Performance Audit

- Implementation guidelines for PA
- New proposals

Performance Audit Subcommittee

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ISSAI 3000 Implementation Guidelines for Performance Auditing

Published in 2004
- What is not included?
  -- no techniques
  -- no help to make decisions
  -- no standard procedure
  -- no blueprint
  -- no dull checklist
ISSAI 3000 Implementation Guidelines for Performance Auditing

• So what does it contain?
  ...“The guidelines set out a coherent basis for conducting a performance audit”...

• The contents: answers on many questions about PA
  -- what is PA according to INTOSAI?
  -- the “three E’s”
  -- what is the special feature of PA? Differences with RA?
  -- what ideas form the basis of PA?
  -- what are the basic questions?
  -- what types and traditions are there in PA?
  -- how does public management affect PA?
ISSAI 3000 Implementation Guidelines for Performance Auditing

• Answers about the Mandate:
  -- is the mandate adequate?
  -- what should it contain?
  -- what can we audit?
  -- ex ante? ex post?

• Answers about the qualifications of the auditors:
  -- who is a real performance auditor?
  -- requirements, skills needed
  -- can you hire an expert? how?
  -- how do we communicate with auditees?
  -- how do you set up Quality Assurance?
ISSAI 3000 Implementation Guidelines for Performance Auditing

• more answers on the real audit:
  a. strategic planning:
     selection criteria, area, the added value

b. planning of individual audits:
  prestudies, pinpointing, audit questions and
  auditobjectives, the scope of the audit, mapping the
  auditfield, finding and defining auditcriteria, setting up
  a timetable and budget, keeping track on progress,
  who is responsible for what?
ISSAI 3000 Implementation Guidelines for Performance Auditing

More answers on questions during the audit:
-- what kind of data to use and how?
-- what types of evidence can we find
-- how to step from finding to conclusion to recommendation?

And answers to questions about reporting:
-- how to draw up a reliable report?
-- when is a report useful?
-- how to manage the aftersales?
-- how to increase effectiveness?
How to implement these guidelines?

• Possibilities:
  -- distribute the guidelines in your SAI
  -- top management should endorse the implementation
  -- use the guidelines in internal training sessions
  -- refer to them when making decisions
  -- check whether internal instructions are in line with the guidelines
  -- make the content of the guidelines part of the Quality Assurance system (comply or explain policy)
  -- NCA example for annual report over 2009:
    statement ‘NCA is INTOSAI standards-proof’
Question

Should SAIs have the **intention** to be INTOSAI-standards-proof? If ‘Yes’: check comply or explain

Should SAIs make a **statement** that they are INTOSAI-standards-proof in their annual report? If ‘Yes’: check comply or explain yearly
How many SAIs conduct PAs?

- Only about 70 SAIs out of the 186 INTOSAI-members
- Only a part of the 70 use ISSAI 3000
- Many other documents are used (see website)
- But: other documents should and can be brought in line with ISSAI 3000

Question raised in PAS:
What about the 2/3 of SAIs that are not into PA?...
New approach

- Focus on SAIs that consider introducing PA or are just starting their first PAs
- Communicate the essence of PA:
- Guidance on how to establish a sustainable PA-function within a SAI

Two new guidelines developed
New Guidelines
(waiting for approval)

1. ISSAI 3100 Performance Auditing Standards:
   (clear extract from ISSAI 3000)
New Guidelines
(waiting for approval) ctd.

2. ISSAI 3200 Sustainable Performance Auditing
   Function Guide:
   -- in fact a letter to the Head of a SAI
   -- what is PA? internal and external benefits
   -- commitment needed
   -- proper mandate
   -- stakeholders
   -- how to start (scale, pilots, themes)
   -- resources
   ---raising awareness
   -- capacity building, communication strategy etc.
Question

What is in your opinion the main impediment for a SAI to get started with Performance Audit?
Thank you

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