
# Audit Considerations for Performance Information

## Exposure Draft

November 2013

Table of Contents

# 1 Introduction

This guideline will introduce the topic of performance information to the auditors in the AFROSAI-E region and provide guidance and ideas on how to go about auditing performance information to auditors who are new to those types of audits.

Performance information is any quantitative or qualitative information that an entity compiles and reports in order to measure its own performance against a set of defined objectives. In the public sector, management based on performance information has become a best-practice approach for running government because it focuses on outputs and the benefits that the public sector produces for its citizens: *What government actually does for its people*. This is in contrast to more traditional public sector management systems, which focused on inputs and descriptions of required activities. The transition to using performance information is often referred to as a move from traditional line-item budgeting to performance or programme based budgeting.

Performance or programme based budgeting is also becoming a more standard budget approach in Africa, with just over half the African countries implementing it in some way or another. A system of measuring and reporting performance results is being applied, supported by new legislative requirements, which ultimately affects the audit mandate of SAIs. In order for SAIs to stay abreast with this emerging issue, AFROSAI-E has decided to introduce this audit topic for auditors in the region.

The models of public sector management that generate performance information are complex, comprehensive, costly and not very compatible with the existing organization of governments in many African countries. Currently, management systems in Africa tend to focus on control, mitigating risk of corruption, centralized functions (such as Public service commissions), and are characterised by non-manoeuvrability for managers and government organizations in prioritizing and reshuffling both monetary and human resources.

The introduction of management models that use performance information adds additional challenges, because there is new information reported and there are new approaches to using that information to ensure that public services improve. This may mean a change in priorities from emphasizing control of the activities that government entities perform, to emphasizing effects and outcomes of those activities. However, resources are scarce and there is a need to ensure that whatever is being spent is used for the intended purposes.

The AFROSAI-E member states have to a varying degree started to incorporate performance information into their reporting (see Table 1 below). The AFROSAI-E member organizations need to respond to this by considering the audit implications of such reporting.

*Table 1: Status of Implementation of Performance Based Budgeting by governments of the AFROSAI-E member countries (Source: CABRI[1])*

| Type | Linkage between performance information and funding | Planned or actual performance | Main purpose in the budget process | | AFROSAI-E Member Countries |
|---|---|---|---|---|---|
| **No implementation of Peformance Based Budgeting** | | | | | • Angola<br>• Botswana<br>• Eritrea<br>• Seychelles<br>• South Sudan<br>• Swaziland<br>• The Gambia |
| **Performance-reported budgeting/presentational**<br>Presents information as part of the budget documentation, but budgetary actors do not use it for resource allocation. | No link | Performance targets and/or performance results | Accountability | | • Malawi<br>• Mozambique<br>• Namibia<br>• Sierra Leone<br>• Zambia<br>• Zimbabwe<br>• Zanzibar (not an AFROSAI-E member) |
| **Performance-informed budgeting**<br>Resources are indirectly related to proposed future performance or to past performance. | Loose/indirect link | Performance targets and/or performance results | Planning and/or accountability | | • Ghana<br>• Ethiopia (2011)<br>• Kenya (2008)<br>• Lesotho<br>• Liberia<br>• Nigeria<br>• Tanzania (1998)<br>• Uganda (2007) |
| **Direct/formula performance budgeting**<br>Involves allocating resources based on results achieved. | Tight/direct link | Performance results | Resource allocation and accountability | | • South Africa (2002)<br>• Rwanda (2001) |

[1] The Collaborative Africa Budget Reform Initiative (CABRI) is a professional network of senior budget officials of African Ministries of Finance and/or Planning. CABRI aims to promote efficient and effective management of public finances in Africa. Specifically, the network seeks to: (1) support senior budget officials in the management of public finance systems by developing appropriate approaches, procedures and practices (2) advance the development of member states by building capacity and promoting training and research in the field of public finance management, and (3) develop and promote common African positions on budget-related issues of interest to Africa.

| | | | | | |
|---|---|---|---|---|---|
| | | | | | • Mauritius (2007) |

# 2 Budgeting for and Reporting on Performance

The field of performance management has a variety of jargon and there are a variety of definitions for terms that often overlap[2]. Program based budgeting, performance budgeting and performance management are often taken to mean the same thing. In the following we will try to draw some distinctions between the different terms and clarify what we mean when using the various models.

## 2.1 Traditional Budgeting

Traditional budgets made up of line items of inputs. How many pens does an office require? How much fuel will be consumed in the next fiscal year? What will the payroll be? At the end of the period the deviations are measured and lessons are learned for next year, but there is very little link between what is spent and what is to be produced or achieved.

## 2.2 Program Based Budgeting

Program budgeting identifies the detailed costs of every activity or programme that is to be carried out in a budget. Funding is linked to results as objectives, outputs and expected results are described fully as their costs, for example, raw materials, equipment and staff. The sum of all activities, or programmes, constitutes the Programme Budget. Thus, when looking at a Programme Budget, the reader can determine what will be done, at what cost and with what expected results in considerable detail.

Program Based Budgeting is usually performance oriented, but its most prominent feature is that it organizes the inputs necessary to achieve a policy outcome, into activities, creating a stronger link between the inputs and the objectives.

## 2.3 Performance Based Budgeting

Performance based budgeting is even more focused on outputs than program based budgeting (Diamond, 2003). In performance based budgeting the desired outcomes are the starting point, then the activities are defined, as in program based budgeting and finally the inputs necessary to achieve the objectives are identified and budgeted for.

## 2.4 Performance Management

Performance management is a management approach which emphasises achieving or improving on performance. Performance information is a necessary component of performance management; it is the tool managers use to measure the outcomes of their activities and their own performance as managers.

[2] Diamond, Jack 2003 *From Program to Performance Budgeting: The Challenge for Emerging Market Economies* IMF Working Paper p. 4

# 3 Government Performance and Performance Information

A possible impact of measuring and reporting performance results is increased public confidence in government and how the taxpayer's money has been used. However, to achieve such an impact requires a lot of confidence in the reporting system. Reliable performance information can help strengthen accountability and transparency by increasing the amount of information available about what services government is expected to provide, at what level of quality it should provide them and how well it has performed in providing the services. SAIs have an important role to play by giving assurance to the accuracy and credibility of the performance information, which in the long-run may establish trust in performance reports, if they are accurate.

Government performance is a complex process with a number of distinct elements, and this guideline must be limited to the most relevant elements. In what follows good government performance will mainly refer to the implementation of given policies and the extent to which government entities succeed in achieving the objectives set for them.

In a reliable performance report all performance information is reported - good or bad - no exceptions. The term "performance information" is used as a generic term for non-financial information about government services and activities. This guideline will mainly use the term performance information in reference to performance information reported on from government entities to superior authority levels. Performance information can be qualitative (narrative) or quantitative (numbers).

## 3.1 Performance management

Performance information is closely related to the use of management tools of the type this guideline refers to as "performance management". Performance management is not a unique method of management, but can take many forms. Other concepts are used in approximately the same meaning, such as "Management by results and objectives" and "result-based management". Effective audits of performance information require a clear understanding of how the country's performance management system works.

Performance management is the activity of managing an organisation to achieve certain results, while being accountable for the extent to which these results have been achieved. The core feature is the formal identification of organisational objectives followed by assesments in terms of how far these objectives have been met.

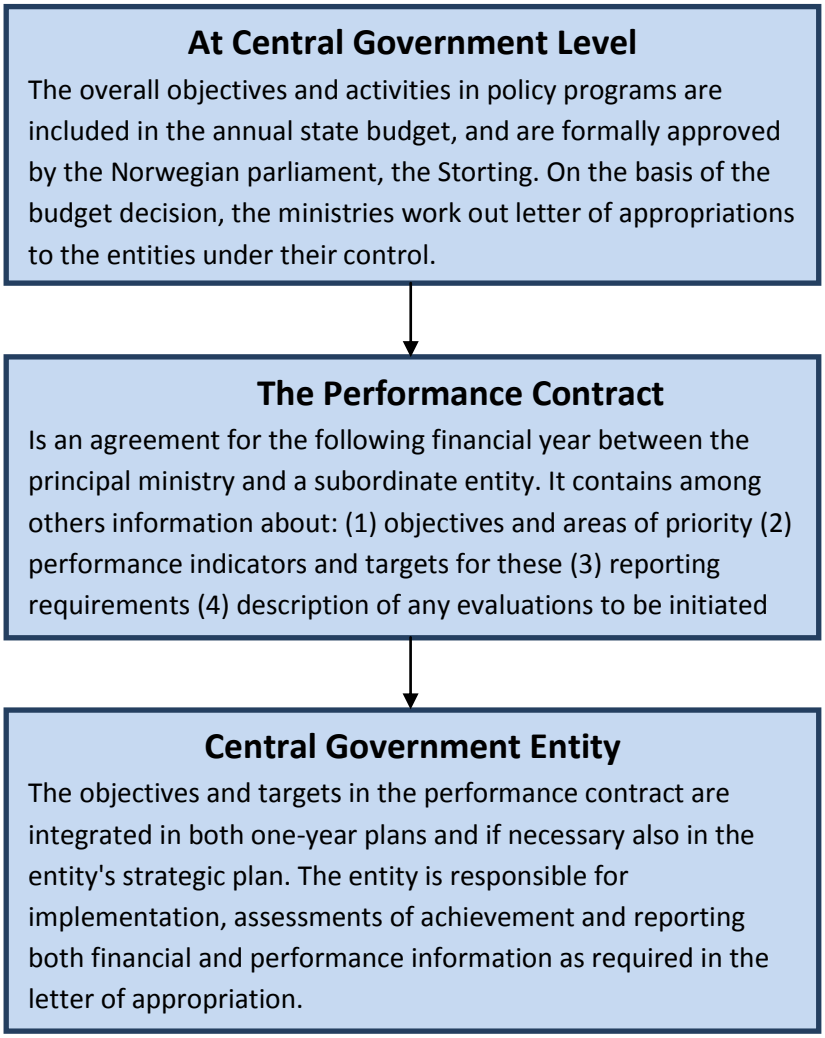
The purpose of performance management is to increase the effectiveness in government entities by setting goals and delegating the authority to decide for themselves which measures and activities to choose within their frame of budget. This may mean that the entities design their own detailed instructions about how many employees to engage, and unless fixed by regulations, what qualifications the employees should have. The superior authority sets the objectives the government entities are supposed to reach, and determines if these objectives are met in an effective way. This means that

performance management provides for more delegation of authority and control to the entity level, as long as they deliver the desired results.

The responsibility for formulating objectives and suitable performance indicators could be placed either at the superior authority level or at the public entity or a mixed solution where both parts are contributing. The objectives and targets for the following year are formally communicated along with the budget frame in a letter of appropriation. For example, the letters of appropriation to Norwegian government entities are in their form a performance contract covering both financial and non-financial objectives. They were made mandatory for the whole Norwegian central government entities in 1997, and are sent annually from the ministries to the public entities under their control. The size and composition of goal sets are not dictated, and variances between the entities are encouraged in the Financial Rules for Central Government.

The following figure shows the steps from policies decided in the budgeting process, to apropriations to the relevant entities and finally the entities' own formulation of plans in order to achieve those objectives given the financial resources they have been apropriated.

**Figure 1: The performance contract for central government entities in Norway**

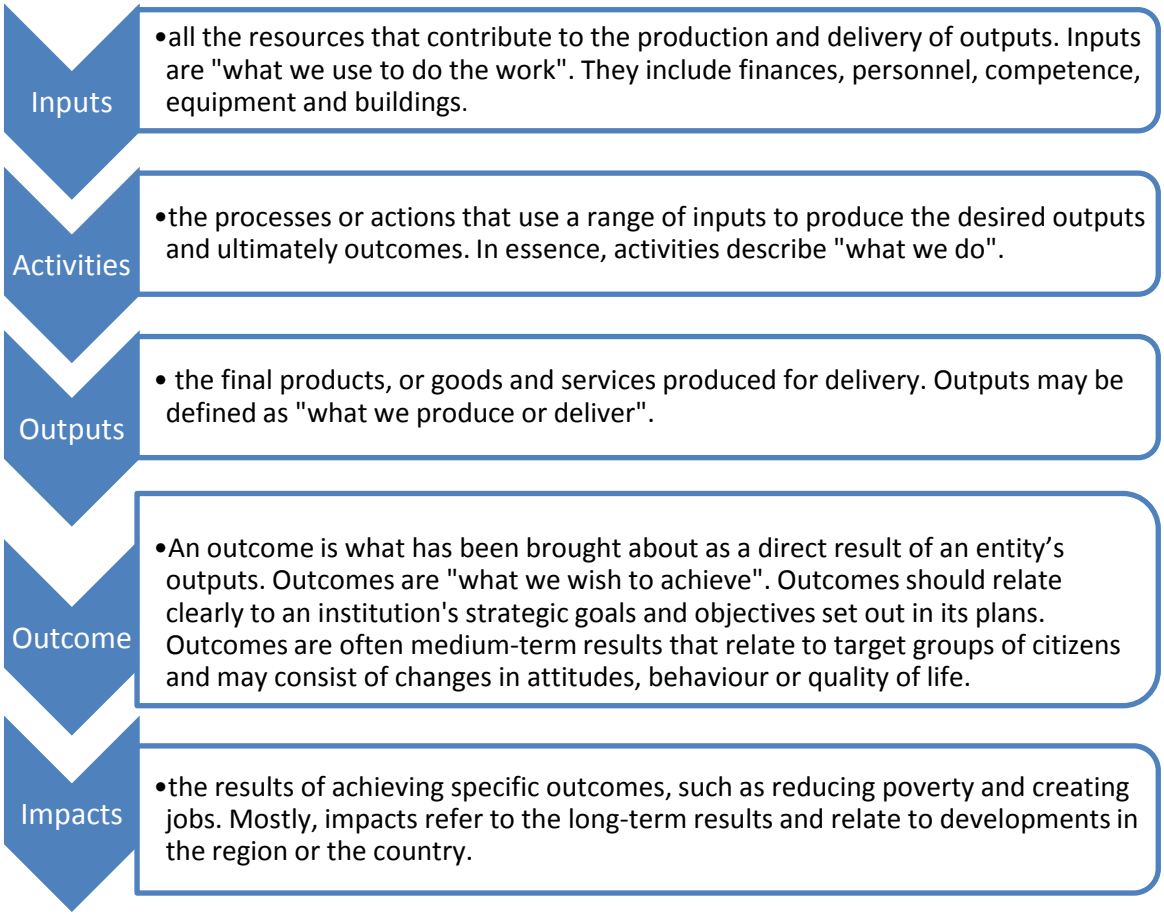



Reports on performance results could be both quantitative and qualitative (narrative) in nature. The chosen performance measures could relate to different parts of the results chain. Impacts (often long-term) and outcomes (often medium-term) could be difficult to measure within the financial year. Targets for inputs, activities and outputs are typically measured and reported on annually, and are the main focus in audits of performance information. Impacts and outcomes are usually dealt with in performance audits, and also in evaluations initiated by the government itself.

## 3.2 The Results Chain

The results chain is a model for describing what a public entity does and the results of its activities. The model uses the following terms: Inputs, activities, outputs, outcomes and impacts. The terms can be divided in two groups - internal and external factors. Inputs, activities and outputs describe internal conditions. Outcomes and impacts are external effects describing what could be the expected results of

the production both for the citizens and the society. Be aware of the simplification the model represents. In practice different parallel results chains may interlock and the effects in one result chain may influence the effects in another.




## 3.3 Objectives and Performance indicators

Performance management implies identification of organisational objectives followed by assesments in terms of how far these objectives have been met. The following will describe how ministries and government entities may carry out this process.

### 3.3.1 Formulating Objectives

There are three sets of task-related key questions to ask when defining objectives in ministry-entity relationships[3]:

1. The first is whether desirable societal outcomes in a policy field can be defined, and whether one can determine if those outcomes are realized or not. Sometimes the answer to the first is

[3] Askim, Jostein 2013 the Role of Performance Management in Public Sector Corporate Governance: The Case of Ministry-Agency Relationships in Norway University of Oslo

yes and the second no. If so, objectives should be defined, and achievement of the objectives may be covered by proxy indicators, see below.

2. The second set of questions is whether a principal ministry can identify the contribution an entity should make to realize desirable outcomes, and whether it is possible to determine if the entity has delivered that contribution. If the causality between outputs and outcomes is unambiguous, it is possible. But very often the causality is ambiguous.

3. A third set of questions to ask when defining objectives is, first, whether the principal ministry can identify how the entity should work to deliver its contribution to desirable societal outcomes. And second, whether the principal can determine if that behaviour has been realized or not. If the answer to both is yes, the ministry is in a position to define objectives related to inputs and activities. If the answer is no to both questions, the ministry should define objectives related to outputs and outcomes.

### 3.3.2 Performance indicators

Performance indicators measure performance in relation to inputs, activities, outputs, outcomes and impacts. A few public sector entities are actually able to identify performance indicators that directly measure each of these. However, this is often not possible and proxy indicators need to be found and reported on. A good performance indicator should be (National Treasury, South Africa 2007):

a) **Reliable:** the indicator should be accurate enough for its intended use and responds to changes in the level of performance.
b) **Well-defined:** the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.
c) **Verifiable:** it must be possible to validate the processes and systems that produce the indicator.
d) **Cost-effective:** the usefulness of the indicator must justify the cost of collecting the data.
e) **Appropriate:** the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target.
f) **Relevant:** the indicator must relate logically and directly to an aspect of the institution's mandate, and the realization of strategic goals and objectives.

How to choose performance indicators is a question for both subject experts and line managers. The challenge is to specify indicators that measure things that are useful from a management and accountability perspective, and not give managers incentives to carry out activities simply to meet a particular target. The process of developing suitable performance indicators could be time-consuming and involve endless discussions about unintended consequences and measurement difficulties. This guideline will not go deeper into these conditions, but knowledge about the possible effects on production and focus in reports should be known to auditors. In short some important aspects to take into consideration when auditing performance information:

- Performance indicators should be stable over time, but initially a trial period should be allowed for
- Include risk assessment. Some of the performance indicators should cover the most important risk factors that could threaten the entity's achievement of its objectives
- The set of performance indicators could be grouped in two, indicators to monitor continuously, and indicators important for management within the financial year and the period for the current strategic plan
- The set of performance indicators usually cover both the superior authority's need for control, and the specific entity's own need for an internal steering tool

Both measuring and reporting results could be difficult. In some cases the measures are directly out of proportion to the objectives, and the reports are not reliable. These kinds of challenges are essential in the audit context, and imperfections should be revealed.

### 3.3.3 "What gets measured gets done"

Senior managers need to keep in mind that implementing activities in order to achieve specific goals might have unintended consequences. Reporting requirements give managers incentives to pay particularly attention to carry out the activities needed to fulfil the targets set. Incentives serve the purpose when prioritized policies get the desired attention, but could also produce undesirable effects and get managers to carry out activities simply to meet a particular target. This is occasionally seen to be the case when performance indicators in some way are weakly linked to the entity's objectives, see the criteria above: (a) reliable, (e) appropriate and (f) relevant. As a result resources are locked-up in unnecessary activities.

### 3.3.4 Challenges in recording and reporting results

Generally reporting on performance also requires someone to keep record of information about the results – ideally on a regular basis. However, in practice performance information is often compiled close to the deadline of delivering the performance report.

In many cases only one individual is responsible for preparing the performance information. In an entity there are a number of people doing the day-to-day work. They are occupied with carrying out their activities, i.e. treating patients, teaching children, cleaning the streets, handing out grants. Often one, or a few individuals, are responsible for categorizing these activities and put them into the applicable performance categories – defined by the Ministry. Performance reporting may become inaccurate if it is done by another person than the one actually conducting the activity. There is a risk that performance reporting becomes a separate exercise unconnected to the day-to-day work, and this may complicate the auditor's possibility to verify the reported data.

### 3.3.5 Risk of Administrative Burden

Performance reporting may grow so time-consuming that it adversely affects the actual performance. In many countries where performance management has been practiced for some decades, reporting has become a serious burden, and demands for simplification are common.

Performance reporting is supposed to be more reliable if those who actually do the primary activity also record the necessary information. For instance, in many countries both teachers and doctors are tasked with performance reporting. The risk is that more time is devoted to administration and plotting of performance information, than doing the actual work. Both the politicians who make policies and managers responsible for implementing them must be aware of the trade-offs involved between time used on primary tasks and time used on reporting, otherwise poor solutions could be chosen at the lower levels leading to unreliable reports.

# 4 Role of the SAI

## 4.1 What makes audit of performance information unique?

Supreme audit institutions around the world have progressed from carrying out only financial audits to a wide range of value-for-money /performance audits. One of the new audits is audit of performance information. Audit of performance information is trying to provide assurance on performance information produced by the government for reporting to legislatures and Parliament. Performance information is the information of outputs and outcomes of activities that indicates how well an entity is performing against strategic objectives. The strategic objectives indicate what an entity intends to do to fulfil its legislative mandate.

The audit of performance information of public entities is an annual engagement to provide assurance to Parliament, legislators, members of the public, and other relevant parties that the actual performance reported is useful and reliable. The audit of performance information is conducted by regularity auditors and reporting takes place annually as a part of the regularity audit process. The audit focuses on the planning, implementation, monitoring and reporting of performance information.

Performance information and reporting is essential to focus the attention of the public and oversight bodies on whether public entities are delivering value for money, by comparing their performance against their budgets and strategic plans, and to alert managers to areas where corrective action is required. Performance information and reporting also facilitates accountability, enabling legislators, members of the public and other interested parties to track progress. It also helps identify the scope for improvement in service quality. One important reason to measure performance is that what gets measured gets done: If an entity knows that its performance is being monitored, it is more likely to perform the required tasks - and perform them well.

The more performance information is recognized as playing a significant role in governance and accountability, the more focus there will be on the quality and timeliness of the information reported.

The purpose of Performance Management is to ensure that the resources are used for activities that ensure that government provides services in an effective and efficient manner. It is important to be aware of that if budget allocations are linked to an entity's performance, then the entity has an

incentive to provide a more positive report than reality dictates. Hence, it is important to audit the reliability of the reporting.

### 4.2 Mandate of the SAI

Performance information is a special category of reporting by government entities, which the SAI may also need a mandate to audit. Such a mandate can often be found in the legislative frameworks of the SAI. In other instances it may require some interpretation of the applicable laws and regulations to formulate a mandate and in other instances it may not be mentioned at all in the legislative framework. Performance information may also be a part of the annual report of the audited entity. In such a situation the SAI can interpret the entire report, not just the financial statements, as the subject of the audit.

If Performance Information is an important part of the budgeting and reporting system in a country, the SAI should have a mandate to report it. If such a mandate is not clear, the SAI should strive to interpret its mandate in a way that allows for an effective audit of this information.

## 5 Approaches for Audit

### 5.1 Performance Audit

Performance auditing is defined as an independent audit of management measures instituted by a government institution to ensure the economical procurement and efficient and effective utilization of resources. The performance audit has a multi-year perspective and is done as individual audits and it is focused on a specific government policy or management process. The key concepts of performance audit are defined in Table 1.

**Table 1 Key concepts in performance audit**

| Key concepts | Explanation |
|---|---|
| **Economical** | to procure resources of the right quality in the right quantities at the right time and place at the lowest possible cost |
| **Efficient** | to achieve the optimal relationship between the output of goods, services or results and the resources used to produce them |
| **Effective** | to achieve policy objective, operational goals and other intended effects |

Whether performance information should be audited as a part of the regularity audit or as a part of the performance audit depends on the objective of the audit. If the objective of the audit is to verify that key principles of performance management is followed and that entities report correct information to

the government, then the audit can be done as a part of the annual regularity audit. If the objective of the audit is to identify how performance information is being used as a management tool to achieve a more effective and productive state management on a specific government policy or management process, then performance audit is best suited.

## 5.2 Regularity Audit

Regularity audit is more limited to providing assurance for the data that the entity produces, reports and uses in its management (e.g. its objectives). For example, in South Africa, the Auditor General provides assurance for the reliability, usefulness and compliance of the reporting by the entities. The following table is a summary of the Auditor General of South Africa's approach to setting criteria when they audit performance information. It is an example of how an SAI can conduct a regularity audit on performance information. During the audit, the performance is audited against the main criteria of compliance with legislative requirements, usefulness and reliability. Please take note that the audit criteria in this example, equates to the term audit assertions in a financial audit statement audit.

**Table 2 Criteria for audit of performance information (source: AGSA)**

| Main criteria | Sub-criteria | Explanation of audit criteria |
|---|---|---|
| **Compliance with legislative requirements** | Existence | Objectives, indicators and targets must be predetermined and performance information must be reported against them |
| | Timeliness | Performance information must be reported within two months after year end |
| **Usefulness** | Presentation | Performance against objectives is reported using the relevant principles…<br><br>Material differences between actual and planned performance must be explained. |
| | Measurability | Objectives must be made measurable by means of indicators and targets.<br><br>Indicators should be well-defined and verifiable. Targets should be specific, measurable and time-bound. |
| | Relevance | The indicators/measures must relate logically and directly to an aspect of the |

| | | |
|---|---|---|
| | | institution's mandate, and the realization of strategic goals and objectives. |
| | Consistency | Objectives, indicators and targets must be consistent between planning and reporting documents |
| **Reliability** | Validity | Reported performance has occurred and relates to the institution. |
| | Accuracy | Amounts, numbers and other data relating to reported performance have been recorded and reported correctly |
| | Completeness | All actual performance that should have been recorded has been included in the reported performance information |

Currently, the AGSA issues a reasonable assurance opinion on the performance information reported by its auditees. This has been a recent development following a decade's worth of experience in auditing performance information. Another approach, which the AGSA used earlier, is to issue a limited assurance opinion.

It is also possible for regularity audits to take an even simpler approach: report on findings of non-compliance or poor reliability when such findings are discovered, without issuing an opinion. This does not have the advantage of providing assurance. It is a less structured approach, requiring less evidence because an opinion isn't issued. However, it could be a good starting point in order to provide some minimum level of accountability for the government performance that is reported.

## 5.3 Audit Approach

Performance Management is being developed in most countries in the AFROSAI-E region. The SAIs have an important role as active promoters to drive the development of implementing Performance Management in the right direction. Therefore, it is important that the SAI is aware of the current state and the level of ambition the government has for its Performance Management system. When auditing the performance information it is a good idea to adapt the audit to the level of development of the country's Performance Management system. In this guideline we suggest that you can use a three-stage audit model according to how far the government has come in the process of implementing Performance Management.

If a country is in the process of implementing a Performance Management system then it may make sense to start to examine whether the entities that receive budget funds report on the activities that the entity has been undertaken during the year and at what cost. Step two of the model is to look at whether the entities have established objectives that they aim to achieve during the year, and whether

they have related different activities to their objectives. When we audit the performance information in the annual report, we will check if it is reported on how the different activities have contributed to the achievement of the predetermined objectives and how actual achievement is compared to the planned achievement. Hence, we will audit the usefulness and reliability of the reporting (for further information see chapter 6.3). The last step of the model is to see whether the entity has a multi-year strategic plan with strategic objectives and whether the strategic objectives are broken down into annually performance indicators.

### 5.3.1 Step 1: Reporting on activities - what we do

*For countries that are in the process of developing a Performance Management system.*

For countries that are in the process of developing a performance based management system as the main management principle, we should at least expect that the budget funds are linked to the activities that the Parliament or the superior authority wants the entity to carry out during the year. The entities should report annually on what activities they have been undertaken during the year and at what cost in the annual report.

*Audit Considerations*

| |
|---|
| The auditor's role is to ensure that the annual report from the entities to superior authority contains information on the activities carried out and that the reporting is correct. |

When the government has put in place a system, in which the budget is linked to activities, and where entities report back on the activities being carried out, then it is time for the SAI to play an active part in order to progress the implementation of a complete performance management system. The next step is that the government decides on some results targets and links them to some activities that are required in order to achieve these result targets. The responsibility of developing the results targets can be placed either at the superior authority level, at the entity level or a mixed solution.

### 5.3.2 Step 2: Reporting on objectives - what we wish to achieve

*For countries that have linked activities to objectives in the budget document.*

A more advanced level of reporting is to report on objectives. The government decides on some objectives and links them to some activities that are required to be accomplished in order to achieve the objectives. The objectives should describe what the entity should achieve in relation to the activities they are set to do in the upcoming fiscal year, given the assumptions and budget provided. Linking activities (inputs) with results provides information on how much it costs to provide a given level of output/outcome.

*Audit Considerations*

The auditor should examine whether all the activities provided in the budget proposal are being linked to objectives, and whether the objectives are realistic.

Furthermore, the auditor should assess the quality of the reporting from the entity to the superior authority in the annual report. Is the performance reporting correct and in accordance with the reporting requirements specified by the superior authority? It is the entity`s responsibility to ensure that the annual report to the superior authority is correct and in accordance with the reporting requirements set by the superior authority. The auditor`s job is to ensure the reliability of the results reported in the annual report.

The next step is for the government to include strategic objectives in a multi-year strategic plan for an entity, and to break down the strategic objectives into annual performance indicators.

### 5.3.3 Step 3: Reporting on outcomes/impacts - what we aim to change

*For countries that have a fully implemented Performance Management system.*

A fully implemented Performance Management system means that the entities need to have a multi-year strategic plan with strategic objectives. The strategic objectives should express a desired state or a desired result, while the multi-year strategic plan should display the entity's priorities and focus areas in the coming years. The strategic objectives should in turn be broken down into performance indicators (see chapter 3.3) and annual results targets. In order for the superior authority to be able to assess the achievement of objectives, they must, in the planning phase, decide on some results indicators. These indicators should provide a comprehensive and balanced view of the achievement of the objectives. The performance indicators and the annual results targets are used to track and measure performance in relation to the strategic objectives.

Systematic information about the efficiency and effectiveness of public expenditure is the most fundamental tool of performance-based budgeting, and for managing for results more generally. Basic performance based budgeting can only be successful if every spending entity is required to

- explicitly define the outcomes that its services (outputs) aim to deliver to the community; and
- provide to the ministry of finance and key political decision makers during the budget preparation process key performance indicators to measure the effectiveness and efficiency of its services[4]

The biggest challenge in the development of a basic model of performance based budgeting is keeping this performance information simple, affordable, and usable. All too often newcomers to performance based budgeting have set out to develop sophisticated performance information systems over short

[4] Robinson, Marc & Last, Duncan 2009 *A Basic Model of Performance-Based Budgeting*

time periods. They fail to fully realize that such information is expensive and requires skilled human resources which may not be readily available or affordable[5].

*Audit Considerations*

| |
|---|
| When auditing a performance based management system we will first of all focus on whether the strategic objectives reflect the Parliament's or superior authority's decisions. In this situation performance auditing will also add a lot of value, by assessing the effectiveness, economy and efficiency of the policy objectives and their associated activities and providing feedback to the system on how it can be improved. |

## References


Askim, Jostein 2013 *the Role of Performance Management in Public Sector Corporate Governance: The Case of Ministry-Agency Relationships in Norway* University of Oslo

Auditor General of South Africa, *Pocket guide to the Audit of Pre-determined Objectives*

CABRI October 2012, A status report, *Fiscal Transparency and Participation in Africa*

Diamond, Jack 2003 *From Program to Performance Budgeting: The Challenge for Emerging Market Economies* IMF Working Paper

INTOSAI 2012 *ISSAI 200 Exposure Draft*

INTOSAI 2012 *ISSAI 400 Exposure Draft*

INTOSAI 2010 *ISSAI 4200*

Mulgan, Richard 2012 *Transparency and Public Sector Performance*, *Occasional Paper No. 1*. Australian National University.

Office of the Auditor General of Norway 2012 *Guidelines for Financial Auditing*

Office of the Auditor General of Norway 2012 *Guidance on Audit of Management by Objectives*

The Norwegian Audit Act (lov om Riksrevisjonen), 2004

Robinson, Marc and Last, Duncan 2009 *A Basic Model of Performance-Based Budgeting*


[5] Robinson, Marc & Last, Duncan 2009 *A Basic Model of Performance-Based Budgeting*