

Key National Indicator Systems in Perspective

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Presentation Overview

- The context for indicators: why measure
- National and international experience
- Roles for auditors
- Roles for INTOSAI

The 21st Century: A Period of Profound Transition

- Improving and maintaining quality of life
- Changing security threats
- Environmental sustainability
- Economic growth and competitiveness
- Long-term fiscal sustainability
- Global interdependency
- Demographic and other social change
- Advancements in science and technology
- Public expectations of government

Implications for U.S. Government

- Many of the current policies, programs, functions, and activities are based on conditions that existed decades ago and are not well aligned with 21st century realities.
- We cannot afford to continue to do business as usual.
- Accomplishing U.S. government goals will increasingly rely on strengthened mechanisms for collaboration.

Key National Indicators and Governance in the 21st Century

- U.S. government increasingly has to partner with other governments, other levels of government, private and not-for-profit sectors, to achieve results. Examples:
 - Disaster planning, response and recovery
 - Environmental protection
 - Public health
- Need tools and metrics to link efforts

Role of Key National Indicators

- Framework for related strategic planning efforts (linking shared purposes)
 - Informing public policy decisions: what's working, what's not
 - Facilitating public education and debate as well as an informed electorate
 - Enhancing transparency and accountability
 - Assessing position and progress
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Selected Key National Indicator Systems

- Existing national systems contain balanced set of indicators to measure economic, environmental, social and cultural conditions. Examples:
 - *Measures of Australia's Progress*
 - Treasury Board of Canada
 - *Singapore in Figures*
 - *UK's Sustainable Development Indicators*

International and Supranational Indicator Systems

- Millennium Development Goals and Indicators
 - 8 goals and 18 related targets, with UN monitoring and reporting
- EU - European Structural Indicators
 - Measures progress toward Lisbon Strategy goals for economic, environmental and social renewal of Europe
 - Contains 14 headline indicators, presented at national level
- OECD Factbook: 100+ indicators

Key National Indicators in the U.S.

- Numerous sets of national-level indicators in response to changing needs and conditions:
 - Economic indicators developed during the Great Depression of the 1930s
 - Growth in social programs in the 1960s drove need for social indicators (e.g., education, health)
 - Concern for environmental protection led to interest in developing environmental data

Subnational Indicator Systems in U.S.

- While lacking a national indicator system, considerable interest and activity at the city, state and regional levels during last 20 years
 - Learning-oriented: information about social, cultural, economic, environmental conditions, presented with little or no commentary or analysis, for educational purposes
 - Outcome-oriented: indicators used to monitor and encourage progress toward goals

Efforts to Develop National Indicator System for U.S.

- GAO, in cooperation with National Academies, convened forum in 2003 to discuss whether and how to create key national indicator system for U.S.
 - About 100 leaders in accountability, business, education, NGO, government, labor, media, minority, scientific, and statistics communities
- Efforts continued over next several years under leadership of National Academies
- Independent non-profit organization created in 2007: State of the USA

State of the USA (www.stateoftheusa.org)

- Seeks to provide decisionmakers and the public information needed to
 - measure national progress
 - evaluate policies and strategies
 - permit comparisons to other nations
- Designed to be a Web-based system

State of the USA **(www.stateoftheusa.org)**

- Envisioned as public-private partnership, supported by government and non-government sectors
 - All sectors involved in achieving national goals have a stake in outcomes
 - Vital to have shared understanding in order to link efforts towards common goal
- Embarking on extensive civic engagement process to develop 30-50 key indicators, with 300-500 in-depth indicators below them
 - For U.S., essential to involve all sectors of society to create shared frame of reference

GAO's Role in National Indicator Efforts

- Helped to identify need for key national indicator system through forum and reports
- Recommended Congress take leadership role in highlighting need for indicator system
- Active involvement with OECD in World Forums on Key Indicators

Potential Roles for GAO in Future

- Assess development of indicators or system
- Audit quality of information, including validity and reliability
- Audit effectiveness of KNI system in achieving objectives
- Use indicator data to help target improvement opportunities

Role of SAIs in National Indicator Systems: What Has Been Done

- Nearly all (23 of 27) responding SAIs indicated they performed at least one role vis-à-vis indicator systems:
 - Identifying the need for key national indicator systems
 - Contributing to system design and implementation
 - Assessing the indicators/systems
 - Auditing quality, validity, reliability of indicator information
 - Using indicators to assess, report on national progress
 - Others: publishing guides, convening discussions, informing audit work, influencing public discourse
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Opportunities that Indicator Systems Can Provide for SAIs

- Relevant audit work that can inform public discourse and decision making
- Ability to learn from other organizations and countries that have national indicator systems
- Better understanding of government agencies' contributions to national outcomes
- Increase transparency and accountability

Risks and Mitigating Strategies for SAIs

- Loss of independence from involvement in indicator design
- Perception of extending beyond mandate
- Possible loss of credibility if indicators are viewed as inappropriate or inaccurate
- Risks could be mitigated by
 - limiting involvement in design to technical assistance
 - performing auditing role after development
 - avoiding involvement in selection of indicators
 - studying how other countries ensured development of credible indicators

Overcoming Challenges in Working with Key National Indicators

- Building staff capacity
 - Training in performance measurement, data quality, data collection systems
 - Hiring, contracting, or strategic alliances to acquire knowledge in economics, statistics, etc.
- Seeking additional authority where needed; leverage available resources
- Educating rest of government in use of performance information

Future Directions for INTOSAI

- Share best practices, lessons learned, benchmarking studies, audit practices and methodologies, audit/evaluation results
 - Work with Regional Working Groups to provide context for related efforts
 - Work with Professional Standards Committee on guidance and standards for SAI involvement with key national indicators
 - Work with IDI on training for SAI staff
 - Establish relationships with other international organizations
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