



Audit Bureau of Jordan

Guidelines on Auditing Performance Indicators

Introduction

In light of the State Audit Bureau's endeavor to promote concepts related to rationalizing government spending, including the results-oriented budget(ROB) method, and identifying possible improvement opportunities for implementing a performance management system in ministries, government departments and institutions, a specialized guidelines has been prepared that includes auditing procedures for performance indicators (Auditing Performance Indicators). Results-oriented budgeting (ROB) requires the presence of performance indicators at the strategic level, programs and projects for each ministry, department, and government institution that help in making budget decisions, including providing funds, planning and preparing policies to rationalize administrative decisions and use them as a planning and control tool. To identify the areas of improvement and development in them to ensure the achievement of the desired goals of government spending and to ensure the return of this spending for the public interest. The preparation of this guide emerged from the Bureau's vision of sustainable professional excellence to enhance the concepts of disclosure, transparency and accountability, and to assist the public sector with its various agencies to work efficiently, and more effectively in rationalizing government spending, and efficient privatization, in the belief of the Audit Bureau that it is a partner in the success of state institutions.

In this regard, we are pleased to present the guideline for auditing performance indicators that was prepared by Audit Bureau staff in partnership with specialized experts with the assistance of the United States Agency for International Development (USAID).

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Glossary of Terms

<p>Inputs: The sum of the resources allocated to reach outputs and results. Inputs are often seen as budgetary resources and also include staff and capital assets.</p>
<p>Objective: Specific target outcomes (e.g. security and safety) that can measure outcomes (e.g. the number of beneficiaries of a particular program) or outcomes (e.g. number of deaths from accidents). There are other terms that are synonymous with the term objective but are less precise, such as aim or purpose.</p>
<p>Key Performance Indicator: A scale to achieve a specific goal. Most performance indicators are considered output or outcome indicators.</p>
<p>Results: One of main performance indicator that are measured by a decrease in a particular need or problem, There are other terms that are synonymous with the term objective but are less precise, such goals.</p>
<p>Outputs: A performance indicator type that is measured by the units produced, the level of service or the level of activity. Outputs are considered to lead to results.</p>
<p>Relevance: The six criteria are described a necessity since the Key performance indicator achieve its specific role or the four criteria necessary to consider that the goal is in line with its definition.</p>
<p>Accuracy and completeness: Describe the two criteria which are necessary to consider that the data supports a key performance indicator and that the data is appropriately documented through disclosures.</p>
<p>Institution: Any entity subjected to the control of the Audit Bureau (Ministry, Department, commission, Institution, Municipality, Project, Program.... etc.)</p>

Purpose of the Guideline

The purpose of this guideline is to provide beneficial information to guide and implement the process of auditing performance indicators in Jordan. It is expected that this guideline will be modified and revised as the Audit Bureau acquires greater experience in this field.

This guide has been prepared to be used by auditors who plan, implement and write audit reports of performance indicators, it is also useful in training courses for auditors who conduct audit on performance indicators, as well as It can be considered as a reference for government institutions at the national level in their quest to strengthen their performance indicators systems.

The Jordanian Performance Indicators System emerged in its current form when the results-oriented budget system was adopted, in which the objectives and performance indicators were published in the 2008 budget for all institutions. The aim of this system is to develop decision-making regarding budget in Jordan in general and at the level of government institutions. The annual General Budget Law now includes the objectives and performance indicators of the programs of institutions in their budgets, and the strategic objectives of the institutions are determined in accordance with the guidelines of the Ministry of Public Sector Development.

1. Background, Concepts and Description of the Framework.

The main objective of performance indicators is to assist in the development of policies. In fact, performance indicators can meet five different objectives, and requires the cooperation of different stakeholders in the development of a system of performance indicators to take into account the views of stakeholders, including:

- Budget decision-making including saving money.
- Planning and Policy Preparation.
- Management decision-making.
- Parliamentary control.
- Transparency.

The Concept of Performance Indicators:

The concept of performance indicators involves the application of the combination of an analysis and decision-making model based on "achieving goals" and the principles of "causal" cause-effect relationships.

There may be confusion in the concept of performance indicators and its applications due to the use of inaccurate terminology, and although this concept is relatively simple and can be explained using only four keywords.

The following is a list of these keywords as well as other words (synonyms) that may lead to confusion.

Table NO.1 A list of keywords in addition to other words that may cause confusion	
The Four Keywords	Other words that may cause confusion
The Goal	Aim and Purpose
Input	Resources, Expenditure, Budget Resources,
Output (key Performance Indicator)	Activities, level of work, results
result	Impact

The appropriate use of the four main terms can be formulated as a phrase as follows:

Citizens, and officials who are appointed and elected, are all interested in knowing the extent to which the government has achieved the goals it sets. Achieving goals requires the use of inputs to reach outputs that lead to results that can be assessed as effective in achieving the goals.

2. Planning an Auditing Program for Performance Indicators:

The common methodology for planning to the process of auditing the performance indicators in leading countries in this field integrates audits of performance indicators with the financial audit program conducted by Supreme Supervisory Institutions. Although this is certainly the methodology that is recommended for future application, Audit Bureau auditors need more time to gain experience and receive the necessary training before applying the methodology. However, on the medium-term scale, bureau can approve a medium-term plan (for 3 years) to audit performance indicators.

There are several options to this planning process:

- Prioritize the institutions with the largest budgets on the assumption that the benefits of the programs with the largest expenditures will be more.
- Planning the process of auditing the performance indicators should be designed on a functional and practical basis, i.e. Schedule audit for educational institutions

in the first year, health institutions in the second year, transport institutions in the third year, etc.

- Solicit requests from the executive authority and/ or the leadership of parliamentary committees to submit a request concerning the process of auditing performance indicators, and it is also possible to invite international donors to make suggestions on audits of performance indicators.
- Selection of institutions that will be subject to auditing of their performance indicators based on current and emerging issues or emerging and prominent problems.

3. Steps of Auditing Performance Indicators:

In general, the steps of auditing performance indicators in general are in line with the steps of financial auditing:

- a. Approval to Start Audit Process on Performance Indicators:** The President of the Audit Bureau approve to conduct an audit of the performance indicators of a particular institution.
- b. Note Letter to the Head of the Concerned Institution:** The head of the Audit Bureau sends a letter to the higher management of the concerned institution to inform it of the auditing process, provided that the letter includes the following:
 - Expected date of the audit.
 - Name of the auditor(s) who will carry out the audit.
 - Request the institution to nominate a person to be the liaison officer during the period of audit, the director of strategic planning or the level of a manager.
 - Inform the institution that the liaison officer will be asked to nominate an expert with regarding to any program included in the budget subjected to audit.
- c. Collection of Basic Information and Data:** The employees of Audit Bureau in charge of the audit process and are tasked with collecting the necessary information and data before the start of the audit.
- d. Checklist of objectives and Key Performance Indicators:**

The Audit Bureau staff studies the data in the latest annual budget and its latest strategic plan and prepares a checklist of all program goals, strategic goals and key performance indicators that will be subject to audit. (See example in Appendix 1.)
- e. Introductory Meeting:** This meeting is scheduled and held in the concerned institution in the presence of the head of the team/auditors assigned by the Audit Bureau and the liaison officer of the institution and it is possible to invite other attendant, and program experts in the institution. The agenda of the meeting includes:
 - Agreement on audit plan.

- Agreement on the checklist of all goals and indicators of the institution as mentioned in the latest budget and any new amendments to the strategic plan of the institution.
- Agreement on the names of the liaison officer and the expert on each program to be audited in the institution.
- Ensure to inform the liaison officer of the institution of all meetings that the Audit Bureau will conduct with program experts and if he wishes to attend the meetings.
- Inform the institution that the audit team will provide it with the draft report in two stages:
 - An informal draft to the liaison officer to take the institution's notes on it and set a deadline for a response.
 - A final official draft to senior management It is possible for the institution to respond to the report and the response will be attached as an appendix in the final report to audit the performance indicators.

- f. Meetings with Programs Experts:** In these meetings, all the objectives and indicators of each program in the organization are reviewed and linked to the strategic goals; all issues and questions related to the audit are discussed, the documents are verified with the relevant employee of the institution or the program expert agrees to make the necessary arrangements and send the required information and documents to the auditor within a specified period. appendix 2 contains three working papers to be used by the auditor for the purposes of reviewing information, carrying out audits and conducting meetings with the staff of the institution, consisting of:
- General basic questions.
 - Working paper on program and strategic objectives.
 - Working paper on key performance indicators.

After fulfilling the three working papers in cooperation with the liaison officer and program experts in the institution, important indicators (scores) of the audit results are reached, including:

- Relevance of each strategic objective or program.
 - Completeness and accuracy of each key performance indicator.
 - Categorize each key performance indicator to an output or a result.
- g. Closing Meeting:** The head of the Audit Team holds a meeting with the liaison officer of the concerned institution to provide him with a general summary of the results of the audit of performance indicators.
- h. Report Writing:** The head of the audit team summarizes the findings, conclusions and recommendations related to each program and strategic objective in the organization and its key performance indicators as described later in item (7) that concern

organizing the performance indicators audit report, the head of the audit team assigned to other auditor the writing of the summary for the institution as a whole.

- i. **Preliminary Draft:** The head of the audit team prepares a preliminary draft of the performance indicators audit report and submits a copy of it to the liaison officer of the organization to review and give a feedback within a specified period.
- j. **Final Report:** After receiving notes from the liaison officer on the preliminary draft, the head of the audit team revises the report to be reviewed and approved by the Audit Bureau and the president of the Audit Bureau sends the final report to the head of the institution concerned to receive his notes within a specified period of time.

4. Audit Criteria, Relevance, Completeness with Accuracy:

The criteria of auditing performance indicators are divided into two categories:

- Appropriateness of the organization's objectives and key performance indicators
- Completeness and accuracy of the organization's key performance indicator.

First: Category (1): Relevance of Objectives and Key Performance Indicators:

Objectives and KPIs give information on the results achieved by programs and strategies. To determine whether each KPI is appropriate, it must be evaluated along with the goal associated with it. The indicator is first evaluated if it a key indicator that meets the criteria (1) an output indicator, (2) a results indicator, or (3) another indicator type. It is then evaluated under the criteria listed below, and a score is given to each goal and KPI based on a 3-point scale that determines whether it meets the criteria, needs to be improved, or does not meet the criteria.

The criteria to evaluate relevance are divided into two categories, the first to independently evaluate each KPI and the second to evaluate the overall one.

A. Key performance Indicator Criteria:

Auditors revise each KPI and evaluate it according to the following nine criteria and score it on a 3-point scale:

- **Relevance:** Does the KPI contribute to the results that users use to make decisions?
- **Focused:** Does the key performance indicator address an important aspect/aspects of the program's objective? The performance indicator should help tremendously in knowing the extent to which the goal of the program has been achieve
- **Understandable:** Does the KPI provide sufficient information clearly and concisely? The KPI must be stated in clear language and indicate the results of the program to provide information to users.
- **Measurable:** is it possible to measure kPIs (allowing results to be measured to illustrate overall trends over time)?

- **Unbiased (objective):** Are the key performance indicators neutral and their goals are to measure progress and not reach a result that improves the image of management?
- **Adequacy:** One or more indicators must be determined for each goal or program to measure the totality and weights of varying progress toward the objective.
- **Completeness and accuracy of disclosures:** The target number can be reached through The implementation of planned programs, projects, objectives and activities.
- **Specified Timeframe:** There is a specific time limit for achieving the targets.
- **Reliable:** The indicator must be consistent and fixed for the program during the implementation of the plan and based on reference values (base year) with the possibility of making benchmarks.

B. Objectives Criteria: Auditors review the objectives of the program, the strategic objectives associated to it and all relevant KPIs so that they are evaluated according to the following four criteria related to relevance:

- **Relevance to Programs, Goals and Plans at the National level:** Are the target and all KPIs consistent with the goals and targets at the national macro level? In which part?
- **Significance:** Does the objective and all KPIs address important needs and problems in the context in question?
- **Balance:** Does the objective and all KPIs allow for a balanced review of overall performance in quantity and quality? The KPIs should give a comprehensive picture of the program's results, either outputs or outcomes for the target group(s).
- **Comprehensiveness:** Do all KPIs represent the program or strategic objective, the KPIs must show the percentage of achievement of the program or strategic goal.

Second: Category (2): Completeness and Accuracy of Key Performance Indicators:

The objective of preparing and presenting performance reports is to provide information that gives an accurate picture of the organization's performance in achieving the stated goals. If the data on which the reports are based are incomplete or inaccurate, or if the disclosures do not meet the requirements for presenting reports, the value of the data will be reduced.

Checking the completeness and accuracy of the data that supports the KPIs and their disclosure is very important, and the evaluation criteria are concerned with matters related to (a) the data and (b) the accompanying disclosures (for example the notes that are specified in the footnote at the bottom of the page)

A. Completeness and Accuracy of the Data:

The basic question that must be answered for each KPI is whether the performance indicator is reported periodically based on data and information that accurately and completely reflects all events that need to be documented. The auditor should examine the environment in which the

performance indicators are measured in more detail to ensure the accuracy and integrity of the KPIs. The questions to be answered include:

- What exactly do KPIs aim to illustrate and why is it important?
- Will the data be obtained from an existing official source or will new information be collected?
- Who is responsible for the reliability and validity of the data?
- When will this information be available? (Measurement frequency scale)
- What are the information collection arrangements?
- What are the statistical methods used to calculate performance?
- What are the determinants of data (including factors outside government control)?

B. Completeness and Accuracy of Disclosures: Are all disclosures (such as the notes in the footnote at the bottom of the page) mentioned, including those that have been or should have been mentioned in the annual report or proposed budget? Are all KPIs and their associated information fairly and appropriately stated?

C. Other Considerations when Checking the KPIs: It is also taken into account whether they have specific targets with a time frame for their achievement and have benchmarks or other criteria for comparison purposes.

- **Auditing Targets:** Targets are useful tools to indicate how far the organization intends to make in meeting a particular goal. It defines a clear goal for the organization to achieve and a reference point for evaluating the extent of achievement.
- **Audit of Expected Timeframes:** Using timeframes to achieve KPIs allows organizations to periodically build a clear and informed picture of performance and allows users to make comparisons between planned and actual achievement. It is appropriate to use KPI models that give temporal information on the previous and current fiscal year and the next three fiscal years.
- **Evaluation of Benchmarking Comparisons:** The key performance indicators should, where possible, mention appropriate standards or similar activities for the purposes of comparison. These benchmarks allow the possibility of evaluating the percentage of achievement over time between different target groups, programs or similar areas in the same audited institution or similar institutions. The absence of benchmarks means that the average non-specialist reader will not have a reference point for comparing the performance of the institution with others.

d. Auditing Objectives, Outputs, Outcomes and other Considerations:

This part focuses on three variables, namely objectives, outputs, and outcomes. The auditor studies the link between program objectives, strategic objectives, and supporting key performance indicators, and reviews them in detail to ensure that they meet the criteria mentioned in item 5 above. This part provides more emphasis on the characteristics of the three variables and the principles for their evaluation. This chapter also covers the variables related to the overall system of budget and strategic objectives and how they are managed by the audited institution.

a) Audit Objectives

Objectives must be clear and use measurable terms to enable the organization to identify key performance indicators that measure the extent to which the objectives are being achieved and achieved.

- Identifies the topic, or needs, and the specific target group that the strategy or program is targeting.
- Institutions should clarify what the topic is or what needs the program will address.
- It is not necessary to specify a certain target group in particular if the issue is of benefit to citizens in general.
- Provides a clear description of the current environment in regard to the topic or need in question, and provides a reference for understanding the program or strategy.
- Determines the extent to which the program or strategy addresses the subject through indicators of outputs and results. The program or strategy addresses the subject or needs.

B) Output Indicators

The outputs of the program include the goods and services that it produced and delivered. The purpose of the outputs is to achieve the results mentioned in the goals and that they can be identified and measured. The main principles of program outputs are:

Tangible Products:

- Outputs must be measurable and enumerated (units or activities) produced by the program to achieve its objectives. Outputs must be measurable and enumerated (units or activities) produced by the program to achieve its objectives.
- Includes direct program activities and support activities that implement and manage the program. While it includes direct and support activities, the focus must remain on the results that the program will achieve.
- Covers all major program activities. This ensures that efficiencies are measured, as part of the budgeting process needed to produce goods and services.

-The outputs should be measurable and enumerated to allow for an ongoing assessment of current and future years.

C) Outcome Indicators and Impact Indicators

Outcome indicators are powerful measures of results. It is necessary to determine the targeted effects of the measures implemented by the government in the country. Ideally, organizations should provide outcome indicators but tend to rely mainly on output measures or even input measures. Some countries are striving to make all their measures results measures because of their importance in presenting the results of those countries.

The main principles of outcome evaluation include:

- Defining the target outcome of the program or strategy, with a measurable level of achievement. Targeted results can be drawn not only from the goals of the said institution, but also from objectives and programs at the macro-national level such as the national agenda and other government expectations statements about what the institution will achieve.
- Determine the target group if this group is narrower in scope than the country as a whole. It is not necessary to specify the target group if the result benefits all citizens in general. Otherwise, the target group must be defined (examples: women, the poor, the unemployed). Also, organizations should define a target group if it is clear that these results are relevant only to that group.
- Understand the outputs (activities) implemented by the organization that contribute to achieving results. Organizations must be able to describe the key actions, policies, activities, or processes to achieve the desired results for the target group.

5) Organizing and Presentation of the Audit Report:

The following table of contents summarizes the structure of KPIs audit reports.

- **Abbreviations:** Identify any abbreviations that have been used.
- **Glossary of Terms.**
- **Introduction:** includes information on the importance and objectives of the audit.
- **Executive Summary:** It represents the auditor's general impression of the mechanism of the entity subject to the audit in how to set and manage its performance indicators systems.
- **Results and Recommendations:** they include an analysis of the entity's strategic objectives, programs and indicators, according to the extent to which they meet the criteria for evaluating performance indicators. Non-conformities must be identified so that the entity can take the necessary measures to improve the system applied to it.
- **Appendixes:**

The following two tables are good ways to summarize information about an organization's audit of performance indicators.

The following table no. (2) Specifies the total number of goals and performance indicators subject to auditing, and the percentages from the budget system and the planning system.

Table No. (2)
Number of program and strategic objectives, key performance indicators

1. Budget	Total
Programs	
Program Objectives	
Key Performance Indicators	
2.. Strategic Plan	
strategic Goals	
Key Performance Indicators	
3. The total of the Institution (1+2)	
Objectives	
Key Performance Indicators	

The following table no. (3) Defines the results of the performance indicators audit, and shows how many of the organization's objectives and key performance indicators are evaluated in the three evaluation categories. The table also separates between the assessment of the suitability of the goals, the suitability of the key performance indicators, and the completeness and accuracy of the key performance indicators.

Strategic Objectives and Key Performance Indicators for the Ministry of	Completeness and accuracy of the KPI			Relevance of the objective / KPI			Type of KPI: Outcomes - Outputs - Other
	meet the standards	need improvement	Dose not meet the standards	Does not meet the standards	Need improvement	Meets the standards	
							Program objectives and key performance indicators

E) Follow-up of Performance Indicator Audits:

Providing a system for following up on audit recommendations is one of the responsibilities of the executive authority, but performance indicator auditors can facilitate a follow-up to recommendations by attaching each recommendation mentioned in the audit report with another recommendation that specifies the entity that should take responsibility for implementing the recommendation and when. Also, each audit report must include within the general background item a review of any previous performance indicators audits reports for the organization and an assessment of the extent to which the previous recommendations have been applied, and this of course does not apply to the organization that is subject to a performance indicator audit for the first time.

There is also another indirect aspect related to the subsequent follow-up to the audit of performance indicators, which is that the head of the audit team must inform the senior management in the Audit Bureau of any problems or situations they face and require attention in the future in the financial audits or any issue that may be addressed in the performance audits in the future.

Appendixes

Appendix No. (1): An Example

Checklist for Strategic Objectives, Program Objectives and Performance Indicators

The Ministry of Public Works and Housing

Strategic Objectives, Program Objectives, Performance Indicators, and Indicator Values The list below is the starting point for the institution's performance indicators audit process, and is published in two official documents: The Ministry's latest strategic plan approved in April 2012 and its approved budget for the year 2013. It is noteworthy that any operational changes made by it have been referred to. The Ministry or is currently conducting it in the footnote notes.

Strategic objectives and performance indicators:

Strategic Objective (1 out of 3): Strengthening institutional performance according to the annual survey of citizens and stakeholders.

- Performance Indicator 1: The degree of citizen satisfaction with the road infrastructure, according to the annual survey of citizens

The primary 2009	Targeted 2011	Targeted 2012	First self-assessment 2012	Targeted 2013	Actual 2014	Targeted 2015
53%	55%	56%	55%	57%	58%	59%

- Performance Indicator (2): Average degree of satisfaction of the Ministry's partners according to the annual survey.

The primary 2009	Targeted 2011	Targeted 2012	First self-assessment 2012	Targeted 2013	Actual 2014	Targeted 2015
October survey 2009	do not meet	do not meet	do not meet	October survey 2013	2013+%2	2014+%2

Note: The Ministry of Public Works and Housing is conducting field research and surveys to prepare data for two indicators (Strategic Objective 1 / Performance Indicator 2 and Program Objective 1 / Performance Indicator 3) and will provide the basis and estimated values for these indicators until October 31, 2013 for their inclusion in the annual budget for 2014.

Program objectives and key performance indicators:

Program 1 out of 3 (3705) Road Maintenance: The goal of the program is to carry out periodic and preventive maintenance and restoration of roads in order to improve the existing road network in the Kingdom.

- Performance Indicator 1: Increasing the length of the restored roads (km) annually.

The primary 2009	Targeted 2011	Targeted 2012	First self- assessment 2012	Targeted 2013	Actual 2014	Targeted 2015
600 km	650 km	700 km	690 km	750 km	800 km	850 km

- **Performance Indicator (2):** Reducing the percentage of roads that do not comply with the new technical standards (the Roughness Road Index) that will be adopted for the year 2012.

The primary 2009	Targeted 2011	Targeted 2012	First self- assessment 2012	Targeted 2013	Targeted 2014	Targeted 2015
unknown	unknown	42%	40%	38%	36%	34%

Appendix No. (2): introduction questions in the process of auditing performance indicators:

Start

Introducing all participants

General Objective:

The objective of auditing performance indicators: The concept of performance indicators is applied worldwide, but the unsatisfactory results prompted the higher accounting, control and auditing bodies to conduct an audit on the main performance indicators to bring about improvements over time.

International best practices in the field of performance indicators audit were reviewed and pioneering audits were conducted to determine the best way to apply auditing to performance indicators. Our method of working is to audit the objectives and performance indicators and provide information that helps the audited institutions in enhancing the objectives and indicators, which helps the General Budget Department and the Ministry of Public Sector Development in implementing the system as a whole.

General Questions about Central Administration:

-Does the Ministry of Public Sector Development provide clear guidelines and instructions on performance management to guide the institution in the process of preparing the strategic plan?

-Does the Ministry of Public Sector Development provide the institution with training or assistance related to the process of preparing the strategic plan? (When? How often? For what purposes?)

-Does the Ministry of Public Sector Development contact you to obtain information or reports related to your organization's objectives and key performance indicators? (When? How often? For what purposes?)

- Budget: - Does the General Budget Department provide clear instructions and instructions to help set program objectives and key performance indicators when preparing the budget?

-Does the General Budget Department contact you to obtain information or reports related to your organization's objectives and key performance indicators?

(When? How many times?)

-Does the General Budget Department provide the institution with training or assistance related to program objectives and key performance indicators in the budget? (When? How many times?)

The Internal Situation in the Institution (Obtaining the Organizational Structure Diagram if Possible)

1. Can you explain how the organization uses objectives and performance indicators for management purposes?
 2. or for the purposes of preparing policies and planning
 3. Or for the purposes of making budget decisions?
4. Do you think that there is a duplication between the strategic objectives and indicators of the Ministry of Public Sector Development and the objectives of the programs and performance indicators of the General Budget Department? Is it possible to coordinate them better? How?
5. How does the organization's organizational structure meet the requirements of the Ministry of Public Sector Development and the General Budget Department related to the preparation of strategic objectives, program objectives and key performance indicators? What are the organizational units that assume these responsibilities in the institution? Can you provide us with a copy of the organizational chart?
6. Do you have any recommendations on how to develop and improve the system of goals and key performance indicators in Jordan?
7. After answering the above-mentioned questions, the full picture is obtained and then the focus is on goals and performance indicators. We have to review each program separately and meet with specialists who are in charge of the organization's strategic goals, program objectives and key performance indicators, as well as specialists in program management and service provision. During the review, the two forms for questions and answers must be used.

Meeting with Program Officers:

At the beginning of the meeting, the objective of the audit process must be clarified again as indicated previously

1. What is the link between strategic objectives (Ministry of Public Sector Development) and program objectives (General Budget Department) and performance indicators on the one hand, and the planning process, program management and budget preparation?
2. What do you think of how the Ministry of Public Sector Development and the General Budget Department can benefit from the strategic objectives, program objectives and key performance indicators that you have prepared and reported on?
3. -Then we move on to asking questions about program objectives and KPIs (the objectives and KPIs template should be used and answers should be written).

Appendix No. (3): Working Paper on Program and Strategic Objectives

Strategic objective	As stated in the budget of 2013
Program No.	
Program name and object	
Strategic objective latest strategic plan	As stated in the budget of 2013 or the

Adequate of objectives: The auditor should evaluate the quality and integrity of the goal in comparison to its key performance indicators associated to this goal. The following four criteria are used:

1. Relevance to overall national goals such as the National Agenda: Are the objective and all key performance indicators consistent with the goals, programs and objectives of the National Agenda? In which part?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Notes:

2. Significance: Do the objective and all key performance indicators address important needs, problems and opportunities in the context in question?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Notes:

3. Balance: Does the objective and all key performance indicators allow for a balanced review of overall performance in quantity and quality? The key performance indicators set should give a comprehensive picture of the program's results, either outputs or outcomes for the target group(s).

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Notes:

4. • Comprehensiveness: Do all key performance indicators represent the program or strategic objective? key performance indicators should show the percentage of achievement of the program or strategic objective.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Notes:

relevance of objectives: Evaluation based on the above four criteria	
Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	
notes	

Notes: • Note: Key performance indicators worksheet attached to each indicator specific to this objective.

Appendix No.(4): Working Paper on Key Performance Indicators

Institution's Name:

This Key performance indicator supports the program's goal Or
This Key performance indicator supports the strategic objective of
Key performance indicator

- **Key Performance Indicator Type:** Is this indicator in line with the definition of an output indicator or results indicator or is it another data type (e.g., an input indicator or offline data)?

Output indicator	
Results Indicator	
Another data type	

Notes:

- **Relevance of the key performance indicator:** the key performance indicator gives information on the results achieved by programs and strategies in achieving their objectives. To determine whether each the key performance indicator is appropriate, it must be evaluated alongside the associated objective.
- **Relevance:**
Does the key performance indicator contribute to the results that users use to make decisions?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Focused:** Does the key performance indicator address an important aspect/aspects of the program's objective? The performance indicator should help tremendously in knowing the extent to which the goal of the program has been achieve

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Understandable:** Do the key performance indicators provide sufficient information clearly and concisely? The key performance indicator must be stated in clear language and indicate the results of the program to provide information to users.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Measurable:** Do the key performance indicators can be quantified (allowing results to be measured to illustrate overall trends over time)?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Unbiased (objective):** Are the key performance indicators neutral and their goals are to measure progress and not reach a result that improves the image of management?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Adequacy:** One or more indicators must be determined for each goal or program to measure the totality and weights of varying progress toward the objective.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Achievable targets:** The target number can be reached through the implementation of planned programs, projects, objectives and activities.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Specified Timeframe:** There is a specific time frame for achieving the objectives.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Reliable: The indicator must be consistent and fixed for the program during the implementation of the plan and based on reference value base year) with the possibility of making reference comparisons.

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Completeness and Accuracy of the Key Performance Indicators:** The criteria for assessing the completeness and accuracy the key performance indicators that concern the data and the attached disclosures (e.g. footnote notes at the bottom of the page)
- **Completeness and accuracy of data:**
The fundamental question to be answered about each KPI is whether the performance indicator is reported periodically based on data and information that accurately and fully reflect all the events that need to be documented.
Questions to answer include:
 - 1- What exactly the key performance indicators are the intended to illustrate and why are they important?
 - 2- Will the data be obtained from an existing official source or will there be a need to collect new information?
 - 3- Who is responsible for the reliability and correctness of the data?
 - 4- When is this information available? (Frequency Score Scale)

- 5- What are the information-gathering arrangements?
- 6- What statistical methods are used to calculate performance?
- 7- What are the determinants of data (including factors beyond government control)?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

- **Completeness and Accuracy of Disclosures:** Are all disclosures (such as footnote notes) mentioned including those that were mentioned or should have been mentioned in the proposed annual report or budget? Are all key performance indicator and associated information fairly and appropriately reported?

Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	

Notes:

Completeness and accuracy of the key performance indicator: evaluation based on the above two criteria	
Meets expectations.	
It meets some expectations but needs to be improved.	
Does not meet expectations.	