

## Three Points Need to Pay Attention to When Conducting Performance Evaluation of Project Funds Expenditure

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### Abstract

In recent years, as China's public expenditure increased year by year, how to improve the efficient use of funds has become the emphasis and difficulty in government work. Performance evaluation as strengthening the management of the funds strong measures, has been widely used by governments. At present, China has been developing rapidly in the field of public expenditure performance evaluation reform, the Chinese government has introduced many rules and regulations, not only in the local governments at various levels also implemented a series of performance evaluation reform pilot work. Expenses, however, the performance evaluation reform work still needs a lot of theory and practice, especially in the aspect of project spending, because the project funds have funds volume big, strong professional technology, control and supervision features, continue in-depth project funds expenditure rformance evaluation, needs combining with the characteristics of project funding and focus on performance targets design, the performance indicators and evaluation results using the implementation of the three points.

### Keywords

Performance Evaluation; Project Funds Expenditure.

#### 1. Performance goals should be scientific and reasonable design.

Performance evaluation target means spending within the prescribed time plan to achieve output and results; The goal of the project funds expenditure performance evaluation is a precondition to carry out the project funds expenditure performance evaluation and the important basis. To carry out project funds expenditure performance evaluation, first of all expenses should be set scientific project performance goals, and make the content of the performance targets can clearly reflect the project funds the effect of the output and efficiency.

(1) Performance goals should have a clear direction. Project spending performance objectives shall be used by the project funds management units and departments and its subordinate units and departments. At the same time, performance targets to conform to the project units and departments plan and function, and with the corresponding expenditure scope and detail, output and effect elements such as closely related, prevent invalid or error performance targets, affect the implementation of the performance evaluation. For example, performance targets to correspond to the number of items contained in the task. To match the budget to determine the amount of money; Corresponds to a unit and department annual work tasks, and so on<sup>[1]</sup>.

(2) Performance goals should be detailed and quantitative. Project spending, it is not enough to have a overall performance goals, and from the aspects of quantity, quality, cost, time for refinement of design performance goals, and combining with economic benefit, social benefit, environmental benefit system, reasonable elaboration. In refining performance goal, should adopt the method of quantitative expression, as far as possible not quantitative, qualitative way should be taken to measurable. When setting performance indicators, of course, not all goals must be quantitative. All expenses project performance targets quantification is can, but forced to quantify will only make the quantitative performance goals lose significance of expression, is not convenient to ultimately misleading for evaluation work. The ultimate purpose of performance targets design is not

quantitative, but in order to carry out the performance evaluation, in order to better serve the use and management of project funds.

(3) Performance goals should be reasonable. Before setting performance goals, after a thorough investigation and study and scientific reasoning, is derived to ensure that performance targets conform to the objective reality, and be able to smoothly within a prescribed period.

## **2. Performance indicators to scientific and standardized.**

Performance evaluation index is one of the important quantitative reflect the status of project funds expenditure performance means, is to carry out the evaluation work of information carrier. Scientific and standardized index system is a forceful guarantee to implement the performance evaluation work, the performance evaluation index selection of good or bad, will directly affect the late the pros and cons of the performance evaluation results. Therefore, should be under the guidance of performance goals, to ensure the authority of the performance evaluation, an objective and fair as a starting point, follow the following principles to establish performance indicators.

(1) Performance indicators to be closely related to the project. Because expenses project content is very broad, and there is large difference of content between different projects, the obvious benefits of uncertainty of the project, impossible to develop a universal set of evaluation index, therefore, when according to the characteristics of the different nature of the project, should be targeted to develop different performance indicators, emphasize performance indicators to the corresponding project performance targets and logic of spending situation has a direct relationship, is closely related to the evaluation of the matters, and to ensure the representative set of performance indicators.

(2) Performance indicators to the real and accurate as possible. Project spending results in unfavorable to obtain quantitative indicators, rely on quantitative index cannot reflect the real situation of project funds expenditure performance. So, at the same time of qualitative analysis, combined with the actual situation of project, corresponding qualitative analysis is carried out. When set up the quantitative index to select can be quantified is proportional to the number or percentage of indicators, and ensure the standard value, weight, and calculation formula are accurate. In setting up the qualitative indicators, mainly uses the expert subjective evaluation method, try to select content, clear, easy to understand the indicators, such as the level of performance indicators should distinguish clearly, cannot ambiguous. In addition, still should avoid index between the repetition, reduce duplication of the impact of the indicators of performance evaluation.

(3) Performance indicators should have comparability. Performance evaluation is not closed independent process in the different project set spending performance indicators, be good at summing rules, and found that the nature of the project between, common type, size and so on, develop to share between different project performance indicators, such not only can save the workload, but also in terms of lateral, can be in the same unit and compare the performance evaluation results between departments; In terms of the longitudinal, can compare unit and department performance evaluation results of each period to a clear conclusion.

## **3. The results of performance evaluation to target.**

Application of project funds expenditure performance evaluation results, is to carry out the project funds expenditure performance evaluation of the starting point and the foothold. The use of performance evaluation results must suit the remedy to the case, in order to play the positive role of the performance evaluation results.

(1) The performance evaluation results should be used to establish an effective incentive accountability mechanism. Project is the main body of spending budget director and use of departments, should be based on the evaluation results, according to the performance objective, with capital as a lever for motivation, for the performance evaluation results good units and departments, through reward, priority for examination and approval of the follow-up funding to carry out positive incentives; For poor performance evaluation results of the units and departments, but by lowering the

follow-up funds, suspend or cancel the amount appropriated funds allocated to reverse incentive means, at the same time, to pursue the approver of funds, economic responsibility of the person in charge of agent and other related so as not to cause more damage.

(2) The performance evaluation results should be used to analysis to improve project funds management status. Project funds expenditure performance evaluation in the final analysis is the use of project funds management unit and department budget management achievement evaluation. To the project funds spending to carry out the performance evaluation, using the results of the evaluation measure of project funds use efficiency and effectiveness, find good practice in project funds management and the existence insufficiency, will be good practice to inheritance, the shortcomings to correct them.

(3) The performance evaluation results should improve project performance evaluation system itself. The performance evaluation itself is a dynamic process, in the implementation of the performance evaluation, not only to continue to focus on spending, but should also pay attention to the performance evaluation system itself if there is a defect, so as to extend or improve existing performance evaluation system.

## References

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