

Performance Audit & Evaluation



INTOSAI
International Seminar on Performance Audit
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Audit and Evaluation
European Court of Auditors

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PERFORMANCE AUDIT MANUAL

Chapter 1: Framework for performance audits by the European Court of Auditors - page 11




1.2.6 Relationship between performance audit & evaluation

Research Article

Performance audit and evaluation: Similar tools, different relationships?

Christopher Pollitt, Hilikka Summa

First published: Autumn (Fall) 1996 | <https://doi.org/10.1002/ev.1041> | Cited by:9

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Abstract

A comparison is made of the ways in which evaluators and performance auditors address a series of issues common to both. Based mainly on British and Finnish practice, it is suggested that the most important differences may lie less in the tools and methods used than in the framework of institutional relationships within which the activities are carried out.

Performance Audit Handbook

Routes to effective evaluation

Edited by Tom Ling and Lidia Villalba van Dijk



Canberra Evaluation Forum

Evaluation and Performance Audit

Close cousins – or distant relatives?

Thursday 16 February 2006

Why bring the issue up yet again?

- ISSAI 3000 – Standards for Performance Auditing
- INTOSAI GOV 9400 – Guidelines on the Evaluation of Public Policies
- IFPP – consistence across INTOSAI documents
- Overlapping memberships PAS - WGEPPP

PA – obviously an evaluative practice

From INTOSAI GOV 9400 Guidelines on the Evaluation of Public Policies:

In short one could consider that evaluation is a very large heading encompassing different categories of audit, among them performance audit.

ISSAI 3100, para. 37...

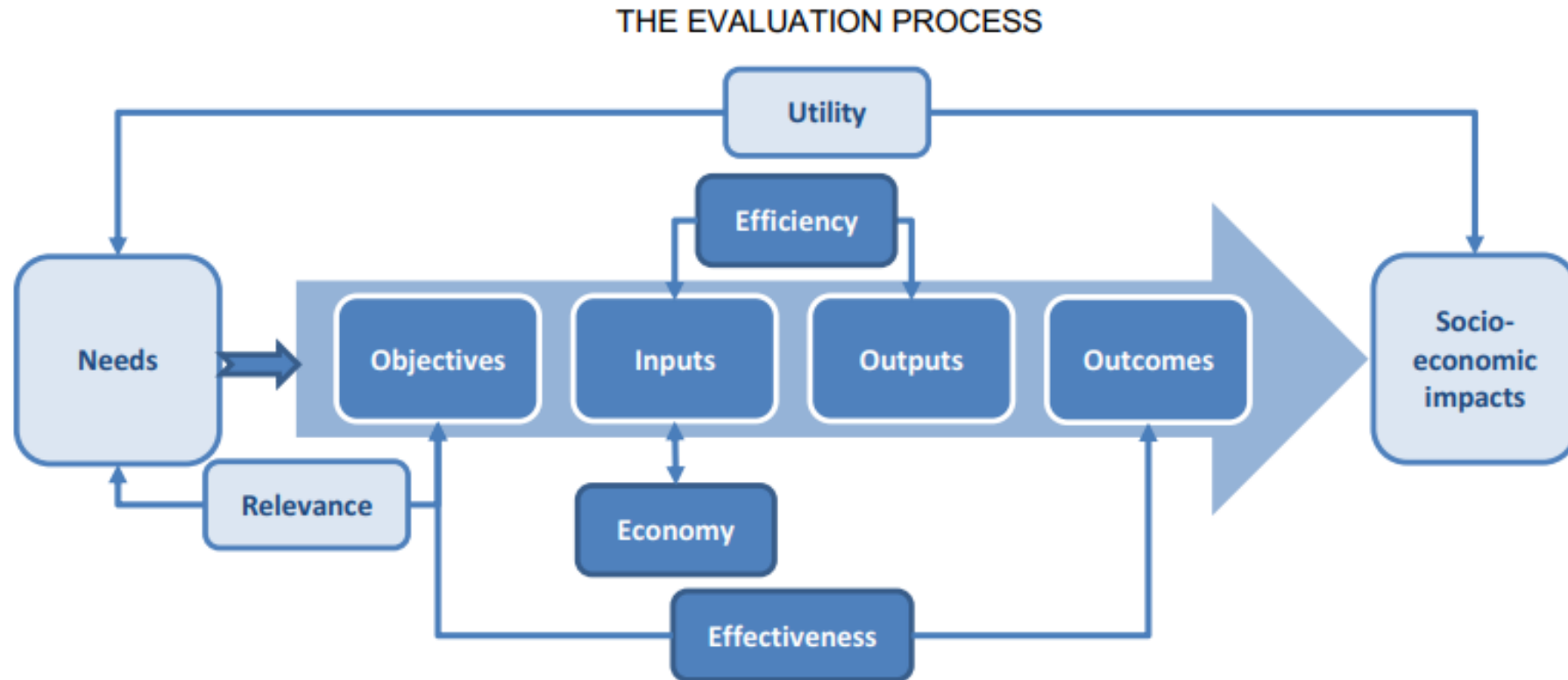
37. In the definition of performance auditing the three E's, economy, effectiveness and efficiency have a central place. The relation between these three principles is explained further in figure 1 below. In this figure input refers to the financial, human, and material resources used for a government intervention (government undertaking, policy, system, operation, programme, activity or organisation). Output refers to the products, capital goods and services which result from a government intervention. Outcome refers to the likely or achieved effects of an intervention's outputs. These can be short-term, mid-term or even long-term (long term effects can also be referred to as 'impacts').

INTOSAI GOV 9400, chapter 1.3...

Whereas the core of performance audit is the assessment of the economy, the efficiency or the effectiveness, the core of public policy evaluation is the assessment of the global, short and long term **impact** of a policy (which often requires to consider other policies having effects in the same field), and the assessment on the utility of this policy.⁵

INTOSAI GOV 9400

The following diagram gives some information about what are the main issues for performance audit and evaluation of public policies, in order to differentiate one from the other:



Scheme legend:

- Specific to evaluation of public policies
- Used in performance audit as well as in evaluation of public policies

INTOSAI GOV 9400, 2.2:

In a nutshell, evaluation of public policies should not limit itself to pre-established goals and reserves the right to call into question the objectives set out in legislation. The main issue of its examination should be to assess the utility of a policy as much as the effectiveness of its instruments.

ISSAI 3000:

31. Many topics in performance auditing are politically sensitive because they may relate to the performance of public programmes prioritized by the government. Performance auditing examines whether decisions by the legislature or the executive are efficiently and effectively prepared and implemented, and whether taxpayers or citizens have received value for money. It does not question the intentions and decisions of the legislature, depending on the SAI's mandate, but examines whether any shortcomings of the laws and regulations or their implementation have prevented the specified audit objectives from being achieved.

Some possible differences?

- Accountability – normally more important in PA than in evaluation
- The Normative perspective – normally more important in PA than evaluation
 - - what should (not) be
- Institutionalized Independence – normally for auditors, not always so for evaluators

Some possible differences cont.

A more philosophical point:

- «The Good Guy Notion» - informed officials will do the right thing (evaluation)
- «The Bad Guy Notion» – you cannot be sure that informed officials will do the right thing (audit)

Sort of concluding questions:

- The differences between evaluation and performance audit is more a question of context than differences in what you actually do or study?
- Thus, a closer dialogue between the WGEPPP and the PAS would be a good thing?

**And finally:
If you want to read a classic on
Evaluation & Performance Auditing...**

