



ALGA

Association of Local Government Auditors

Guide to Selecting a Chief Performance Auditor

ALGA Advocacy Committee

The committee works to promote the value of independent performance auditing throughout the local government community.

The committee provides professional resources and support to those in local government communities without audit functions, with new audit functions and with established audit functions.

The committee also provides support for local government communities that are considering diminishing the capacity of the audit function.

ALGA's Mission

ALGA is a professional organization committed to supporting and improving local government auditing through advocacy, collaboration, education, and training, while upholding and promoting the highest standards of professional ethics.

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This guide provides organizations hiring a Chief Performance Auditor with advice on identifying the best leader for this position.

What is Performance Auditing?

Your Chief Performance Auditor will be responsible for implementing a performance audit function that effectively assesses how well government programs are operating. Performance auditing is a powerful and widely accepted tool for independently evaluating a broad range of government activities. Your Chief Performance Auditor is responsible for evaluating various performance aspects of government activities, including the extent to which the audited functions are:

- **Effective** – achieve objectives and accomplish results;
- **Efficient** – maximize outputs in relation to inputs (e.g., productivity, cost/unit);
- **Economical** – minimize inputs (e.g., financial, human) to align with program goals;
- **Equitable** – fair and impartial in providing services and applying regulations;
- **Compliant** – adhere to established laws, contract terms, or policies and procedures;
- **Ethical** – exercise integrity in using public resources to achieve public benefits; and
- **Utilizing reliable data** – maintain and report reliable and complete information.

What should you look for in a Chief Performance Auditor?

Performance audits can cover a wide variety of government operations. For example, street maintenance, compliance with election laws, criminal rehabilitation programs, governance, and school effectiveness. The best Chief Performance Auditors are able to support their staff in applying fundamental principles of good management to analyze a wide variety of scenarios. In addition, they should select a staff with a range of technical backgrounds, strong curiosity, and enthusiasm for continuous learning. Some audit functions supplement their work with technical consultants; however, a performance audit office does not require subject matter expertise in every area it audits.

The following lists summarize key executive qualifications, personal characteristics, and technical qualifications that should be expected from or acquired or developed by a performance audit function. Most of these should be found in the Chief Performance Auditor, but they can also be supplemented by the combined abilities of the performance audit staff.

Executive Qualifications and Personal Characteristics

- **Integrity** – reputation for honesty, credibility, and ethics beyond reproach
- **Manager** – effectively direct an audit function and staff
- **Strategic** – set and maintain an effective organizational vision and objectives

- **Collegial** – build consensus between diverse stakeholders
- **Responsive** – ability to align audit efforts to further organizational needs
- **Unbiased** – reputation for candid, fair statement of facts to decision-makers
- **Diplomatic** – ability to handle delicate situations with tact and respect
- **Motivator** – ability to inspire positive change
- **Critical Thinker** – skillful application, analysis, and synthesis of information
- **Innovative** – ability to approach problems in new and different ways

Technical Qualifications

- **Standards** – proficient in interpreting, applying, and coaching staff to conform with professional audit standards
- **Governance** – understanding of the principles of effective governance (e.g., planning, oversight, and accountability reporting)
- **Analysis** – understanding of quantitative and qualitative analytical methods (e.g., statistics, surveys, and modeling)
- **Performance Management** – understanding of performance measurement techniques and elements of performance (e.g., input economy, process efficiency, and output/outcome effectiveness)
- **Communications** – effective oral and written expression (e.g., articulate, clear and concise, and ability to explain complex information in non-technical terms)
- **Project Management** – demonstrated ability to apply the principles of project management, delivering projects on time and within resource constraints
- **Research** – familiarity with research techniques and a broad range of sources for audit criteria
- **Information Systems** – grasp of information systems and data management

How can you ensure accountability of your Chief Performance Auditor?

Before you hire a Chief Performance Auditor, make sure your expectations are clear. You can monitor the audit function's impact and performance by:

- Instituting performance measures for the audit function, such as “percent of audit recommendations addressed by management,” “percent of auditor time on direct (audit) work,” or “audit client satisfaction with auditor professionalism.”
- Ensuring the audit function obtains peer reviews in accordance with professional standards.
- If you have an audit committee, providing for inclusion of outside audit expertise.

Other useful ALGA publications for public officials seeking to create a performance audit function are the [Model Legislation](#) (providing example language for either an appointed or elected audit function); and [Guidance on Outsourcing](#), which discusses the benefits and risks of outsourcing the audit function.

More Information

To find additional resources from the Advocacy Committee, visit the committee page at www.algaonline.org.