

## TOOLKIT FOR PERFORMANCE MANAGEMENT, RISK MANAGEMENT AND INTERNAL AUDIT

### Summary

Efficiency and effectiveness are among the [12 Principles of Good Democratic Governance](#). Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of the public services. The 2021 revision of the Performance Management toolkit developed by the Council of Europe's [Centre of Expertise for Good Governance](#) provides an overview of the concepts of performance management, risk management and internal audit and offers a practical guidance on how they can be applied in public sector. It also explains why they are important to public authorities in the Council of Europe member states as a way of enhancing good democratic governance and propounds some case studies to present how each concept is put into effect.

The first section of the toolkit focuses on performance management. It is defined as a tool that can help improve governance, and specifically the quality of public services for citizens. Processes linked to this instrument are increasingly used by local and national administrations throughout Europe. There are several advantages to managing the performance of services, such as the improvement of service standards. In order to measure performance, there are various performance indicators described in the toolkit, e.g., community strategy priorities, which are explained in detail. This section also provides suggestions on how to ameliorate performance management as well as a case study of the English National Outcome Indicator Set to illustrate how performance management works in practice.

The second part of the toolkit is about risk management, i.e., the process that identifies, evaluates and controls risks. These are the hazards posed by any event or action that will negatively condition an organisation's ability to reach its goals and to successfully implement its strategies. Risk management is related to effective performance management and is an invaluable part of the proficient management of an organisation. Integrating risk management in the work of local governments can bring benefits, like the protection of assets. This section offers guidance on how to respond to risks and how to assess them. It also comprises a risk assessment form that any public authority can use.

The third section looks at internal audit which is an independent, objective assurance and consulting activity aimed at adding value and upgrading the operations of an organisation. It is also important for assessing the usefulness of risk management, control and governance processes together with giving insights and recommendations that can strengthen these processes. This section provides an overview of the aspects that are associated with internal audit, including the audit lines of defence and the audit plan, before presenting a case study of the European Union's General Data Protection Regulation (GDPR).

The case studies and best practices are presented in the appendices. They include performance management tables developed by local authorities in Albania, Serbia, France and England as a part of projects implemented by the Centre of Expertise.

This general Toolkit can be adapted and used in different countries by public authorities at all levels in many different ways, but its underlying power is whatever the circumstances, it will see the improvement of services, and identify where improvements are needed to deliver community priorities.

All Council of Europe member states are encouraged to use the toolkit, provided that the copyright is respected, the Centre of Expertise is informed, and the qualified experts are engaged. The Centre of Expertise is available to provide support and assistance in its implementation.