



**INTOSAI**

Working Group on Evaluation of Public Policies and Programs (WGEPPP)

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



# Synthesis : Ways and criteria for picking the right topic at the right time...

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# Outline

## Picking the winners...



1. Can ISSAI and IDI standards help us?
2. Best sources for identifying topics and making the most of them
3. Establishing a strategy to facilitate selection
4. Using criteria to assess the identified topic
5. Learning from the past
6. Picking the winners : specificities by public policies and programs

# Introduction

- Picking the winners by PPP... for evaluations or performance audits measuring impacts outside of the administration...
- Very different context between our SAs
  - competence to audit policies
  - experience
  - size
  - internal organization
- From beautiful strategies to concrete topics...

# 1. Can ISSAI and IDI standards help us?

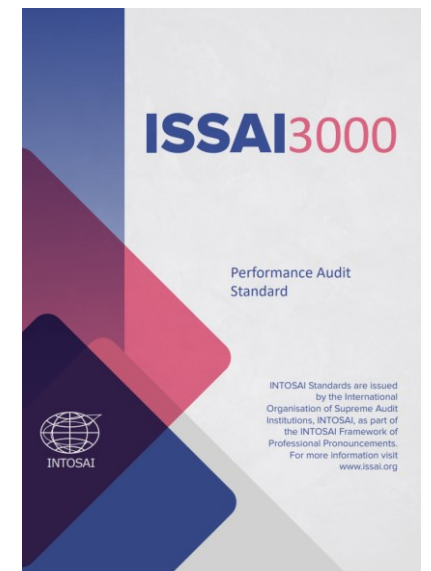
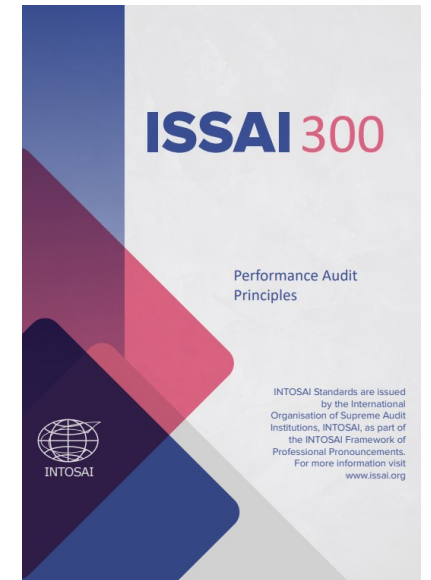
## ISSAI 300

36) Auditors should select audit topics through the SAI's strategic planning process by **analyzing potential topics** and conducting research to identify risks and problems.

...

## ISSAI 3000 (points 89-95)

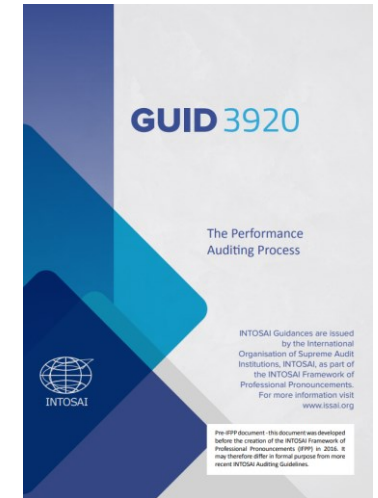
90) ... audit topic selection process must consider the potential impact of the audit topic in providing important benefits for public finance and administration, the audited entity, **or the general public** with the resources available...



## ISSAI Guide 3920 (points 8-15)

... SAI's strategy covers several years and guides the auditor in the selection of topics, programmes or themes for audit. ... The **strategic planning process** will normally result in an **operational audit plan** for the SAI covering one or more years...

ISSAI 300, 3000, 3920 rather vague on topic selection and very little on selecting topic by policies or programmes...

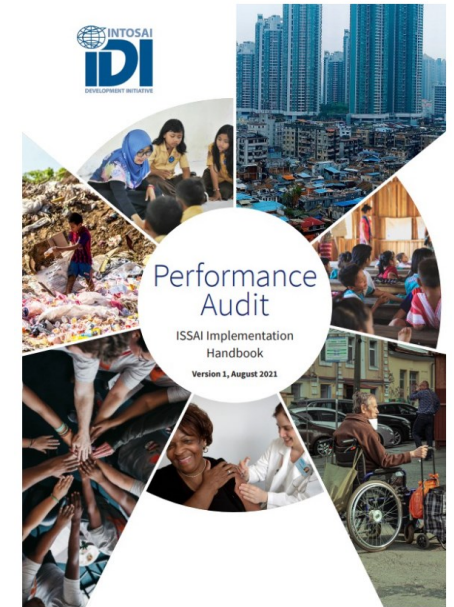


# IDI Handbook (INTOSAI Development Initiative)

## Chapter 3: How do you select performance audit topics?

“The strategic audit plan may include topics that are not easily assigned to a single audited entity. A performance audit may focus on a single programme, **policy**, entity or fund, or may focus on outcomes or systems, looking across programmes, policies and entities that contribute to the outcome or system.”

**More concrete – it is a good basis, especially for SAI with less experience– have a look!**



# 2. Best sources for identifying topics

## 1. SAIs themselves!

- Our **colleagues auditors** working in the specialized units (big SAIs). They have the best know about the policies they are auditing.
- Our **colleagues data analysts** (international comparison of the performance or of the expenditure of our policies, analyzing previous audits and inserting them into a map of the policy sector, Slovakia)
- Our **colleagues auditors!** Offer them the opportunity to suggest ideas (e.g. software for submitting ideas). But they should be motivated : meeting about their idea and informing them what happens with it.
- Our **colleagues from other SAIs** (INTOSAI working groups, meetings with colleagues from the European Court of Auditors when auditing the performance of EU funds such as RRF)

And our family and friends who are involved in a public policy...



# 2. Best sources for identifying topics

## 2. Stakeholders

- Roundtables, meetings about topic where stakeholders are involved
- Surveys with a possibility to make suggestions
- Systematic identification of the stakeholder and discussion at the beginning of an audit

## 3. Independant experts, universities

- Making general policy description with potential topics. Could be also done by auditors

## 4. Parliament

- Not always very motivated to propose topics – and if so, important to be in a position to discuss the field and to focuss. We have to improve our relations with the Parliament (Romania). Discussion about topics is also a way to improve the interest



## 2. Best sources for identifying topics

### 5. Agencies, administration

- Not so relevant for identifying new topics! Rather for discussing potential topics submitted by the SAI. Advisory board, meeting mixing external auditor, internal auditor, agency representative (India)  
Don't forget to integrate other control authorities (coordination)

### 6. Citizen

- Citizen proposition, whistleblowing. Good for our reputation. But be cautious: we cannot accept all the propositions... and we must explain what we did with them or why we refuse. If not, we have a problem of credibility.

**Analyzing official documents:** yes of course but priority to bottom up approaches for selecting topic by public policies. Media often more fruitful! Important source of ideas: reports from other SAIs.

# 3. Establishing a strategy to facilitate selection

Priorities area -

Top down

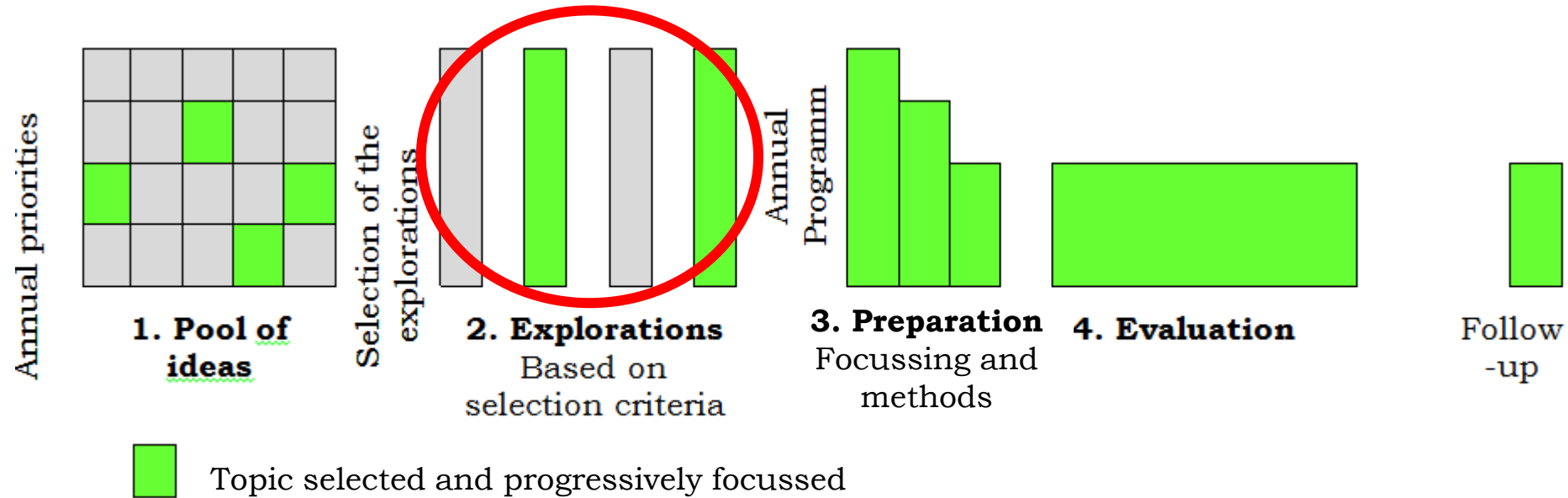
Strategic area to public policies (Slovakia)

Annual thematic priorities



# 4. Using criteria for assessing a topic

General Process : identification and continuous focalisation



If the SAI has few knowledge about a topic, it should be assessed - preliminary study to substantiate the relevance of topic (“topic exploration”).

To decide to select or not a topic, criteria are useful.

# Criteria for selecting a public policy topic

## A. Type of policy

**1. Focused policy or which is likely to be focused (precise evaluative questions).**

*Is it possible to formulate clear objectives for the evaluation or performance audit or, if the topic is broad, to propose easy boundaries?*

**2. Policy which has an impact outside the administration**

*The topic must address not only implementation, but also the effects on the target beneficiaries.*

**3. Sufficient room for manoeuvre for the State**

*Does the State have sufficient competences (in terms of conception, implementation, financing, approval or supervision) to implement any recommendations?*

## **B. Agenda**

### **4. Policy or measure that has been in effect for a few years**

*Minimum: two to three years before the end of the evaluation / performance audit.*

### **5. Results available at an early stage**

*The results must be available for use in connection with the planned adoption or revision of a law, performance contract or multi-year credit renewal.*

### **6. No evaluation carried out in recent years or actually planned with the same question**

*No evaluation, scientific research or in-depth analysis of the objectives of the topic under review.  
If a lot of studies, audits, reports: then a meta-analysis!*

## **C. SAI mission**

### **7. Significant financial and social implications**

*The theme involves more than X million dollars per year for the State and the public sector and/or implies more than X million dollars of financial consequences for the economy or citizens.*

### **8. Interest of the concerned agencies**

*The agency primarily concerned by the topic has no fundamental objections (if not examine the possibility of obtaining a mandate from the Parliament).*

### **9. SAI well placed**

*SAI well placed to carry out the assessment (legitimacy, skills, capabilities).*

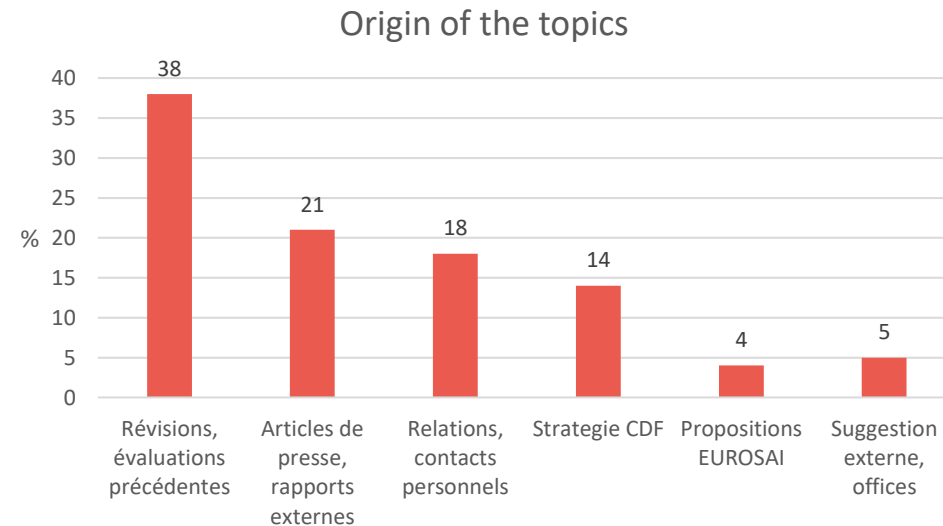
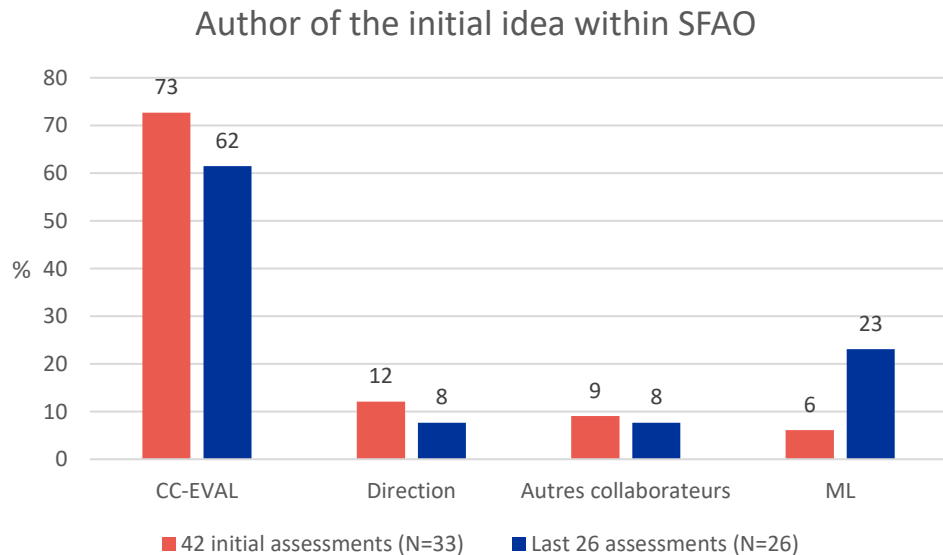
### **10. Topic in line with SAI strategy**

*The topic is in line with the strategy and thematic strengths and corresponds to the risks identified in the risk analysis.*

Example for a selection: more than eight criteria must be met for a topic to be selected...

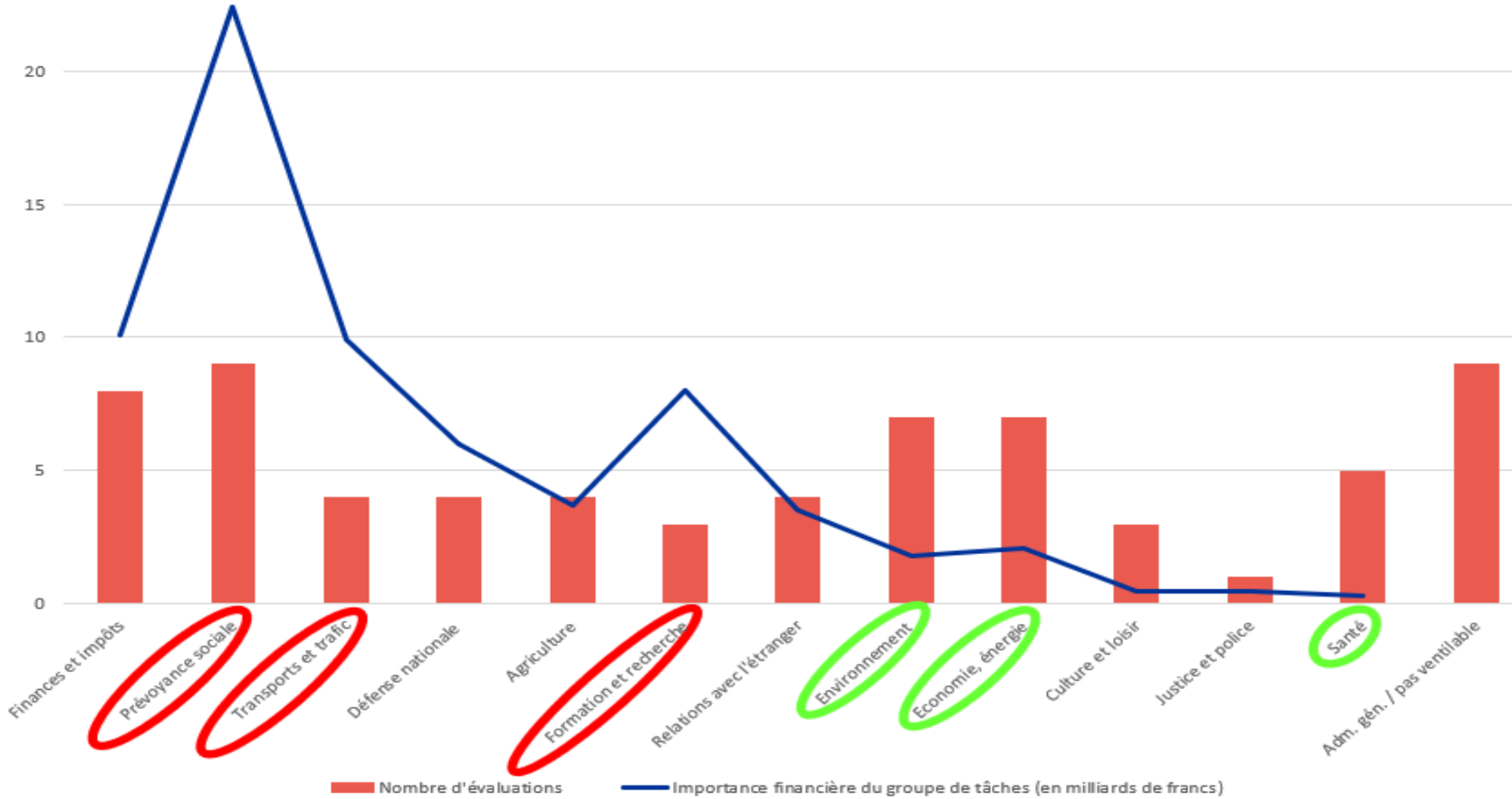
# 5. Learning from the past...

- SFAO did an overview of selected topics (twenty years of evaluation “68 reports and 330 recommendations later”)
- Origin of the evaluations : 88% SFAO - 12% (Government, Parliament)
- Source of the evaluations: who had the initial idea? Where did it come from ?





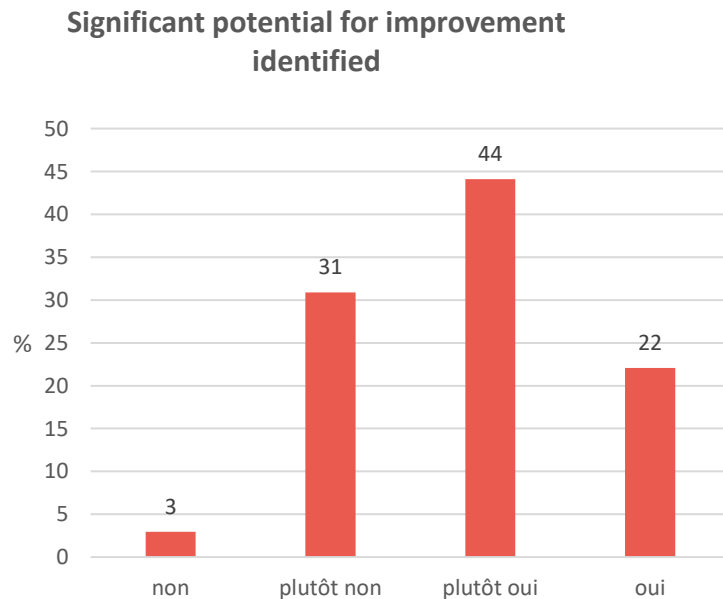
# Number of evaluations per group of tasks of the State and according to the resources allocated to them



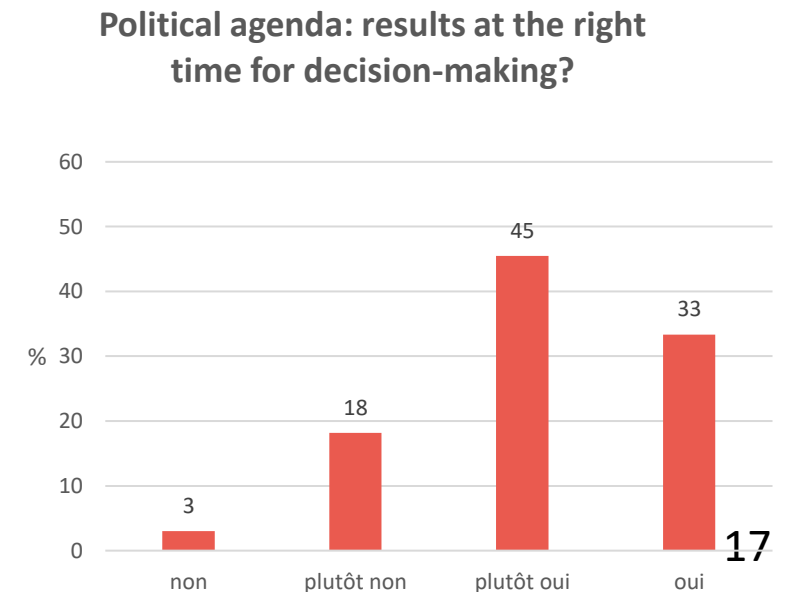
## Retrospective appreciation

- 65% of topics considered very good to well chosen
- 28% no opinion
- 7% poorly chosen

## Identification of significant improvements



## Respecting political agenda



# Conclusions

Picking the winners by policies topics...

Not like that!



**For a SAI “picking the winners” by public policies implies ...**

- a great “stock” of ideas
- a strategy and clear criteria to legitimize the selection
- An intense cooperation
  - internal
  - with other control authorities
- an assessment whenever prior knowledge about the intended topic is low

# Conclusion : specificities by policies

1. Our main suspicion is that a policy is not achieving its objectives, i.e.
  - that its effects are not reaching those for whom it is intended or
  - or that it is costing too much in relation to its results.
2. We need a cross sectoral perspective. Public policies involve often many agencies.
3. Bottom-up approach without excluding
4. Political agenda very important for the implementation of our recommendations
5. Also relevant for...
6. Evaluation Managers in Agencies
7. Evaluators when the commissioned topic is large
8. Ressources allocation for defining audits topics and auditing



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**Thank you  
for your attention  
your contribution  
your energy**

# What does the IDI Handbook tell us?

## Chapter 3: How do you select performance audit topics?

Figure 2: Methods of identifying possible audit topics

|   |   |
|---|---|
| <b>Scanning the public sector environment</b> | <p>SAls monitor key issues in the public sector to keep abreast of developments that might merit further scrutiny via a performance audit. For example, you might:</p> <ul style="list-style-type: none"><li>• read relevant publications and previous reports relating to performance, financial and compliance audits;</li><li>• listen to the experience of other auditors;</li><li>• review transcripts of parliamentary debates;</li><li>• attend conferences and seminars;</li><li>• have discussions with colleagues, stakeholders and specialists; and</li><li>• consider media coverage of issues.</li></ul> <p>Area watching is a continuous process that ensures that you and the SAI are always in possession of updated information about what is happening in society and what areas may require further examination.</p> |
| <b>Reviewing official announcements</b>       | <p>SAls look out for official announcements and publications that will affect their audited entities. The following list of information might be inspected by you:</p> <ul style="list-style-type: none"><li>• The international community's sustainable development goals (SDGs).</li><li>• Resolutions by the country's Committee on Public Accounts or comparable committee.</li><li>• A speech from the Head of State that marks the opening of the parliamentary year.</li><li>• Legislation and legislative speeches.</li><li>• National budgets and guidelines.</li><li>• Other public policy documents (for example, ministerial strategy papers, white papers).</li><li>• Annual reports of audited entities.</li><li>• Global developments, such as themes identified by INTOSAI.</li></ul>                                   |
| <b>Financial analysis</b>                     | <p>Basic financial analysis includes being aware of how money flows into and out of the audited entity. You may choose to look more closely at material features such as:</p> <ul style="list-style-type: none"><li>• complex financial arrangements;</li><li>• new sources of income and expense; and</li><li>• areas where spending is high or changing rapidly.</li></ul>  |

### Media monitoring

SAls monitor the media (for example, newspaper articles, broadcast news and social media) to identify concerns that the public or commentators are raising about public services. It is important for you to consider a wide range of media so that you can detect issues that may only affect certain segments of the population. For example:

- Publications aimed at older people may provide clues to emerging issues in areas such as pensions or treatment of health conditions that are more prevalent among the elderly.
- Regional publications may draw more attention to the allocation of funding from central government for activities such as public transport, sanitation and telecommunications.
- Publications aimed at specific genders, ethnic groups or other similar segments of the population may identify public service issues (such as health outcomes) that are having a disproportionate impact on their readers.

### General overviews

A general overview (also known as a general survey) typically provides you with an understanding of an audited entity's objectives, main activities, and the level and nature of resources used in carrying out its functions. You can assemble and evaluate information on the background, objectives, activities, plans, resources, procedures and controls in the entities or areas concerned.

The general overview aims to:

- identify and review those areas absorbing a significant level of resources;
- identify potential risks to achieving optimal use of resources;
- highlight areas for continuing audit attention; and
- propose areas or subjects for auditing.

You may carry out general overviews that cover:

- a whole audited entity;
- a group of related activities; and
- major projects or programmes of expenditure or receipts.

The general overview can be a valuable source of reference when making proposals for inclusion in the strategic audit plan. When you gather information in your general survey work, it is important to record all relevant facts and assessments in easily-accessible working folders and keep them up to date.

A general overview typically covers:

- Background information on the audited entity.
- Significant legislative authority.
- Objectives of the audited entity.
- Organisational arrangement.
- Accountability relationships.
- Activities carried out.
- Nature and level of resources used.
- Procedures and control systems in place.



# What does the IDI Handbook tell us?

## Consideration of views of citizens

SAs aim to be aware of how citizens view the performance of the audited entity and how their interests are affected by this performance.

Citizens can be a source of ideas for performance auditing, a source of demand for performance auditing and, at the same time, the users of performance audit reports. SAs aim to maintain relevant information outlining the views of the public on the operation of government organisations or programmes.

In your analysis, you should consider inclusiveness – consider how the performance of the audited entity affects different sectors of society. For example, when looking at a programme to promote business skills, you could consider whether men and women have similar access to the programme and how male and female participants feel about their experience of the programme. If you identify material differences in the experiences and outcomes for different social groups, you could then investigate whether there are any changes that would make the services more inclusive.

When considering whether a study topic is material, you might consider stakeholder concerns, public interest, regulatory requirements, and consequences for society.

## Liaison with other external stakeholders

SAs can build relationships with external stakeholders and interact with them frequently to identify and discuss possible audit topics.

You may obtain input on audit topics from subject experts, relevant parties in government and the audited entity's internal auditors.

The academic community contains people with expert knowledge in specific audit areas. Such academics may provide a more objective view, less restricted by personal interest. Academics may thus serve as suitable discussion partners and sometimes also consultants at all stages of an audit.

Non-government organisations can be a useful source of ideas. They may have conducted their own research through surveys and case studies and may have a range of relevant contacts.

## Internal discussions and assessments within the SAI

You can engage with other performance, financial and compliance auditors within your SAI to identify possible audit topics. For example, financial auditors may have found financial weaknesses that suggest that a programme has not been implemented effectively.



# What does the IDI Handbook tell us?

Figure 1: How SAIs could select audit topics

