

## Appendix B

# Delivering performance audits

Our performance audits are typically delivered by in-house staff specially trained by us, however, we periodically engage experts to advise our performance audit teams on complex and technical issues. We also use contractors to supplement our staff resources where required.

To reach conclusions against our audit objectives, we determined criteria against which to assess agency performance. We develop our audit criteria in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board and in consultation with the audited agencies. The figure below illustrates the types of criteria commonly included in performance audits.

<p><b>Effectiveness</b></p> <p><b>Definition:</b> Achievement of the objectives or other intended effects of activities at a program or entity level.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• the agency has achieved its objective</li> <li>• program recipients have responded in line with objectives</li> <li>• the project has delivered the solution in accordance with requisite standards.</li> </ul>	<p><b>Economy</b></p> <p><b>Definition:</b> Acquisition of the appropriate quality and quantity of resources at the appropriate times and at the best cost.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• services, projects and goods are procured for the best possible price</li> <li>• the agency has prevented or minimised wastage of resources</li> <li>• desired quality standards have been achieved within time and budget parameters.</li> </ul>	<p><b>Efficiency</b></p> <p><b>Definition:</b> Use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• resources are used to maximise output or activity levels</li> <li>• data is actively used to minimise inefficiency</li> <li>• controls and monitoring are applied to track and manage resource use and improve efficiency.</li> </ul>
<p><b>Compliance</b></p> <p><b>Definition:</b> Compliance of an agency/program with all relevant Acts.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• agencies can demonstrate compliance with objectives, functions and requirements of relevant legislation</li> <li>• agencies have systems and processes to monitor compliance and address instances of noncompliance.</li> </ul>		