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This executive guide is written for the organisation’s leadership and executive teams. The purpose of this guide is to provide these teams with generic but essentially practical advice on the use of benchmarking as a tool for continuous improvement in efficiency and performance.

Public sector organisations seek to deliver the best outcomes for citizens, users and the taxpayer. As the squeeze on the public finances tightens, money must go further.

Benchmarking and a culture of continuous improvement can act as a catalyst for driving efficiency, identifying new solutions that offer cost reductions and raising the performance of an organisation to the standards achieved by the best.

Benchmarking is not a new technique. Nonetheless, the Institute of Chartered Accountants Australia believes that public sector organisations have not yet realised the full potential of benchmarking. This is largely because, while organisations have grown accustomed to comparing relative performance information, too few proceed to the next steps of embracing a continuous examination of functions and processes and sharing information and learning from others about improvements to underlying processes, efficiency and performance.

To maximise the full potential of benchmarking, senior leaders need to adopt a strategic approach to building relationships with partners and embedding benchmarking into a process of continuous improvement. This publication discusses the steps required to prepare an organisation for a benchmarking exercise that will help drive continuous performance improvement.

Working within this strategic perspective, service managers must select the critical processes for benchmarking, identify the key performance measures and handle the ongoing relationship with benchmarking partners or clubs. The range of options and methods available are set out in this executive guide.

Because of their skills in analysing and presenting cost and other performance information, finance professionals will play a critical role at the heart of any benchmarking program. To do this they will need to consider the merits of the different types of indicator and respond to the technical challenges of cost and data analysis. In addition they will need to pursue better approaches for communicating the findings in order to enhance the useful of the data and analysis and contribute to decision-making and ongoing improvement strategies.

This publication is one in a series of guidance for public sector organisations.

BACKGROUND TO THIS PUBLICATION

The Chartered Institute of Public Finance and Accountancy (CIPFA) has been supporting efforts to promote benchmarking in the public sector since the 1990s. These efforts have met with a high level of success. CIPFA’s benchmarking clubs are active and growing as increasing numbers of strategic and service managers find benchmarking to be a valuable technique. HM Treasury’s efficiency reviews gave benchmarking a valuable high-level impetus that has been supported by similar initiatives in individual agencies and public sector organisations.

Based on this extensive experience, in 2010 CIPFA published Better Benchmarking for High Performance. This guide from the Institute of Chartered Accountants Australia draws heavily upon CIPFA’s published material on benchmarking.

In addition, CIPFA offers a range of benchmarking services to help organisations drive improvements and offer value for money. CIPFA is able to support benchmarking by comparing data between peer organisations and reporting back to benchmarking partners. CIPFA’s support and tools include benchmarking corporate services, social care delivery and a value for money (VfM) benchmarking tool for assessing value for money in public sector organisations.

The Institute of Chartered Accountants Australia also recognises that many other professional bodies, industry associations, not-for-profit organisations and professional service firms offer a range of benchmarking publications and support services, and these publications and services too may be useful for benchmarking within public sector organisations.

Statement of purpose
Introduction

Benchmarking is an invaluable tool for achieving the best performance possible with the resources currently available.
Australian governments recognised that the federation provided the opportunity to pursue reform by comparing performance and learning from what other jurisdictions were doing and how they were doing it. Source: Banks, G. & McDonald, L. (2010) ‘Benchmarking and Australia’s Report on Government Services’, Benchmarking in Federal Systems: Australian and international experiences, Roundtable Proceedings, Commonwealth of Australia, Canberra, pp 200-201.

Benchmarking is an invaluable tool for achieving the best performance possible with the resources currently available. It stimulates change by showing how to do things better through a systematic comparison of costs, performance and processes. Benchmarking tells an organisation not only how it performs, but also how much better it could perform. This guide encourages senior leaders to take up benchmarking with enthusiasm and realise success in performance improvement.

Information about the relative performance of an organisation can be an important catalyst for improvement; nonetheless, benchmarking is not simply the collection of comparative information. Essentially, it is a continuous self-improvement tool for organisations to seek out and learn about best practice. As a process for continuous learning, it requires the making and implementation of plans to improve performance, and then for continuing monitoring and evaluation of the results. At its best, benchmarking should encourage the continuous critical and lateral thinking that are the hallmarks of any effective organisation.

It is often cited that continual change in organisational structure, policy emphasis, operational and economic environments makes it impossible to compare performance over time or between organisations. This guide recognises the challenge of ongoing changes in structure, policy direction and environment. However, change is a constant in today’s world and is not a justification for failing to demonstrate performance improvement. Benchmarking continues to be a valuable technique whatever the changes in the policy environment in which public sector organisations operate. Benchmarking creates pressure for improvement, and so represents for public sector organisations an effective alternative to market pressures. It is also flexible and adaptable and has proved to be a perennial management tool that has survived changes in the structures and priorities of public services, as well as in their wider policy agenda and operational environment.

The flexible nature of benchmarking offers senior leaders the opportunity to apply the tool in the most appropriate way to deliver the maximum impact on performance improvement. The guide outlines the different types of benchmarking available and shows how benchmarking can take a variety of different forms, according to its motivation, scope, sophistication and the organisational culture within which it is embedded. Some benchmarking may be carried out informally by the managers of a discrete function in order to address an immediate problem. Other benchmarking may be part of a formal corporate program carried out using the latest management techniques with the guidance of external advisers. The guide sets out how senior leaders can adopt a benchmarking style appropriate to their improvement ambitions and objectives.

The APS [Australian Public Service] – like all organisations – needs regular review and reassessment, and incremental changes and improvement to keep it in top condition, and among the very best public services in the world. Source: Dr Ian Watt AO “Reflections on my First Year as Secretary of the Department of Prime Minister and Cabinet and Thoughts on the Future”, Address to the Institute of Public Administration in Australia, Great Hall Parliament House, Canberra, 5 October 2012.

Successful benchmarking requires senior leaders to actively participate in the process. This guide provides an overview of the roles and responsibilities of senior leaders, service managers and finance professionals.

There are a set of common underlying questions recurring throughout the guide:

- Is benchmarking necessary?
- Is the organisation ready for benchmarking?
- What functions or processes should be benchmarked?
- Who should be the benchmarking partners?
- What style of benchmarking is appropriate?
- How should benchmarking be conducted?
- How should improvement be promoted?

By addressing these questions, the leadership and executive teams will ensure that the use of benchmarking will achieve the outcome of continuously improving performance by identifying and then implementing best practice. Success breeds confidence, and organisations that apply the methods effectively will continue to be receptive to the stimulus offered by ongoing benchmarking.

“The practice of benchmarking consistently delivers:

- Improved understanding of internal systems and business practices;
- Establishment of key success factors and true measures of productivity;
- New ideas leading to either continuous improvement of breakthrough change;
- Improvement in understanding and meeting the needs of ‘customers’;
- A view of external conditions leading to the establishment of more relevant goals;
- Cost effectiveness in the public sector ‘marketplace’; and
- Increased awareness of emulating industry best practice.”

Benchmarking is a flexible tool. It can be used to assess processes across an organisation or those within a single function or location.

Comparisons need not be confined to organisations that are the same or similar, as suitable comparators may come from a different public sector field or from the private sector. They may even come from a different part of the same organisation, although it is the wider comparisons that are more likely to expose radically different ways of doing things.

**BENCHMARKING VERSUS BENCHMARKS**

There is an important distinction between benchmarking and benchmarks. Benchmarks are the numbers or measures used to compare performance, and can therefore indicate where a more detailed review of processes might be worthwhile. This detailed review and comparison of processes with those in other organisations is termed ‘benchmarking’.

League tables of performance, such as those published for schools, hospitals, taxation and benefit payment agencies, are simply benchmarks and, when used in isolation, are not benchmarking. The credibility of benchmarking as a management tool is independent of the success or failure of government policies based on externally imposed benchmarks. Benchmarks report performance in isolation, without the organisations necessarily having any commitment to use them as an instrument to drive forward change.

When benchmarks are imposed by central government or regulatory bodies, the first response of the public services under scrutiny is often to challenge the fairness of the comparators. The existence of published league tables naturally brings a response because of the adverse criticism and possible sanctions that might result.

Academic research provides evidence that the publication of benchmarking indicator data makes it difficult to establish a strong link between benchmarks and performance improvement. This, the research argues, is a consequence of dysfunctional and defensive behaviour.

**Dysfunctional behaviour**

Organisations respond to stakeholders’ expectations of improved performance by taking actions that improve their reported performance but leave their actual performance unchanged. Typically, the result is a form of tunnel vision or measurement fixation in which the organisation concentrates on its quantitative performance against the benchmark at the expense of its other important objectives.

**Defensive behaviour**

A classic example of the defensive behaviour engendered by the imposition of benchmarks is for the organisation to try to convince the regulator of the fundamental incomparability between itself and the other organisations on which the benchmarks are being imposed. Alternatively, the organisation encourages stakeholders to concentrate on those benchmarks against which it performs well. By disowning responsibility for poor performance against benchmarks, such organisations undermine any prospect of using benchmarks to initiate performance improvement.


The presence of such dysfunctional or defensive behaviour is a sign that the performance indicators are being used as benchmarks rather than for genuine benchmarking. By contrast, benchmarking typically focuses on sharing information about differences in processes and procedures. In this way, benchmarking allows organisations to avoid the often perverse incentives associated with external benchmarks or league tables. Typically, internally led change can take place at a pace consistent with the organisation’s need to learn how to improve. In contrast, when an organisation is suddenly faced with external pressure to climb from the bottom of a possibly misleading or incomplete league table, it will not have the time to lay the foundations for successful benchmarking.

Nonetheless, benchmarks such as published national standards can provide a stimulus towards benchmarking against other organisations. This is particularly important if many organisations benchmark themselves against the same standards. Organisations can then compare their performance against others and identify their strengths and weaknesses, before moving on to the more productive phase of benchmarking their processes against better performing organisations.
“By 2025, Australia should be ranked as a top 5 country in the world in Reading, Science and Mathematics – and for providing our children with a high-quality and high-equity education system.

Currently, Australia is ranked 7th on Reading and Science and 13th on Mathematics and is rated about 10th on providing a high-quality and high-equity education system.

So today I am setting an ambitious goal. I have set our sights on 2025 because that gives us thirteen years – the time it usually takes a student to complete his or her schooling – to make Australia among the best in the world.”


The objective of undertaking benchmarking

Benchmarking is not a narrow technical exercise but rather a tool to change the culture and outlook of an organisation. This is not often reflected in the literature and guidance available. Much of that literature and guidance takes either a broad academic perspective or an approach which is too narrow or industry specific. This is one factor that has prevented the public sector from realising the full benefit of much of the credible benchmarking activity that is already underway, and that has prevented its wider application across functions, organisations or services for which benchmarking’s potential has not yet been appreciated.

The best public sector organisations have long made comparisons between themselves and others, without necessarily labelling the exercise as benchmarking. Internal, external, or strategic reviews, consultancy studies, value for money studies, the scrutiny of the budget process, business process reengineering and even informal networking all frequently involve an element of benchmarking.

The pressures for improvement are different in the public sector, since its objectives are defined not by competition but through democratic processes and the articulation of a community’s expected outcomes. Nonetheless, the best public sector organisations are no different from the best private sector organisations; what marks them out as ‘best’ is their continuous focus on improvement.

As a structured method of seeking effective ways of doing things at reasonable cost, benchmarking is different from other review techniques because:

- It focuses on achieving the standards of excellence established by the best in the field
- It is based on trust and the sharing (between partners) of information about processes and performance
- It involves the detailed examination of processes to identify the characteristics of those that are most successful
- It can be approached as a collaborative enterprise involving front line managers and staff in seeking out and implementing change

It is not simply copying, since the interaction between the organisations involved in the process can be an important source of fresh ideas for improvement.

Different types of benchmarking

There is no one-type of benchmarking. Benchmarking can take different forms, depending principally on the motivation behind its introduction and the extent and depth of the engagement with other organisations. Nonetheless, the different types of benchmarking are not mutually exclusive and are likely to be combined in any successful benchmarking process. A number of different types of benchmarking are described below.

Metric benchmarking

Metric benchmarking is the use of quantitative measures as reference points for assessing the performance of the organisation. This can act as a spur to improvement by allowing comparisons of performance over time or with others. Conducted alone, however, it fails to identify causes of and possible solutions to any poor performance. It remains a comparatively economical approach, and is often an essential preliminary to other styles of benchmarking. For example, it may identify those activities where standards fall unacceptably below those set elsewhere and hence for which improvement appears to be both possible and imperative.

Competitive benchmarking

In the private sector, competitive benchmarking is the comparison of performance and processes with those of competitors. It requires a degree of maturity for organisations to be willing to share information with competitors. Often this type of analysis is undertaken through trade associations or third parties to ensure confidentiality. It is easier for competing organisations to compare benchmarks than it is for them to compare practices, but they may be willing to compare practices in some support functions. The benefit of the competitive approach is the ability to make comparison and seek to identify how different approaches, processes, skills, capabilities and resources may give rise to different standards of performance.

Public sector organisations may identify competitors, since some functions (such as IT support, transaction processing, recruitment, and internal audit) are performed by organisations in both the private and public sectors. In these circumstances, the public sector may use competitive benchmarking for market testing of, for example, the performance of an in-house recruitment function against the service provided by private agencies.

Competitive benchmarking does occur between public sector organisations delivering similar public services, but operating in different jurisdictions. As with private sector competitive benchmarking, analysis and explanation of the differing standards of performance is required.
Further, any comparison of performance across jurisdictions requires detailed analysis of the potential impact of differences in clients, geography, available inputs and input prices. For example, a measure that shows relatively high unit costs in one jurisdiction may indicate inefficient performance, or may reflect better quality service, a higher proportion of special-needs clients or geographic dispersal.

An example of international public sector benchmarking is the International Tax Benchmarking Study prepared jointly by Her Majesty’s Revenue and Customs (HMRC) and Capgemini Consulting. The Australian Taxation Office and New Zealand Inland Revenue both contribute to this international benchmarking study and sharing of best practice in taxation administration and processes.

Tax authorities across the globe undertake similar activities and are facing up to the same challenges, to deliver more with less. It makes sense then, to work together. Benchmarking offers the potential to compare the administration of tax across a group of peer tax authorities. It involves identifying common tax processes, comparing cost and other performance indicators and carefully interpreting differences identified. This in turn enables the sharing of best practice and the identification of opportunities for efficiency and performance improvement.

This report presents the findings of a benchmarking collaboration between HMRC and the tax authorities of Australia, Canada, France, the Netherlands, New Zealand, Ireland, Poland, Spain and South Africa. It follows the successful completion of a feasibility study with Australia and South Africa in 2009. The main objective has been to identify valuable and actionable opportunities for performance improvement, which all participating tax authorities can learn from and apply within their own tax authorities. I believe that we have achieved this and that this comprehensive report will provide the leaders of tax authorities across the globe with many ideas and opportunities for improving tax administration in their own countries.


Functional or process benchmarking

Functional benchmarking is the comparison of functions or operations with those in other organisations. The other organisations could be from the same sector, but they do not have to be. This type of benchmarking focuses on improving specific critical processes and operations. Benchmarking partners are sought from best practice organisations that perform similar work or deliver similar services. Process benchmarking invariably involves producing process maps or similar documentation to facilitate comparison and analysis. It therefore normally requires a closer engagement with benchmarking partners than is typically needed for metric or competitive benchmarking. The distinction between a functional and process view is demonstrated in Figure 1.

Internal benchmarking

Internal benchmarking is the comparison of internal processes, with the aim of spreading good practice. Large organisations may be able to use internal benchmarking if activities are replicated in different parts of the organisation. It is particularly useful in multi-site operations. These may include, for example, organisations with regional or area structures, or the operations of family assistance customer service centres or customs border security operations at air and sea ports. Nonetheless, the scope for internal benchmarking should not be ignored in more centralised operations, because different departments will still have comparable operations (for example, secretariat and committee support services, grants management and training).

The advantage of internal benchmarking is that it is relatively easy to set up, can be cheaper than other types of benchmarking and could be less threatening to staff as a first experience of benchmarking. In contrast, benchmarking, when imposed externally for instance by government agencies or regulators, has potential shortcomings:

■ There may be a lack of ownership by the organisations and even direct resistance.
■ Lack of detailed knowledge about the activities of the organisations may be a problem.
■ Externally imposed benchmarking may tend to oversimplify complex issues.
■ There is also a risk that the results will only be used at the central level, rather than within individual units or branches.

Nonetheless, the drawback of internal benchmarking is that it may not highlight significant differences in practices, and opportunities for improvement may not be maximised. Organisations that have a culture of believing themselves to ‘be the best’ may become complacent if they use only internal benchmarking. It is therefore likely that voluntary benchmarking among organisations will be more effective as it brings the benefits of an external perspective without the dysfunctional or perverse incentives associated with externally imposed benchmarks.

What is involved in a benchmarking process?

There are six key stages in a benchmarking process, whatever form of benchmarking is being used:

■ Planning
■ Working with partners
■ Mapping
■ Analysis
■ Action
■ Review.

These stages and what is involved are outlined in Figure 2.
Figure 1: Functional versus process view of an organisation

**FUNCTIONAL FOCUS**

```
SECRETARY / DIRECTOR
  GENERAL / CEO
    DEPUTY SECRETARY
      DIVISION HEAD (Finance & Services)
      DIVISION HEAD (Policy)
    DEPUTY SECRETARY
      DIVISION HEAD (Program 1)
      DIVISION HEAD (Program 2)
      DIVISION HEAD (Program 3)
```

**PROCESS FOCUS**

```
Process A

Process B

Process C

Process D

Process E
```

Figure 2: Overview of stages in the benchmarking process.

<table>
<thead>
<tr>
<th>PLANNING</th>
<th>WORKING WITH PARTNERS</th>
<th>MAPPING</th>
<th>ANALYSIS</th>
<th>ACTION</th>
<th>REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior leadership commitment</td>
<td>Agree plan &amp; timetable with partners</td>
<td>Determine most appropriate mapping level</td>
<td>Involve the whole team in analysis</td>
<td>Develop a picture of the modified process</td>
<td>Assess the results of changes are implemented</td>
</tr>
<tr>
<td>Select services or functions</td>
<td>Agree how to make data comparable</td>
<td>Map processes identifying activities, inputs, controls, outputs &amp; outcomes</td>
<td>Drill down to fully understand differences</td>
<td>Set targets that are which are demanding</td>
<td>Share learning &amp; good practice</td>
</tr>
<tr>
<td>Select team and dedicate resources</td>
<td>Develop data collection mechanisms</td>
<td>Identify differences and changes that contribute to better performance</td>
<td>Communicate the results</td>
<td>Focus on continuous improvement</td>
<td></td>
</tr>
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</table>
Planning
Several preliminary steps can be taken to ensure that the process of benchmarking runs smoothly during each subsequent stage:

- Make sure that the senior leadership and executive teams of the organisation are committed to benchmarking
- Select first those services or functions that are likely to bring significant improvements in standards or reductions in cost
- Do not separate activities for benchmarking too much, but rather try to compare whole processes
- Aim to drive through the benchmarking phase of the improvement program as quickly as possible
- Select enthusiastic people to be part of the benchmarking team, but ensure that staff from the function under review are included and, if possible, that one of them leads the benchmarking work
- Train those carrying out the benchmarking if they do not have the necessary expertise
- Be open with staff about the consequences of seeking improvements. If redeployment or redundancies are a possibility, it is better to be clear about this and to seek the involvement of your human resource management team an early stage
- Ensure that those conducting the benchmarking have been released from other tasks for the purpose. Depending on their role in the benchmarking process, this might involve anything from a few hours each week to a secondment to allow a full-time commitment over a long period
- Identify the full resources (people, facilities, equipment and support) required for the benchmarking work
- Identify the selection process for comparators.
- Identify potential benchmarking partners, selected from those that appear to have better performance or that do things differently.

Working with partners
The effectiveness of the relationship with the organisation’s benchmarking partners will be instrumental to the success of the benchmarking exercise:

- Do not make demands on prospective partners without thorough preparation and a demonstration of commitment to the process
- Agree with partners a plan and timetable for the benchmarking study
- Discuss any fears about the data collection process with potential partners. Benchmarking can only succeed in an environment that rewards honesty and openness
- Agree how to make performance data comparable, that is, normalise or standardise the data in a way that enables comparability
- Involve partners in developing data collection instruments – such as forms and questionnaires
- Arrange for making detailed notes of meetings with partner organisations, to reach a well-founded understanding of the differences from the organisation’s own processes.
Mapping
Process mapping enables managers to identify bottlenecks, capacity issues, delays or waste. It is most likely to be successful when it is a component of benchmarking. A rigorous comparison with other more successful organisations is likely to highlight previously unrecognised inefficiencies, while at the same time providing a sounder base from which to develop solutions, and introduce and plan new improved processes.

When fully developed, process mapping should identify the following features of the organisation’s processes:

■ **Activities**
These are the functions, or detailed tasks, that make up the process being mapped

■ **Inputs (or resources)**
These are what are required to be able to complete the activities and produce the outputs. Typically, inputs are transformed or used up by the process, such as a person’s time, budget spend or physical materials, facilities, equipment and IT systems, and services provided by external suppliers

■ **Controls**
These regulate the process. Controls may be internal (agreed procedures, delegations, standing orders, available budgets) or external (legislation, regulations, instructions, imposed standards or the limited availability of a given resource)

■ **Outputs (or deliverables)**
These are the products, services and programs delivered by the process

■ **Outcomes**
These are the consequences or results on the community of delivering the outputs.

At their simplest, process maps help ensure that an organisation properly understands its own processes: how work is done, who does the work, what inputs and resources are required, what outputs are produced and the constraints under which work is completed.

It is generally regarded that process mapping can take place at a number of levels. These are typically described as:

■ **High level process map**
This type of flowchart shows the main activities involved in a high level process. It is useful for providing a summary or overview of what is involved as it flowcharts the main activities required to complete the whole process without being cluttered by detail

■ **Activity map**
An activity flowchart follows on from a high level flowchart by showing the more detailed activities that need to be completed

■ **Task map**
The task flowchart follows on from the activity flowchart and focuses on the detailed tasks that make up a particular activity. Typically, a task flowchart shows in detail the work that has to be completed for the defined part of the process.

In making a decision about the type of flowchart required, it should be remembered that the purpose of flowcharting is not to produce a highly technical and visually sophisticated diagram, but to support the exchange of relevant ideas with benchmarking partners.

Once the appropriate style of flowchart has been chosen, care must be taken that it has the right scope and properly reflects the organisation’s processes. This can be achieved by:

■ Being clear about which operations are under consideration, and having well defined boundaries to each process. In addition, take care to incorporate the ‘back-office’ processes as well as the more ‘visible’ processes in the front line of service delivery. These ‘back-office’ processes are likely to include, for example, systems of quality control or management review

■ Allowing the process mapping to ignore functional or departmental boundaries in order to expose the whole process from end to end. This is especially important when making comparisons between organisations that may be internally structured in different ways. End-to-end process reengineering and improvements will often cross organisational boundaries

■ Making the best possible use of existing sources of information, such as those from other efficiency reviews, value for money studies or internal audit. This should be done thoroughly since the greater the understanding, the more will be gained from making comparisons

■ Taking care to map what actually happens in the current process rather than the expectations of management or obsolete procedure manuals. A ‘walk through’ test of the process should be used to test that the mapped process is the one that takes place in practice

■ Making the maps or charts work, by applying a systematic and consistent approach. The primary objective is to make the chart as clear as possible, so that the process under review can be readily understood and improvements identified by almost anyone, even someone unfamiliar with the process

■ Making sure that, whichever mapping technique is chosen, it is entirely consistent with the approach of the benchmarking partners. Only in this way can the technique be used to compare the process with that of partners.
Analysis
It is important to do a thorough analysis as the outcome of this will be pivotal in determining the options for achieving improvement:
■ Take action to involve all the team carrying out the benchmarking in the analysis, for example through brainstorming sessions
■ Do not assume that benchmarks always identify the true gap in performance levels. The benchmarks selected may be from organisations that do things in a similar way, and other factors may explain the difference
■ Take care in examining differences in a partner’s performance – not all of the differences will contribute to a better performance. A good overall performance may still hide some poor practices
■ The objective is to identify the changes that are necessary to emulate the better practices of the benchmarking partners. The organisation needs to discover how successful organisations do things and, just as importantly, what they do not do. Do not consider processes in isolation, as there may be other enablers, those factors and practices that facilitate superior performance
■ Before moving on, establish that the benefits of change outweigh the costs of implementing the changes.

Action
The success of benchmarking will be determined by the organisation’s competence at delivering change. It will enable evidence-based decisions for cost reduction and improvement:
■ Develop a picture of what the modified process will look like and establish targets for the improvement expected from adopting new ways of doing things
■ Since benchmarking can open people’s eyes to what others are achieving and therefore what might be achieved in their own organisations, do not be afraid of setting targets for improvement which are demanding or even tough
■ Communicate the results of the study to relevant parts of the organisation, and to benchmarking partners
■ Use project management skills to identify tasks, resources and schedules to implement processes
■ Be prompt in agreeing the plan for making changes with the ‘process owner’ (probably the first line manager). This agreement should still be obtained even if that manager is part of the benchmarking team
■ Ensure there is early engagement with staff when implementing changes
■ Plan how to make the changes, deciding who needs to be involved and consulted – agree an action plan, setting out tasks, responsibilities, deadlines and targets
■ Implement the changes, monitoring and reviewing progress as necessary.

Review
This stage of the benchmarking process is too often overlooked. Its absence is characteristic of ad-hoc benchmarking processes that are not part of a commitment to continuous improvement:
■ Assess performance after the changes have had time to influence performance, by measuring whether targets have been achieved
■ Identify and rectify anything that has caused a shortfall in performance, by comparing the planned changes in processes with what has been implemented
■ Communicate the results to senior managers, those involved in delivery of the relevant service, quality managers and to benchmarking partners
■ Consider whether further benchmarking is needed, and if so whether it should be with new or existing partners
■ Share learning and good practice in benchmarking with other parts of the organisation outside the original benchmarking process
■ Ensure that benchmarking is a continuous process.
Successful benchmarking is a collaborative exercise, and those with different roles must bring distinctive contributions.

Broadly, the organisation’s senior leaders must provide strategic leadership while their service managers have operational responsibility for benchmarking. Managers at all levels will need the support of their finance professionals.

Senior leaders, service managers and finance professionals will each have a perspective of an organisation’s ability to address the common underlying questions on benchmarking:

- Is benchmarking necessary?
- Is the organisation ready for benchmarking?
- What functions or processes should be benchmarked?
- Who should be the benchmarking partners?
- What style of benchmarking is appropriate?
- How should benchmarking be conducted?
- How should improvement be promoted?

This section addresses the key roles and perspectives that each category of management will be required to address for the successful implementation of benchmarking.

### Table 1: Key benchmarking questions for management

<table>
<thead>
<tr>
<th>Key Benchmarking Question</th>
<th>Key Roles and Perspectives</th>
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<tbody>
<tr>
<td>Is benchmarking necessary?</td>
<td>✓</td>
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<tr>
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<tr>
<td>How should benchmarking be conducted?</td>
<td>✓</td>
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<tr>
<td>How should improvement be promoted?</td>
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### Senior leaders

Benchmarking is a characteristic of a financial management style associated with organisations that aspire to be adaptive and forward facing. Responsibility for achieving real success must rest ultimately with the organisation’s board or equivalent; leaving it to a few isolated enthusiasts will mean failure. It is for the leadership and executive teams to take a strategic view on key questions addressing the organisation’s readiness and the promotion of improvement.

### Service managers

In any organisation the senior leaders have a vital role in creating a favourable environment for benchmarking. It will be the operational managers, with the support of finance professionals, who will drive forward the benchmarking process.

### Finance professionals

Finance professionals will have an important role in the success of benchmarking, principally because effective costing is essential to the production of meaningful benchmarking data, but also because of their skills in collating and analysing complex data.

Finance professionals will need to have a sense of perspective about the limitations of benchmarking data. Therefore, they will need to be at the vanguard of those wanting to get behind the data and expose the underlying processes to critical comparison and review.

The following table identifies the key benchmarking questions that need to be addressed by each of the identified category of management.
Answering yes to the questions in Table 2 might indicate benchmarking is not necessary. However, any honest assessment of these questions is likely to indicate at least one (or possibly more) negative responses, in which case benchmarking should be a real consideration for Senior Leaders and Service Managers.

**Table 2: Is benchmarking necessary?**

✔ **Key Questions for Senior Leaders**

- Do we have a culture of continuous improvement?
- Do we know we are best in class for cost management, quality, timeliness or service standards?
- Do we know where we need to improve?
- Do we know what best in class performance looks like?
- Have we undertaken an objective assessment of our performance?
- Have we challenged ourselves, our practices and processes?
- Are we focused on real, tangible performance management and continuous performance improvement?
- Are we focused on performance targets based on sound knowledge and what others are achieving?
- Is our performance reporting actively used within the organisation for improving efficiency, service standards and outcomes?

✔ **Key Questions for Service Managers**

- Are we focused on real, tangible performance management and continuous performance improvement?
- Are we focused on performance targets based on sound knowledge and what others are achieving?
- Is our performance reporting actively used within the organisation for improving efficiency, service standards and outcomes?

Answering yes to the questions in Table 3 would indicate your organisation is ready for benchmarking.

**Table 3: Is the organisation ready for benchmarking?**

✔ **Key Questions for Senior Leaders**

- Are we looking to improve efficiency, service quality and performance?
- Are we the senior leaders committed to making the changes that are needed?
- Have the resources been made available for the benchmarking project?
- Are we prepared to honestly share information and learn from others?
- Are we prepared to try new approaches?
- Have the goals of the benchmarking process been clearly stated and articulated to the organisation?
- Is someone clearly accountable for the success of the benchmarking process?

Answering yes to the questions in Table 4 would indicate your organisation is clear about identifying the functions or processes that should be benchmarked.

**Table 4: What functions or processes should be benchmarked?**

✔ **Key Questions for Service Managers**

- Have we fully considered which services and processes should be subject to benchmarking?
- Are we benchmarking end-to-end, cross-functional processes?
- Have we focused on the needs of our external or internal customers when considering what to benchmark?
- Have we selected services or processes because they are easy or hard to benchmark?
- Have we benefited from the considerable work already undertaken in benchmarking internal, enabling or support services?

Where we have unique processes, have we considered breaking the process into more discrete elements to enable some form of benchmarking comparisons?
Counting Costs: Creating a Cost Conscious Culture

Answering yes to the questions in Table 5 would indicate your organisation will be able to readily identify benchmarking partners.

Table 5: Who should be the benchmarking partners?

✓ Key Questions for Senior Leaders

Have we fully considered the possible external parties to partner with in the benchmarking process?

Have we considered including funders, taxpayers, central agencies and customers as partners?

Are there special interest groups or regulators who need to be engaged?

Is there a comparator private or not-for-profit entity that would be a valuable partner in the benchmarking process?

✓ Key Questions for Service Managers

Have we identified who may be the best performing organisation in our own or other tiers of government, jurisdictions, nations, or sectors?

Are national standards setters and regulators a first point of call for considering benchmarking partners?

Do we need to consider establishing a consortium of benchmarking partners?

Is internal benchmarking our first starting point?

Is there a benchmarking community of practice that can act as a clearinghouse for benchmarking ideas and partnerships?

Answering yes to the questions in Table 6 would indicate that the style of benchmarking most appropriate to your organisation’s needs can be more easily determined.

Table 6: What style of benchmarking is appropriate?

✓ Key Questions for Senior Leaders

Is there a clear focus of the benchmarking process?

Have we balanced the competing issues of economy, efficiency and effectiveness within our benchmarking approach?

Are there expected targets or metrics for economy, efficiency and effectiveness?

✓ Key Questions for Service Managers

Have we identified who may be the best performing organisation in our own or other tiers of government, jurisdictions, nations, or sectors?

Are national standards setters and regulators a first point of call for considering benchmarking partners?

Do we need to consider establishing a consortium of benchmarking partners?

Is internal benchmarking our first starting point?

Is there a benchmarking community of practice that can act as a clearinghouse for benchmarking ideas and partnerships?
Answering yes to the questions in Table 7 would indicate that the most appropriate methods for conducting benchmarking can be more easily determined.

### Table 7: How should benchmarking be conducted?

<table>
<thead>
<tr>
<th>Key Questions for Senior Leaders</th>
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<tbody>
<tr>
<td>Is there a clear focus of the benchmarking process?</td>
</tr>
<tr>
<td>Have we balanced the competing issues of economy, efficiency and effectiveness within our benchmarking approach?</td>
</tr>
<tr>
<td>Are there expected targets or metrics for economy, efficiency and effectiveness?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Questions for Service Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are there appropriate metric measures – measuring financial and non-financial performance and maturity measures – measuring the uptake of best practices used within the benchmarking process?</td>
</tr>
<tr>
<td>Are there national standards, regulated measures or performance or traditional ‘industry’ measures which are readily available as comparators?</td>
</tr>
<tr>
<td>Do we need to consider high, moderate and low volume measures in order to enable comparisons with benchmarking partners?</td>
</tr>
<tr>
<td>Are bespoke measures and indicators necessary for unique processes?</td>
</tr>
<tr>
<td>Have all possible data collection mechanisms been deployed in order to gather not just the measure or indicator of performance but also the background information necessary for full analysis and review?</td>
</tr>
<tr>
<td>Have questionnaires been supported by interviews, focus groups, process maps and site visits?</td>
</tr>
</tbody>
</table>

### Table 8: How should improvement be promoted?

<table>
<thead>
<tr>
<th>Senior Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the results of the benchmarking process telling us?</td>
</tr>
<tr>
<td>What decisions do we need to make as a result of the benchmarking process?</td>
</tr>
<tr>
<td>Do we really understand the big picture results?</td>
</tr>
<tr>
<td>Does the story from the benchmarking process align with our own understanding of the organisation? If not, why not?</td>
</tr>
<tr>
<td>What are the immediate, medium, and long-term strategies that we need to address to achieve our performance improvement targets?</td>
</tr>
<tr>
<td>How do we engage with service managers and finance professionals to embed the continuous improvement culture?</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Service Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are we focused on achieving and implementing early successes rather than waiting for the perfect process to be designed?</td>
</tr>
<tr>
<td>Are we the service managers demonstrating our commitment to continuous improvement?</td>
</tr>
<tr>
<td>Can we distinguish between and appropriately apply streamlining processes – where existing processes are reviewed, redesigning processes – where existing processes are re-worked to new standards, and reengineering processes – where core processes are fundamentally recreated around new organizational structures, systems and process maps?</td>
</tr>
<tr>
<td>Do we apply cost-benefit techniques when determining our improvement plans?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is our reporting of benchmarking information reflecting the financial and non-financial elements of performance and improvement?</td>
</tr>
<tr>
<td>Is our reporting balancing cost information with output service standards and community outcome achievement?</td>
</tr>
<tr>
<td>Is our reporting of benchmarking information sufficiently focused to direct senior leaders and service managers to key success factors and strategic issues?</td>
</tr>
<tr>
<td>Is our reporting encouraging continuous improvement?</td>
</tr>
<tr>
<td>Is our reporting sufficiently balanced between the reporting complexities of public service delivery within a simplified format, encouraging action and decision-making?</td>
</tr>
</tbody>
</table>
CONTRIBUTING TO IMPROVING PUBLIC SECTOR SERVICE DELIVERY AND PERFORMANCE

The Institute of Chartered Accountants Australia, together with CIPFA, sees a very significant opportunity for public sector organisations to use better benchmarking for continuous performance improvement. This publication, alongside the Institute’s and CIPFA’s other public sector publications, such as Leading In Hard Times and Counting Costs, are designed to assist the Institute’s members and public sector leaders in dealing with the challenges of enhanced service standards and increased community expectations within fiscal constraints and expectations of performance improvement.

These publications together with a range of activities (including public sector forums, benchmarking communities of practice, briefings to senior leaders within agencies and ongoing training delivery) demonstrate the Institute’s commitment to support members and public sector leaders in dealing with the challenges of enhanced service standards and increased community expectations within fiscal constraints and expectations of performance improvement.

THE WAY FORWARD

The best performing organisations seek constantly to improve their most fundamental business processes. Benchmarking is a proven method of achieving this goal.

Strategic and efficiency reviews by central agencies across public sector operations will continue so long as we see changing priorities of communities and governments. Benchmarking is an invaluable tool in helping to identify how performance improvements can be made, and realising the necessary savings for new priorities.

Benchmarking is most effective when senior leaders adopt it as organisational policy and part of a continuous improvement agenda, and that agenda is championed by service managers and their finance professionals. The key message of this publication is that benchmarking needs to step more confidently through the tasks of data collection and analysis, and engage more confidently with the task of exchanging and learning from the good practice underpinning this information. Benchmarking alone is not enough, but in raising expectations and gauging success it provides a powerful stimulus to the pursuit of excellence. At its best, benchmarking creates an ambition to emulate the best.
Case Studies

CASE STUDY 1 – AN ANALYSIS OF THE CHIEF FINANCIAL OFFICER FUNCTION IN COMMONWEALTH ORGANISATIONS BENCHMARKING STUDY

This case study highlights the work of the Australian National Audit Office in its role undertaking benchmarking studies of functions across the Australian Government.

Audit Report No. 28 2001-02 An Analysis of the Chief Financial Officer Function identifies that Commonwealth organisations are recognising the role of a Chief Financial Officer (CFO) as critical if organisations are to take advantage of the opportunities to improve their performance within the financial management framework.

The benchmarking study surveyed the roles and functions of CFOs from 15 Commonwealth organisations. It also involved the CFOs providing self-assessments in response to questions about their role, responsibilities, priorities and challenges.

The ANAO conducted the benchmarking study in 15 Commonwealth organisations between March and July 2001. The ANAO classified the organisations as small, medium or large based on staff numbers (fulltime equivalents [FTE]). Survey responses were analysed in order to determine the influence organisation size had on the CFO’s roles, responsibilities and priorities. Seven small organisations (46%), seven medium organisations (46%) and one large organisation (8%) responded to the survey.

As a result of undertaking the benchmarking study, the ANAO considers that CFOs have an opportunity to:

- Enhance financial management within their organisation by facilitating the development of a better understanding of the links between their organisations’ day-to-day operations and the achievement of their corporate goals and objectives
- Provide effective support to senior and business managers, at all levels of the organisation, to enhance their understanding and use of accrual financial management information
- Assist their organisations in achieving a stronger focus on performance by incorporating aspects of management reporting on outputs/outcomes as part of the monthly financial reporting process
- Enhance the level of support offered to management, by demonstrating to management the use of, and opportunities for, more timely financial and other performance information for effective monitoring, review and decision-making
- Take a more catalytic role in better harnessing technology tools to assist in the efficient delivery of transaction processing activities and the production of management information
- Assess the scope for improving the return on investment of future benchmarking activities by better targeting such activities to assist in identifying any opportunities for cost savings, efficiency and effectiveness gains.

CASE STUDY 2 – BENCHMARKING THE FINANCE FUNCTION

This case study highlights the work of the Australian National Audit Office (ANAO) in its role undertaking benchmarking studies of the finance function across the Australian Government. The case study draws upon Audit Report No. 62 2001-02 Benchmarking the Finance Function Follow-on Report.

The objective of the benchmarking study of the finance function was to obtain and report on over time, quantitative and qualitative data relating to finance function activities as they operate in Commonwealth organisations. This study was designed to collect and report on data over a three year period relating to the financial years 1998–1999, 1999–2000 and 2000–2001 respectively. The results presented in this Report are based on a comparison of responses from participating Commonwealth organisations (the Commonwealth Group) and data from an international group (the Global Group) for each of the three years.

The results of the first year of the study (based on 1998–1999 data) were published in Audit Report No. 25 of 2000–2001 Benchmarking the Finance Function in December 2000. In the first year of the study there were nineteen participants in the Commonwealth Group but only 14 organisations continued to participate in the subsequent two years.

By the final year of the study (2000–2001), a review of the overall results of the Commonwealth Group in comparison to the latest Global Group results indicates that, at the median, organisations in the Commonwealth Group perform equal to, or better than, those in the Global Group in relation to:

- Lower cost (finance function overall)
- Lower cost (accounts payable, close the books, accounts receivable and billing)
- Lower activity cost per transaction (accounts receivable, payroll and fixed assets)
- Higher efficiency in terms of number of pays processed per FTE (payroll)
- Higher quality in terms of lower activity error rates (fixed assets, accounts payable, accounts receivable and payroll)

The benchmarking results also indicate that opportunities exist for the Commonwealth Group organisations to improve their performance in relation to the activities where, at the median, they reported results less favourable than those of the Global Group. These areas include:

- Higher cost (financial budgeting and analysis, fixed assets, payroll, travel and related costs, and tax)
- Higher activity cost per transaction (accounts payable, travel and related costs, and billing)
- Lower efficiency (financial budgeting and analysis, fixed assets, accounts payable, accounts receivable, and travel and related costs)
- Higher error rates (close the books and financial reporting and billing)
- Greater number of active vendors (accounts payable)
- Making any travel reimbursements through accounts payable rather than payroll
- Greater elapsed time between service provision and invoicing (billing).

Over the three year period of the study, the majority of organisations in the Commonwealth Group showed an improvement in their quantitative and qualitative benchmark results across the range of finance function activities. It is this information on trends that shows signs of improvement or, in some cases, areas for attention that will give readers a snapshot of changes resulting over the past three years.

As an example of the type of data analysis available from this benchmarking study, the following table sets out the trends over time in the cost of the finance function by key finance function activities.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Financial Budgeting &amp; Analysis</td>
<td>8.36%</td>
<td>4.29%</td>
<td>5.45%</td>
<td>17.51%</td>
<td>11.81%</td>
<td>13.24%</td>
<td>53.29%</td>
<td>40.12%</td>
<td>55.22%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>1.22%</td>
<td>0.76%</td>
<td>0.83%</td>
<td>3.30%</td>
<td>3.96%</td>
<td>2.24%</td>
<td>10.13%</td>
<td>10.77%</td>
<td>10.82%</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>5.26%</td>
<td>3.14%</td>
<td>3.20%</td>
<td>14.53%</td>
<td>13.48%</td>
<td>14.82%</td>
<td>28.10%</td>
<td>29.43%</td>
<td>29.16%</td>
</tr>
<tr>
<td>Closing the Books &amp; Financial Reporting</td>
<td>2.21%</td>
<td>4.13%</td>
<td>3.64%</td>
<td>9.68%</td>
<td>9.84%</td>
<td>11.83%</td>
<td>28.90%</td>
<td>37.02%</td>
<td>34.02%</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>0.34%</td>
<td>0.87%</td>
<td>1.01%</td>
<td>3.51%</td>
<td>4.52%</td>
<td>4.50%</td>
<td>14.95%</td>
<td>13.37%</td>
<td>11.85%</td>
</tr>
<tr>
<td>Payroll</td>
<td>3.03%</td>
<td>2.99%</td>
<td>1.79%</td>
<td>18.23%</td>
<td>20.58%</td>
<td>22.21%</td>
<td>42.29%</td>
<td>42.42%</td>
<td>39.50%</td>
</tr>
<tr>
<td>Travel &amp; Related Costs</td>
<td>0.32%</td>
<td>0.16%</td>
<td>0.17%</td>
<td>3.58%</td>
<td>3.14%</td>
<td>3.15%</td>
<td>13.96%</td>
<td>13.43%</td>
<td>12.74%</td>
</tr>
<tr>
<td>Billing</td>
<td>0.36%</td>
<td>0.87%</td>
<td>0.89%</td>
<td>2.84%</td>
<td>2.51%</td>
<td>2.82%</td>
<td>7.19%</td>
<td>9.68%</td>
<td>9.21%</td>
</tr>
<tr>
<td>Tax</td>
<td>0.04%</td>
<td>0.47%</td>
<td>0.57%</td>
<td>0.66%</td>
<td>2.82%</td>
<td>3.11%</td>
<td>2.99%</td>
<td>31.36%</td>
<td>11.11%</td>
</tr>
</tbody>
</table>

CASE STUDY 3 – USING BENCHMARKING WITH THE CIPFA FINANCIAL MANAGEMENT MODEL

This case study describes the recent process of benchmarking the finance function in central government. It then goes on to show the results for one major department and describe how that department is using the results to inform its improvement program.

The HM Treasury-led operational efficiency program was the catalyst to benchmark the provision of central government corporate services – finance, human resources, IT, property and procurement. There were perceived to be wide variations in cost and performance across departments, and a view that significant efficiencies could be realised by more use of shared services and collaboration. To determine the validity of this view and develop a baseline, all central government departments of more than 250 employees were asked to benchmark a series of transaction focused indicators.

In this benchmarking, a distinction was drawn between ‘key’ and ‘secondary’ indicators.

Key indicators
Following preliminary benchmarking by the finance function in 2008, the following three key indicators were chosen for annual measurement.

Cost of finance as a percentage of organisational running costs
This indicator measures the cost of running the finance function in relation to the resources that the organisation deploys to deliver all its responsibilities. It enables organisations to explore the potential drivers of the costs borne by their finance functions, so that they can manage demand and reduce expenditure. Secondary indicators provide analysis into different organisational and financial operating models, such as the extent of shared service usage and business partnerships.

Report cycle time
This indicator measures the number of days it takes the finance function to produce meaningful financial information. It identifies the ability of boards, managers and other budget holders to take timely financial decisions. It provides a measure of the quality of the finance function, for which provision of useful information in a timely manner should be a high priority.

Percentage of finance staff who are professionally qualified
This indicator assesses the capacity and competency of the finance department by identifying the proportion of staff with a professional accountancy qualification in the key areas of reporting and decision support. It is useful as a means of gauging organizational capability by determining the balance of professionally qualified and unqualified finance staff. In addition, it helps to ensure that qualified professionals are in positions where their capabilities can provide best value to the organisation.

Secondary indicators
To these core indicators were added a suite of indicators selected from the CIPFA Benchmarking model. They included costs of processing transactions such as cost of accounts payable per invoice processed. Another indicator was the variance between the midyear forecast and the year-end outturn.

The data collection and analysis was one element of the benchmarking project. CIPFA’s Financial Management Model was used to enable each organisation to look at the quality of its financial management and governance across a range of indicators. This was done using a self-assessment questionnaire that was sent out to key stakeholders across the organisation.

Results of the initial benchmarking
The initial benchmarking exercise confirmed that there were indeed wide variations across government for each of the three key indicators.

- The cost of the finance function as a percentage of organisational running costs varied from extremes of 10% to under 0.5% but with the majority of departments having a figure under 3%. The average figure was 1.5%
- The best report cycle times were under five days and most departments had figures of ten days (the average) or under. The worst case was a department with a figure of 50 days and there were a significant number between 30 and 15 days
- The average figure for the percentage of finance staff who are professionally qualified was 36%.

The CIPFA Financial Management Model identified some common strengths across central government finance functions:

- Establishment of sound internal governance processes – for example audit and risk committees, formal budget delegation processes
- Establishing effective processes for internal control
- Effective internal audit
- Improving risk management
- Creating financial stability within volatile situations and rapid policy changes.

Conversely it exposed some common development needs:

- People and skills
  – Positioning and status of finance
  – Recruitment and retention
  – Financial management competences
  – Ownership of finance responsibilities
- Value for money
- Compliance issues

CIPFA’s benchmarking activities

CIPFA has been collecting and analysing data for over a century, providing the UK public sector with an essential and comprehensive framework for reviewing and benchmarking the efficiency of locally provided services.

Value for Money Benchmarking Indicators
In 2007, the five UK audit agencies jointly launched a set of indicators to help public service organisations to benchmark their corporate service activities. Value for Money (VfM) indicators has developed to become the leading benchmarking tool for assessing value for money in back-office provision across the public sector.

VfM Indicators has a wide coverage of back office services, giving participants the opportunity to benchmark up to seven key areas of their organisations:
- Communications
- Estates management
- Finance
- Human resources
- Information and communications technology
- Legal services
- Procurement

Cost and productivity indicators are used to measure economy and efficiency, whilst effectiveness is measured by user satisfaction, modernising approach and impact on organisational performance. Indicators have been developed to ensure transferability across different areas of the public sector and between countries.

CIPFA is the leading provider of VfM Indicators benchmarking, engaging with more than 400 public service organisations over the last five years. Participants receive tailored reports and tools that help to assess their organisation’s performance, and pinpoint its strengths and weaknesses, helping to make more informed decisions on budget and improvement. If you would be interested in more information about this valued service, or other types of bespoke benchmarking we could do, please contact Renee.LeGrande@charteredaccountants.com.au.
About us: CIPFA and Institute of Chartered Accountants Australia

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

CIPFA is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

Our portfolio of qualifications is the foundation for a career in public finance, and we champion high performance in public services by translating our experience and insight into clear advice and practical services.

As the world’s only professional accountancy body to specialise in public services, CIPFA stands up for sound public financial management and good governance around the world.

The Institute is the professional body for Chartered Accountants in Australia and members operating throughout the world.

Representing more than 70,000 current and future professionals and business leaders, the Institute has a pivotal role in upholding financial integrity in society. Members strive to uphold the profession’s commitment to ethics and quality in everything they do, alongside an unwavering dedication to act in the public interest.

Chartered Accountants hold diverse positions across the business community, as well as in professional services, government, not-for-profit, education and academia. The leadership and business acumen of members underpin the Institute’s deep knowledge base in a broad range of policy areas impacting the Australian economy and domestic and international capital markets.
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