

**Performance Measures for Audit Organizations - AUDIT ORGANIZATION - YEAR**

The performance measures and descriptions in this tool match those in the guidance. The tool uses the information you enter to calculate the performance measures. The yellow highlighted cells have the formulas necessary to calculate the performance measures. Each performance measure is described throughout the tool and identifies information needed to complete the calculation of the measure. **Remember, these measures are not required. Pick the measures that best fit your organization's needs.**

The first input section is information/measures that are from ALGA's Benchmarking Survey. Enter your data in the green shaded cells. These inputs are used to calculate the Performance Measures for Audit Organizations.

The second input section is for the Performance Measures for Audit Organizations. Enter your data in the green shaded cells. This section uses some of the data from the first input section. You will also need to make changes to information in the light blue shaded cells by picking the appropriate answer or adding a little information.

The next tab is "Performance Report" which takes the inputs and calculations from the "Input" tab to prepare a report containing the results for both ALGA's Benchmarking Survey and Performance Measures for Audit Organizations.

ALGA Benchmarking Survey Information & Measures	
0.0	Total staff in audit office
0.0	Number of audit staff including directors/CAE
0.0	Average years of audit experience
0.0	Number of employees in entire organization
0	Number of residents in jurisdiction
\$0	Total audit office expenditures
\$0	Total organization expenditures
will be calculated	Percent of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.)
will be calculated	Percent of staff meeting CPE requirements
\$0	Savings attributed to audit activities
0	Number of recommendations made
both will be calculated	Number/Percent of recommendations agreed to by management
0	Number of audits
0	Number of non-audit services
0.0	Non-audit services hours
0.0	Audit hours (Direct hours: audits, nonaudit svcs, projects)
0.0	Indirect hours (i.e. meetings, training, travel, admin, etc.)
0.0	Benefit hours (i.e. vacation, sick leave, etc.)

Instructions/Directions
enter your information in the green shaded cells
yellow shaded cells use data already entered or calculated cells
you will need to change information in light blue shaded cells

The performance measures below calculate **direct** financial impact which can be comprised of savings as well as new revenues.

**Performance Measures for Audit Organizations**

The performance measures below match those in the guidance. Remember, these measures are not required. Pick the measures that best fit your organization's needs.

Instructions/Directions
enter your information/goal in the green shaded cells
yellow shaded cells use data already entered or calculated cells
you will need to change information in light blue shaded cells

**Percent of Staff with Professional Certifications and/or Advanced Degrees**

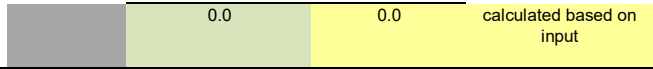
Measure Addresses: Quality

Description	Data Needed	Audit Staff w/Certifications	Total Audit Staff	Percent of Staff with Professional Certifications
Establishing and maintaining audit quality and value is important to audit organizations. One way to demonstrate audit quality and value is to highlight the professionalism, qualifications, competence, and quality of the audit staff by reporting the percentage of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.). Some audit organizations may also track and report on advanced degrees held by audit staff to demonstrate the quality and competence of audit staff. A variation on this measure can also be used to identify the total number of certifications/advanced degrees held by staff.	Number of audit staff, including directors/CAE.	0.0	0.0	calculated based on input
	Number of audit staff* with professional certifications.	Audit Staff w/Advanced Degrees	Total Audit Staff	Percent of Staff with Advanced Degrees
	Number of audit staff* with advanced degrees.	0.0	0.0	calculated based on input
	*Note: Count audit staff w/multiple certifications as "1". Count audit staff with m/advanced degrees as "1". Count audit staff w/certification and/or advanced degrees as "1". Reported numbers should not exceed total staff size.	Audit Staff w/Certifications or Advanced Degrees	Total Audit Staff	Percent of Staff with Professional Certifications or Advanced Degrees
		0.0	0.0	calculated based on input

**Percent of Staff Meeting Continuing Professional Education Requirements and/or Average Number of Continuing Professional Education Hours per Audit Staff**

Measure Addresses: Quality

Description	Data Needed	Number of Audit Staff Meeting CPE Requirements	Total Audit Staff	Percent of Audit Staff Meeting CPE Requirements
All audit organizations should comply with a set of generally accepted audit standards, all of which require minimum continuing professional education requirements (CPEs) to maintain competency. Staff in audit organizations that follow Government Auditing Standards are required to obtain 80 CPE hours every two years. In addition, to maintain professional certifications, auditors must comply with the certifying organization's continuing education requirements. Tracking CPE allows audit organizations to determine whether audit staff are in compliance with audit standards and/or the requirements for their professional certifications (i.e., CIA, CISA, CPA, etc.). Internally tracking CPE courses and hours can help audit organizations ensure staff competency. Reporting CPE hours to external parties such as elected officials allows audit organizations to show training requirements are met and a commitment to maintaining and improving a competent and quality staff.	Number of CPE hours required for each audit staff member (based on audit standards and professional certifications).	0.0	0.0	calculated based on input
	Number of actual CPE hours earned by each audit staff member.	Total Number of CPE Hours	Total Audit Staff	Average CPE Hours per Audit Staff
	Total number of CPE hours.			



**Results of External Peer Review**

Measure Addresses: Quality

Description	Data Needed	Previous Peer Review (mm/dd/yyyy)	Results of Previous Peer Review	Most Recent Peer Review (mm/dd/yyyy)	Results of External Peer Review	Publicly Available?
Audit organizations that adhere to professional auditing standards are required to establish and maintain audit quality. Government Auditing Standards mandate that auditor organizations undergo a peer review by external audit professionals every three years and make the peer review report publicly available. The International Standards for the Professional Practice of Internal Auditing require an external assessment every five years. A peer review provides an independent opinion on an audit organization's quality control system and compliance with the standards. It helps ensure independence, objectivity, and competence. Having a peer review allows audit organizations to answer the question "Who audits the auditors?" and demonstrate to elected officials, management and the public that the audit organization produces quality work in accordance with the standards and they can rely on this work. Audit organizations can report the dates of the previous and most recent peer reviews, the results (Pass, Pass with Deficiencies, or Fail), and whether the report is publicly available (upon request, website, etc.).	Previous and most recent peer review reports.  <i>Pick the result for your previous and current peer review from the list in the cells and delete the others. &gt;&gt;</i>  <i>Note if peer review report is publicly available and how: Yes or No, Website, On Request, etc. &gt;&gt;</i>	01/01/1900	Pass / Pass w/Deficiencies / Fail	01/01/1900	Pass / Pass w/Deficiencies / Fail	Yes, Website / Yes, Upon Request / No

**Estimated Direct Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Amount	Estimated Direct Financial Impact
Identifying a direct financial impact related to audit findings and recommendations is a common and longstanding performance measure used to demonstrate audit value to elected officials, management, and the public. This measure uses the actual or estimated financial impact of audit recommendations; including reduced or avoided costs, recoveries, increased revenues, improved efficiency and productivity. Direct financial impact is calculated by identifying one-time or recurring financial impacts over two to five years. For example, a recurring financial impact could be implementation of a fee increase that would not have occurred if not for an audit recommendation. <i>Explanatory Information:</i> The assumptions and methods used to estimate direct financial impact should be disclosed with each estimate.	<b>One-time</b> actual or estimated financial impact identified by auditors and/or management related to reduced or avoided costs, recoveries, increased revenues, or improved efficiency and productivity.	\$0	\$0
	<b>Recurring</b> actual or estimated financial impact identified by auditors and/or management related to reduced or avoided costs, recoveries, increased revenues, or improved efficiency and productivity over two to five years. <i>Enter the number of years (2-5) you are using for recurring impact. &gt;&gt;</i>	0	\$0

**Estimated Indirect Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Amount	Estimated Indirect Financial Impact
Not all audit recommendations, such as those related to internal controls, lead to direct financial impact, so demonstrating their value can be difficult for audit organizations. One way to estimate the value of audit recommendations that are intended to better protect, secure, or ensure the proper handling/use of revenues, expenditures, or assets is to identify the amount of revenues, expenditures, or assets of the process, activity, or program the recommendations are intended to protect. For example: internal control recommendations are made to improve how cash is being handled or processed for \$1 million in revenues. Implementation of the audit recommendations would improve the security over \$1 million in revenue or make \$1 million in revenue more secure. The assumptions and methods used to estimate indirect financial impact should be disclosed with each estimate. <i>Explanatory Information:</i> Be careful to clearly note this is not savings or new revenues.	<b>One-time</b> estimated value of revenues, expenditures, or assets affected by recommended internal control improvements.	\$0	\$0
	<b>Recurring</b> estimated value of revenues, expenditures, or assets affected by recommended internal control improvements over two to five years. <i>Enter the number of years (2-5) you are using for recurring impact. &gt;&gt;</i>	0	\$0

**Estimated Non-Financial Impact**

Measure Addresses: Outcome

Description	Data Needed	Total Non-Financial Impact
Audit recommendations often help support or improve the entity's operations or services and their benefits cannot always be measured in dollar terms. These benefits can be referred to as having a non-financial impact. For example, when implementation of audit recommendations result in a program being able to provide more services for the same amount of funding or improve the ethical climate within the entity. <i>Explanatory Information:</i> The assumptions and methods used to estimate non-financial impact should be disclosed with each estimate.	Estimated improvements (service, equity, efficiency, etc.). Actual improvements (service, equity, efficiency, etc.) reported by management.	Narrative summary, anecdotal, or qualitative story to describe the potential or actual impact.

**Percent of Audit Recommendations Agreed to by Management**

Measure Addresses: Outcome

Description	Data Needed	Number of Audit Recommendations Agreed to	Number of Audit Recommendations	Percent of Audit Recommendations Agreed to by Management	Goal %
The primary benefits of the work of audit organizations include government accountability, reduced costs, increased revenues, and improved services. Auditing alone does not directly produce these benefits; they only come from the implementation of audit recommendations. Recommendations are more effective with management's support. One way to measure the effectiveness of recommendations is to track the percentage of recommendations agreed to by management compared to a target or goal for this measure. However, to ensure the auditor's continued independence, that goal typically should not be 100 percent as there are likely to be instances in which management and the audit organization disagree on audit findings, conclusions, and the resulting recommendations.	Number of recommendations. Number of recommendations agreed to by management. Target/goal: X% of recommendations agreed to by management.  <i>Note your goal. &gt;&gt;</i>	0	0	calculated based on input	0%

**Percent of Audit Recommendations Implemented**

Measure Addresses: Outcome

Description	Data Needed	Goal: Implemented w/i 'X' Years	Number of Audit Recommendations Implemented	Number of Audit Recommendations	Percent Audit Recommendations Implemented	Goal %
The primary benefits of the work of audit organizations include government accountability, reduced costs, increased revenues, and improved services. Auditing alone does not directly produce these benefits; they only come from the implementation of audit recommendations, which is the responsibility of management. Management's agreement to implement recommendations does not guarantee actual implementation. Therefore, tracking the actual implementation rate is another method to measure the effectiveness of our audit work. Audit organizations typically state a goal of X% implemented within a specified number of years (i.e. 2, 3, or 4). Many audit shops also track and report on the implementation status of pending or open audit recommendations (e.g., partially implemented, not implemented).	Number of recommendations. Number of recommendations implemented based on management's assertions/reports or audit follow-up. Target/goal: X% implemented within X years.  <i>Note your goals. Implementation period &amp; %.&gt;&gt;</i>	0	0	0	calculated based on input	0%

**Number/Percent of Planned Audits Issued**

Measure Addresses: Output

Description	Data Needed	Number of Audits Issued	Goal #		
The production of audit reports represents audit organizations' primary activity. Using this measure, audit organizations can compare the number of reports issued during the year to a target/goal for the number of audits planned for the year. Because audit duration depends on many factors, audit organizations should explain significant variances. Tracking the measure over time can provide insight into: -Sufficiency of audit staffing relative to established requirements for audit services (as represented by the annual audit plan); - Adequacy of annual planning processes (including estimates of required resources per project, or sufficiency of time allocated to emergent projects; -Relationship between audit staff competencies versus desired audit work (for example, long learning-curve times that delay completion of information technology (IT) audits might indicate need for added IT audit skills); -Sufficiency of the auditor's access to records, staff, or other information. <i>Explanatory Information:</i> Calculations of this measure may need to be adjusted when, for example, a single (large or complex) audit project is published in multiple reports or when audits are added to the plan during the year. Like all measures, it is best considered as part of a balanced set of performance measures.	Number of audits issued. Target/goal for number of audits issued. Number of audits in annual plan. Number of audits from annual plan issued. Target/goal for % of audits from plan issued.  <i>*Number of planned audits should be adjusted when a single audit is subdivided and multiple reports have been and/or will be produced. Explanatory Information: Significant staffing changes during the period. Diversion of resources to emergent issues beyond those allocated in the plan. Audits deferred or extended due to limitations on staff competency.</i>	0	0		
		Number of Audits in Annual Audit Plan	Number of Audits from Annual Audit Plan Issued	Percent of Planned Audits Issued	Goal %
		0	0	calculated based on input	0%

**Number of Nonaudit Services Issued/Provided and/or Percent of Direct Hours Allocated to Nonaudit Services**

Measure Addresses: Output

Description	Data Needed	Number of Nonaudit Services Issued	Goal #		
Audit organizations may perform nonaudit services such as special projects, investigations, or preliminary survey work on allegations of fraud, waste, or misuse of public funds. Although not an audit, nonaudit services represent another activity that can be a factor in measuring performance. Audit organizations may or may not have specific goals/targets for the number of nonaudit services to complete during the year. Audit organizations may also track the number/percent of direct hours (not administrative, or benefit hours) allocated to nonaudit services.  <i>Note your goal. &gt;&gt;</i>	Number of nonaudit services issued. Target/goal for the # of nonaudit services issued/provided. Nonaudit services hours and total direct hours.  <i>Note your goal. &gt;&gt;</i>	0	0		
		Direct Hours (audits, nonaudit services, projects)	NonAudit Services Hours	Percent of Direct Hours Allocated to NonAudit Services	Goal %
		0.0	0.0	calculated based on input	0%

**Average Staff Hours Per Audit**

Measure Addresses: Efficiency

Description	Data Needed	Number of Audits Reports	Total Hours for Audit Reports	Average Staff Hours per Audit	Goal Avg Hrs
<p>For audit organizations, the primary resource used to produce audit reports is staff time. Audit organizations can measure their overall productivity and the effectiveness of how they accomplish their work by measuring the resources used to produce that work. This measure determines the average number of hours used to produce each audit report. Audit organizations may wish to set an annual target/goal or track this number over time. However, because the hours spent conducting an audit vary based on the complexity of different audits as well as staff competencies and audit methodologies, audit organizations may wish to set targets/goals based on ranges of hours to account for this variability.</p> <p><i>Explanatory Information:</i> Audit organizations may include explanatory information to discuss any significant year-to-year differences.</p>	<p>Number of audit reports. Total hours for audit reports. Target/goal for the average hours per audit.</p> <p><i>Note your goal. &gt;&gt;</i></p>	0	0	calculated based on input	0

**Ratio of Direct, Indirect, and Benefit Hours to Total Hours**

Measure Addresses: Input

Description	Data Needed	Hours by Category	Ratio of Hours	Goal %
<p>Staff time is the primary resource used by audit organizations to produce audit reports. Another measure of the audit organization's productivity/efficiency as well as that of individual staff members looks at how time is used to produce audits and other work products versus time used for meetings, training, administrative tasks, or leave. This measure identifies the ratio of direct hours (time spent producing audits, nonaudit services, and other work products), indirect hours (meetings, training, administrative tasks, etc.), and benefit hours (vacation, sick leave, etc.) to total hours. Audit organizations may wish to set an annual target/goal for the organization or staff members.</p>	<p>Direct Hours (audits, nonaudit services, projects) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
	<p>Indirect Hours (meetings, training, travel, admin, etc.) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
	<p>Benefit Hours (vacation, sick leave, etc.) Target/goal: X% of total hours.</p>	0.0	calculated based on input	0%
				calculated based on input

Performance Measures for Audit Organizations - Performance Report - AUDIT ORGANIZATION - YEAR

Information & Measures from ALGA Benchmarking Survey	Performance Measures for Audit Organizations	Results	
Total staff in audit office		0.0	
Number of audit staff including directors/CAE		0.0	
Average years of audit experience		0.0	
Number of employees in entire organization		0.0	
Number of residents in jurisdiction		0	
Total audit office expenditures		\$0	
Total organization expenditures		\$0	
Percent of audit staff with audit-related certifications (CIA, CPA, CGAP, CFE, CISA, etc.)	Percent of Staff with Professional Certifications	calculated based on input	
	Percent of Staff with Advanced Degrees	calculated based on input	
	Percent of Staff with Professional Certifications or Advanced Degrees	calculated based on input	
Percent of staff meeting CPE requirements	Percent of Staff Meeting CPE Requirements	calculated based on input	
	Average CPE Hours per Audit Staff	calculated based on input	
	Date of <b>Previous</b> External Peer Review	01/01/1900	
	Results of <b>Previous</b> External Peer Review	Pass / Pass w/Deficiencies / Fail	
	Date of <b>Most Recent</b> External Peer Review	01/01/1900	
	Results of <b>Most Recent</b> External Peer Review	Pass / Pass w/Deficiencies / Fail	
	Peer Review Results Publicly Available & How?	Website / Yes, Upon Request / No	
Savings attributed to audit activities		\$0	
	Estimated One-time <b>Direct</b> Financial Impact	\$0	
	Estimated Recurring <b>Direct</b> Financial Impact	\$0	
	Total <b>Direct</b> Financial Impact	\$0	
	Estimated One-time <b>Indirect</b> Financial Impact	\$0	
	Estimated Recurring <b>Indirect</b> Financial Impact	\$0	
	Total <b>Indirect</b> Financial Impact	\$0	
	Estimated Non-Financial Impact	Narrative summary, anecdotal, or qualitative story to describe the potential or actual impact.	
Number of recommendations made		0	
Number of recommendations agreed to by management	Number of Audit Recommendations Agreed to by Management	0	
Percent of recommendations agreed to by management	Percent of Audit Recommendations Agreed to by Management	calculated based on input	0% goal
	Percent of Audit Recommendations Implemented Within 'X' Years	calculated based on input	0% goal
Number of audits	Number of Audits Issued	0	0 goal
	Percent of Planned Audits Issued	calculated based on input	0% goal
Number of non-audit services	Number of Nonaudit Services Issued/Provided	0	0 goal
	Percent of Direct Hours Allocated to Nonaudit Services	calculated based on input	0% goal
Non-audit services hours		0	
Audit hours		0	
Indirect hours (i.e. meetings, training)		0	
Benefit hours (i.e. vacation, sick leave)		0	
	Average Staff Hours per Audit	calculated based on input	0 goal
	Ratio of Direct Hours	calculated based on input	0% goal
	Ratio of Indirect Hours	calculated based on input	0% goal
	Ratio of Benefit Hours	calculated based on input	0% goal