



SAIs use of progress measurement indicators

Methodological approaches

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SAI and KNI

- What purpose has KNI in public sector audit
- Where is it relevant to use KNI for a SAI
- How do a SAI use KNI in performance audit
- Which problems are in using KNI in the performance based audit
- How is it possible to put KNI into a context of accountability and creating value for society

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Purpose of audit

Audit is not an end in itself but

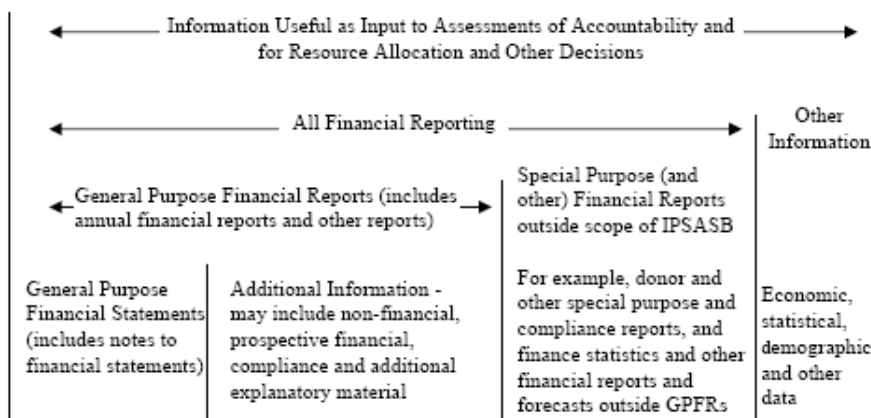
- A. an indispensable part of a regulatory system
- B. to reveal deviations from accepted standards
- C. to make it possible to take corrective action
- D. to make those accountable accept responsibility

The Lima Declaration of Guidelines on Auditing Precepts. 1977

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CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING BY PUBLIC SECTOR ENTITIES

Figure 1: Information needs of users



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National key indicators and financial audit

- All standards on financial audit is focusing on the financial statement and Key National indicators are not a part of the financial statement
- Financial auditors postulate that audit of key national indicators could be classified as Assurance Engagements other than Audits or Reviews of historical Financial Information (ISSAE 3000)

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National key indicators and compliance audit

- Do the national administration define the Key National Indicators in accordance to the legislation
- Do the administration have an obligation ex officio to establish a set of indicator in relation to all relevant legislation

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National key indicators and performance audit

National key indicators and performance audit

1. In which context is it giving meaning of using key national indicators
2. Which indicators exist and which are missing
3. How valuable is the indicators in describing the problem under investigation
4. Do the administration have the relevant key indicators for the program
5. If not the case which factors are barriers for producing the relevant indicators

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Conclusions

- KNI is a precondition for fulfilling the purpose of public sector audit
- KNI don't fit with into the normal conceptual framework of financial audit
- KNI is highly important for performance audit

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Integration of Immigrants and Descendents

A Report from Rigsrevisionen to the
Parlament

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The law on integration

Objectives:

1. Participation of immigrants and descendents in the social live
2. Economical independent and not dependent on social welfare
3. The immigrants have got an understanding of the Danish national values

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Economical independent

Observations:

- No national indicator for how many percent of immigrants there should be economical independent
- The minister of integration has access to all databases of concerning the labour marked and tax
- A research carried by Rigsrevisionen indicated that only 50 % where economical independent

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Space for improvement of indicators

- Participation in the community and understanding of values
 - No national indicators
 - No reflection on how to set op indicators to measure the efficiency of the activities.

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KNI and SAI

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Questions which a SAI has to raise:

- Do the government has KNI for all materiel programs
- Has government defined KNI so the measurement is valid, reliable and relevant
- Do the government use KNI as a corrective mecanism for improving the implemetation of the program

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Conclusions

- KNI is a useful tool in performance audit of efficiency and impact of government programs
- Government by reflection say it is too difficult to produce KNI
- Legalistic bureaucrats assert that only if the KNI is required by law the government has to produce KNI even though it is good governance
- Because it is postphoning the responsibility and accountability

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