

Prague 27-29 April 2009



EUROSAI

Training Event

Presentation Workshop 2:
Developing Audit Questions

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4 parts of our presentation



1. The Swiss Federal Audit Office (SFAO) and the Competence Centre for Evaluations (CC-Eval) (7" Ueli)
2. The process of topic selection (7" Claude)
3. Good problem statements and questions (7" Claude)
4. Methodological aspects – an example (7" Ueli)



The Swiss Federal Audit Office SFAO

Competence Centre for Evaluations
CC-Eval

The SFAO



Supreme supervisory organ of the
Confederation

Autonomous and independent

Politically neutral specialist authority

Core responsibility is auditing the federal
budget

The competences of the SFAO



1967: SFAO Act → Strengthening **compliance audit** of federal finances

1994: Legislative revisions → Introduction of **economic viability criterion**

2000: Reorganisation → Matrix organisation, 6 competence centres

Federal Constitution of the Swiss Confederation

Art. 170 Evaluation of effectiveness

The Federal Assembly shall ensure that federal measures are evaluated with regard to their effectiveness.



Art. 51 Auditing criteria

- 1 The SFAO carries out financial audits in accordance with the criteria of compliance with regulations, legality, and performance.
- 2 SFAO carries out **performance audits**, verifying whether:
 - a. funds are being used **thriftily**;
 - b. the ratio between **costs and benefits** is favourable;
 - c. financial expenditures achieve the expected **effect**.

Impact analyses and evaluations are Performance Audits!

Framework



The SFAO has 90 full-time equivalents, 100 staff members

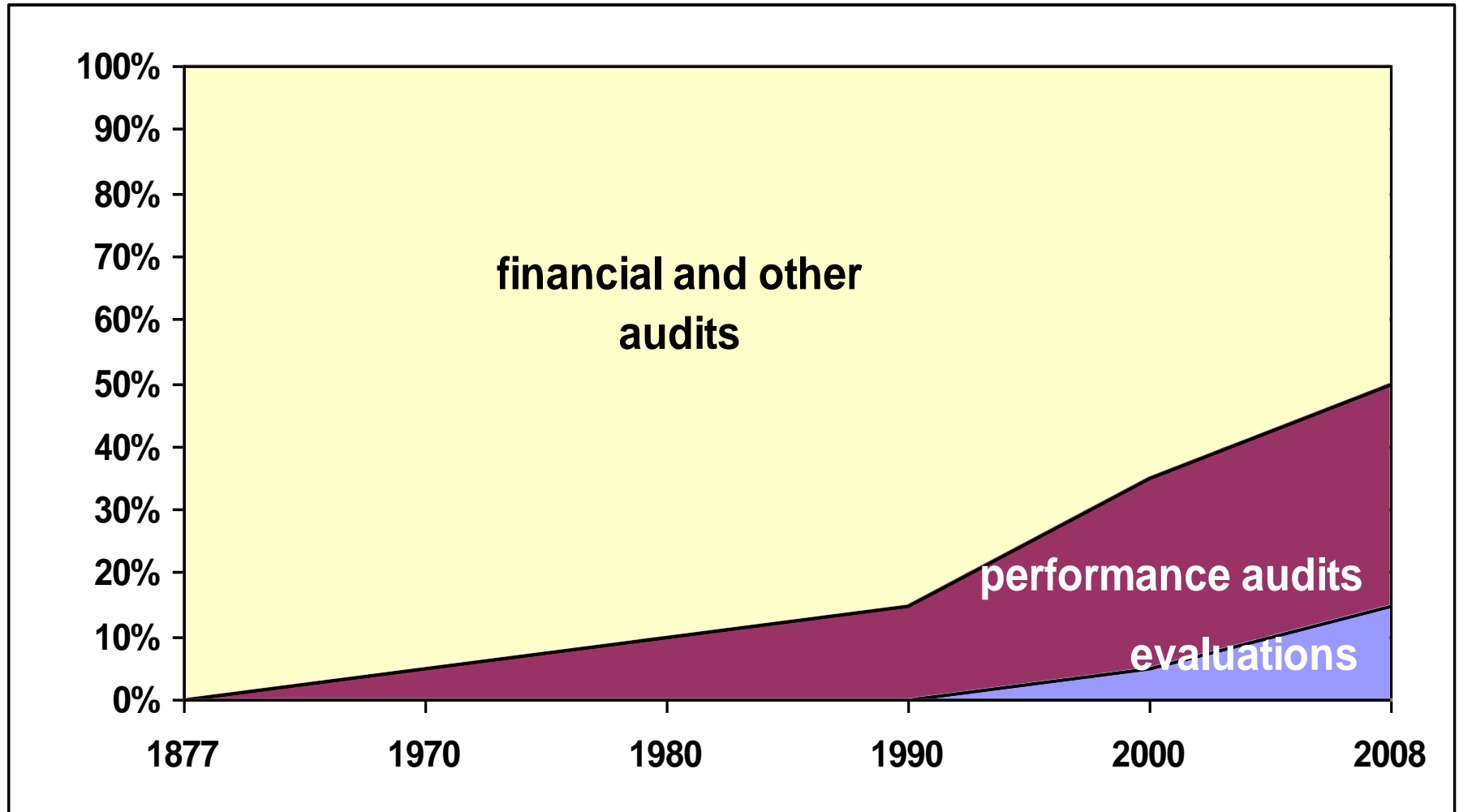
The CC-Eval has 10 full-time equivalents, 12 staff members

Swiss cantons have their own audit authorities: audit offices, courts of audit, evaluation units

Some federal offices also have their own audit and evaluation units

The SFAO coordinates its evaluations with other units

Significance of the performance audits and evaluations



The CC-Eval Team



Goals of the CC-Eval



1. 5 to 6 Evaluations/PA per year
2. Integrate comparative element
3. One evaluation with international cooperation (parallel audit)
4. Publish reports
5. Promote cooperation with other Evaluation Units

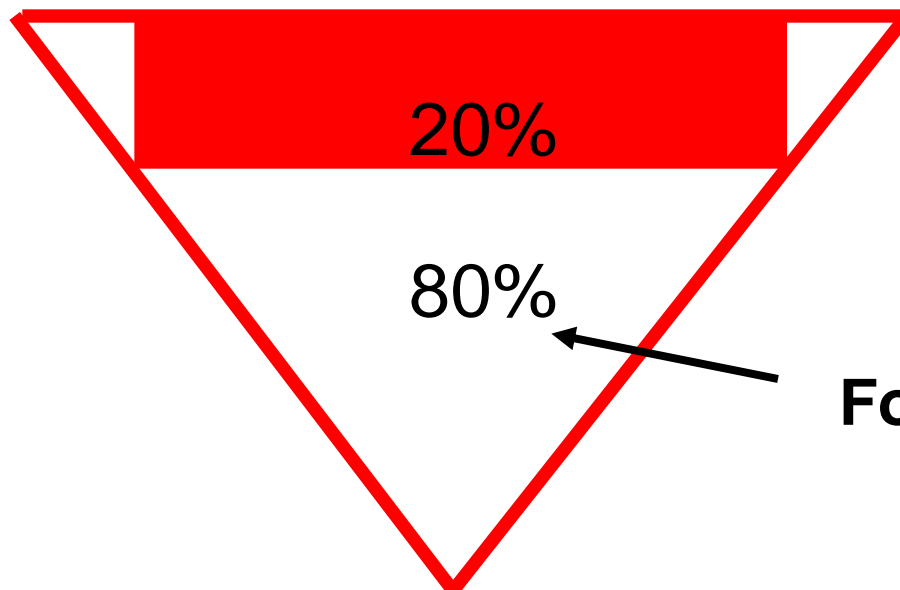


The process of topic selection

Topic selection



Federal
Council



Parliament

20%

80%

Focus today

Own initiative
(SFAO)

From Strategy to the Evaluation report ~8 steps



1. 4-year Strategy for the SFAO and the CC-Eval
2. Idea Pool – A database
3. First selection of possible Evaluation topics/themes
4. Exploration of 10-15 possible topics according to criteria
5. Definitive choice of Evaluation topics
6. Project Draft
7. Feasibility Study
8. Evaluation Report

Idea Pool – a database



Available to all SFAO staff

i-world EFK / CDF - Microsoft Internet Explorer provided by Eidgenössische Finanzkontrolle

Address: http://i-world.efk.admin.ch/

Links: admin.ch, ArztWiki, BAG, DN, EFK, GelbeSeiten, Google, i-world, map, nzz, Staatskal, TA, Wikipedia, Yahoo

EIDGENÖSSISCHE FINANZKONTROLLE
 CONTRÔLE FÉDÉRAL DES FINANCES
 CONTROLLO FEDERALE DELLE FINANZE
 SWISS FEDERAL AUDIT OFFICE

PORA | [Auftragsmanagement](#) | [Knowledge-Management](#) | [Empfehlungscontrolling](#) | [Registraturplan](#) | [Ideenpool](#)

Ideenpool | Einfache Suche | Erweiterte Suche | Alle Suchmöglichkeiten

Ideen-ID: Thema: Kürzel: FBL: FB Entscheid:
 Amt-Nr: Amt Abk.: Dringlichkeit: ML: ML Entscheid:

-	ID	Amt	Thema	Begr. / Ziel / Finanz. Ausw. / Risiko	Dringl.	Erfasst	Kürzel	FBL	FBL Entsch.	ML	ML Entsch.
	i0440	340 ETHL	Auftragsabwicklung, Steuerung, Ausmass Erstellung und Verrechnung, Regie, Lebenswegkosten, Nachtragspreise usw.	Bei der ETHL wurde die Abwicklung der Bauvorhaben vor Ort nicht detailliert materiell geprüft. Im Bereich der QP 8344 "Vorauszahlungen im Nationalstrassenbau" haben wir festgestellt, dass dieser Bereich teilweise recht mangelhaft war. Zeitbedarf: mindestens 40 Tage pro Objekt Jahr 2009	mittel	2008-06-19	zupe	F7	angenommen	M4	offen
	i0439	540 armasuisse	Auftragsabwicklung, Steuerung, Ausmass Erstellung und Verrechnung, Regie, Lebenswegkosten, Nachtragspreise usw.	Bei armasuisse wurde in den letzten Jahren die Abwicklung der Bauvorhaben vor Ort kaum detailliert materiell geprüft. Im Bereich der QP 8344 "Vorauszahlungen im Nationalstrassenbau" haben wir festgestellt, dass dieser Bereich teilweise recht mangelhaft war. Zeitbedarf: mindestens 40 Tage pro Objekt Jahr 2009	mittel	2008-06-19	zupe	F7	angenommen	M1	offen
	i0438	620 BBL	Prüfung von 1-2 sich in Bau befindenden Objekten. Materielle Prüfung vor Ort: Auftragsabwicklung, Steuerung, Ausmass Erstellung und Verrechnung, Regie,	Beim BBL wurde in den letzten Jahren nur Prozesse, nicht aber die Abwicklung der Bauvorhaben vor Ort detailliert materiell geprüft. Im Bereich der QP 8344 "Vorauszahlungen im Nationalstrassenbau" haben wir festgestellt, dass dieser Bereich teilweise recht mangelhaft war. Zeitbedarf: mindestens 40 Tage pro Objekt Jahr 2009	mittel	2008-06-19	zupe	F7	angenommen	M5	offen

+++ Risikoorientierte Prüfplanung als Grundlag

Start | Microsoft Office... | Microsoft Excel - T... | Internet Expl... | 2 Microsoft Office... | 17:50

Topic selection process



- Define number of necessary topics (8 – 15)
- Prioritise among topics in the database
- Selection of topics for exploration
(10 criteria)
- Final topic selection (5 – 6)
- Include in annual programme for SFAO

Selecting topics - Criteria



- Confederation responsibility
- Funds used are relevant
- Delimitation of policy is possible
- Policy with external effects
- Outputs and effects measurable
- No similar study has been conducted
-



Good problem statements and
good questions

Project Draft



- What are **possible** problem statements?
- Goals of an Evaluation
- Existing Studies about the topic
- Legislative amendments
- Different options of focus
- Possible consequences of evaluation
- Resources for feasibility study
- ▶ Report by project leader

Approx. 15-page report – stop or go on

Feasibility study

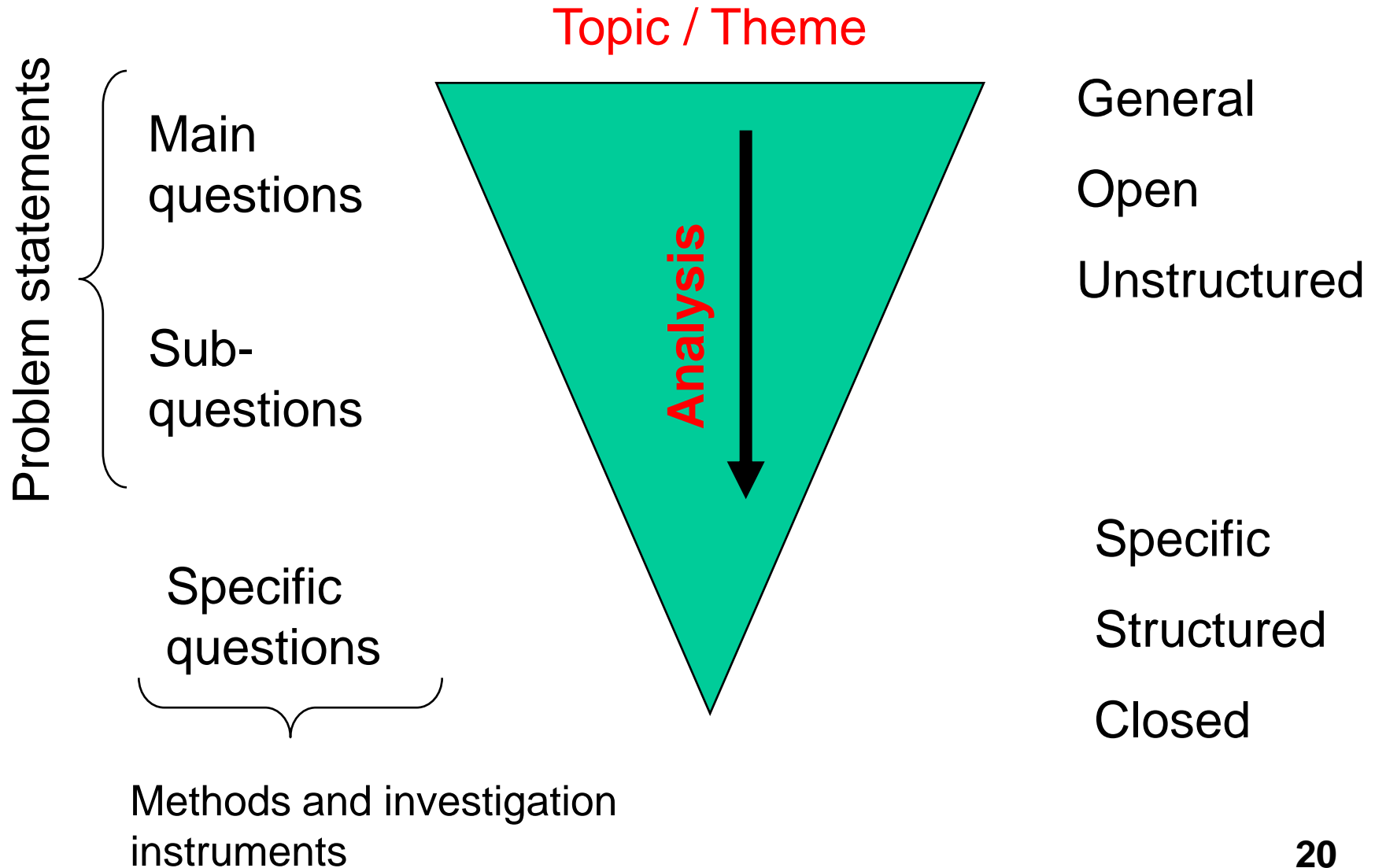


- What are the **definitive** problem statements?
- Delimitation of Evaluation topic
- Definition of methods and approach
- Resources and planning
- External experts necessary?
-

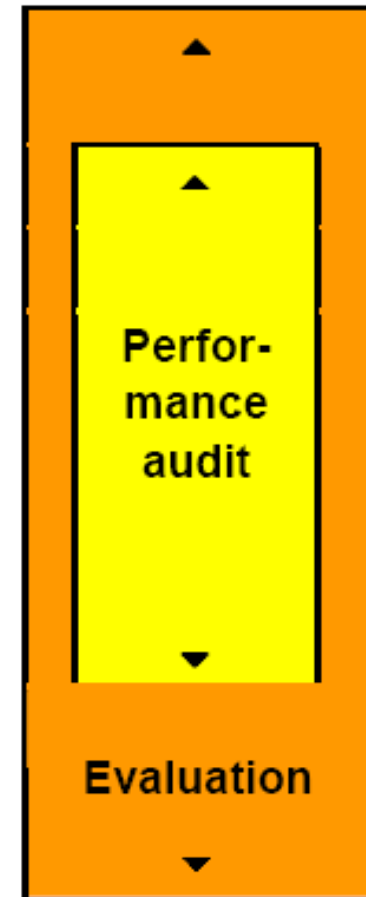
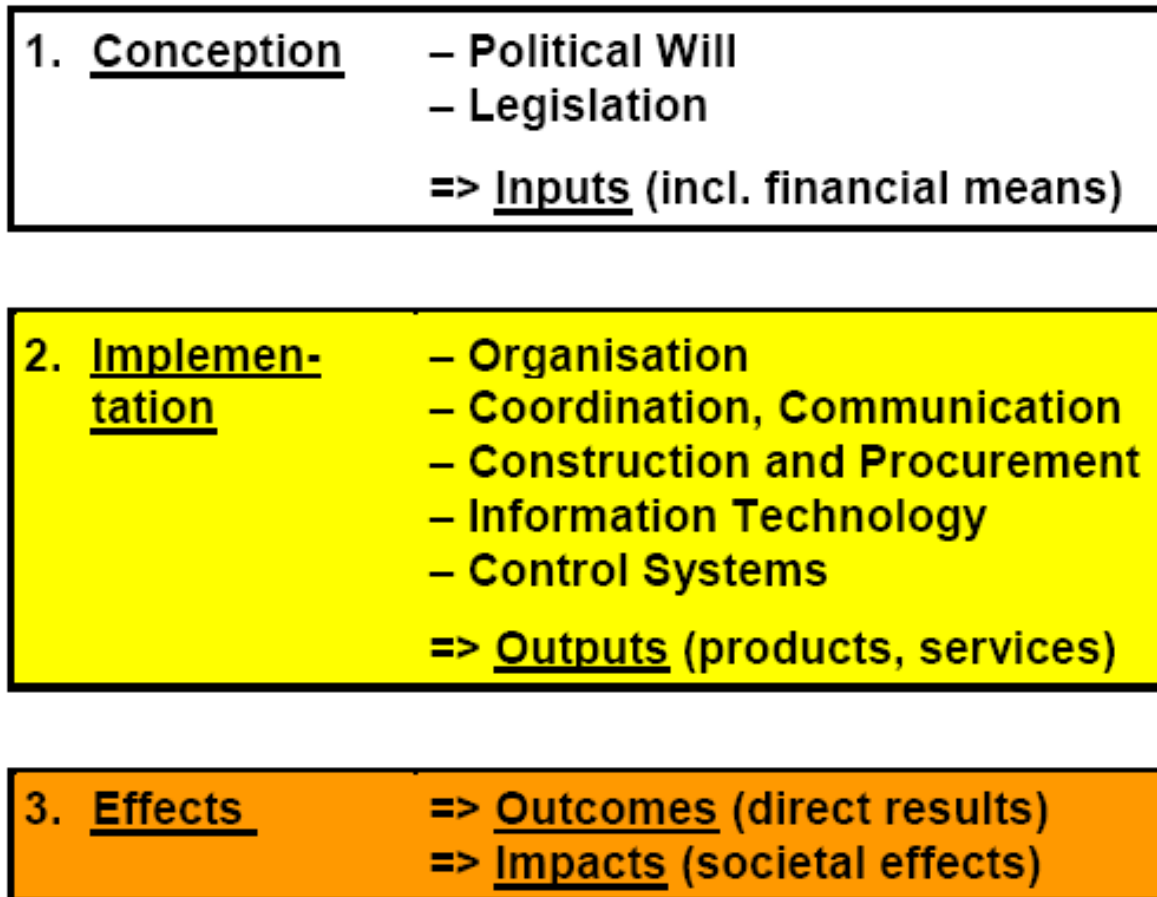
► Clarification of feasibility by project leader

Approx. 15-page report – methodological modules
and project planning

Problem statements -> questions



The evaluation model



Generic problem statements



- Goal achievement: Have goals been achieved?
- Input: Is the use of resources appropriate?
- Output: What are the immediate results of the policy?
- Effect on stakeholders: How do participants assess the effects?
- Effect on target group: How do persons concerned assess the measures?
- Performance: Is the relationship between input and effects reasonable? ...

Finding: Performance questions are among the most difficult to answer! specially when speaking about services!

3 types of questions



- Descriptive questions
 - “What are the goals of the policy?”
- Evaluative questions
 - “Is the relationship between input and effects reasonable?”
- Questions of causes and interdependencies
 - “What are the causes of increased costs?”

Focus in SFAO

Criteria
Standards

Effect
model

Finding: *Performance questions can be put on three levels!*

What characterises good questions



- Relevant and useful - in relation to purpose of evaluation or interview
- Good questions guide collection of information
- Formulated understandably and clearly, documented in writing
- Realistic and (empirically) answerable (-> evidence)
- Analytic and contain only one question
- Distinguish between facts and valuations
- Graded, not dichotomous “Only applies to problem statements!”
- Evaluative questions refer to valuation criteria
- Causal questions are grouped into logical blocks of topics



Methodological aspects – an example



1. Performance audits

- Professional standards and norms
- Laws and ordinances
- Directives
- Other norms, indicators
- Process standards

2. Evaluations

- Criteria arise through evaluation process
- From the understanding of the legislative process
- Based on analysis of historic documents
- Systematic description of criteria such as “efficiency”
- Systematic comparisons (before-after, international comparisons)

Finding: *“Existing criteria are the precondition to auditing, they are not for evaluation (Rist 1989)”*

Frequently used methods



- Interviews
- Document analysis
- Statistical analysis / databases
- Surveys among stakeholders
- Focus groups
- Systematic comparison (benchmarks)

Value added tax VAT



Value added tax audit:

Evaluation of strategy, implementation, and results of audits of taxpayers



Sample questions



1. What are the goals of the audit activities?
2. Is the selection of audit cases likely to ensure achievement of the goals?
3. What are the staff resources and costs for the audit?
4. What are the results of the audit activities?
5.

Sample sub-questions



What are the results of the audit activities?

Specific questions:

1. How are the results of the audits measured?
2. What legislative provisions often lead to on-site questions?
3. What is the amount of the actual duties demanded retroactively?
4. Are the audit goals being achieved?
5.

Sample questionnaire



Survey questions

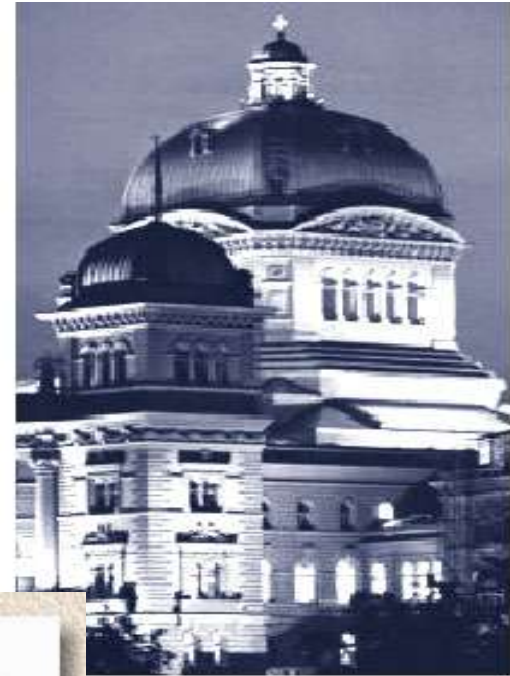
A Anforderungsprofil Mehrwertsteuerinspektor

1	Wie wichtig sind für Sie bei einer Skala von 1 (nicht notwendig) bis 6 (sehr wichtig) die folgenden Eigenschaften, über die ein Mehrwertsteuerinspektor verfügen sollte?	1 nicht notwendig - sehr wichtig 6					
		1	2	3	4	5	6
		1.1	Sachkompetenz in der MWST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Durchsetzungsvermögen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Buchhaltungsfachwissen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Sachlichkeit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Sozialkompetenz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

More info: www.efk.admin.ch



<http://www.efk.admin.ch>



Thank you for your attention!

