

Normative and Pragmatic View on PA Topics Selection Criteria

Topic 1: Strategic Planning of Performance Audits

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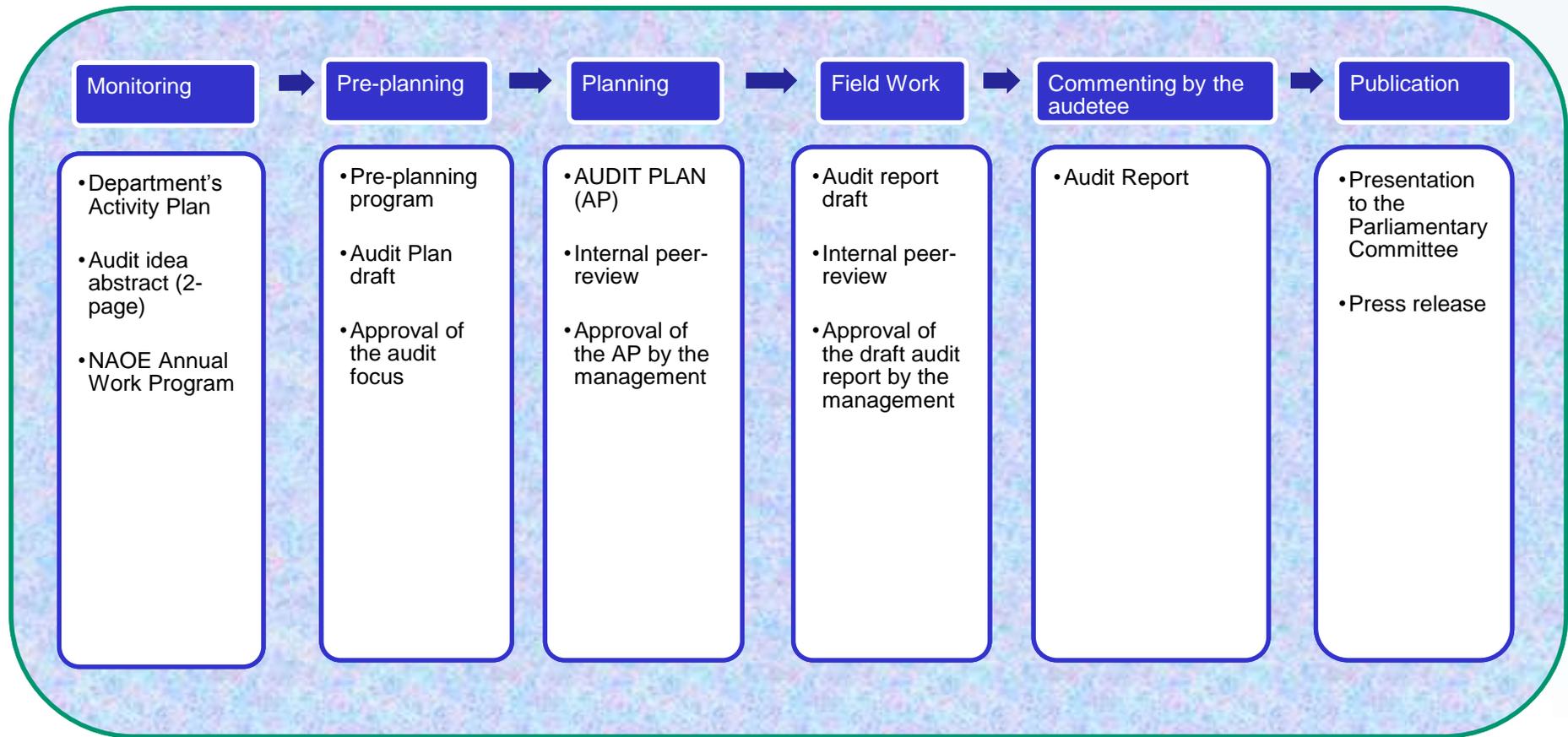
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- The role and functions of the NAOE Annual Work Program
- Choice of extracurricular auditing activities
- Pragmatic View

Performance Audit Process at the NAOE



Team-level assessment criteria

Monitoring

- Department's Activity Plan
- Audit idea abstract (2-page)
- NAOE Annual Work Programme

Importance of the organizational structure

Policy, program or project risk increase indication criteria:

- Unusual increase in expenditure
- Mismatch between goals and results
- Excess of funding and/or time limit
- Sufficiently large number of citizen complaints in

Importance - The problem must have real life implications (also scope and frequency of occurrence of the problem, number of affected parties, risk of negative side effects)

Suitability for audit - involve human activity or be a result of it; we must have competency or we should be able to obtain it from outside the organization.

Organization-level assessment criteria

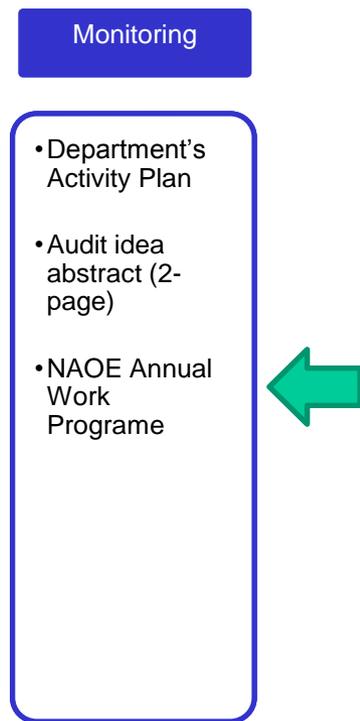
Monitoring

- Department's Activity Plan
- Audit idea abstract (2-page)
- NAOE Annual Work Program



- NAOE 4-year Strategic Plan
- Management macro analyses/interpretation of the auditing environment
- Input from external parties (MPs, NGOs etc.)

The role and functions of the NAOE Annual Work Program (AWP)



- Communication tool: the AWP is published on the NAOE home page. Challenge is to balance the predictability function while still maintaining sufficient flexibility.
- Tool for performance measurement. Challenge is to bring about the best ingenuity of the auditors while sustaining enough accountability and productivity.

Choice of extracurricular auditing activities

- Common sources and reasons of extracurricular auditing activities are:
 - specific request from the Parliament
 - all types of foreign relations projects
 - unforeseen problems appear in the public debate where the opinion of NAOE is expected
 - for some old NAOE recommendation window of opportunity in the public policy domain will be open
- Predictable extracurricular auditing activities will be included to the AWP

Pragmatic view – is it craft or is it art?

- Challenges and uncertainties lie in every stage of the process:
 - limited or too detailed knowledge of the problem;
 - different understandings of risks;
 - too vague or outdated strategic goals lead to scattered expectations towards what should be audited (e.g. impact of economic crises to the selection of audit topics).
- There seems to be no robust, entirely objective and linear way how to identify a PA topic even if one looks only on intra organizational and domestic factors. We can structure the process of planning, provide objective information for decision making but the final list of PA topics will still be more or less random and certainly subjective value based. Is this good or bad?

Thank you!

