



Performance Audit Seminar

Workshop II, Prague, 27.-29. April 2009





Performance Audit Seminar, Prague

- Workshop II, Developing Audit Questions.
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I. Organization of Performance Auditing in Rigsrevisionen

- One department – 6 Offices – for Performance Auditing
- One office is responsible for three or four different ministries - 3 or 4 project groups per office
- Rigsrevisionen publishing yearly 18 Performance/Value for Money Reports for the Public Accounts Committee
- Rigsrevisionen and the Public Accounts Committee can initiate Performance/Value for Money examinations



II. Performance audit guideline and the process

- Mostly, each Performance audit examination begins with a Preliminary examination – max 3 months.
- Approval to start a Performance Audit examination by the Auditor General – max 4-6 months.
- Rigsrevisionen has developed an guideline for Performance/Value for Money examinations:
 - - One single Purpose
 - - 2 or 4 sub objectives (max 5)
- The purpose and the sub objectives have to be formulated as “open questions”.



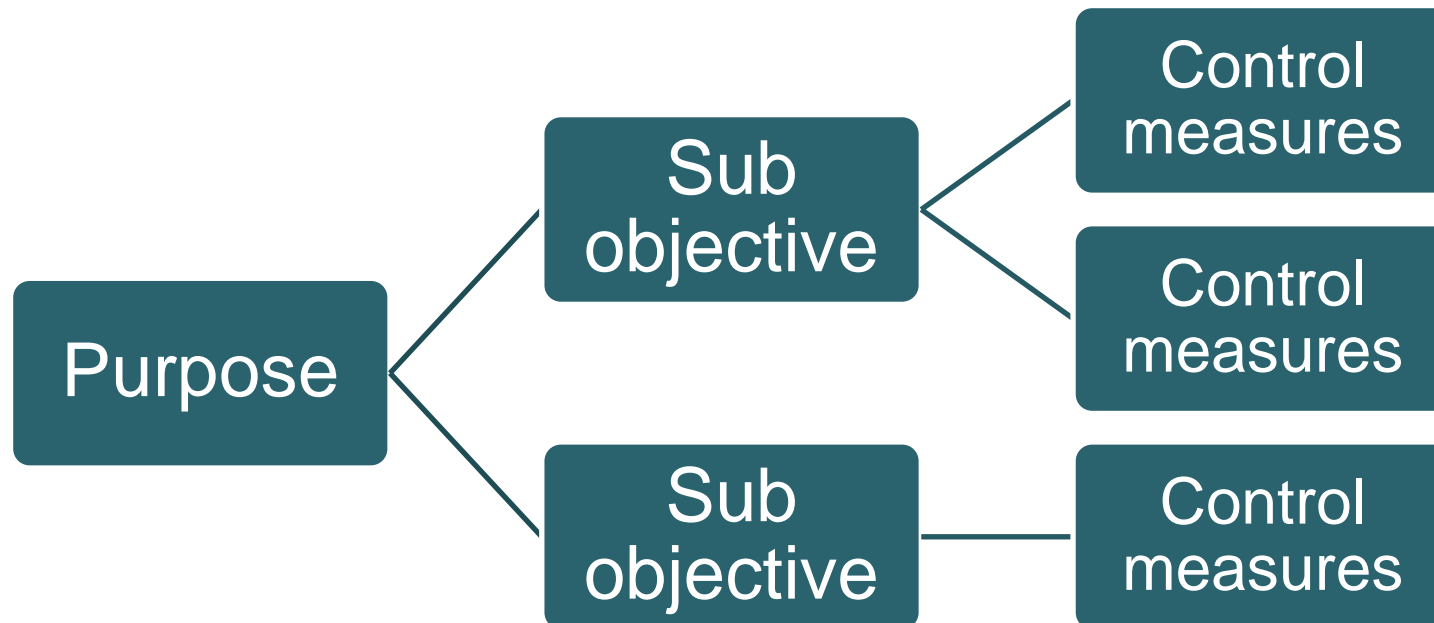
III. Developing audit questions – the sub objectives and control measures

- The sub objectives and control measures are developed on the foundation of the Preliminary examination.
- Main characteristic of the sub objectives and the control measures:
- An operationalization of the main purpose of the examination
- The sub objectives have to be set up as open questions – the auditor has to review the purpose
- The question has to be stringent, precisely and short
- The question is mostly set up as – W-questions – why, what, where and how
- The control measures are in two levels for the Auditing Tree -



III. Developing audit questions – the sub objectives and control measures – continuing

- Developing an Auditing Tree:





III. Developing audit questions – the sub objectives and control measures – continuing

- The Performance auditing tree has been used since 2006
- The reason for developing the performance auditing tree:
 - - Management of the examinations – the link between the director of the office and the project group
 - Need to ensure common understanding and what has to be delivered – internally and externally
- Control measures at level one:
 - Mostly, the control measures is established by the findings of the preliminary examination
 - The review will be a “test” of best practice or demands from third parties
 - The auditor reviews the work, performance of the client



III. Developing audit questions – the sub objectives and control measures – continuing

- Control measures at level two:
 - Mostly, an operationalisation of the measuring at level one
 - The auditor assess the work, performance, norms of the client at the ground level – in the units
 - The control measures are set up as – has done, has made, has established



III. Developing audit questions – the sub objectives and control measures – case

- Case – Performance audit examination – reducing of energy consumption in the state (The Government)
- Purpose:
- How can the state (The Government) be better to reduce its use of energy?
- Sub objective I.:
- Has the state established a framework which can support a behavior of reducing of energy consumption in the ministries?



III. Developing audit questions – sub targets and control measures – case

- Control measures concerning sub target I.:
- 1.1.: The State ensures an overview on the total use of energy in the state and the potential of reducing energy consumption, and the state ensures an effective knowledge-based approach between the ministries
- 1.1.1.: The Department for Energy ensures on behalf of the state an overview on the total use of energy in the state.
- 1.1.2.: The Department of Energy has analyzed the potential reducing energy consumption in the state.
- 1.1.3.: The Department of Energy has published the collected data of used energy in the ministries, and the Department shares knowledge between the ministries concerning the potential reducing of energy.



III. Developing audit questions – the sub objective and control measures – case

- Control measures concerning sub objective II.:
- Sub objective II.:
- Do the ministries ensure a behavior of economy efficiency concerning the use of energy?

- 2.1.: The ministries promote a behavior of economy efficiency concerning the use of energy.
- 2.1.1.: The ministries ensure an overview of potential reusing of energy.
- 2.1.2.: The ministries have made working plans for the potential reducing of energy.
- 2.1.3.: The ministries have appointed an administrative person whom is responsible for energy.



IV. The experiences of using control measures

- The experiences of using the sub objectives and control measures at level one and level two
- A better management of the performance audit examinations
- A better transparency for the client for assessing what, why and how the auditor carries out the examination
- We use criteria, best practice, norms which we have established in cooperation with the ministries, but do not have to agree them always
- We may during the examination correct the control measures in the audit tree – in practice few examinations have been totally changed, just modified.



V. Future initiatives for the Performance Auditing in Rigsrevisionen

- New initiatives concerning the developing of audit questions:
- New approach – the client shall be part of the developing and establishing the sub targets and control measures.



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- Thanks
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