

International and Intergovernmental Relations – Alberta’s International Offices

Background

Seven years ago¹ we recommended that the Department of International and Intergovernmental Relations improve the processes management uses to evaluate the performance of each international office. We found management did not periodically perform an in-depth review of the international offices to ensure each continues to be relevant and cost effective. The department also did not include variance analysis for measure results compared to targets for individual offices and provide adequate descriptions of its performance measures methodology in its public reporting. Total fiscal 2014 operating cost for the international offices was \$8.1 million.²

We repeat this recommendation because the department has not fully implemented process improvements to assess the relevance and cost effective performance of the offices.

RECOMMENDATION 16: EVALUATING INTERNATIONAL OFFICES’ PERFORMANCE – REPEATED

We again recommend that the Department of International and Intergovernmental Relations improve the processes management uses to evaluate the performance of each international office.

Criteria: the standards for our audit

The department should monitor clear measures of performance by the international offices and effectively manage any risks.

Our audit findings

KEY FINDINGS

- Processes have not been finalized to regularly assess, in-depth, the relevance and cost effectiveness of offices.
- The department currently compares output type measures to targets to assess performance. There are no measures on cost effectiveness or the value derived from the costs incurred.
- Variance analysis of results for individual offices and adequate descriptions of performance measure methodology were not included in public performance reports for international offices.

The department has not finalized processes to regularly assess in-depth, the performance of each international office.

Management utilizes a performance-measure framework comparing output type measures to targets to evaluate each office’s performance. The output measures include the number of trade missions and meetings attended, and business introductions made. The department approved a plan in January 2012 for a program review of the international offices. In 2013 the department released Alberta’s International Strategy. Appendix A of that strategy document contains a recommendation that the department implement new performance measurement practices. These measures will be based on empirical information to determine whether the international offices are achieving the department’s goals and

¹ *Report of the Auditor General of Alberta—October 2008*, page 324.

² 2013–2014 Alberta International Office Report, page 36. Total expenditure by office (in thousands of dollars): China - \$1,046; Shanghai - \$108; Hong Kong - \$290; Asia Representative - \$798; Taiwan - \$251; Korea - \$614; Japan - \$875; United Kingdom - \$1,026; Germany - \$478; Mexico - \$614; Washington - \$545; Washington Representative - \$904; Chicago - \$59; New Delhi - \$144; Singapore - \$359.

advancing the objectives of the international and regional strategies. These measures are still under development.

The department formed an international working group to enhance the efficiency of each office. In 2014 Premier Prentice requested a review to ensure the activities of each office were optimally aligned with the government's international strategy. In February 2015 the department identified some cost saving opportunities based on the results of the review. This review may form the basis of the department developing ongoing periodic in-depth reviews of each office.

The 2013–2014 Alberta International Offices Business Report did not include detailed variance analysis for each office and adequate descriptions of performance measures methodology.

To fully implement the recommendation, the department must regularly perform periodic in-depth reviews of each office's continued relevance and cost effectiveness. Variance analysis and adequate descriptions of performance measures methodology for individual offices should be regularly reported and updated as the government's international strategy and priorities change.

Implications and risks if recommendation not implemented

As the global marketplace changes quickly, management needs current and reliable information on the continued relevance and cost effectiveness of each office. Without regularly scheduled, thorough reviews of each office, management may not be able to effectively manage any risks to achieving its strategic goals.