CORE CONCEPT

Performance Audit and Value for Money (VfM) Audit: Audit Design, Evidence and Reporting

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Introduction:

Governments spend large sums on programmes whose results are rarely examined beyond whether money was spent as authorised. Without a structured performance audit, waste, poor service outcomes and unequal access remain hidden and public accountability weakens. This Core Concept course equips auditors to plan and conduct a performance audit and value for money VfM audit of public programmes against the principles of economy, efficiency, effectiveness and equity. Participants work through topic selection, audit design, evidence analysis and reporting on public sector cases and leave with a Performance Audit Design Matrix and Draft Audit Report Outline.

Course Objectives:

- Explain the mandate, principles and approaches of performance auditing as set out in ISSAI 300 and ISSAI 3000
- Select and scope audit topics on the basis of materiality, risk, public interest and auditability
- Design a performance audit with audit questions, criteria, methods and evidence sources recorded in an audit design matrix
- Gather and analyse qualitative and quantitative evidence, including unit cost and cost-effectiveness analysis, to test economy, efficiency and effectiveness
- Draft findings, conclusions and recommendations that are evidence-based and addressed to the responsible entity
- Produce a Performance Audit Design Matrix and Draft Audit Report Outline for a government programme

Target Audience:

- Auditors in public audit bodies who plan and conduct performance audits of government programmes
- Internal auditors in ministries and public agencies who review operations and spending beyond financial compliance
- Programme evaluators and monitoring staff who assess results of public services and projects
- Oversight and inspection staff who examine service delivery and use of public funds
- Finance and planning staff who prepare entities for external performance review

Course Outline:

Day 1: Performance Audit Foundations and the 3Es

- Performance Audit Versus Financial and Compliance Audit Scope
- Economy, Efficiency and Effectiveness Definitions with Input-Output-Outcome Chain
- Equity as a Fourth Dimension of Value for Money
- Accountability Relationships Between Auditor, Audited Entity and Legislature
- Current-State Review of an Audit Office Performance Audit Portfolio

Day 2: Performance Audit Standards and Audit Approaches

- ISSAI 300 Performance Audit Principles: Objectives, Independence and Professional Judgement
- ISSAI 3000 Requirements for Planning, Conducting and Reporting
- Result-Oriented, Problem-Oriented and System-Oriented Audit Approaches
- Audit Risk and Quality Control in Performance Engagements
- Stakeholder Communication and Audited Entity Engagement Protocol

Day 3: Topic Selection, Audit Design and Criteria

- Strategic Audit Planning with Materiality, Risk and Public Interest Scoring
- Pre-Study and Programme Logic Model Mapping
- Problem Tree Analysis to Frame Audit Objectives
- Audit Questions and Sub-Questions Hierarchy
- Audit Criteria Sources: Targets, Benchmarks, Good Practice and Expert Opinion

Day 4: Evidence, Cost and Outcome Analysis

- Evidence Sufficiency and Appropriateness Tests for Performance Findings
- Interview Protocols, Surveys and Document Review Techniques
- Unit Cost, Productivity and Cost-Effectiveness Analysis
- Benchmarking and Comparative Data Analysis Across Service Providers
- Findings Matrix: Condition, Criteria, Cause and Effect

Day 5: Case Work, Reporting and Follow-Up

- Public Hospital Waiting Times Case: Efficiency Audit Evidence Review
- School Transport Programme Case: Economy and Equity Findings
- Report Structure, Conclusions and Actionable Recommendations
- Recommendation Tracking and Follow-Up Audit Plan
- Performance Audit Design Matrix and Draft Report Outline Peer Review

Skills You Will Gain:

- Audit Topic Selection
- Audit Design Matrix Construction
- Audit Criteria Development
- Programme Logic Analysis
- Cost-Effectiveness Analysis
- Performance Evidence Evaluation
- Audit Report Writing
- Recommendation Follow-Up

Why Attend This Course:

- Return with a Performance Audit Design Matrix and Draft Audit Report Outline for a programme your office intends to examine
- Move audit work beyond compliance checks to conclusions on whether public money achieved its intended results
- Defend audit criteria and evidence when audited entities challenge findings
- Compare audit methods with auditors and evaluators from health, education, transport and infrastructure

Conclusion:

Performance auditing tells legislators and citizens whether public programmes deliver results at a reasonable cost and reach those they are meant to serve. This course moves from the three Es and equity, through the performance audit standards and approaches, to topic selection, audit design, evidence gathering and cost and outcome analysis. The final day applies these methods to public service cases, covers reporting and follow-up, and produces a Performance Audit Design Matrix and Draft Audit Report Outline that participants take back to their audit programme.