Australia:	4	21.1%	2	10.5%	1	5.3%	10	52.6%	0	0.0%	2	10.5%
Canada:	7	53.8%	0	0.0%	3	23.1%	3	23.1%	0	0.0%	0	0.0%
Netherlands:	1	11.1%	5	55.6%	0	0.0%	1	11.1%	1	11.1%	1	11.1%
Pakistan:	0	0.0%	1	7.7%	1	7.7%	10	76.9%	0	0.0%	1	7.7%
United Kingdom:	21	21.9%	43	44.8%	7	7.3%	13	13.5%	6	6.3%	6	6.3%
United States:	7	31.8%	2	9.1%	1	4.5%	5	22.7%	0	0.0%	7	31.8%
Other countries:	13	19.4%	12	17.9%	4	6.0%	25	37.3%	6	9.0%	7	10.4%
<b>All respondents:</b>	<b>53</b>	<b>22.2%</b>	<b>65</b>	<b>27.2%</b>	<b>17</b>	<b>7.1%</b>	<b>67</b>	<b>28.0%</b>	<b>13</b>	<b>5.4%</b>	<b>24</b>	<b>10.0%</b>
NON United Kingdom:	32	22.4%	22	15.4%	10	7.0%	54	37.8%	7	4.9%	18	12.6%

**Part 2: Financial Performance Measurement Questions****Question 7a**

<b>1) Are financial performance objectives set for the entity?</b>				
	No (please go to question 12):		Yes:	
	abs.	pct.	abs.	pct.
General public services:	8	9.2%	79	90.8%
Defense:	0	0.0%	9	100.0%
Public order and safety:	2	15.4%	11	84.6%
Economic affairs:	4	15.4%	22	84.6%
Environm. protection:	0	0.0%	6	100.0%
Housing & community:	0	0.0%	10	100.0%
Health:	0	0.0%	32	100.0%
Recr, culture & religion:	0	0.0%	4	100.0%
Education:	2	5.3%	36	94.7%
Social protection:	0	0.0%	10	100.0%
Other//unknown:	1	9.1%	10	90.9%
<b>All respondents:</b>	<b>17</b>	<b>6.9%</b>	<b>229</b>	<b>93.1%</b>
Australia:	0	0.0%	20	100.0%
Canada:	1	7.1%	13	92.9%
Netherlands:	0	0.0%	9	100.0%
Pakistan:	4	28.6%	10	71.4%
United Kingdom:	1	1.0%	96	99.0%
United States:	4	18.2%	18	81.8%
Other countries:	7	10.0%	63	90.0%
<b>All respondents:</b>	<b>17</b>	<b>6.9%</b>	<b>229</b>	<b>93.1%</b>
NON United Kingdom:	16	10.7%	133	89.3%

<b>2) If yes, how are financial performance objectives set for the entity?</b>									
By its own board or managing body:		By a legislative body (e.g. parliament, congress or council):		By an executive governmental body (e.g. the cabinet):		By a regulatory body:		Other:	
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
31	39.2%	18	22.8%	18	22.8%	6	7.6%	6	7.6%
2	22.2%	2	22.2%	2	22.2%	0	0.0%	3	33.3%
3	27.3%	3	27.3%	2	18.2%	2	18.2%	1	9.1%
7	31.8%	3	13.6%	5	22.7%	6	27.3%	1	4.5%
4	66.7%	2	33.3%	0	0.0%	0	0.0%	0	0.0%
5	50.0%	3	30.0%	1	10.0%	1	10.0%	0	0.0%
9	28.1%	7	21.9%	7	21.9%	7	21.9%	2	6.3%
3	75.0%	1	25.0%	0	0.0%	0	0.0%	0	0.0%
22	61.1%	4	11.1%	6	16.7%	3	8.3%	1	2.8%
4	40.0%	4	40.0%	2	20.0%	0	0.0%	0	0.0%
6	60.0%	0	0.0%	3	30.0%	0	0.0%	1	10.0%
<b>96</b>	<b>41.9%</b>	<b>47</b>	<b>20.5%</b>	<b>46</b>	<b>20.1%</b>	<b>25</b>	<b>10.9%</b>	<b>15</b>	<b>6.6%</b>
6	30.0%	5	25.0%	2	10.0%	3	15.0%	4	20.0%
4	30.8%	4	30.8%	3	23.1%	1	7.7%	1	7.7%
3	33.3%	1	11.1%	1	11.1%	3	33.3%	1	11.1%
5	50.0%	0	0.0%	2	20.0%	3	30.0%	0	0.0%
36	37.5%	22	22.9%	24	25.0%	8	8.3%	6	6.3%
9	50.0%	5	27.8%	1	5.6%	1	5.6%	2	11.1%
33	52.4%	10	15.9%	13	20.6%	6	9.5%	1	1.6%
<b>96</b>	<b>41.9%</b>	<b>47</b>	<b>20.5%</b>	<b>46</b>	<b>20.1%</b>	<b>25</b>	<b>10.9%</b>	<b>15</b>	<b>6.6%</b>
60	45.1%	25	18.8%	22	16.5%	17	12.8%	9	6.8%

## Question 7b

<b>If these financial performance objectives are set by someone outside the entity (externally), please indicate whether they are:</b>						
	Imposed:		Negotiated confidentially:		Negotiated openly (in the public domain):	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	19	44.2%	9	20.9%	15	34.9%
Defense:	0	0.0%	5	83.3%	1	16.7%
Public order and safety:	3	50.0%	3	50.0%	0	0.0%
Economic affairs:	6	40.0%	6	40.0%	3	20.0%
Environmental protection:	2	66.7%	0	0.0%	1	33.3%
Housing & community:	4	57.1%	1	14.3%	2	28.6%
Health:	16	66.7%	4	16.7%	4	16.7%
Recreation, culture & religion:	0	0.0%	2	100.0%	0	0.0%
Education:	11	55.0%	5	25.0%	4	20.0%
Social protection:	1	20.0%	2	40.0%	2	40.0%
Other/unknown:	5	83.3%	0	0.0%	1	16.7%
<b>All respondents:</b>	<b>67</b>	<b>48.9%</b>	<b>37</b>	<b>27.0%</b>	<b>33</b>	<b>24.1%</b>
Australia:	3	23.1%	5	38.5%	5	38.5%
Canada:	5	100.0%	0	0.0%	0	0.0%
Netherlands:	5	71.4%	0	0.0%	2	28.6%
Pakistan:	4	57.1%	1	14.3%	2	28.6%
United Kingdom:	31	52.5%	17	28.8%	11	18.6%
United States:	2	33.3%	0	0.0%	4	66.7%
Other countries:	17	42.5%	14	35.0%	9	22.5%
<b>All respondents:</b>	<b>67</b>	<b>48.9%</b>	<b>37</b>	<b>27.0%</b>	<b>33</b>	<b>24.1%</b>
NON United Kingdom:	36	46.2%	20	25.6%	22	28.2%

## Question 7c

1) Are these financial performance objectives supported by specific measurement indicators (financial KPIs)?				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	14	17.9%	64	82.1%
Defense:	0	0.0%	8	100.0%
Public order and safety:	1	9.1%	10	90.9%
Economic affairs:	1	4.3%	22	95.7%
Environmental protection:	1	16.7%	5	83.3%
Housing & community:	0	0.0%	10	100.0%
Health:	4	12.5%	28	87.5%
Recreation, culture & religion:	1	25.0%	3	75.0%
Education:	4	11.1%	32	88.9%
Social protection:	0	0.0%	9	100.0%
Other/unknown:	0	0.0%	10	100.0%
<b>All respondents:</b>	<b>26</b>	<b>11.5%</b>	201	88.5%
Australia:	3	16.7%	15	83.3%
Canada:	1	8.3%	11	91.7%
Netherlands:	0	0.0%	9	100.0%
Pakistan:	0	0.0%	10	100.0%
United Kingdom:	6	6.2%	90	93.8%
United States:	4	22.2%	14	77.8%
Other countries:	12	18.7%	52	81.3%
<b>All respondents:</b>	<b>26</b>	<b>11.5%</b>	201	88.5%
NON United Kingdom:	20	15.3%	111	84.7%

2) If yes, how are these financial performance objectives supported by specific measurement indicators (financial KPIs)?									
Set by the entity's own board or managing body:		By a legislative body (e.g. parliament, congress or council):		By an executive governmental body (e.g. the cabinet):		By a regulatory body:		Other:	
		abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
34	53.1%	5	7.8%	14	21.9%	6	9.4%	5	7.8%
3	37.5%	2	25.0%	0	0.0%	0	0.0%	3	37.5%
6	60.0%	1	10.0%	1	10.0%	2	20.0%	0	0.0%
15	68.2%	1	4.5%	4	18.2%	1	4.5%	1	4.5%
3	60.0%	0	0.0%	2	40.0%	0	0.0%	0	0.0%
6	60.0%	2	20.0%	0	0.0%	2	20.0%	0	0.0%
12	42.9%	2	7.1%	6	21.4%	5	17.9%	3	10.7%
3	100.0%	0	0.0%	0	0.0%	0	0.0%		0.0%
16	50.0%	2	6.3%	6	18.8%	7	21.9%	1	3.1%
3	33.3%	5	55.6%	1	11.1%	0	0.0%	0	0.0%
6	60.0%	0	0.0%	2	20.0%	1	10.0%	1	10.0%
<b>107</b>	<b>53.2%</b>	<b>20</b>	<b>10.0%</b>	<b>36</b>	<b>17.9%</b>	<b>24</b>	<b>11.9%</b>	<b>14</b>	<b>7.0%</b>
9	60.0%	0	0.0%	2	13.3%	1	6.7%	3	20.0%
3	27.3%	4	36.4%	2	18.2%	1	9.1%	1	9.1%
4	44.4%	0	0.0%	1	11.1%	3	33.3%	1	11.1%
9	90.0%	0	0.0%	0	0.0%	1	10.0%	0	0.0%
41	45.6%	13	14.4%	18	20.0%	13	14.4%	5	5.6%
10	71.4%	1	7.1%	1	7.1%	0	0.0%	2	14.3%
31	59.6%	2	3.8%	12	23.1%	5	9.6%	2	3.8%
<b>107</b>	<b>53.2%</b>	<b>20</b>	<b>10.0%</b>	<b>36</b>	<b>17.9%</b>	<b>24</b>	<b>11.9%</b>	<b>14</b>	<b>7.0%</b>
66	59.5%	7	6.3%	18	16.2%	11	9.9%	9	8.1%

## Question 8a

What is the primary basis for the <u>budgeting</u> process of the entity?						
	Cash basis:		Accrual basis:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	27	35.1%	44	57.1%	6	7.8%
Defense:	2	25.0%	4	50.0%	2	25.0%
Public order and safety:	4	36.4%	6	54.5%	1	9.1%
Economic affairs:	6	27.3%	14	63.6%	2	9.1%
Environmental protection:	0	0.0%	6	100.0%	0	0.0%
Housing & community:	2	20.0%	7	70.0%	1	10.0%
Health:	5	16.1%	26	83.9%	0	0.0%
Recreation, culture & religion:	2	50.0%	2	50.0%	0	0.0%
Education:	9	25.0%	26	72.2%	1	2.8%
Social protection:	3	30.0%	7	70.0%	0	0.0%
Other/unknown:	3	30.0%	6	60.0%	1	10.0%
<b>All respondents:</b>	<b>63</b>	<b>28.0%</b>	<b>148</b>	<b>65.8%</b>	<b>14</b>	<b>6.2%</b>
Australia:	2	11.1%	12	66.7%	4	22.2%
Canada:	3	25.0%	7	58.3%	2	16.7%
Netherlands:	2	22.2%	6	66.7%	1	11.1%
Pakistan:	6	54.5%	5	45.5%	0	0.0%
United Kingdom:	8	8.4%	86	90.5%	1	1.1%
United States:	10	58.8%	3	17.6%	4	23.5%
Other countries:	32	50.8%	29	46.0%	2	3.2%
<b>All respondents:</b>	<b>63</b>	<b>28.0%</b>	<b>148</b>	<b>65.8%</b>	<b>14</b>	<b>6.2%</b>
NON United Kingdom:	55	42.3%	62	47.7%	13	10.0%

## Question 8b

What is the primary basis for the (legislative) <u>appropriation</u> process of the entity?						
	Cash basis:		Accrual basis:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	32	44.4%	34	47.2%	6	8.3%
Defense:	4	50.0%	4	50.0%	0	0.0%
Public order and safety:	6	54.5%	4	36.4%	1	9.1%
Economic affairs:	7	31.8%	14	63.6%	1	4.5%
Environmental protection:	1	16.7%	5	83.3%	0	0.0%
Housing & community:	2	20.0%	6	60.0%	2	20.0%
Health:	8	25.0%	24	75.0%	0	0.0%
Recreation, culture & religion:	3	75.0%	1	25.0%	0	0.0%
Education:	10	27.8%	25	69.4%	1	2.8%
Social protection:	3	30.0%	7	70.0%	0	0.0%
Other/unknown:	4	40.0%	5	50.0%	1	10.0%
<b>All respondents:</b>	<b>80</b>	<b>36.2%</b>	<b>129</b>	<b>58.4%</b>	<b>12</b>	<b>5.4%</b>
Australia:	2	11.8%	11	64.7%	4	23.5%
Canada:	4	36.4%	6	54.5%	1	9.1%
Netherlands:	2	22.2%	6	66.7%	1	11.1%
Pakistan:	5	55.6%	4	44.4%	0	0.0%
United Kingdom:	22	23.2%	73	76.8%	0	0.0%
United States:	11	61.1%	4	22.2%	3	16.7%
Other countries:	34	54.8%	25	40.3%	3	4.8%
<b>All respondents:</b>	<b>80</b>	<b>36.2%</b>	<b>129</b>	<b>58.4%</b>	<b>12</b>	<b>5.4%</b>
NON United Kingdom:	58	46.0%	56	44.4%	12	9.5%

## Question 8c

What is the primary basis for the <u>financial reporting</u> process of the entity?						
	Cash basis:		Accrual basis:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	14	18.7%	55	73.3%	6	8.0%
Defense:	1	12.5%	7	87.5%	0	0.0%
Public order and safety:	2	18.2%	8	72.7%	1	9.1%
Economic affairs:	3	13.0%	19	82.6%	1	4.3%
Environmental protection:	0	0.0%	5	83.3%	1	16.7%
Housing & community:	2	20.0%	8	80.0%	0	0.0%
Health:	3	9.7%	28	90.3%	0	0.0%
Recreation, culture & religion:	2	50.0%	2	50.0%	0	0.0%
Education:	4	10.8%	31	83.8%	2	5.4%
Social protection:	2	20.0%	8	80.0%	0	0.0%
Other/unknown:	2	20.0%	7	70.0%	1	10.0%
<b>All respondents:</b>	<b>35</b>	<b>15.6%</b>	<b>178</b>	<b>79.1%</b>	<b>12</b>	<b>5.3%</b>
Australia:	1	5.6%	16	88.9%	1	5.6%
Canada:	1	8.3%	10	83.3%	1	8.3%
Netherlands:	2	22.2%	6	66.7%	1	11.1%
Pakistan:	2	18.2%	9	81.8%	0	0.0%
United Kingdom:	6	6.3%	89	92.7%	1	1.0%
United States:	3	16.7%	12	66.7%	3	16.7%
Other countries:	20	32.8%	36	59.0%	5	8.2%
<b>All respondents:</b>	<b>35</b>	<b>15.6%</b>	<b>178</b>	<b>79.1%</b>	<b>12</b>	<b>5.3%</b>
NON United Kingdom:	29	22.5%	89	69.0%	11	8.5%

## Question 9

How does the entity externally demonstrate its accountability for achieving its financial objectives? (Tick all that apply)												
	In an annual report:		In government statistical returns:		In special reports to minister, secretary of state or equivalent:		In special reports to regulator:		By inclusion in comparative performance or 'league' tables with similar bodies:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	70	79.5%	36	40.9%	30	34.1%	12	13.6%	14	15.9%	11	12.5%
Defense:	8	88.9%	4	44.4%	5	55.6%	1	11.1%	1	11.1%	1	11.1%
Public order and safety:	11	84.6%	6	46.2%	6	46.2%	3	23.1%	1	7.7%	2	15.4%
Economic affairs:	23	88.5%	11	42.3%	12	46.2%	5	19.2%	3	11.5%	3	11.5%
Environmental protection:	5	83.3%	3	50.0%	1	16.7%	0	0.0%	2	33.3%	2	33.3%
Housing & community:	10	100.0%	7	70.0%	6	60.0%	4	40.0%	6	60.0%	1	10.0%
Health:	31	96.9%	22	68.8%	9	28.1%	12	37.5%	15	46.9%	1	3.1%
Recreation, culture & religion:	4	100.0%	2	50.0%	0	0.0%	1	25.0%	0	0.0%	0	0.0%
Education:	33	86.8%	15	39.5%	14	36.8%	13	34.2%	13	34.2%	1	2.6%
Social protection:	10	100.0%	7	70.0%	5	50.0%	1	10.0%	2	20.0%	0	0.0%
Other/unknown:	9	64.3%	3	21.4%	6	42.9%	3	21.4%	3	21.4%	2	14.3%
<b>All respondents:</b>	<b>214</b>	<b>85.6%</b>	<b>116</b>	<b>46.4%</b>	<b>94</b>	<b>37.6%</b>	<b>55</b>	<b>22.0%</b>	<b>60</b>	<b>24.0%</b>	<b>24</b>	<b>9.6%</b>
Australia:	18	90.0%	7	35.0%	9	45.0%	2	10.0%	3	15.0%	4	20.0%
Canada:	10	71.4%	3	21.4%	4	28.6%	1	7.1%	3	21.4%	4	28.6%
Netherlands:	9	100.0%	2	22.2%	2	22.2%	4	44.4%	0	0.0%	1	11.1%
Pakistan:	9	64.3%	5	35.7%	6	42.9%	3	21.4%	2	14.3%	1	7.1%
United Kingdom:	92	94.8%	70	72.2%	37	38.1%	30	30.9%	46	47.4%	4	4.1%
United States:	16	69.6%	2	8.7%	2	8.7%	0	0.0%	1	4.3%	4	17.4%
Other countries:	60	82.2%	27	37.0%	34	46.6%	15	20.5%	5	6.8%	6	8.2%
<b>All respondents:</b>	<b>214</b>	<b>85.6%</b>	<b>116</b>	<b>46.4%</b>	<b>94</b>	<b>37.6%</b>	<b>55</b>	<b>22.0%</b>	<b>60</b>	<b>24.0%</b>	<b>24</b>	<b>9.6%</b>
NON United Kingdom:	122	79.7%	46	30.1%	57	37.3%	25	16.3%	14	9.2%	20	13.1%

## Question 10a

1) Are the figures used to report on financial performance subject to independent review from outside the entity?				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	5	6.6%	71	93.4%
Defense:	1	11.1%	8	88.9%
Public order and safety:	0	0.0%	11	100.0%
Economic affairs:	0	0.0%	24	100.0%
Environmental protection:	0	0.0%	6	100.0%
Housing & community:	2	20.0%	8	80.0%
Health:	2	6.3%	30	93.8%
Recreation, culture & religion:	1	25.0%	3	75.0%
Education:	3	8.1%	34	91.9%
Social protection:	0	0.0%	10	100.0%
Other//unknown:	1	11.1%	8	88.9%
<b>All respondents:</b>	<b>15</b>	<b>6.6%</b>	<b>213</b>	<b>93.4%</b>
Australia:	0	0.0%	19	100.0%
Canada:	1	7.7%	12	92.3%
Netherlands:	2	25.0%	6	75.0%
Pakistan:	0	0.0%	10	100.0%
United Kingdom:	5	5.2%	91	94.8%
United States:	3	16.7%	15	83.3%
Other countries:	4	6.3%	60	93.8%
<b>All respondents:</b>	<b>15</b>	<b>6.6%</b>	<b>213</b>	<b>93.4%</b>
NON United Kingdom:	10	7.6%	122	92.4%

2) If yes, who performs the independent review on financial performance figures?							
Government / state auditors:		Private sector auditors:		A person or body appointed to regulate, monitor and foster performance in the sector:		Other:	
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
43	60.6%	23	32.4%	4	5.6%	1	1.4%
8	100.0%	0	0.0%	0	0.0%	0	0.0%
9	81.8%	2	18.2%	0	0.0%	0	0.0%
11	45.8%	9	37.5%	4	16.7%	0	0.0%
5	83.3%	1	16.7%	0	0.0%	0	0.0%
5	62.5%	3	37.5%	0	0.0%	0	0.0%
19	63.3%	8	26.7%	2	6.7%	1	3.3%
3	100.0%	0	0.0%	0	0.0%	0	0.0%
13	38.2%	19	55.9%	2	5.9%	0	0.0%
8	80.0%	1	10.0%	0	0.0%	1	10.0%
6	75.0%	0	0.0%	1	12.5%	1	12.5%
<b>130</b>	<b>61.0%</b>	<b>66</b>	<b>31.0%</b>	<b>13</b>	<b>6.1%</b>	<b>4</b>	<b>1.9%</b>
10	52.6%	7	36.8%	2	10.5%	0	0.0%
7	58.3%	5	41.7%	0	0.0%	0	0.0%
1	16.7%	3	50.0%	1	16.7%	1	16.7%
4	40.0%	2	20.0%	2	20.0%	2	20.0%
63	69.2%	23	25.3%	4	4.4%	1	1.1%
5	33.3%	8	53.3%	2	13.3%	0	0.0%
40	66.7%	18	30.0%	2	3.3%	0	0.0%
<b>130</b>	<b>61.0%</b>	<b>66</b>	<b>31.0%</b>	<b>13</b>	<b>6.1%</b>	<b>4</b>	<b>1.9%</b>
67	54.9%	43	35.2%	9	7.4%	3	2.5%

**Question 10b**

**If your answer to the previous question (10a) is "Yes" or "Other", please give details about the person or body and how they are appointed.**

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**Question 11**

**Who is responsible for assessing the reported financial results against the financial objectives and for requiring any additional action to be taken?**

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**Question 12**

<b>How satisfied are you with the current financial performance measurement structures of the entity?</b>											
	Very satisfied:		Satisfied:		Neither satisfied nor dissatisfied:		Dissatisfied:		Very dissatisfied:		Average 1-5
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	
General public services:	9	11.0%	32	39.0%	20	24.4%	17	20.7%	4	4.9%	3.30
Defense:	0	0.0%	3	33.3%	3	33.3%	2	22.2%	1	11.1%	2.89
Public order and safety:	0	0.0%	5	38.5%	3	23.1%	3	23.1%	2	15.4%	2.85
Economic affairs:	2	7.7%	11	42.3%	10	38.5%	3	11.5%	0	0.0%	3.46
Environmental protection:	1	16.7%	2	33.3%	1	16.7%	1	16.7%	1	16.7%	3.17
Housing & community:	2	20.0%	6	60.0%	1	10.0%	1	10.0%	0	0.0%	3.90
Health:	2	6.5%	14	45.2%	13	41.9%	1	3.2%	1	3.2%	3.48
Recreation, culture & religion:	0	0.0%	2	50.0%	0	0.0%	2	50.0%	0	0.0%	3.00
Education:	3	8.1%	20	54.1%	10	27.0%	3	8.1%	1	2.7%	3.57
Social protection:	0	0.0%	4	40.0%	3	30.0%	2	20.0%	1	10.0%	3.00
Other/unknown:	1	10.0%	3	30.0%	4	40.0%	2	20.0%	0	0.0%	3.30
<b>All respondents:</b>	<b>20</b>	<b>8.4%</b>	<b>102</b>	<b>42.9%</b>	<b>68</b>	<b>28.6%</b>	<b>37</b>	<b>15.5%</b>	<b>11</b>	<b>4.6%</b>	<b>3.35</b>
Australia:	2	11.1%	7	38.9%	1	5.6%	6	33.3%	2	11.1%	3.06
Canada:	2	14.3%	7	50.0%	3	21.4%	2	14.3%	0	0.0%	3.64
Netherlands:	0	0.0%	2	25.0%	4	50.0%	2	25.0%	0	0.0%	3.00
Pakistan:	0	0.0%	5	38.5%	5	38.5%	3	23.1%	0	0.0%	3.15
United Kingdom:	8	8.4%	51	53.7%	27	28.4%	9	9.5%	0	0.0%	3.61
United States:	1	4.5%	5	22.7%	8	36.4%	3	13.6%	5	22.7%	2.73
Other countries:	7	10.3%	25	36.8%	20	29.4%	12	17.6%	4	5.9%	3.28
<b>All respondents:</b>	<b>20</b>	<b>8.4%</b>	<b>102</b>	<b>42.9%</b>	<b>68</b>	<b>28.6%</b>	<b>37</b>	<b>15.5%</b>	<b>11</b>	<b>4.6%</b>	<b>3.35</b>
NON United Kingdom:	12	8.4%	51	35.7%	41	28.7%	28	19.6%	11	7.7%	3.17

## Question 12 (continued)

How satisfied are you with the current financial performance measurement structures of the entity?											
	Very satisfied:		Satisfied:		Neither satisfied nor dissatisfied:		Dissatisfied:		Very dissatisfied:		Average 1-5
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	
Elected management (Q6):	5	9.4%	23	43.4%	15	28.3%	6	11.3%	4	7.5%	3.36
Appointed management (Q6):	13	8.3%	69	43.9%	43	27.4%	27	17.2%	5	3.2%	3.37
No Fin Perf Object set (Q7a):	0	0.0%	1	5.9%	11	64.7%	5	29.4%	0	0.0%	2.76
Yes Fin Perf Object set (Q7a):	20	9.0%	101	45.7%	57	25.8%	32	14.5%	11	5.0%	3.39
No fin KPIs set (Q7c):	0	0.0%	8	32.0%	4	16.0%	10	40.0%	3	12.0%	2.68
Yes fin KPIs set (Q7c):	20	9.4%	94	44.1%	64	30.0%	27	12.7%	8	3.8%	3.43
Cash budgeting (Q8a):	4	6.5%	23	37.1%	17	27.4%	12	19.4%	6	9.7%	3.11
Accrual budgeting (Q8a):	13	9.2%	72	50.7%	37	26.1%	16	11.3%	4	2.8%	3.52
Cash fin reporting (Q8c):	0	0.0%	10	28.6%	11	31.4%	10	28.6%	4	11.4%	2.77
Accrual fin reporting (Q8c):	18	10.4%	86	49.7%	44	25.4%	21	12.1%	4	2.3%	3.54
No ext. fin perf review (10a):	1	6.7%	4	26.7%	4	26.7%	5	33.3%	1	6.7%	2.93
Yes ext. fin perf review (10a):	19	8.5%	98	43.9%	64	28.7%	32	14.3%	10	4.5%	3.38
<b>All respondents:</b>	<b>20</b>	<b>8.4%</b>	<b>102</b>	<b>42.9%</b>	<b>68</b>	<b>28.6%</b>	<b>37</b>	<b>15.5%</b>	<b>11</b>	<b>4.6%</b>	<b>3.35</b>

**Question 13a)**

**In your opinion, what are the strengths of the financial performance measurement structures of the entity?**

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**Question 13b)**

**What are the weaknesses of the financial performance measurement structures of the entity?**

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**Question 13c)**

**And what actions are needed to further improve the financial performance measurement structures of the entity?**

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**Part 3: Non-financial Performance Measurement Questions****Question 14a**

1) Are non financial performance objectives set for the entity?				
	No (please go to question 19):		Yes:	
	abs.	pct.	abs.	pct.
General public services:	8	9.6%	75	90.4%
Defense:	0	0.0%	9	100.0%
Public order and safety:	1	7.7%	12	92.3%
Economic affairs:	4	15.4%	22	84.6%
Environm. protection:	0	0.0%	6	100.0%
Housing & community:	0	0.0%	10	100.0%
Health:	4	12.5%	28	87.5%
Recr., culture & religion:	0	0.0%	4	100.0%
Education:	2	5.6%	34	94.4%
Social protection:	0	0.0%	10	100.0%
Other//unknown:	1	10.0%	9	90.0%
<b>All respondents:</b>	<b>20</b>	<b>8.4%</b>	<b>219</b>	<b>91.6%</b>
Australia:	1	5.3%	18	94.7%
Canada:	3	21.4%	11	78.6%
Netherlands:	0	0.0%	8	100.0%
Pakistan:	0	0.0%	13	100.0%
United Kingdom:	0	0.0%	95	100.0%
United States:	4	18.2%	18	81.8%
Other countries:	12	17.6%	56	82.4%
<b>All respondents:</b>	<b>20</b>	<b>8.4%</b>	<b>219</b>	<b>91.6%</b>
NON United Kingdom:	20	13.9%	124	86.1%

2) If yes, how are non financial performance objectives set for the entity?									
Yes, by its own board or managing body:		Yes, by a legislative body (e.g. parliament, congress or council):		Yes, by an executive governmental body (e.g. the cabinet):		Yes, by a regulatory body:		Other:	
		abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
48	64.0%	5	6.7%	9	12.0%	4	5.3%	9	12.0%
2	22.2%	1	11.1%	3	33.3%	0	0.0%	3	33.3%
9	75.0%	3	25.0%	0	0.0%	0	0.0%	0	0.0%
10	45.5%	2	9.1%	6	27.3%	3	13.6%	1	4.5%
3	50.0%	1	16.7%	2	33.3%	0	0.0%	0	0.0%
7	70.0%	2	20.0%	0	0.0%	1	10.0%	0	0.0%
12	42.9%	6	21.4%	7	25.0%	1	3.6%	2	7.1%
2	50.0%	0	0.0%	2	50.0%	0	0.0%	0	0.0%
21	61.8%	2	5.9%	4	11.8%	7	20.6%	0	0.0%
3	30.0%	5	50.0%	2	20.0%	0	0.0%	0	0.0%
5	55.6%	1	11.1%	1	11.1%	0	0.0%	2	22.2%
<b>122</b>	<b>55.7%</b>	<b>28</b>	<b>12.8%</b>	<b>36</b>	<b>16.4%</b>	<b>16</b>	<b>7.3%</b>	<b>17</b>	<b>7.8%</b>
8	44.4%	0	0.0%	3	16.7%	2	11.1%	5	27.8%
4	36.4%	2	18.2%	3	27.3%	0	0.0%	2	18.2%
5	62.5%	1	12.5%	0	0.0%	1	12.5%	1	12.5%
11	84.6%	1	7.7%	0	0.0%	1	7.7%	0	0.0%
43	45.3%	21	22.1%	20	21.1%	8	8.4%	3	3.2%
14	77.8%	1	5.6%	2	11.1%	0	0.0%	1	5.6%
37	66.1%	2	3.6%	8	14.3%	4	7.1%	5	8.9%
<b>122</b>	<b>55.7%</b>	<b>28</b>	<b>12.8%</b>	<b>36</b>	<b>16.4%</b>	<b>16</b>	<b>7.3%</b>	<b>17</b>	<b>7.8%</b>
79	63.7%	7	5.6%	16	12.9%	8	6.5%	14	11.3%

## Question 14b

<b>If these non financial performance objectives are set by someone outside the entity (externally), please indicate whether they are:</b>						
	Imposed:		Negotiated confidentially:		Negotiated openly (in public domain):	
	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	12	33.3%	11	30.6%	13	36.1%
Defense:	2	28.6%	4	57.1%	1	14.3%
Public order and safety:	2	66.7%	0	0.0%	1	33.3%
Economic affairs:	2	13.3%	8	53.3%	5	33.3%
Environmental protection:	1	20.0%	1	20.0%	3	60.0%
Housing & community:	2	28.6%	2	28.6%	3	42.9%
Health:	13	68.4%	3	15.8%	3	15.8%
Recreation, culture & religion:	1	50.0%	0	0.0%	1	50.0%
Education:	10	50.0%	7	35.0%	3	15.0%
Social protection:	2	50.0%	1	25.0%	1	25.0%
Other/unknown:	4	80.0%	0	0.0%	1	20.0%
<b>All respondents:</b>	<b>51</b>	<b>41.5%</b>	<b>37</b>	<b>30.1%</b>	<b>35</b>	<b>28.4%</b>
Australia:	0	0.0%	5	45.5%	6	54.5%
Canada:	1	50.0%	1	50.0%	0	0.0%
Netherlands:	4	66.7%	1	16.7%	1	16.7%
Pakistan:	4	50.0%	0	0.0%	4	50.0%
United Kingdom:	33	56.9%	16	27.6%	9	15.5%
United States:	0	0.0%	1	14.3%	6	85.7%
Other countries:	9	29.0%	13	41.9%	9	29.0%
<b>All respondents:</b>	<b>51</b>	<b>41.5%</b>	<b>37</b>	<b>30.1%</b>	<b>35</b>	<b>28.5%</b>

**Question 14c**

1) Are these non financial performance objectives supported by specific measurement indicators (non financial KPIs)?				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	5	6.8%	68	93.2%
Defense:	0	0.0%	8	100.0%
Public order and safety:	0	0.0%	12	100.0%
Economic affairs:	1	4.5%	21	95.5%
Environmental protection:	1	16.7%	5	83.3%
Housing & community:	1	10.0%	9	90.0%
Health:	1	3.6%	27	96.4%
Recr., culture & religion:	0	0.0%	4	100.0%
Education:	3	8.6%	32	91.4%
Social protection:	1	10.0%	9	90.0%
Other//unknown:	1	11.1%	8	88.9%
<b>All respondents:</b>	<b>14</b>	<b>6.5%</b>	<b>203</b>	<b>93.5%</b>
Australia:	0	0.0%	17	100.0%
Canada:	0	0.0%	10	100.0%
Netherlands:	0	0.0%	8	100.0%
Pakistan:	2	15.4%	11	84.6%
United Kingdom:	2	2.1%	92	97.9%
United States:	2	11.1%	16	88.9%
Other countries:	8	14.0%	49	86.0%
<b>All respondents:</b>	<b>14</b>	<b>6.5%</b>	<b>203</b>	<b>93.5%</b>
NON United Kingdom:	12	9.8%	111	90.2%

2) If yes, how are these non financial performance objectives supported by specific measurement indicators (non financial KPIs)?									
Yes, set by the entity's own board or managing body:		Yes, by a legislative body (e.g. parliament, congress or council):		Yes, by an executive governmental body (e.g. the cabinet):		Yes, by a regulatory body:		Other:	
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
47	69.1%	5	7.4%	7	10.3%	4	5.9%	5	7.4%
3	37.5%	1	12.5%	1	12.5%	0	0.0%	3	37.5%
8	66.7%	2	16.7%	0	0.0%	0	0.0%	2	16.7%
11	52.4%	1	4.8%	6	28.6%	2	9.5%	1	4.8%
3	60.0%	1	20.0%	1	20.0%	0	0.0%	0	0.0%
7	77.8%	2	22.2%	0	0.0%	0	0.0%	0	0.0%
13	48.1%	5	18.5%	7	25.9%	1	3.7%	1	3.7%
3	75.0%	0	0.0%	1	25.0%	0	0.0%	0	0.0%
23	71.9%	2	6.3%	2	6.3%	5	15.6%	0	0.0%
3	33.3%	3	33.3%	3	33.3%	0	0.0%	0	0.0%
5	62.5%	1	12.5%	1	12.5%	0	0.0%	1	12.5%
<b>126</b>	<b>62.1%</b>	<b>23</b>	<b>11.3%</b>	<b>29</b>	<b>14.3%</b>	<b>12</b>	<b>5.9%</b>	<b>13</b>	<b>6.4%</b>
11	64.7%	0	0.0%	2	11.8%	1	5.9%	3	17.6%
3	30.0%	1	10.0%	3	30.0%	1	10.0%	2	20.0%
5	62.5%	1	12.5%	0	0.0%	1	12.5%	1	12.5%
10	90.9%	0	0.0%	0	0.0%	1	9.1%	0	0.0%
51	55.4%	20	21.7%	14	15.2%	5	5.4%	2	2.2%
13	81.3%	0	0.0%	2	12.5%	0	0.0%	1	6.3%
33	67.3%	1	2.0%	8	16.3%	3	6.1%	4	8.2%
<b>126</b>	<b>62.1%</b>	<b>23</b>	<b>11.3%</b>	<b>29</b>	<b>14.3%</b>	<b>12</b>	<b>5.9%</b>	<b>13</b>	<b>6.4%</b>
75	67.6%	3	2.7%	15	13.5%	7	6.3%	11	9.9%

## Question 15

<b>Please indicate how non-financial performance objectives of your entity are specified (tick all that apply):</b>														
	Inputs:		Outputs:		Outcomes:		Programs:		Processes or activities:		Organizational structure:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	26	29.5%	56	63.6%	48	54.5%	31	35.2%	31	35.2%	13	14.8%	0	0.0%
Defense:	5	55.6%	8	88.9%	5	55.6%	6	66.7%	2	22.2%	2	22.2%	1	11.1%
Public order and safety:	3	23.1%	8	61.5%	9	69.2%	4	30.8%	5	38.5%	1	7.7%	1	7.7%
Economic affairs:	8	30.8%	12	46.2%	13	50.0%	11	42.3%	12	46.2%	5	19.2%	0	0.0%
Environmental protection:	1	16.7%	4	66.7%	5	83.3%	1	16.7%	1	16.7%	1	16.7%	1	16.7%
Housing & community:	5	50.0%	9	90.0%	9	90.0%	7	70.0%	7	70.0%	3	30.0%	0	0.0%
Health:	9	28.1%	20	62.5%	22	68.8%	11	34.4%	22	68.8%	6	18.8%	0	0.0%
Recr., culture & religion:	1	25.0%	4	100.0%	3	75.0%	2	50.0%	2	50.0%	0	0.0%	0	0.0%
Education:	19	50.0%	27	71.1%	30	78.9%	19	50.0%	14	36.8%	12	31.6%	0	0.0%
Social protection:	5	50.0%	6	60.0%	7	70.0%	5	50.0%	6	60.0%	1	10.0%	0	0.0%
Other/unknown:	5	35.7%	7	50.0%	7	50.0%	7	50.0%	5	35.7%	3	21.4%	0	0.0%
<b>All respondents:</b>	<b>87</b>	<b>34.8%</b>	<b>161</b>	<b>64.4%</b>	<b>158</b>	<b>63.2%</b>	<b>104</b>	<b>41.6%</b>	<b>107</b>	<b>42.8%</b>	<b>47</b>	<b>18.8%</b>	<b>3</b>	<b>1.2%</b>
Australia:	4	20.0%	12	60.0%	9	45.0%	8	40.0%	4	20.0%	5	25.0%	1	5.0%
Canada:	5	35.7%	10	71.4%	9	64.3%	6	42.9%	4	28.6%	4	28.6%	0	0.0%
Netherlands:	7	77.8%	7	77.8%	6	66.7%	5	55.6%	5	55.6%	3	33.3%	0	0.0%
Pakistan:	5	35.7%	7	50.0%	6	42.9%	5	35.7%	7	50.0%	5	35.7%	0	0.0%
United Kingdom:	40	41.2%	71	73.2%	82	84.5%	42	43.3%	51	52.6%	19	19.6%	0	0.0%
United States:	5	21.7%	15	65.2%	13	56.5%	12	52.2%	12	52.2%	3	13.0%	1	4.3%
Other countries:	21	28.8%	39	53.4%	33	45.2%	26	35.6%	24	32.9%	8	11.0%	1	1.4%
<b>All respondents:</b>	<b>87</b>	<b>34.8%</b>	<b>161</b>	<b>64.4%</b>	<b>158</b>	<b>63.2%</b>	<b>104</b>	<b>41.6%</b>	<b>107</b>	<b>42.8%</b>	<b>47</b>	<b>18.8%</b>	<b>3</b>	<b>1.2%</b>
NON United Kingdom:	47	30.7%	90	58.8%	76	49.7%	62	40.5%	56	36.6%	28	18.3%	3	2.0%

## Question 16

How does the entity externally demonstrate its accountability for achieving its non financial objectives? (Tick all that apply)												
	In an annual report:		In government statistical returns:		In special reports to minister, secretary of state or equivalent:		In special reports to regulator:		By inclusion in comparative performance or 'league' tables with similar bodies:		Other:	
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
General public services:	61	69.3%	27	30.7%	27	30.7%	10	11.4%	11	12.5%	7	8.0%
Defense:	6	66.7%	4	44.4%	7	77.8%	1	11.1%	1	11.1%	1	11.1%
Public order and safety:	8	61.5%	4	30.8%	5	38.5%	3	23.1%	3	23.1%	1	7.7%
Economic affairs:	16	61.5%	8	30.8%	11	42.3%	5	19.2%	4	15.4%	1	3.8%
Environmental protection:	4	66.7%	4	66.7%	2	33.3%	0	0.0%	2	33.3%	2	33.3%
Housing & community:	9	90.0%	6	60.0%	4	40.0%	3	30.0%	5	50.0%	0	0.0%
Health:	28	87.5%	14	43.8%	8	25.0%	11	34.4%	15	46.9%	0	0.0%
Recreation, culture & religion:	4	100.0%	2	50.0%	1	25.0%	1	25.0%	0	0.0%	0	0.0%
Education:	30	78.9%	17	44.7%	12	31.6%	17	44.7%	11	28.9%	1	2.6%
Social protection:	8	80.0%	8	80.0%	5	50.0%	1	10.0%	2	20.0%	0	0.0%
Other/unknown:	9	64.3%	5	35.7%	4	28.6%	3	21.4%	3	21.4%	0	0.0%
<b>All respondents:</b>	<b>183</b>	<b>73.2%</b>	<b>99</b>	<b>39.6%</b>	<b>86</b>	<b>34.4%</b>	<b>55</b>	<b>22.0%</b>	<b>57</b>	<b>22.8%</b>	<b>13</b>	<b>5.2%</b>
Australia:	15	75.0%	4	20.0%	8	40.0%	2	10.0%	2	10.0%	3	15.0%
Canada:	6	42.9%	5	35.7%	4	28.6%	3	21.4%	3	21.4%	1	7.1%
Netherlands:	8	88.9%	1	11.1%	1	11.1%	3	33.3%	1	11.1%	0	0.0%
Pakistan:	9	64.3%	4	28.6%	5	35.7%	5	35.7%	2	14.3%	1	7.1%
United Kingdom:	87	89.7%	64	66.0%	39	40.2%	35	36.1%	43	44.3%	1	1.0%
United States:	10	43.5%	0	0.0%	3	13.0%	0	0.0%	3	13.0%	6	26.1%
Other countries:	48	65.8%	21	28.8%	26	35.6%	7	9.6%	3	4.1%	1	1.4%
<b>All respondents:</b>	<b>183</b>	<b>73.2%</b>	<b>99</b>	<b>39.6%</b>	<b>86</b>	<b>34.4%</b>	<b>55</b>	<b>22.0%</b>	<b>57</b>	<b>22.8%</b>	<b>13</b>	<b>5.2%</b>
NON United Kingdom:	96	62.7%	35	22.9%	47	30.7%	20	13.1%	14	9.2%	12	7.8%

**Question 17a**

<b>1) Are the figures used to report on non financial performance subject to independent review from outside the entity?</b>				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	34	45.3%	41	54.7%
Defense:	4	44.4%	5	55.6%
Public order and safety:	5	45.5%	6	54.5%
Economic affairs:	8	36.4%	14	63.6%
Environmental protection:	0	0.0%	6	100.0%
Housing & community:	3	30.0%	7	70.0%
Health:	7	24.1%	22	75.9%
Recr., culture & religion:	3	75.0%	1	25.0%
Education:	8	22.9%	27	77.1%
Social protection:	2	20.0%	8	80.0%
Other//unknown:	1	11.1%	8	88.9%
<b>All respondents:</b>	<b>75</b>	<b>34.1%</b>	<b>145</b>	<b>65.9%</b>
Australia:	8	47.1%	9	52.9%
Canada:	6	46.2%	7	53.8%
Netherlands:	2	25.0%	6	75.0%
Pakistan:	6	46.2%	7	53.8%
United Kingdom:	16	16.7%	80	83.3%
United States:	11	61.1%	7	38.9%
Other countries:	26	47.3%	29	52.7%
<b>All respondents:</b>	<b>75</b>	<b>34.1%</b>	<b>145</b>	<b>65.9%</b>
NON United Kingdom:	59	47.6%	65	52.4%

<b>2) If yes, who performs the independent review on non-financial performance figures?</b>							
Government / state auditors:		Private sector auditors:		A person or body appointed to regulate, monitor and foster performance in the sector:		Other:	
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
31	75.6%	5	12.2%	3	7.3%	2	4.9%
5	100.0%	0	0.0%	0	0.0%	0	0.0%
4	66.7%	2	33.3%	0	0.0%	0	0.0%
4	28.6%	3	21.4%	6	42.9%	1	7.1%
5	83.3%	0	0.0%	0	0.0%	1	16.7%
2	28.6%	3	42.9%	2	28.6%	0	0.0%
12	54.5%	4	18.2%	6	27.3%	0	0.0%
1	100.0%	0	0.0%	0	0.0%	0	0.0%
12	44.4%	3	11.1%	12	44.4%	0	0.0%
7	87.5%	0	0.0%	1	12.5%	0	0.0%
3	37.5%	2	25.0%	2	25.0%	1	12.5%
<b>86</b>	<b>59.3%</b>	<b>22</b>	<b>15.2%</b>	<b>32</b>	<b>22.1%</b>	<b>5</b>	<b>3.4%</b>
6	66.7%	1	11.1%	1	11.1%	1	11.1%
4	57.1%	2	28.6%	1	14.3%	0	0.0%
1	16.7%	2	33.3%	2	33.3%	1	16.7%
2	28.6%	2	28.6%	3	42.9%	0	0.0%
51	63.8%	8	10.0%	20	25.0%	1	1.3%
2	28.6%	1	14.3%	2	28.6%	2	28.6%
20	69.0%	6	20.7%	3	10.3%	0	0.0%
<b>86</b>	<b>59.3%</b>	<b>22</b>	<b>15.2%</b>	<b>32</b>	<b>22.1%</b>	<b>5</b>	<b>3.4%</b>
35	53.8%	14	21.5%	12	18.5%	4	6.2%

**Question 17b)**

**If your answer to the previous question (17a) is "Yes" or "Other", please give details about the person or body and how they are appointed.**

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**Question 18)**

**Who is responsible for assessing the reported non-financial results against the non-financial objectives and for requiring any additional action to be taken?**

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**Question 19**

<b>How satisfied are you with the current non financial performance measurement structures of the entity?</b>											
	Very satisfied:		Satisfied:		Neither satisfied nor dissatisfied:		Dissatisfied:		Very dissatisfied:		Average 1-5
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	
General public services:	7	8.6%	27	33.3%	22	27.2%	21	25.9%	4	4.9%	3.15
Defense:	0	0.0%	3	33.3%	4	44.4%	2	22.2%	0	0.0%	3.11
Public order and safety:	1	8.3%	2	16.7%	3	25.0%	5	41.7%	1	8.3%	2.75
Economic affairs:	1	4.0%	8	32.0%	12	48.0%	3	12.0%	1	4.0%	3.20
Environmental protection:	0	0.0%	2	33.3%	3	50.0%	0	0.0%	1	16.7%	3.00
Housing & community:	2	20.0%	4	40.0%	2	20.0%	2	20.0%	0	0.0%	3.60
Health:	3	9.7%	11	35.5%	12	38.7%	2	6.5%	3	9.7%	3.29
Recreation, culture & religion:	0	0.0%	0	0.0%	1	25.0%	2	50.0%	1	25.0%	2.00
Education:	3	8.1%	19	51.4%	9	24.3%	5	13.5%	1	2.7%	3.49
Social protection:	0	0.0%	3	30.0%	4	40.0%	2	20.0%	1	10.0%	2.90
Other/unknown:	1	11.1%	4	44.4%	1	11.1%	3	33.3%	0	0.0%	3.33
<b>All respondents:</b>	<b>18</b>	<b>7.7%</b>	<b>83</b>	<b>35.5%</b>	<b>73</b>	<b>31.2%</b>	<b>47</b>	<b>20.1%</b>	<b>13</b>	<b>5.6%</b>	<b>3.20</b>
Australia:	4	22.2%	4	22.2%	5	27.8%	3	16.7%	2	11.1%	3.28
Canada:	1	7.1%	4	28.6%	6	42.9%	3	21.4%	0	0.0%	3.21
Netherlands:	0	0.0%	3	37.5%	3	37.5%	2	25.0%	0	0.0%	3.13
Pakistan:	0	0.0%	5	38.5%	4	30.8%	4	30.8%	0	0.0%	3.08
United Kingdom:	8	8.4%	42	44.2%	27	28.4%	17	17.9%	1	1.1%	3.41
United States:	0	0.0%	6	27.3%	7	31.8%	6	27.3%	3	13.6%	2.73
Other countries:	5	7.8%	19	29.7%	21	32.8%	12	18.8%	7	10.9%	3.05
<b>All respondents:</b>	<b>18</b>	<b>7.7%</b>	<b>83</b>	<b>35.5%</b>	<b>73</b>	<b>31.2%</b>	<b>47</b>	<b>20.1%</b>	<b>13</b>	<b>5.6%</b>	<b>3.20</b>
NON United Kingdom:	10	7.2%	41	29.5%	46	33.1%	30	21.6%	12	8.6%	3.05

**Question 19 (continued)**

<b>How satisfied are you with the current non financial performance measurement structures of the entity?</b>											
	Very satisfied:		Satisfied:		Neither satisfied nor dissatisfied:		Dissatisfied:		Very dissatisfied:		Average 1-5
	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.	
Elected management (Q6):	2	3.9%	17	33.3%	18	35.3%	11	21.6%	3	5.9%	3.08
Appointed management (Q6):	16	10.3%	58	37.4%	45	29.0%	29	18.7%	7	4.5%	3.30
No non Fin Perf Object set (Q7a):	1	5.3%	2	10.5%	7	36.8%	5	26.3%	4	21.1%	2.53
Yes non Fin Perf Object set (Q7a):	17	7.9%	81	37.7%	66	30.7%	42	19.5%	9	4.2%	3.26
No non fin KPIs set (Q7c):	0	0.0%	1	7.1%	3	21.4%	9	64.3%	1	7.1%	2.29
Yes non fin KPIs set (Q7c):	18	8.2%	82	37.3%	70	31.8%	38	17.3%	12	5.5%	3.25
No ext. non fin perf review (10a):	4	5.3%	20	26.7%	24	32.0%	22	29.3%	5	6.7%	2.95
Yes ext. non fin perf review (10a):	14	8.8%	63	39.6%	49	30.8%	25	15.7%	8	5.0%	3.31
<b>All respondents:</b>	<b>18</b>	<b>7.7%</b>	<b>83</b>	<b>35.5%</b>	<b>73</b>	<b>31.2%</b>	<b>47</b>	<b>20.1%</b>	<b>13</b>	<b>5.6%</b>	<b>3.20</b>

**Question 20a)**

**In your opinion, what are the strengths of the non-financial performance measurement structures of the entity?**

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**Question 20b)**

**What are the weaknesses of the non-financial performance measurement structures of the entity?**

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**Question 20c)**

**And what actions are needed to further improve the non-financial performance measurement structures of the entity?**

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**Part 4: Final Questions****Question 21**

<b>a) Is the performance management framework described in the answers to the above questions subject to review?</b>				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	8	9.8%	74	90.2%
Defense:	0	0.0%	9	100.0%
Public order and safety:	1	8.3%	11	91.7%
Economic affairs:	1	4.2%	23	95.8%
Environmental protection:	0	0.0%	6	100.0%
Housing & community:	1	10.0%	9	90.0%
Health:	2	6.3%	30	93.8%
Recreation, culture & religion:	0	0.0%	4	100.0%
Education:	1	2.7%	36	97.3%
Social protection:	0	0.0%	9	100.0%
Other//unknown:	2	20.0%	8	80.0%
<b>All respondents:</b>	<b>16</b>	<b>6.8%</b>	<b>219</b>	<b>93.2%</b>
Australia:	0	0.0%	18	100.0%
Canada:	3	21.4%	11	78.6%
Netherlands:	0	0.0%	8	100.0%
Pakistan:	2	15.4%	11	84.6%
United Kingdom:	0	0.0%	95	100.0%
United States:	2	9.1%	20	90.9%
Other countries:	9	13.8%	56	86.2%
<b>All respondents:</b>	<b>16</b>	<b>6.8%</b>	<b>219</b>	<b>93.2%</b>
NON United Kingdom:	16	11.4%	124	88.6%

<b>b) If yes, how often is the performance management framework subject to review?</b>							
Ad hoc:		Regularly, every 1 -2 years:		Regularly, every 3-5 years:		Less frequently than every 5 years:	
abs.	pct.	abs.	pct.	abs.	pct.	abs.	pct.
30	40.5%	32	43.2%	10	13.5%	2	2.7%
6	66.7%	1	11.1%	1	11.1%	1	11.1%
4	36.4%	6	54.5%	1	9.1%	0	0.0%
14	60.9%	7	30.4%	1	4.3%	1	4.3%
1	16.7%	5	83.3%	0	0.0%	0	0.0%
4	44.4%	4	44.4%	1	11.1%	0	0.0%
13	43.3%	14	46.7%	3	10.0%	0	0.0%
2	50.0%	1	25.0%	1	25.0%	0	0.0%
12	33.3%	16	44.4%	6	16.7%	2	5.6%
3	33.3%	4	44.4%	2	22.2%	0	0.0%
5	62.5%	2	25.0%	1	12.5%	0	0.0%
<b>94</b>	<b>42.9%</b>	<b>92</b>	<b>42.0%</b>	<b>27</b>	<b>12.3%</b>	<b>6</b>	<b>2.7%</b>
8	44.4%	7	38.9%	3	16.7%	0	0.0%
6	54.5%	2	18.2%	2	18.2%	1	9.1%
3	37.5%	2	25.0%	2	25.0%	1	12.5%
4	36.4%	7	63.6%	0	0.0%	0	0.0%
32	33.7%	48	50.5%	13	13.7%	2	2.1%
12	60.0%	7	35.0%	1	5.0%	0	0.0%
29	51.8%	19	33.9%	6	10.7%	2	3.6%
<b>94</b>	<b>42.9%</b>	<b>92</b>	<b>42.0%</b>	<b>27</b>	<b>12.3%</b>	<b>6</b>	<b>2.7%</b>
62	50.0%	44	35.5%	14	11.3%	4	3.2%

**Question 22**

<b>a) Are bodies in this sector required to operate a formal structure of measuring and assessing risk and developing strategies to control it?</b>				
	No:		Yes:	
	abs.	pct.	abs.	pct.
General public services:	20	24.4%	62	75.6%
Defense:	2	22.2%	7	77.8%
Public order and safety:	3	25.0%	9	75.0%
Economic affairs:	7	26.9%	19	73.1%
Environmental protection:	1	16.7%	5	83.3%
Housing & community:	2	20.0%	8	80.0%
Health:	8	25.0%	24	75.0%
Recreation, culture & religion:	0	0.0%	4	100.0%
Education:	7	18.9%	30	81.1%
Social protection:	1	10.0%	9	90.0%
Other//unknown:	3	30.0%	7	70.0%
<b>All respondents:</b>	<b>54</b>	<b>22.7%</b>	<b>184</b>	<b>77.3%</b>
Australia:	2	10.5%	17	89.5%
Canada:	5	35.7%	9	64.3%
Netherlands:	3	37.5%	5	62.5%
Pakistan:	3	23.1%	10	76.9%
United Kingdom:	7	7.3%	89	92.7%
United States:	10	45.5%	12	54.5%
Other countries:	24	36.4%	42	63.6%
<b>All respondents:</b>	<b>54</b>	<b>22.7%</b>	<b>184</b>	<b>77.3%</b>
NON United Kingdom:	47	33.1%	95	66.9%

<b>b) If yes, managed internally only or externally reported upon?</b>			
Yes, and managed internally only:		Yes, and reported upon outside the entity:	
abs.	pct.	abs.	pct.
41	66.1%	21	33.9%
3	42.9%	4	57.1%
8	88.9%	1	11.1%
12	63.2%	7	36.8%
1	20.0%	4	80.0%
3	37.5%	5	62.5%
9	37.5%	15	62.5%
2	50.0%	2	50.0%
13	43.3%	17	56.7%
7	77.8%	2	22.2%
4	57.1%	3	42.9%
<b>103</b>	<b>56.0%</b>	<b>81</b>	<b>44.0%</b>
8	47.1%	9	52.9%
8	88.9%	1	11.1%
4	80.0%	1	20.0%
6	60.0%	4	40.0%
36	40.4%	53	59.6%
11	91.7%	1	8.3%
30	71.4%	12	28.6%
<b>103</b>	<b>56.0%</b>	<b>81</b>	<b>44.0%</b>
67	70.5%	28	29.5%

**Question 23**

**Do you have any additional comments with regard to performance measurement structures in the public sector?**

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**If you would like to receive an electronic copy of the report that will be written based on this survey, please provide your name and email address. This information will be kept confidential.**

**Name** \_\_\_\_\_

**Position** \_\_\_\_\_

**E-mail** \_\_\_\_\_

This questionnaire is prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA) in the UK and IFAC's Professional Accountants in Business Committee. If you have any queries, please contact Vincent Tophoff at IFAC, by email on [vincenttophoff@ifac.org](mailto:vincenttophoff@ifac.org)

Thank you for participating.

## Appendix B

### Other Relevant Publications

#### International Resources

- IFAC'S International Public Sector Accounting Standards Board (IPSASB), whose goal is to serve the public interest by developing high quality accounting standards for use by public sector entities around the world, to enhance the quality and transparency of public sector financial reporting and strengthen public confidence in public sector financial management. The IPSASB also published a number of other reports (see also [www.ifac.org/PublicSector](http://www.ifac.org/PublicSector)).
- IFAC's 2005 information paper, *The Roles and Domain of the Professional Accountant in Business*.
- Other international sources are the Organisation for Economic Co-operation and Development (OECD, [www.oecd.org](http://www.oecd.org)) and the World Bank ([www.worldbank.org](http://www.worldbank.org)).
- Also various journals like *Financial Accountability and Management in Governments, Public Services and Charities*.

#### National Resources

On a national level, also other sources provide interesting material.

Various IFAC member bodies provide information on performance measurement in the public sector. For example:

- The UK-based Chartered Institute of Public Finance and Accountancy (CIPFA, [www.cipfa.org.uk](http://www.cipfa.org.uk)).
- In May 2008, the Dutch IFAC member body NIVRA published a guidance for publication and assurance of non-financial performance information in the public sector, called *Niet financiële informatie in beweging* (in Dutch only). See also: [www.nivra.nl/index.asp?Thema%27s/Publieke\\_sector/NFI.htm](http://www.nivra.nl/index.asp?Thema%27s/Publieke_sector/NFI.htm)
- Performance Reporting Websites, USA: <http://www.agacgfm.org/performance/sea/downloads/SEAReportWebSites.pdf>
- Another form of citizen reporting, both financial and performance, which is understandable by the average citizen: Citizen-Centric Reporting: <http://www.agacgfm.org/citizen/completed.aspx>. An example: <http://www.agacgfm.org/citizen/downloads/VABeachDraftReport.pdf>
- Alfred P. Sloan Foundation: <http://www.sloan.org/programs/PerformanceMeasurementandReporting.shtml>



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