



**Asia-Pacific  
Economic Cooperation**

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**2008/EC/WKSP/011**  
Session 3

## **Performance Management in Singapore's Public Service**

Submitted by: Singapore

**Workshop on Government Performance and  
Results Management  
Taipei, Chinese Taipei  
26-28 March 2008**

A photograph of the Singapore skyline, featuring several tall skyscrapers, reflected in a body of water. The sky is overcast with grey clouds. The text is overlaid on the image.

# **PERFORMANCE MANAGEMENT IN SINGAPORE'S PUBLIC SERVICE**

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**March 2008**

picturecor



# Why Manage Performance?

- **Budgeting framework:**
  - Ministries' block budgets to manage bulk of programmes
  - Bid for additional resources for special projects or initiatives
- **But Ministries have more ideas than available resources**
  - Need to ensure that resources are well-allocated and well-spent
  - Ministries' autonomy
- **Use of performance management**
  - Self-evaluation tool for Ministries: measuring performance against targets
  - Accountability across government
  - Budgeting at government-wide level: tying Ministries' performance to allocated budgets



# Budget Management Framework

**Desired Outcomes**

**Secure Singapore**  
Long-term fiscal sustainability

**Responsible Government**  
•Efficient & effective public service

**Establish Limits**

**Maximise Discretion**

**Manage Costs**

**Achieve Value for Money**

**Block Budgets**  
  
**Budget Utilisation targets**

**Block Budget System**  
  
**Budget flexibility**

**Resource Accounting**  
  
**Financial Management Indicator (FMI)**

**Best Sourcing**  
  
**Demand Aggregation**

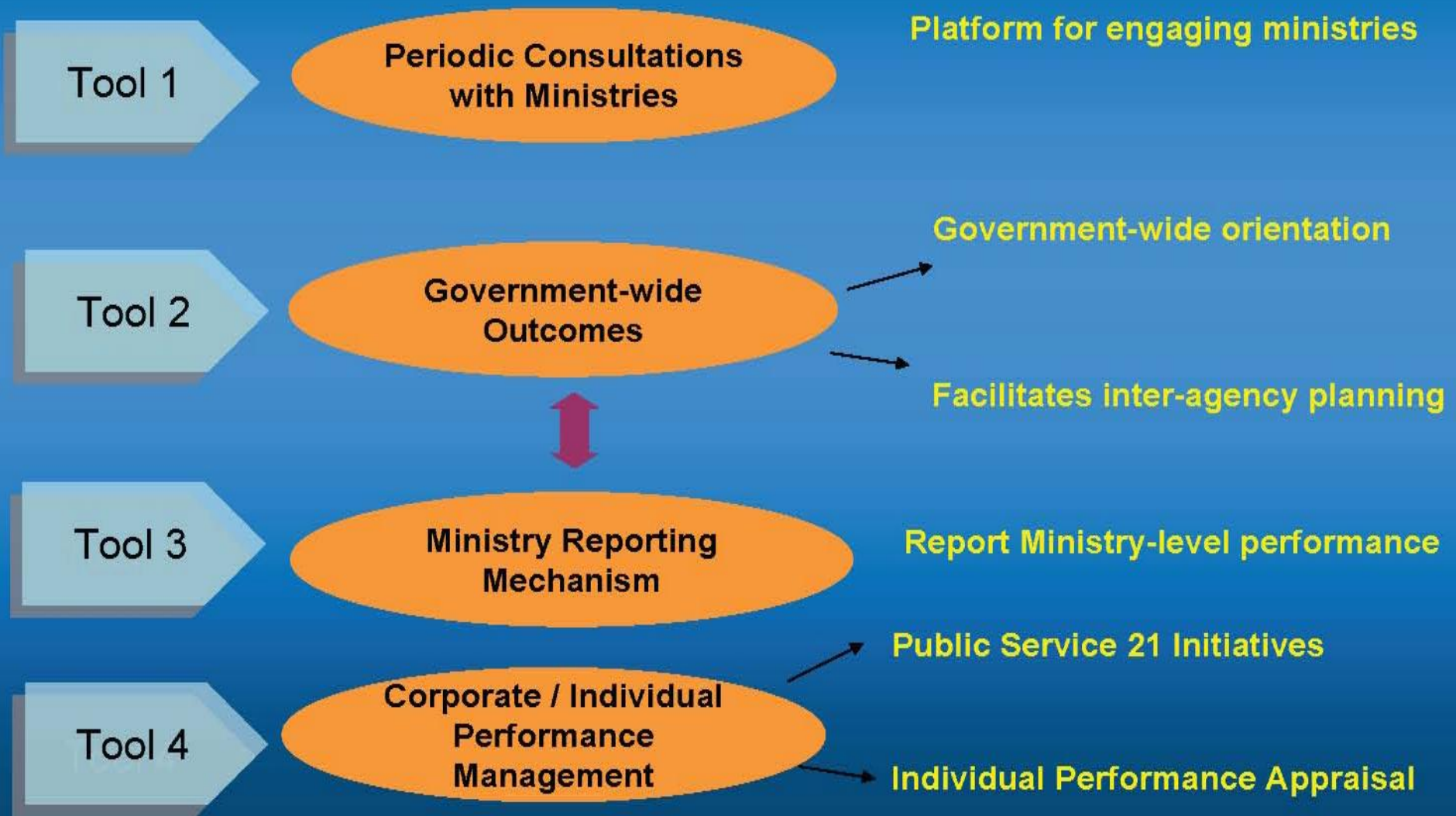
**Monitoring & Evaluation**

Periodic consultations with ministries

**Performance Management Tools**

Ministries' performance reporting

# Performance Management Tools





# Ministry Reporting

What is it?

- Performance Reporting by Ministries
- Quantitative and qualitative management tool

## Quantitative

Budget Utilisation  
Trends

Revenue &  
Expenditure Trends

Trend in Key  
Performance Indicators

## Qualitative

Engage Ministries in strategic  
conversations on how well they are  
achieving their desired outcomes

Adjustments to key  
performance indicators to  
better capture performance

# Guiding Principles for KPI-setting

## Principle 1

Review Key Performance Indicators (KPIs) annually to ensure relevance

## Example

Singapore already has one of the world's lowest infant and maternal mortality rates. Although we monitor these indicators internally to ensure that our standing does not deteriorate, these are not useful indicators to drive further improvements in our healthcare system.

## Principle 2

Keep KPIs to a critical few to preserve clarity and focus

## Principle 3

Set longer-term targets so as to prompt ministries to think ahead and *be in time for the future*

## Principle 4

Analyse KPI performances over a period of 3 to 5 yrs to determine broader trends e.g. trends in unemployment



# Challenges in Measuring Outcomes

## Challenge 1

Difficult to design Key Performance Indicators (KPIs) that measure *policy outcomes* accurately; most typically measure inputs or outputs

## Challenge 2

Block budgets weaken the link between performance and budget allocation

## Challenge 3

Tying budgets to performance indicators may not always be optimal; KPIs need to be carefully interpreted



# Future Steps

- **Deepen** engagement with Ministries on performance issues
- **Widen** exposure of senior public officers to government-wide perspectives
- **Simplify** reports to make it 'user-friendly'





**Thank You**