

Performance Audit

- Implementation guidelines for PA
- New proposals

Performance Audit Subcommittee

Harry Kramer LL.M. Netherlands Court of Audit

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 audit objectives, the scope of the audit, mapping the audit field, finding and defining audit criteria, 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

h.kramer@rekenkamer.nl



PSC
INTOSAI Professional Standards Committee

EUROSAI
Chair of Governing Board