

## Texas State Auditor's Office

By using the Balanced Scorecard to reconcile its own books, TSAO can demonstrate its value to the State of Texas every day.

The Texas State Auditor's Office is the independent auditor for Texas state government - the eighth largest economy in the world. While the state's budget continues to increase - reaching \$59 billion in 2004 - the State Auditor's budget has remained relatively flat. To address that challenge, Texas State Auditor's Office adopted the BSC in order to deliver more service without increasing costs. The results are unambiguous: fiscal impact has risen steadily from \$58M in 1999 before implementing the scorecard, to \$667M in 2003; and the BSC has created budget savings of \$200K by focusing the agency on delivering its reports on time.

"The scorecard is an innovation that drives our success. While building our scorecard we identified important performance drivers that helped our executives and managers focus on the most critical aspects of our work and understand their own operations more completely. With a much better overall perspective of the organization, our executives see how their individual areas dovetail with the overall strategy. Finally, using a scorecard to manage our entire operation has simplified and focused the executive conversation while making it richer as we discuss the implications of performance for our strategy. Our scorecard proves its worth every day."

Lawrence F. Alwin, Texas State Auditor