



# How and when to be strategic?

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# Workshop I: Strategic planning of performance audits

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Position: auditor (auditor manager)

Areas: Education and research

Former position: head of section in the Danish Ministry of Education

Studies conducted:

- Assuring and enhancing the quality of the university programs
- The Ministry of Education's administration of the Danish state grant for the Danish minority in Northern Germany (mainly schools)
- The mandatory national tests (for primary and secondary school)

Member of the department's planning network (enforcing strategic planning)



# Presentation's content?

Title of the presentation: How and when to be strategic?

- Not to be polemic, but merely a question raised in many a discussion in my department. I hope, you will all participate in the discussion here.
- I will not answer the question, but in the end of my presentation I will try to illustrate and reflect upon, what our planning strategy has brought us.



## Main points of content:

- organisation of the performance auditing in Rigsrevisionen
- background for our current strategic planning paradigm
- the strategic plan
- planning workshops



# How performance audits are organised in Rigsrevisionen

- Rigsrevisionen is the Danish Parliament's institution – Public Account Committee
- Four departments - one department for Performance Audit (6 Offices)
- Each office is responsible for three or four different ministries - 3 or 4 project groups per office
- Rigsrevisionen yearly publishes 18 Performance/Value for Money Reports for the Public Accounts Committee
- The financial audit departments conduct minor performance audit studies of specific areas
- Rigsrevisionen and the Public Account Committee can initiate Performance/Value for Money examinations



## Background: Peer review 2006 & evaluators

### Peer review:

- performance audits should add value to the society as a whole and the administration
- we should focus on economy, effectivity and efficiency in order to cover our audit mandate.
- Issues concerning effectivity must play an important role in the prioritising of the specific audits.
- we must prioritise issues of great importance for the public and the Parliament from a broad governmental point of view

### Evaluators:

- a group of university professors evaluate all our larger performance audits every year
- offer their view upon whether or not we conduct the right audits – that is, are we auditing the right issues?



## Vision & strategy

Larger performance audit studies must focus on:

- Public sector areas with low effect(ivity)
- Issues of public concern, both citizen- and company- related issues
- Cross-sectional aspects/problems
- Audit criterias and recommendations must be based on international benchmarking and best practice



## **Strategic plan 2008-2010 – main elements**

The strategic plan is in effect in a 3 year cycle.

- Planning themes
- Audit types
- Sectors
- Audit planning process
- Production plan





# Planning themes

- The influence of Globalisation
- Sustainable development
- Development of the welfare state, including enhancement of quality of life
- Economical growth, including maintainance of competitive capacity
- Demographic development and social change
- Development in science and tecnology
- Development in the international security
- Challenges of managerial nature (within the public sector)



# Types of studies

Special focus on the following types of studies:

- Management (economy management, result-based / performance management etc.)
- Cost-consciousness (economy)
- Effect(ivity), including cost-consciousness, performance and effects

Less focus on:

- Compliance audits
- Financial auditing
- Efficiency



# Sectors

- National security and basic public tasks
- Business and labour market
- Public economy
- Public administration
- Social conditions, health and family
- Research and education



# Instruments – an example

Planning workshop:

- 2 days of presentations and discussions
- Goal is to identify (problematic) audit areas
- To secure coherence with our strategic goals: test panel

→ relatively new concept:

- in October 2008 – workshop on the sector of Business and labour market
- in September this year – workshop on the subject of procurement projects at large.



# What have our strategy brought us?

## Benefits:

- More problem-oriented audit themes
- A better understanding of the purpose of our audits
- The best production plan ever for 2009-2011 (we believe!!)

## Challenges:

- Making all the different strategic outlines form a synthesis
- Turn our traditional world-view around → getting new and different ideas