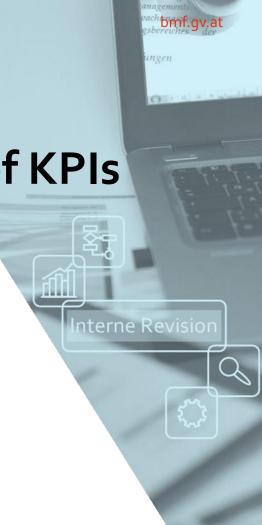
Current Challenges in the Use of KPIs

Internal Audit Department of the

Federal Ministry of Finance, Austria

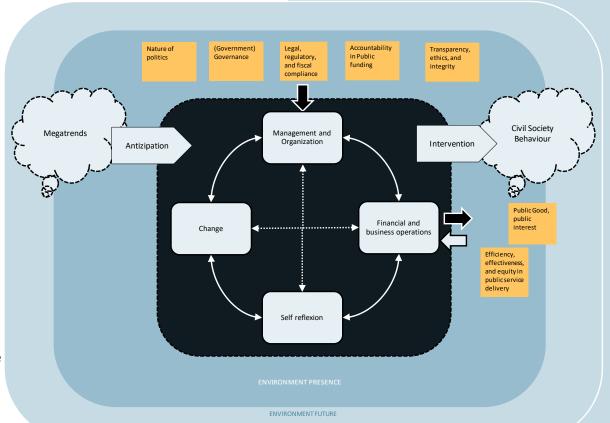
Hannes Schuh Chief Audit Executive, June 2020



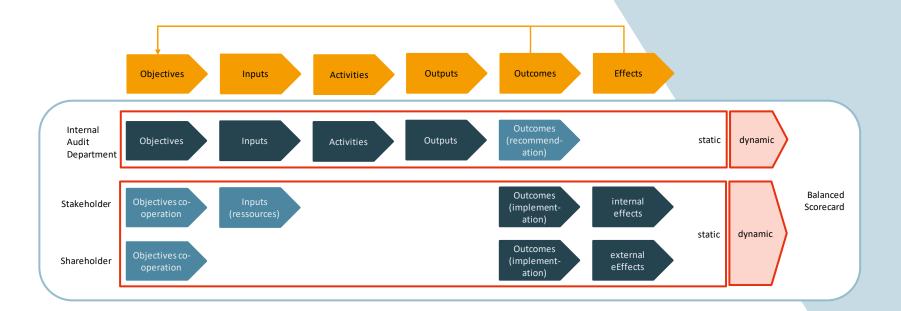
### **Audit Universe**

#### Disclosure:

Environment areas (orange squares) are taken from IIA Global: Unique Aspects of the Internal Auditing In the Public Sector, 2020)



## **Basis for KPIs of Internal Audit Department**



H. Schuh, 2020, KPI Internal Audit

# BSC of Internal Audit Department of Ministry of Finance

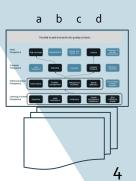
#### Strategic perspectives

- 1. IAD Staff is prepared to do its work
- 2. IAD processes are standardised and result oriented
- 3. IAD takes care on its environments
- 4. IAD activities lead to improvements

#### Strategic goals

- a. IAD creates value added for its public administration
- b. IAD cooperates with management for the "fit for future" of the public administration
- c. IAD is well known for its quality of work
- d. IAD improves its maturity





## KPIs, static (~ annually)

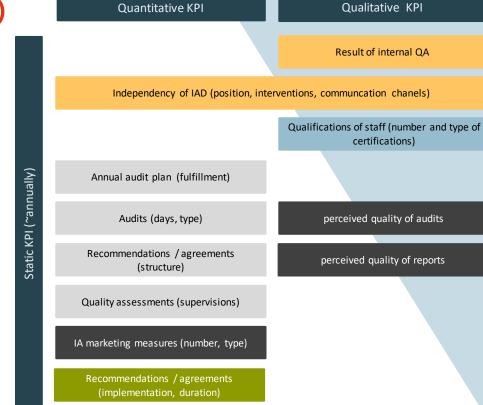
Effectiveness

Activity (auditing, consultancy)

Activitcy (co-operation)

Output & outcomes

Input



H. Schuh, 2020, KPI Internal Audit

Fiduciary perspective /Value perspective

Strategic alignment

Process perspective

Customer perspectice

Learning and Growing perspective

6

Federal Ministry Republic of Austria Finance

## KPIs, dynamic (~mid term)

Effectiveness

Activity (auditing, consultancy)

Activitcy (co-operation)

Output & outcomes

Input

**Ouantitative KPI** Qualitative KPI Result of external QA and maturity Independency of IAD (HR and budget ressources, salary system) Knowledge map (junior... auditors; specialists; upcoming areas) "seat at the table" (participation at management meetings and steering Dynamic KPI committees) Needs-based IA marketing measures (number, type) risk adequacy (principle based; audit universe) preconditions for staff careers (management tranings, international engagements, ...) Partnering for further development (studies, advice, ...)

Fiduciary perspective /Value perspective

Strategic alignment

Process perspective

Customer perspectice

Learning and Growing perspective

#### Q&A

What are the most important or key elements of the performance of internal auditors that should be measured?

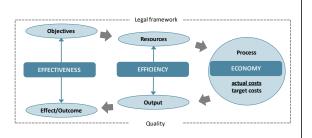
What is the range of data that may be available to measure these key elements IA performance?

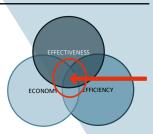
Mission
Vision
Strategy
BSC

Operations

KPIs

What are the main differences between indicators of the economy, efficiency and effectiveness of IA work?







### Q&A

How reliable is the data used to generate Performance Indicators? Can the data be manipulated to present the performance of IA units in the most favourable light?

How can Internal Auditors best capture data on the level of client satisfaction with the results of IA examinations? How relevant are the views of IA clients? Data of a single parameter always can be manipulated (directly or indirectly), but not the whole picture (= mixture of quantitative & qualitative data + annual and mid-term data + internal & external data, data with regard to different strategic aspects, etc.)

Feedbacks (different types) – very important

How many indicators are needed to provide an accurate and balanced summary of the effectiveness of an IA Unit?

#### Only 2!

- Result of external quality assessment
- Grade of maturity

## **Current (KPI-)Challenges**

- QUALITY always is a challenge
- Resilience
- Agility
- Continuous auditing
- Consultancy
- Cooperation / networking with other IADs
  - actually regarding disaster management