

Summary of Topic 5 - Possibility of Performance Audit of the CAP

The workshop commenced with the presentation of an overview of the replies to the questionnaire. Although the replies were somewhat disappointing in some respects, notably in the number of respondents, those SAI's who did reply:

- Confirmed their interest in this topic
- Indicated their commitment to developing their skills and resources devoted to this important area
- Welcomed a wide sharing of views and experiences with other SAI's on the subject

A number of very interesting presentations were given by the SAI's of Finland, Denmark, Austria, the ECA, Belgium, Portugal and France. The presentations confirmed the facts mentioned above especially the interest of SAI's in this topic and the need of sharing information.

The principal issues highlighted can be summarized as follows:

- To date many SAI's focused on an examination of economy and efficiency which were aspects considered to be more easily examined than the concept of effectiveness.
- Many of the presentations made put the focus on an examination of operational efficiencies of public service bodies. This was seen as an area of particular interest given the emphasis of the delivery of efficient services at least cost in view of current budgetary constraints in this regard, for instance, emphasis was placed on the timelines in processing claims relative to standards set, as well as the success of efforts to contain, even reduce administrative costs.
- Evaluation of effectiveness was considered to be hindered by an often lack of clarity in what policy objectives were set, as well as their contradictory aims, the difficulty in isolating the impact of specific measures as compared to external effects, the long term nature of the objectives, and as was frequently encountered, the lack of reliable or complete data to evaluate results and outcomes
- The need to devote a considerable amount of time to focusing the audit on key issues from the outset was considered to be a key element contributing to the success of performance audit; this was seen as being particularly important given the broader framework within which sound financial management issues were to be considered; in this regard techniques such as issue analysis, whereby the main issue to be addressed was considered in an open "brainstorming" section, frequently facilitated by an external independent facilitator were considered as being particularly useful to ensure that the key audit question was identified from the outset as well as the relevant sub-questions. The answer to which would help answer the main question, such techniques could also be usefully employed at the reporting stage of the audit in order to identify the main conclusions which could be drawn
- Another important issue highlighted was the need insofar as possible to identify the key criteria to be used to judge the success of a policy, and to discuss and hopefully gain agreement with the auditee on such criteria; in this regard, given the absence of a

reglementary framework, identification of “best practise” techniques was seen as being particularly relevant in this respect

- The need for effective follow up of audit findings was considered to be very important in order to ensure that genuine improvement occurred; this was an important feature of all SAI’s work with those having the possibility to impose administrative fines being in a relatively strong position in this regard
- A number of presenters advocated or at least favoured an integrated approach to performance audit where compliance as well as issues of S F M were addressed; this was sometimes seen as enriching the audit experience helping to focus on key issues however this approach, the relevance of which has been discussed for many years also carries with it the risk that auditors fall into the comfort zone of compliance rather than addressing the substantive issue associated with performance
- A distinction was drawn between the respective responsibilities for conducting evaluations which was seen as being the responsibility of the managing body and that of performance audit whose responsibility lies with the auditors; however the lines between the two disciplines can sometimes become somewhat blurred.

Turning to the key questions highlighted by the replies to the questionnaire. These questions have been addressed during the seminar.