

THE EXPERIENCE OF THE OFFICE OF EVALUATION AND AUDIT IN IDENTIFYING AND UTILISING STAKEHOLDERS IN THE CONDUCT OF ITS EVALUATIONS

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Introduction

The Office of Evaluation and Audit (OEA), which is part of the Aboriginal and Torres Strait Islander Commission (ATSIC), enjoys a challenging and unique position in the field of evaluation within the Commonwealth. Whereas other departments tend to provide a restricted range of services to a broad client base, ATSIC provides a broad range of services to a narrowly defined clientele. These programs are as diverse as Health and Commerce, Education and Community Infrastructure and, Heritage and Aboriginal Employment Development. In addition, OEA's evaluation activities are subject to various legislative requirements.

History of ATSIC and OEA

The *Aboriginal and Torres Strait Islander Commission Act 1989* was proclaimed on 7 February 1990, and the Commission commenced operations on 5 March 1990. Incidentally the Bill took approximately two years to cover the legislative hurdle course, and is second only to the *Family Court Act* in amendments. This will give the reader some idea of the controversy and conflicting opinion, apparent at the time, on the best way to administer Aboriginal and Torres Strait Islander affairs.

The establishment of ATSIC represents more than just an amalgamation of the former Department of Aboriginal Affairs and Aboriginal Development Commission. It represents a real opportunity for Aboriginal and Torres Strait Islander

people through their elected commissioners to make decisions on programs that affect them.

ATSIC is therefore a complex organisation combining representative, advisory, decision-making and administrative processes into one statutory organisation, and as such it is unique in the field of public administration. It is this very complexity that provides the challenge for the Office of Evaluation and Audit.

The Office of Evaluation and Audit (OEA) is established under the *ATSIC Act 1989*, sections 75 to 78. This Act requires OEA to undertake evaluations and internal audits on every program and office at least once in every three years, and to report to the Commission and the Minister on these matters at least quarterly. The essential point here is that *OEA reports directly to the Board of Commissioners and the Minister, who are by legislation the primary clients for all our evaluations and audits.*

Given the intense political scrutiny of spending in the Aboriginal and Torres Strait Islander Affairs portfolio, OEA's approach to evaluation is best encapsulated by Joseph Wholey's definition that evaluation is 'the comparison of actual program performance with some standard of expected program performance, and the drawing of conclusions about program effectiveness and value' (Shadish, Cook & Leviton 1991, p 227). OEA approaches this by utilising the audit teams to examine program processes and compliance, then following this with evaluation teams to undertake impact studies.

Evaluation Process

Evaluation has two interrelated aspects: the use of various methods to assess the outcomes of public policies and/or programs; and, the application of a scale of values to determine the impact of these

outcomes on some person, group or society as a whole. This points to the presence of both empirical and value premises in any evaluation process (Dunn 1981, p 343). This paper examines the value premise, and the methods used to produce reliable and valid information about program or policy outcomes that are explicitly valued by multiple stakeholders. In this process the formally announced goals and objectives of policy-makers and program managers are but one source of values (Dunn 1981, p 348). This then requires the evaluation process in OEA to identify the various stakeholders for a particular program or policy.

The difficulties for OEA lie not just in the identification of who are possible stakeholders, but in the macro nature and national application of the programs, and in the dispersed and diverse nature of the stakeholders.

Identifying Stakeholders

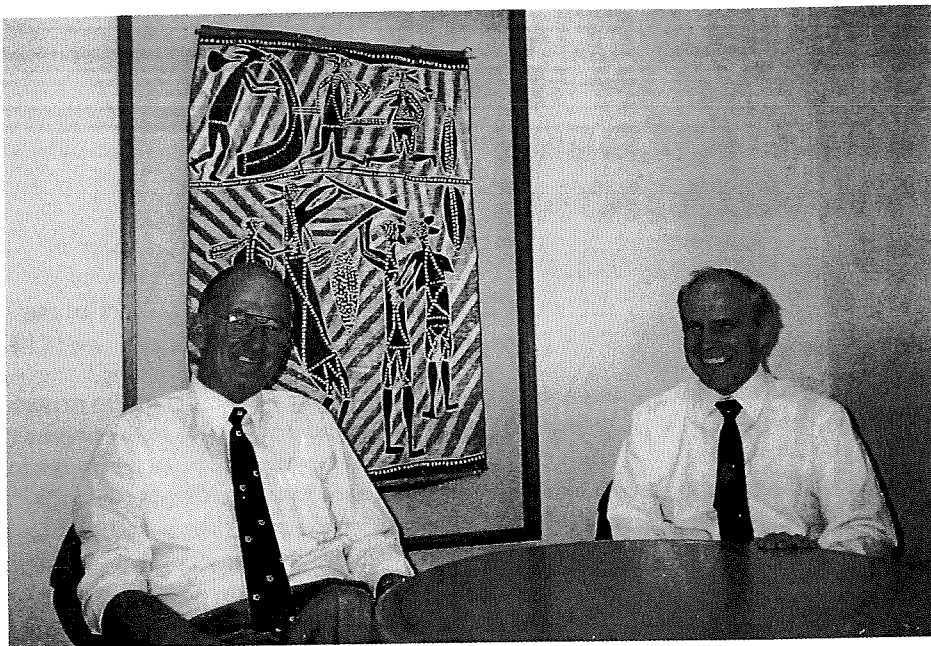
Rossi and Freeman have commented that an essential feature of evaluations is the existence of multiple stakeholders. Thus evaluators are confronted with individuals or groups who hold competing and sometimes combative views on each particular evaluation (Rossi & Freeman 1989, p 422).

What is meant by a stakeholder? In the context of evaluation work within OEA, given that the Minister and the Commission are the primary clients, Michael Scriven's work provides an acceptable definition:

One who has substantial credibility, power or other capital invested in the program, and thus can be held to be to some degree at risk with it. This includes program staff. Recipients are only stakeholders in an indirect sense and are normally dealt with separately (Scriven 1991, pp 334-335).

While in this definition the groups whose well-being or way of life is affected by the

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Bill Miller (left) and Patrick Batho

outcomes of a program are stakeholders in an indirect sense, their views are, nevertheless, fundamental to any judgements or conclusions to be made about the program.

The starting point for any one evaluation is to recognise the range of stakeholders. In a theoretical sense every citizen could be seen as concerned with the outcomes of a publicly funded program, and hence with the outcomes of an evaluation of that program. However, in practice the stakeholder group associated with a particular evaluation tends to be more narrow, consisting of those who have a direct or visible interest in the program (Rossi & Freeman 1989, p 422).

Rossi and Freeman have commented that a stakeholder group with a particular

interest in an evaluation is the evaluation sponsor. They also comment that this group sometimes is identical with the program sponsors (Rossi & Freeman, 1989 p 432). This is the case for OEA, where the Minister, who is the Government policy-maker, and the Commission, which is the ATSIC policy-maker and program sponsor, are jointly the evaluation sponsors. Thus, in a practical sense OEA seeks to distinguish between these two groups and other interested parties. The Minister and the Commission are regarded as the client stakeholders, with program management and program staff as subsidiary stakeholders, and the program beneficiaries (Aboriginal and Torres Strait Islander communities and individuals) as stakeholders in an indirect sense and treated separately. This is discussed below.

Stakeholder Involvement in Evaluations

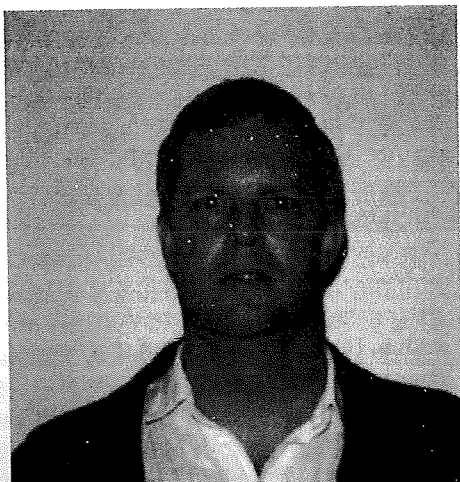
Experience to date suggests that the most interested stakeholders in an evaluation conducted by OEA are likely to be the Minister and the Commission, including both the representative and program management arms. This view is supported by Rossi and Freeman's comment that the only reliable predication that can be made on stakeholder interest is that the parties most likely to be attentive to an evaluation, both during the process and after the report has been issued, are the evaluation

sponsors and the program sponsors (Rossi & Freeman 1989, p 424).

* Surprisingly the group that may be most affected by an evaluation's outcome, program recipients, often are the least able to become fully involved in the evaluation processes. This is because they are scattered in space, a national diaspora of competing service delivery groups and individuals in a particular program sphere, and limited in their familiarity with bureaucratic process. As a consequence, they have difficulty in accessing program decision-makers and evaluators. Thus, when beneficiaries do initiate action to make themselves heard in the course of an evaluation, it is often through peak elected organisations that perform a representative function (for further discussion of this point see Rossi & Freeman 1989, p 424).

In the OEA context, stakeholder involvement in evaluations is primarily achieved through representation on steering committees. These committees have been strengthened recently to ensure provision for a Commissioner on evaluations of major expenditure programs. Typically, the evaluation sponsors, that is the Minister and the Commission, are represented on the Steering Committee through the Director of Evaluation and Audit and a Commissioner; the program management and staff are represented by the Program Manager; and, the interests of the taxpayers, who collectively can be considered to have an interest in the whole set of tax-funded programs, are represented by the Department of Finance. In keeping with the representative nature of the Commission, the nominated Commissioner has the fiduciary role of representing the interests of program beneficiaries and the general Aboriginal and Torres Strait Islander community.

In addition, beneficiaries and program managers and staff have a further involvement in the evaluation process as sources of information and of values concerning the programs being evaluated. This is achieved in respect of program managers and staff through random surveys of program staff, visits to regional offices, which in the ATSIC context, are primarily responsible for program delivery, and consultation with program management in head office. In the case of beneficiaries the task is more difficult due to the great diversity between client groups, the national dispersion of what in relative terms is a



Scott Bayley

small client base, and the remote and fairly inaccessible location of a substantial number of individuals and committees. Given that the resources allocated to OEA are limited, this inevitably leads to a tension between seeking information from a large group of beneficiaries, necessarily at a superficial level because of cost constraints; or, gaining a greater depth of information from a more restricted sample of clients. The conundrum is to find the balance that best maximises the returns for the Director and OEA. One approach utilised by OEA, to obtain surrogate views and measures of value, is to consult with representative groups and to undertake case studies in selected communities. However, some ATSIC programs by their nature and application have geographically concentrated clients. It is possible to undertake random surveys on the impact and value of these programs; an example of this is the Home Ownership Subprogram evaluation in which a random survey of borrowers was undertaken.

In the case of internal evaluations of ATSIC administration and processes, the various stakeholders include the staff, particularly the staff at regional offices. They are consulted in a variety of ways. In the case of a recent internal evaluation of ATSIC regional administration, the evaluation team identified a number of factors that affected performance. The effect of these factors was assessed using two complementary research strategies. First, focused discussion groups were convened with regional office staff in 10 regional offices. These offices were chosen to provide contrasts between audit assessment, administration performance, rural versus urban office location, and office size. Second, a survey questionnaire was sent to all regional office staff involved. The information obtained from these sources was examined to test whether the various identified factors had any influence on regional office administration, with quantifiable indicators of administration used as a basis for comparison between regional offices. From this, the significance and effect of these factors on regional performance were examined using a statistical computer package.

Primacy of Perspective

A multiplicity of stakeholders can result in tension in determining the primacy of perspective, whether this should be the perspective of society as a whole, the Government, the Commission, program staff, the clients or other stakeholder groups. As Rossi and Freeman have noted there is no one correct perspective but rather there are many different perspectives that may be equally legitimate. Thus, beneficiaries cannot claim that their perspective is more legitimate than those of the Government or the Commission. The responsibility of OEA is not to take one particular perspective as the legitimate one, but rather to make it clear from the outset the particular perspectives from which the evaluation is being undertaken, while at the same time explicitly recognising the existence of other

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perspectives (Rossi & Freeman 1989, p 425).

An example, which may be relevant here, is OEA's recent evaluation of the Land Acquisition Program. (This evaluation study is reviewed by Patricia Rogers in the 'Recent Evaluation Reports - Australasia' section of this magazine, pp 35-36.) The land acquisition program's origins were based on a belief that Aboriginals could replace non-Aboriginal landholders and gain economic power through using rural land as an economic resource. The use of public funds for this purpose was justified in terms of the financial opportunities land would provide and the lessened need for dependence on government by the Aboriginal community.

The program was administered during the 1970s by the Aboriginal Land Fund

Commission, and during the 1980s by the Aboriginal Development Commission under their respective statutes.

The political environment in which the Commonwealth Government and the former commissions had to operate was difficult. When seeking to engage in land acquisition programs these agencies came under substantial pressure to fulfill the agenda set by other landholders, or those holding interests over land. The parallel with overseas investment policy in Australia is quite direct. The Australian public will tolerate a change in ownership to land that has the potential to provide direct economic or financial benefits, but will oppose any changes in land ownership that might see land taken out of productive use.

ATSIC inherited a land acquisition program containing multiple objectives capable of being interpreted in different ways. Initially the program was located administratively within a land policy area that was strongly geared, although not exclusively, to social and traditional considerations. However, subsequent administrative and program reorganisation restored economic and commercial considerations to pre-eminence for the program. Indeed the *ATSIC Act* establishes a link between land and the issue of economic viability, where the land is associated with a business enterprise. These changes between alternative policy goals for the program increased the complexity of

evaluating the impact of the program over the past decade.

Over the 20 years from 1972 the Commonwealth has purchased more than 70 rural properties and 85 small blocks of land in urban locations for Aboriginal community organisations. The evaluation sought information from beneficiary stakeholders concerning their expectations at the time of acquisition.

As part of this process the evaluation team visited a representative number of the properties to undertake case studies, talking with all age groups and with both men and women. In addition, two separate questionnaires, one for rural and the other for urban communities, were prepared and distributed. A series of multi-choice and open-ended questions were used to determine how far these

expectations had been met since the time of acquisition, and other qualitative levels of satisfaction and views about outcomes. It was important to establish what had actually happened on the land, and what values and uses these communities now placed on the acquired land. The limited data obtained from questionnaire responses showed that most communities had held strong economic, social and cultural expectations.

As a result of wide consultation with beneficiaries and other stakeholders, the evaluation found that land ownership had helped to meet initial expectations for increased employment opportunities, although in large measure this could be the result of the accompanying extension of the Community Development Employment Projects program (CDEP) to these communities. (CDEP is a program in which social security entitlements are used to finance community development projects that offer work for community members who wish to be involved in productive and meaningful activity). Ownership, however, had failed to provide an independent outcome as the economic performance of these properties has been below expectations. The goal of creating an economic base for Aboriginals and of lessening their dependence on government, in large part may well have been unrealistic. This was due in part to the marginal nature of the rural properties acquired, and to the major operational changes and reform in the grazing and agricultural industries in pursuit of greater efficiency.

The social and cultural expectations had been met largely. Aboriginal communities generally wished to create a community on the land so acquired; they placed particular value on kin living together rather than being widely dispersed; and they believed that there would be opportunities for cultural activities to be re-established or continued under conditions of complete security.

In this evaluation the perspective of the beneficiaries provided a context in which the overall achievement of the program could be judged. If performance was judged from the 'official' perspective of promoting economic independence, then the program did not fare well. However, if

the perspective of the beneficiaries is taken into account, that is, the needs and aspirations of the client group themselves, then the program offered significant benefits.

Evaluating Values

Experience has shown that it is impossible to make choices in the political field of social programming without values becoming salient in choices about evaluative criteria, performance standards or criteria weighting (Shadish, Cook & Leviton 1991, p 455). As a consequence, evaluators often look to Scriven's metatheoretical four-step approach to establish value statements about a program that is being evaluated.

These steps are:

1 criteria of merit – specifications of what a good program would do

'Experience has shown that it is impossible to make choices in the political field of social programming without values becoming salient in choices about evaluative criteria, performance standards or criteria weighting . . .'

2 standards of performance – specification on how well a program should perform for each criterion

3 performance measurement – the extent to which standards have been reached

4 synthesising results (Shadish, Cook & Leviton 1991 p 455).

In establishing criteria of merit the early practice was to rely entirely on program goals, as these would reflect a conjunction of many interests. However, this did not reflect the best practice since, for example, program goals were often vague; programs have unintended effects that can be as important as planned goals; and managers can specify modest goals in order to ensure success. Thus in the course of an evaluation, evaluators must consider issues such as claims by clients, service deliverers and managers about program achievement

and the factors leading to success or failure; and, the factors feeding into the decisions that policy-makers or managers must make (Shadish, Cook & Leviton 1991, p 458).

Goals, as Shadish *et al* have noted, are just a limited subset of all effects a program achieves, intended or not, harmful or beneficial. A practical problem is how to identify unintended effects. Interviews with stakeholders can serve this purpose, with particular attention to passionate advocates and opponents of the program, since no-one is more likely to have thought about potential beneficial or harmful side-effects to the same extent (Shadish, Cook & Leviton 1991, p 458).

The second step in Scriven's theory is constructing standards for performance.

There are two approaches: absolute standards and comparative standards. The absolute standards link performance achievement with specified levels; rather like a pass mark set for an exam. Comparative standards link performance to achievements by other similar programs in the particular field. Shadish *et al* comment that comparative standards are more easily justified and so predominate in evaluation (Shadish, Cook & Leviton 1991, p 458).

The vast majority of evaluation practice is about the third step in Scriven's theory, which is measuring performance. Scriven's original theory claimed that this was but a limited task. However, most

theorists and evaluators have countered this, believing that analysing why a program was effective yields useful knowledge for program improvement, a process necessitating measuring many aspects of a program. *Whatever the methods of data collection, multiple methods are the watch-word.* One source is the multiple stakeholders who must be consulted to learn of their information needs. For example, program managers are accountable for program operations, so are interested in descriptive issues of targeting and implementation as much as in assessing effects and impacts (Shadish, Cook & Leviton 1991, pp 460–61, 464 and 469). Similarly, beneficiaries have expectations that may or may not have been realised with the implementation of the program. Hence, it is necessary to consult a wide

range of stakeholders to establish the context in which judgements about the program can be made.

For Scriven the evaluation is not complete until the fourth step of synthesising results is undertaken. Some observers are not very concerned with synthesising results, arguing that separate conclusions should be presented for each criterion. When each conclusion stands alone, readers can assign their own weights to findings, drawing conclusions that may differ from the evaluators's. However, Shadish *et al* comment that analysis, such as cost-benefit analysis and meta-analysis, lead to simple, quantified results of general application that are readily remembered, and are not hampered by multiple caveats. Hence, despite reason for not synthesising, they conclude that a good overall synthesis is compatible with the political system's desire for simple answers to complex issues. At the same time, individual findings should be retained, so that readers can construct their own synthesis (Shadish, Cook & Leviton 1991, pp 461-62).

OEA's evaluation reports to the Minister and the Commission attempt to incorporate the various multiple value perspectives. First, OEA comments on the achievement of a program's official objectives from an accountability perspective. In addition, OEA will provide descriptive accounts of the value perspectives of various stakeholders, including beneficiaries. This provided the context in which the analysis leading to recommendations for general application is made.

In the case of the evaluation of the Land Acquisition Program, the evidence and its interpretation led to OEA recommending that a clear decision be made by ATSIC Commissioners as to the major policy area within which this program should operate (that is within an economic or a social policy context); that a hierarchy of program objectives be developed which is consistent with the chosen policy area; and, that resources be immediately allocated to ensure that a database is established . . . which will provide the means for detailed strategic planning.

Utilising Stakeholders: The Lessons Learnt

Philosophy suggests that knowledge is a function of belief plus evidence. Thus, knowledge for the evaluator is the beliefs of the disparate stakeholders, plus the empirical evidence gathered in the course

of the evaluation. There is a range of equally valid views of a program, depending upon one's values and assumptions. There is no ultimate truth in evaluation results, only the presentation of context-dependent information. A given program is likely to have a range of stakeholders, all with somewhat different needs and degrees of satisfaction with the program.

Time and resource constraints usually ensure that not all stakeholder concerns can be accommodated in the evaluation. As a result, choices need to be made as to whose interests will be served by the evaluation, and whose values will guide it. The evaluation literature contains a range of models that offer conflicting advice as to how to deal with this situation. In the absence of a consensus on

this point, evaluators should at least be aware of this issue, the range of options available, their own preconceptions on this subject, and seek guidance from the evaluation's primary client, as well as from ethical and professional standards.

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