

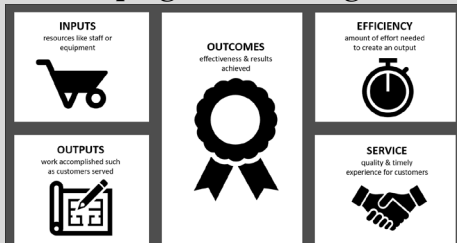
# Performance Measures: Utilize best practices to monitor progress towards goals

## Why this audit is important

Performance measures are a critical component of the processes and systems organizations use to achieve their objectives. Audits published by our office in recent years identified the need for improved performance measurement systems. Metro’s financial policies require the annual budget to include performance measures.

Being able to measure progress towards goals is a foundational element of building trust in government. The Government Finance Officers Association (GFOA) has developed best practice guidance for performance measurement. Their guidance directs governments to identify, track, and communicate performance measures internally and externally. Measure types include input, output, efficiency, service, and outcomes.

## Effective performance measures include a variety of data points to monitor progress towards goals



Source: Auditor created from GFOA and Government Accounting Standards Board reports

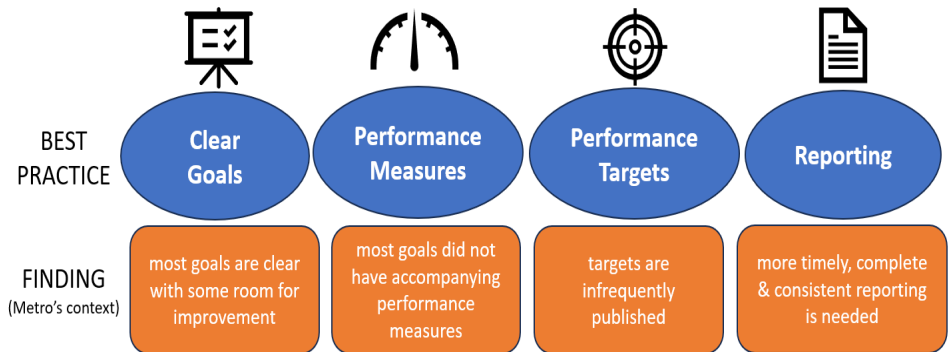
## What we found

Metro’s approach to performance measures was fragmented. Several strategic frameworks and associated performance measures were created in the past, but they were not sustained. Several barriers have prevented Metro from using performance measures consistently, including unclear expectations, organizational culture, and internal capacity.

One of the root causes was that the mandate for performance measurement was underdeveloped. Metro’s financial policies require budget performance measures, but there was no other guidance about what was expected. Budgets from FY2020-21 through FY2023-24 did not include performance measures.

Although the financial policy was not followed, some departments and venues continued to track and report measures in other documents. We found some of these measures could be useful for meeting the policy requirement by making greater use of best practices.

## More work is needed to align performance measures with best practices



Source: Auditor analysis of GFOA documents and a sample of performance measures included in Metro budgets prior to FY2024-25, program progress reports, and annual reports.

Improvements in the following areas would increase the value of performance measures for decision-makers and the public:

- Clarify regional goals.
- Determine the most appropriate performance measures to use for each regional, program, and organizational goal.
- Increasing the types of measures used.
- Set performance targets and monitor trends over time.
- Standardize reporting practices.

## What we recommend

The audit included six recommendations. Two focused on refining Metro’s financial policy to make greater use of best practices related to benchmarking, trend analysis, and reporting. Four recommendations were made to align department and venue practices with the financial policy and related performance measurement guidance.