

PEMPAL



PEMPAL GUIDANCE ON INTERNAL AUDIT: DEMONSTRATING AND MEASURING ADDED VALUE



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GLOSSARY

CBOK	Common Body of Knowledge
HIA	Heads of Internal Audit Unit (also known as Chief Audit Executive in the private sector)
IACOP	Internal Audit Community of Practice of PEMPAL
IIA	Institute of Internal Auditors
PEMPAL	Public Expenditure Management Peer Assisted Learning
SAI	Supreme Audit Institution



PREFACE

This guidance is a product of knowledge sharing and collaboration among members of the Internal Audit Community of Practice (IACOP), of the Public Expenditure Management Peer-Assisted Learning (PEMPAL) network.

PEMPAL, launched in 2006 with the assistance of the World Bank, is a regional network that aims to support reforms in public expenditure and financial management in the Europe and Central Asia region by promoting capacity building and exchange of information. The IACOP, one of the three Communities of Practice around which the network is organized, has representatives from 23 countries. The mission of the IACOP is to support member countries establish modern and effective internal audit systems that meet international standards and best practices and contribute to good governance and accountability in the public sector.¹

In response to questions about the value of internal audit and its role in public financial management by PEMPAL country governments, the IACOP made demonstrating and measuring the value of public sector internal audit a priority area for its 2018 – 2019 Action Plan. Good practices were identified through an extensive collaborative process, involving practitioners and policymakers from PEMPAL member countries and other partners, and developed into this guidance. The IACOP hopes that users will find it valuable for the assessment and demonstration of the added value of internal audit in the public sector.

This publication is one in a series of Good Practice knowledge products developed by the IACOP. Others include *“Good Practice Internal Audit Manual Template”*; *“Good Practice Continuing Professional Development Manual Template”*; *“Internal Audit Body of Knowledge”*; *“Risk Assessment in Audit Planning”*; *“Cooperation Among Public Sector Audit and Financial Inspection Entities”*; and *“Quality Assessment and Improvement Guide”*; all are available from **www.pempal.org**.

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¹ Source: IACOP Strategic Action Plan for 2019-2022



INTRODUCTION

1.1 BACKGROUND AND OBJECTIVES

Internal auditors in the public sector across the world need to demonstrate that their activities protect and enhance value and meet the needs of their stakeholders. This can be more complex for countries, including PEMPAL members, where internal audit is a relatively new function that has yet to mature or be fully recognized in the public sector.

This guidance paper focuses on:

- How to demonstrate the value added by internal audit in the public sector in the particular circumstances that exist in different PEMPAL member countries; and
- How to measure the added value of internal audit work in the public sector in terms of “value for money” (economy, efficiency, and effectiveness).

1.2 SOURCES OF INFORMATION

This guidance paper makes extensive use of PEMPAL IACOP presentations and discussions and reflects input from IACOP members. Reference material used includes concepts and models of the Institute of Internal Auditors (IIA)²; reports produced under the Global Internal Audit Common Body of Knowledge (CBOK) initiative³ following the 2015 global practitioner survey; and other IACOP knowledge products.⁴

² <https://global.theiia.org/Pages/globaliiaHome.aspx>

³ The CBOK is the world’s largest ongoing study of the internal audit profession, including studies of internal audit practitioners and their stakeholders. One of the key components of CBOK 2015 is the global practitioner survey, which provides a comprehensive look at the activities and characteristics of internal auditors worldwide, see <https://global.theiia.org/iia/f/pages/common-body-of-knowledge-cbok.aspx>

⁴ See www.pempal.org



HOW INTERNAL AUDIT ADDS VALUE

This section considers the following questions:

- How does internal audit in general add value through its activities and is there a unique value proposition for internal audit in the public sector?
- Which internal audit activities add the most value in the public sector?
- What factors influence the level of added value created in undertaking these activities?
- How does the added value of internal audit change as the function matures?

2.1 HOW DOES INTERNAL AUDIT ADD VALUE?

It is critical that internal audit units have a general understanding of how their function adds value to organizational entities. This is often referred to as a value proposition.

2.1.1 The Institute of Internal Auditors Value Proposition

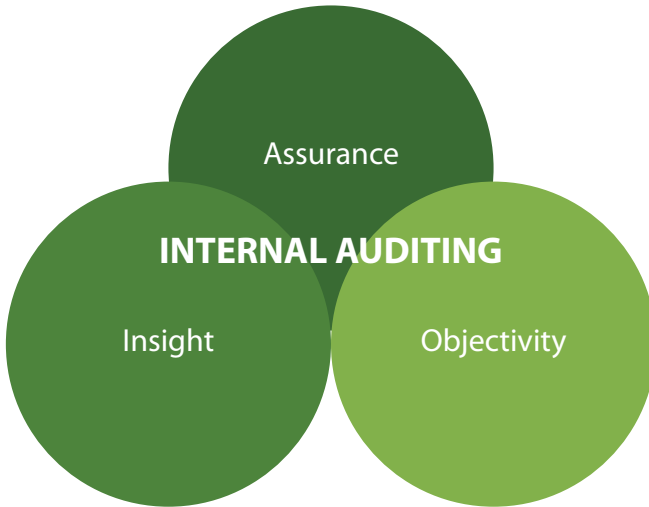
The IIA have produced a generic value proposition.⁵ This characterizes internal audit's value as an amalgam of three elements: assurance, insight, and objectivity - see Figure 1.

⁵ The IIA, The Value of Internal Auditing for Stakeholders, https://www.iaa.org.uk/media/91447/value_of_internal_auditing_for_stakeholders.pdf

Figure 1. IIA Value Proposition 2010

Assurance = Governance, Risk, Control

Internal audit provides assurance on the organization's governance, risk management, and control processes to help the organization achieve its strategic operational financial and compliance objectives.



Insight = Catalyst, Analyses, Assessment

Internal audit is a catalyst for improving an organization's effectiveness and efficiency by providing insight and recommendations based on analyses and assessments of data and business processes.

Objectivity = Integrity, Accountability, Independence

With commitment to integrity and accountability, internal audit provides value to governing bodies and senior management as an objective source of independent advice.

For PEMPAL, the generic value proposition above has much to commend it. It is a simple model that is easy to remember. It also highlights the potential for growth as internal audit functions evolve.

- Providing **assurance** on governance, risk management, and control processes is a fundamental and well recognized element of internal audit work that underlies the internal audit function. This element is likely to be the first that internal audit units work on. As the internal audit function becomes more embedded in the public sector it will also be able to provide assurance on governance processes.
- Providing **insight** through recommendations to improve the organization's effectiveness is a main feature of experienced, proactive, and forward-looking internal audit units. This value of this function will increase as internal audit units mature and become more experienced.
- **Objectivity** is a key characteristic of delivering effective assurance and insight and should be an area of focus for new internal audit units to demonstrate to managers that they are capable of carrying out audit work independently and with high standards of integrity. Objectivity is also a feature of the way internal audit works, generating additional "objective activities" such as independent advice to management and investigation of potential frauds.

2.1.2 A Unique Value Proposition for Public Sector Internal Audit in Pempal Countries

PEMPAL suggests that heads of internal audit functions (HIAs)⁶ supplement the generic IIA value proposition above by developing a unique value proposition reflecting their unit's particular strengths. This could be used to remind managers of the specific advantages of using internal audit to carry out work over other alternatives (for example private sector consultants). PEMPAL examples and how these might be presented include:

- **Knowledge & Focus** – "I have knowledge of your business and my staff know how the public sector operates."
- **Speed & Cost** – "we can get going quickly (there is no need to issue contracts) and we are a cheaper alternative to most external service providers."

⁶ HIA is a public sector equivalent to the generic term Chief Audit Executive commonly used for heads of internal audit units in the private sector.

- **Positioning** – “we are positioned inside the organization and closely engaged with the operational managers (1st line) and 2nd line of defense⁷ to understand and help to improve risk management, governance, and controls.”
- **Intent** – “our key objective is to support management and those charged with governance in protecting and enhancing the value of the organization, and not seek (usually short term) wealth maximization from our engagement.”
- **Capacity & Professionalism** – “we are trained and work to international professional standards and good practices relevant to public sector internal audit.”
- **Independence and integrity** – “we are independent of those we audit and have high standards of personal integrity: we will tell you what you need to know not what you want to hear.”

2.2 WHAT INTERNAL AUDIT ACTIVITIES ADD THE MOST VALUE?

The 2015 CBOK survey listed 14 internal audit activities and invited HIAs to select up to five that they believe bring the most value to their organizations.⁸ The top nine responses using these five choices were:

1. Assuring the adequacy and effectiveness of the internal control system	86%
2. Recommending business improvement	55%
3. Assuring the organization's risk management processes	53%
4. Assuring regulatory compliance	50%
5. Informing and advising management	40%
6. Identifying emerging risks	37%
7. Assuring the organization's governance processes	37%
8. Investigating or deterring fraud	29%
9. Informing and advising the audit committee	28%

⁷ The ‘Three Lines of Defense’ model is a way of assuring the effective management of risk within an organization, summarized as first line of defense – functions that own and manage risk; second line of defense – functions that oversee or specialize in risk management, compliance; third line of defense – functions that provide independent assurance, above all internal audit; see <https://www.iaa.org.uk/resources/audit-committees/governance-of-risk-three-lines-of-defence/>

⁸ One criticism of the survey is that it focuses only on the views of the Chief Audit Executive. The perspective of the auditee and senior management is also very important.

PEMPAL discussions confirmed the potential of all these activities to add value although some (for example identifying emerging risks and assuring the organization's governance processes) became more relevant only as internal audit units gained experience and matured. PEMPAL additionally points to the potential for internal audit to act as a training ground for future managers, helping create a culture for continuous improvements and act as an agent for change.

2.3 WHAT CRITICAL SUCCESS FACTORS INFLUENCE DELIVERY OF ADDED VALUE?

PEMPAL identifies **eight critical success factors** that influence the effectiveness of activities undertaken by internal audit in PEMPAL countries and thus their ability to actually deliver added value. These are:

1. The positioning of internal audit units in terms of financial and structural independence and reporting lines.
2. The extent and quality of internal audit oversight and support by audit committees and a central harmonization unit (where they exist).
3. Managers' understanding of the role of internal audit and its potential benefits to them.
4. The extent to which internal auditors fully understand the business they are auditing.
5. The quality of the audit work undertaken.
6. The competence of audit staff undertaking audit work.
7. How well internal audit communicates the audit findings and recommendations for action.
8. The level of customer satisfaction with internal audit services.

Each of these critical success factors are considered further below.

2.3.1 The Positioning of Internal Audit

The **positioning** of internal audit in the public sector has a fundamental impact on its ability to deliver added value. There is a need for the role, functions, and independence of internal audit to be guaranteed by relevant legislation and supporting regulations. The role of internal audit also needs to be clarified with regard to other audit and control bodies such as the supreme audit institution (SAI), financial controllers, and financial inspection service.⁹ Internal audit must have the organizational space to operate effectively and should ideally report directly to a single designated senior manager in the Ministry or Agency.¹⁰ Internal audit also needs to have sufficient resources, including funds, to carry out its work and the HIA should ideally have full control over the budget.

In many countries the **demand for internal audit services** is driven by the decentralization of budgets and related internal control responsibilities to individual ministries. In this situation the minister is accountable for the effectiveness of internal control in safeguarding the funds provided to the Ministry/Agency. Consequently, senior management rely on internal audit to help ensure that internal controls are working effectively. This is why internal audit reform is so often linked to the wider reform of public financial management or public administration.

Centralizing internal audit work. There are two recent examples, in the Netherlands and the United Kingdom, where once separate internal audit units have been grouped into one centralized entity providing shared internal audit services for the whole of Government. This has been done to improve the effectiveness and efficiency of internal audit in those countries and to ensure that all internal audit units are operating to the same high professional standards. PEMPAL discussions caution that such centralization would only be relevant in countries where internal audit was already well established in individual ministries and agencies, and its role was fully understood. The risk of centralizing internal audit too early in its development is that the function would never fully evolve and would instead be seen as another form of central oversight or supervision by the Ministry of Finance/Government.

⁹ For further consideration of the relationships between audit and control bodies see the PEMPAL Concept Paper on *Cooperation among Public Sector Audit and Financial Inspection Bodies* (pempal.org).

¹⁰ In many PEMPAL countries and countries in other regions (e.g. the Republic of South Africa) this is a legal requirement.

2.3.2 Oversight and Support of Internal Audit Function

Oversight and support are considered key factors in helping internal audit add value. The creation of an **audit committee** is the main way to provide this. Audit committees, among other functions, provide a means of bringing auditors and management together to ensure that audit work is properly planned, resourced, and that recommendations for improvement are acted upon.

Internal audit can also receive support and oversight from an effective **central harmonization unit**. One of its primary roles is to promote the internal audit function and to put in place the laws, regulations, and guidance and training to ensure that internal audit units are properly positioned in the public sector. Many central harmonization units provide annual reports on the evolution of the internal audit function and also promote success stories. These annual reports on internal audit development and outputs may be considered by the Government and/or Parliament.

Internal audit units can also benefit from support from the SAI, particularly where reliance on the work of internal audit is part of the SAI's audit of government.

2.3.3 The Level of Awareness of Internal Audit Role

Internal audit cannot add value if there is no **demand** for the service it provides. In addition, managers will not engage internal audit if they are not aware of what it is and what it can do for them. In most PEMPAL countries public sector internal audit is a new function that has been introduced in response to pressure from donors and/or the European Union. Rarely has internal audit been introduced at the request of public sector managers. All this means that a key task of both central harmonization units and HIAs is to increase the awareness of managers of the role, functions, and utility of internal audit.

PEMPAL ideas to build awareness of internal audit include:

- The central harmonization unit should initiate regular meetings with senior managers to explain what internal audit is and what it does.
- Collect examples of internal audit good practice and disseminate to relevant managers and the public sector at large.
- Include internal audit as a specific topic in any general training of civil servants and management – for example, a one-hour session on internal audit within a one-day training course on internal control.

- Organize an awareness raising campaign for heads of ministries and agencies.
- Initiate awareness raising activities together with the SAI.
- Introduce a session in the Parliament or Government dedicated to the annual results of internal audit.
- Encourage and support academia to develop curricula for internal audit.

2.3.4 Internal Audit Understanding of the Organization

To add value internal audit must be undertaking the right engagements/audits. It can only select the audits that add value if it **fully understands the organization** it audits. Internal audit must have relevant knowledge of business strategy, risks, goals, plans, processes, and controls, as well as disruptive technologies, so that they can develop a full understanding of the audit universe. This knowledge is critical in preparing an audit strategy and annual plan of work that is aligned with management's perception of risk.

PEMPAL guidance on risk assessment in audit planning¹¹ emphasizes the importance of an effective risk-based audit strategy and audit plan for the achievement of the goals, objectives, and the mission of the internal audit unit.

2.3.5 The Quality of Internal Audit Work

Internal audit may select engagement topics that are important to managers and those charged with governance but could still fail to deliver added value if the audit work is poorly planned, resourced, executed, and reported on. Ensuring high quality internal audit work is therefore an essential feature in generating added value. PEMPAL has developed a separate toolkit for quality assessment¹² which contains a range of elements to consider for improving the quality of audit work.

Additional PEMPAL suggestions for maintaining and/or improving quality include:

- The use of audited entity satisfaction surveys for each engagement and/or annually.

¹¹ PEMPAL *Risk Assessment in Audit Planning guide* (pempal.org).

¹² PEMPAL *Quality Assessment Guide for Public Sector Internal Audit* (pempal.org).

- Peer reviewing the quality of audit reports.
- Establishing an automated IT audit process to help ensure that common standards and processes are followed and monitored.

2.3.6 The Competence of Internal Audit Staff and Training

PEMPAL emphasizes the importance of competent and well-trained staff who know how to undertake high quality audit work. There are many factors that contribute to competence including the ability to attract, retain, and motivate audit staff.

PEMPAL staff and training suggestions include:

- Individual staff training and development plans.
- Access to training courses (including online).
- Certification of auditors who reach defined standards.
- Promotion of public sector internal audit through dedicated sessions in universities.
- Regular discussion and feedback on performance and career potential.
- Attending international events like PEMPAL IACOP.
- Creating in-country networks or knowledge sharing mechanisms for internal auditors (mini-PEMPAL, SharePoint workspaces, regular networking meetings, etc.).
- Joint training of external and internal auditors.

2.3.7 Effective Communication and Reporting of Internal Audit Findings

To add value, internal audit needs to persuade managers (and auditees) to take action on their findings. This requires good communication throughout the audit and high-quality reporting.

PEMPAL advice on communication with auditees is that auditors should:

- Maintain a constant two-way dialogue with the auditee to ensure that they understand the purpose and objectives of the audit and are aware of the main audit findings as these arise.

- Adopt a “no surprises” approach to the audit report (draft and final) where the client is fully aware of the findings arising during the audit.
- Avoid situations where negative findings are held back to one “big bang” meeting.
- Develop their soft skills, they need to be both a diplomat and communicator.

PEMPAL advice on audit reports is that these should:

- Be short and to the point - no more than 20 pages.
- Have a one-page executive summary.
- Present findings visually wherever possible using graphs and figures to illustrate the importance of findings.
- Pass the so-called “grandmother test” in terms of being easy to read and understand.
- Be pro-active, preventative, and future looking (e.g. disruptive technology and external environment) and not just contain historical information.

2.3.8 Keeping the Customer Satisfied

The mantra of all businesses is that you need to provide what your customer wants and/or needs. Internal audit is no different. PEMPAL highlights the importance of seeking regular feedback from the key stakeholders of internal audit work – senior managers and staff of auditees, the audit committee (where it exists), and internal audit staff.

Auditors need to prove to their stakeholders that they are useful. They can do this best if they find out what is really important to the senior manager responsible for the area being audited. The PEMPAL advice is to make it personal to the manager concerned – *“This is about protecting your political power, protecting your money, and keeping you out of jail”*. This could be very broad and include helping managers avoid future criticism or meeting the very high personal standards of a perfectionist manager.

2.4 HOW DOES THE ADDED VALUE OF INTERNAL AUDIT CHANGE AS THE FUNCTION MATURES?

Earlier sections consider the main added-value activities of internal audit and the critical success factors that influence how well these activities are implemented. PEMPAL countries are all at different stages of development/maturity. Central harmonization units and HIAs must therefore emphasize aspects of added value according to the specific situation of internal audit in their own country.

- When **internal audit is still being established**, central harmonization units and HIAs need to focus on the **generic benefits** to their countries of changing the financial management system to include internal audit. For example, the additional donor funding that is contingent on the creation of functioning internal audit units.
- As **internal audit is established and starts audit work**, central harmonization units and HIAs need to focus on **critical success factors** that are the preconditions for effective internal audit. These include many of the items noted above as influencing the added value of internal audit, such as positioning, oversight, and support.
- Once **internal audit is fully operational**, central harmonization units and HIAs can focus on the full range of means of demonstrating internal audit added value including: key performance indicators relating to the cost, timeliness, improvements, and results of audit (number of recommendations accepted and implemented), measuring stakeholder satisfaction, and the effective communication of audit findings. This is covered further in section 3.

Table 1 below summarizes the three maturity levels with some ideas on how central harmonization units and HIAs might demonstrate the added value of internal audit in relation to the critical success factors noted in section 2.3.

Table 1. Demonstrating added value at different levels of maturity – an illustration

Critical success factor	Internal audit is still being established	Internal audit is established and starts audit work	Internal audit is fully operational
Positioning oversight and support of internal audit	<ul style="list-style-type: none"> • Legal framework established with main internal audit concepts: integrity, ethics, independence; • Internal audit does not report to senior official in ministry/ organization. 	<ul style="list-style-type: none"> • Regulatory framework in place; • Manuals and Guidelines developed and in use; • Internal audit does not report to senior official in ministry/ organization; • Audit committee formed but not fully operational. 	<ul style="list-style-type: none"> • Internal audit reports to senior official in ministry/organization; • Audit committee in place and oversees planning, reporting, follow up; • Audit committee approval of any changes in the HIA; • SAI places reliance on internal audit work during audit.
Funding of internal audit	HIA has limited input on the funding of internal audit service.	HIA provides input on budgeted resources needed.	<ul style="list-style-type: none"> • HIA fully responsible for internal audit budget; • Audit committee reviews and approves budget.
Managerial awareness of internal audit function	<ul style="list-style-type: none"> • Limited awareness of benefits of internal audit; • Central harmonization unit issues annual report on the development of internal audit units; • SAI provides support for developing internal audit function. 	<ul style="list-style-type: none"> • Central harmonization unit issues annual report of the results of internal audit activities; • SAI reports on effectiveness of internal audit function; • Managers begin to accept validity of internal audit function. 	<ul style="list-style-type: none"> • Central harmonization unit annual report of the results of internal audit activities generates action by the Government/ Parliament; • Managers increasingly ask internal audit to carry out engagements.

Critical success factor	Internal audit is still being established	Internal audit is established and starts audit work	Internal audit is fully operational
Understanding the business	<ul style="list-style-type: none"> • No or limited risk-based planning; • Limited interaction with managers; • Limited interaction with IIA's 1st and 2nd lines of defense. 	<ul style="list-style-type: none"> • Risk-based audit strategy and annual planning in place; • Discussions with managers of business risks; • Close interaction with IIA's 1st and 2nd lines of defense. 	<ul style="list-style-type: none"> • Managers recognize that internal audit understands their business; • A suitable proportion of all audit activity driven by the demands of managers; • Clear understanding and recommendation on the use and management of disruptive technologies.
Staff competence & quality of audit work	Auditors have little or no experience or training in audit.	<ul style="list-style-type: none"> • Auditors have some training in audit concepts and a basic knowledge of the IIA standards and good practices; • There are no automated audit processes. 	<ul style="list-style-type: none"> • All auditors are fully trained and have a very good understanding of IIA standards and good practices; • Quality assurance system in place and operating; • Automated audit management system operating effectively.
Communication / Reporting	Reports issued meet basic standards of reporting.	Reports on individual audits meet good reporting standards.	Internal audit reports recognized as excellent-brief reports with clear key messages.
Customer satisfaction	No customer surveys.	Annual customer surveys.	<ul style="list-style-type: none"> • Customer satisfaction questionnaire for all audits; • Annual survey; • Meetings with groups of clients.



MEASURING ADDED VALUE

This section draws on PEMPAL discussions of measuring the effectiveness of internal audit and suggests the use of a value for money framework for measuring the added value that internal audit achieves.

3.1 A VALUE FOR MONEY FRAMEWORK

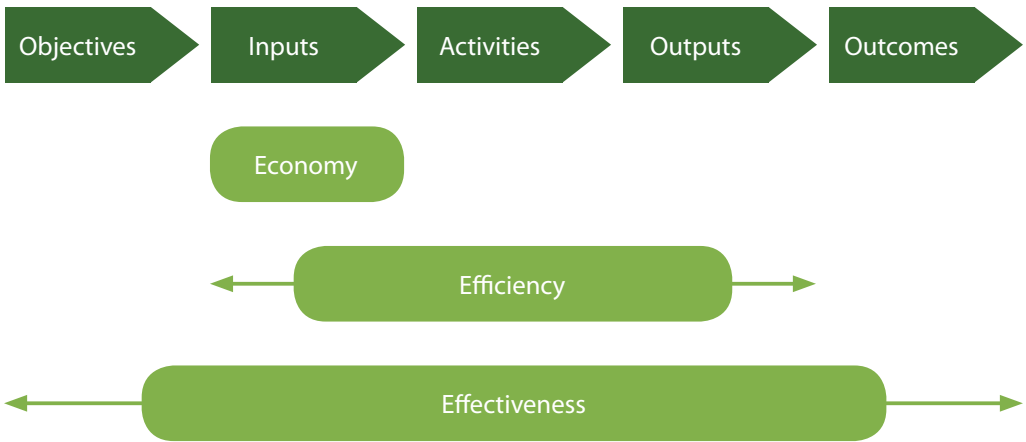
There are many ways of measuring performance, but one useful framework is to focus on the three elements of value for money: economy, efficiency, and effectiveness.¹³ Figure 2 shows how these criteria are measured across a traditional process chain where inputs are turned into activities which generate outputs that are designed to have a certain outcome.

In this framework:

- **Economy** is about minimizing the cost of inputs such as staff, consultants, assets, and materials needed to undertake internal audit. ***It asks the question: are we doing things at the lowest cost?***
- **Efficiency** looks at the relationship between inputs and outputs. It focuses on whether more outputs can be generated from the same level of inputs or the same level of outputs can be generated with a lower level of inputs. ***It asks the question: are we doing things in the right way?***
- **Effectiveness** looks at the extent to which an entity is achieving its goals – the relationship between internal audit objectives and internal audit outcomes. ***It asks the question: are we doing the right things?***

¹³ This framework can also be used by internal audit to carry out performance or value for money audits of their client organizations.

Figure 2. A framework for assessing value for money



3.2 EXAMPLES OF VALUE FOR MONEY MEASURES FOR INTERNAL AUDIT

PEMPAL suggestions for measuring performance are grouped under the three main elements of economy, efficiency, and effectiveness in table 2 below. These illustrate the wide range of performance measures that could be used.

In terms of the three maturity levels discussed in section 2.4, the expectation is that more measures of added value will be used as internal audit units evolve and mature. However, it is important to remember that from the very inception of internal audit one important benefit is the impact of meeting donor requirements, which may allow the country to receive significant financial support for its development needs.

PEMPAL advises that HIAs implement a range (or basket) of key performance indicators relating to all three elements of economy, efficiency, and effectiveness. This is to ensure appropriate incentives for staff to be cost-effective and efficient while delivering high quality audit work.

Table 2. Examples of value for money measures for internal audit

Economy measures

- Minimizing the staffing costs of audits¹⁴;
- Minimizing the cost of external consultancy inputs;
- Minimizing the cost of travel to carry out audit work;
- Having the right mix of junior and senior auditors for the work needed. That is: not using more expensive staff on simple audit tasks that could be performed by cheaper staff;
- Minimizing staff turnover – loss of trained staff increases input costs because new staff need to be trained.
- Engaging experts for specialized non-routine audit areas to save on the cost of developing expertise in-house.

Efficiency measures

- Monitoring the number of audits per auditor per year;
- Calculating the average number of hours for comparable audit assignments;
- Understanding the percentage of hours/days spent directly on audit work and the percentage spent on indirect or “overhead” activities;
- Establishing common audit processes across the internal audit unit – this helps to ensure that all staff work efficiently;
- Achieving planned training hours;
- Completing output based continuing professional development.¹⁵

Effectiveness measures

- Monitoring the number and percentage of recommendations accepted, and the number implemented as a percentage of the total recommendations made;
- Assessing the direct and indirect cash savings realized when recommendations are implemented;
- Highlighting the improved efficiencies, or other non-monetary benefits realized from implementing internal audit recommendations;
- Assessing year on year changes in audited entity satisfaction ratings. These may include client satisfaction questionnaires for each audit assignment; an annual client satisfaction survey; and the results of 360-degree assessments involving different stakeholders - auditee, managers, central harmonization unit, audit committee;
- Assessing year on year change in the proportion of audits that are requested by management (*if internal audit is effective it will be asked to do more work by management, although requests should not be so demanding that they hinder internal audit from addressing risks as identified in their strategic and annual plans.*);
- Monitoring the number of recommendations accepted by auditee/management.

¹⁴ This should not be interpreted as lower staff salaries. Staff who are more experienced and paid more will often take less time to carry out an audit and this will therefore be more economic.

¹⁵ PEMPAL Good Practice Continuing Professional Development Manual Template (pempal.org).

PEMPAL / IACOP previous knowledge products

