

## Chapter 7

### How do you write a performance audit report?



This chapter explains how you prepare and draft a performance audit report. The purpose of a performance audit report is to communicate the results of the audit to the legislative authority, the audited entities and the wider audience. Whether you are publishing in print or only in electronic form, the same high-level principles will apply.

This chapter will answer the following questions:

- How do you develop a performance audit report?
- What are the main attributes of a performance audit report?
- How do you create a logical report structure?
- How do you ensure the quality of the report?
- How do you consider audited entities or third party comments?
- How do you publish the final report and communicate the results?

### How do you develop a performance audit report?

A good audit report clearly and objectively lays out the material findings and conclusions of the audit questions, and if appropriate, provides practical recommendations. The report should be easily intelligible to the intended reader, who should clearly understand what was done to perform the audit, why it was done, and how. They should also be able to understand the context of the audit topic.

SAls take different approaches to allocating the task of drafting the report itself. Some SAls may divide the work between members of the audit team, while others have team members who specialise in drafting. The person who drafts the report will not always be the person who collected the audit evidence. If you have prepared a clear report structure that shows where each audit finding fits, the process will be smoother and less prone to error.

If more than one person prepares the draft, you need to allow sufficient editing to ensure the entire report is consistent in style and tone. It is important that your supervisor review the draft, looking in particular for areas where the evidence or logic appears weak. You might also consider a review from someone outside of the team to ensure the evidence and logic clearly support the conclusions. Reviews from outside the team can also help ensure clarity and independence.

## What are the main attributes of a performance audit report?



### The Standard

Auditors should strive to provide audit reports that are comprehensive, convincing, timely, reader-friendly and balanced.

Source: ISSAI 300/39

As you write the report, you need to keep in mind the five main attributes of performance audit reports. These attributes have to be present in a performance audit report regardless of the structure chosen. You can find further guidance in GUID 3920/108-124.

### Comprehensive

It is important to be comprehensive in that you include all the information and arguments needed to address the audit objective and audit questions in the report. At the same time, the report has to be sufficiently detailed to understand the subject matter and the audit findings and conclusions (ISSAI 3000/117). Most importantly, you should make sure the report has sufficient and appropriate evidence to support the findings, conclusions and recommendations (if applicable) about the audit objective(s) ([GUID 3920/114](#)). These elements are discussed in more detail later in this chapter.

### Convincing

The reader has to be convinced by your argument in the report that leads to the conclusions and recommendations (if applicable). To be convincing, a performance audit report needs to be logically structured and present a clear relationship between the audit objective(s) and

audit questions, audit criteria, audit findings, conclusions and recommendations. Chapter 6 provides more details on developing findings based on sufficient and appropriate evidence. The report also needs to present the audit findings persuasively, address all arguments relevant to the discussion and be accurate. Accuracy requires that the audit evidence presented and the audit findings and conclusions are presented in a neutral, fact-based manner. (ISSAI 3000/118)

The SAI has two main goals when aiming to produce a convincing performance audit report:

- **Logic.** You have to map the logic of the argument that leads to the conclusion and recommendations (if applicable). There should be a clear linkage from the audit criteria via findings to the conclusions and recommendations.
- **Accuracy.** Inaccurate reports can damage the credibility of the SAI. One inaccuracy in a report can cast doubt on the validity of the entire report (or even the SAI) and can divert attention from the substance of the report.

### **Timely**

A performance audit report needs to be issued in a timely manner to make the information available for use by management, government, the legislature and other interested parties (ISSAI 3000/119). In some cases, the SAI may also choose to report early on a new programme, with plans to return to the topic to assess progress.

The audit report is intended to result in improvements within the audited entities. These improvements are expected to enable the entities to achieve its objectives more efficiently or effectively.

### **Reader-friendly**

SAIs should report objective, fact-based information simply and clearly, using language understood by all their stakeholders (INTOSAI-P-12/Principle 4). While specific communication styles and preferences may vary between different countries and cultures, aim to always keep the tone of your report professional and neutral.

The report needs to be concise but with sufficient evidence (see the discussion on comprehensiveness earlier in this chapter). Conciseness will ensure that the volume of the report is no longer than it needs to be, which will ensure clarity and help to more effectively convey the message of the report (ISSAI 3000/120). A long report, however well-written, can be intimidating or off-putting to readers. If a lengthy report is unavoidable, you may want to consider using appendices or publicising a standalone summary of the main points.

To produce a reader-friendly report, it helps that you know the audience, understand its needs and write the report accordingly ([GUID 3920/120](#)). As discussed earlier, consider using readers outside the audit team to check if the report is easy to understand. You can also use simple automated readability analysers to get a basic assessment of the complexity of the text. These tools use metrics such as average sentence length and sophistication of the vocabulary to suggest the reading level needed to understand the report. They can be found in open source or as part of word-processing programs.

### Reader-friendly






- ✓ Use short rather than long sentences.
- ✓ Use simple sentence construction (the simplest being subject – verb – object).
- ✓ Use active voice.
- ✓ Break up the text with the use of headings.
- ✓ Use non-text visual aids (such as pictures, illustrations, charts, graphs, maps).
- ✓ Avoid technical jargon and complex, seldom-used words.
- ✓ Avoid excessive use of cross-referencing and acronyms.

Source: IDI/PAS Development Team

Another way to be reader-friendly is to include graphics or visuals throughout the report. Including visual displays of information can help the reader quickly understand complex concepts or see how ideas relate to each other. They can also eliminate the need to write out extensive descriptions of processes or events. Photographs may also be useful to include if they are pertinent to the subject matter. A busy reader will find a report filled with visual displays of information easier to read. **Figure 40** provides examples of visuals in performance audit reports.

**Figure 1: Examples of visuals displays of information in performance audit reports**

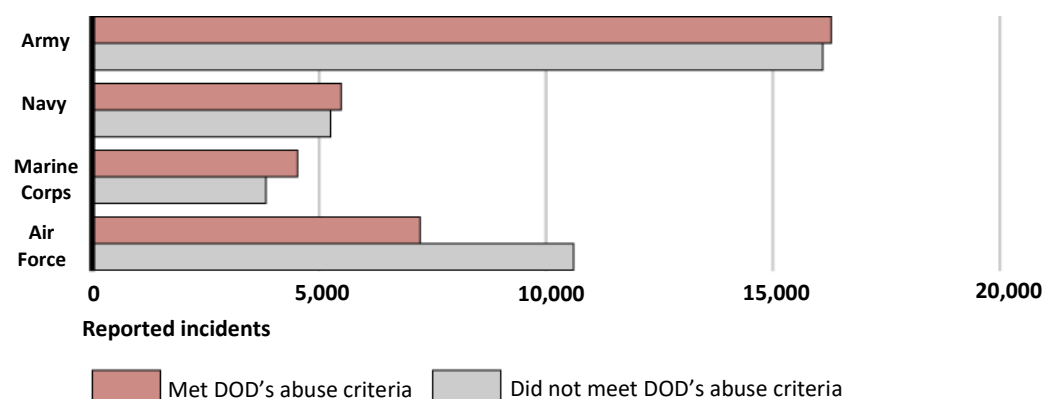
*Commercial airport categories for United States (US) airports based on boardings of US passengers (2017)*

Commercial airport category	Minimum required percentage of total annual passenger boardings	Annual passenger boardings per airport category		Number of airports
 Large hub	1% or more	72.0%	617,598,283	30
 Medium hub	At least 0.25%, but less than 1%	16.2%	138,949,064	31
 Small hub	At least 0.05%, but less than 0.25%	8.3%	71,157,137	70
 Nonhub	More than 10,000, but less than 0.05%	3.4%	28,881,284	255
 Commercial service non-primary	At least 2,500 and no more than 10,000	0.1%	627,545	125

Source: GAO analysis of the Federal Aviation Administration's 2017 enplanement data, AIRPORT INFRASTRUCTURE: Information on Funding and Financing for Planned Projects, 2020, GAO-20-298

Note: The term 'hub' is defined in federal law to identify commercial service airports as measured by passenger boardings, and the airports are grouped into four hub categories. (49 US Code Sections 40102 (29), (31), (34) and (42).)

*Reported incidents of child abuse (physical, sexual or emotional abuse or neglect), by Department of Defence (DOD) criteria for abuse, fiscal years 2014–2018*



Source: GAO analysis of Family Advocacy Program data, CHILD WELFARE: Increased Guidance and Collaboration Needed to Improve DOD's Tracking and Response to Child Abuse, 2020, GAO-20-110

Inclusiveness is also an important component of reader-friendliness. Readers will tend to give more credibility to your report if they see that you have addressed their particular concerns. For example, if you are dealing with a programme that has differing impacts in different parts of your country, you can draw readers in by using maps and other graphics to show this varying impact across different regions or sectors of society.

**Balanced**

Being balanced means that the performance audit report is impartial in content and tone. You should present all audit evidence in an unbiased manner and be sure to report both positive and negative findings. Often, auditors tend to focus on problems, which lead to recommendations for improvement. Explaining the impact of such problems does help the reader understand the significance of the problems, which encourages corrective action (GUID 3920/123). While this process is important, it is equally important to provide the full picture of the audit topic or activity. If the audited entity is doing something well, be sure to report that and areas in need of improvement. Be aware of the risk of exaggeration and overemphasis on deficient performance by the audited entities. (ISSAI 3000/121)

### Balance

- ✓ Present findings objectively and fairly, in neutral terms, avoiding biased information or language that can generate defensiveness and opposition from the audited entity.
- ✓ Present different perspectives and viewpoints on the topic.
- ✓ Be complete. Include points both positive and needing improvement. Give credit where it is due. Including positive aspects may lead to improved performance by other government organisations that use the report.
- ✓ Facts must not be suppressed, and minor shortcomings should not be exaggerated.

Source: GUID 3920/124

## How do you create a logical report structure?

Considering the five main attributes, you will need a logical report structure to communicate your audit findings, conclusions and recommendations to readers. In some cases, each of your audit questions will map neatly to a separate chapter in the audit report. However, this does not happen in all instances. For example, if the findings from two separate audit questions are interrelated, it may be more appropriate to present them in the same chapter. In other instances, you may choose a logical order structure based on the materiality of different findings or the chronological order of events.

Regardless of the structure chosen, it is always good practice before drafting to map out an outline for the report. This approach will strengthen the logical flow of the report and reduce the risk for needless duplication of content. An effective structure will grab the reader's attention, communicate complex issues clearly, and provide a clear interpretation of the results (GUID 3920/121). The report will also need enough context or background information for the reader to understand the subject. For example, the reader may need to understand the roles and responsibilities of those involved in the audit topic, the amount of money spent and the government's goals for the audited area.

Report formats will take many different shapes and forms, depending on the SAI and the audit work. You need to keep the audience in mind as you develop an appropriate report structure. Some SAIs find it helpful to use a 'Dinner Party' approach to build a reader-friendly report

structure. The Dinner Party approach imagines that you are speaking to fellow guests and only have a short time to hold their attention. What are the main things they need to know about what you have found during your audit? Once you have established these interesting conclusions, you can build up the finer detail that supports these conclusions. (GUID 3920/121)

The information below discusses common segments of a report.

## Title

A good title communicates the topic (or the message) of the report. In some message-oriented titles, the title may preview the recommendations:

- **An example of a descriptive title:** *U.S. Efforts to Combat Trade-Based Money Laundering* (GAO-20-314R).
- **An example of a message-oriented title:** *Weaknesses in Cybersecurity Management and Oversight Need to Be Addressed* (GAO-20-199).

You may also want to decide whether or not to mention the name of the audited entities in the title. For example, if your report covers the work of several different ministries, you might omit their names from the report title for the sake of brevity.

### Audit report title

#### Without the name of the responsible entity

Protecting Canadian Critical Infrastructure Against Cyber Threats (2012 report of the Auditor General of Canada)

#### With the name of the responsible entity

Inland Revenue Department: Managing child support debt (2010 report of the Auditor General of New Zealand)

Source: GUID 3920/124

## Table of contents

A good table of contents displays the report's structure, allowing readers to easily find the sections in which they are interested. **Figure 41** shows one such approach.

**Figure 2: Contents page using question-based headings**

Heading	Page
Summary and recommendations	7
Background	7
Conclusion	8
Supporting findings	8
Recommendations	10
Summary of entity response	10
Key messages from this audit for all Australian Government entities	11
Audit findings	13
<b>1. Background</b>	
The Australian Taxation Office's (ATO) compliance, dispute and debt collection activities for small business	14
Rationale for undertaking the audit	14
Audit approach	19
<b>2. Organisational arrangements for managing small business tax debt</b>	
Does the ATO have strategies and processes to support the effective management of small business debt?	19
Does the ATO have effective processes for coordination across small business compliance, dispute and debt activities?	21
Does the ATO use international practice, stakeholder views and continuous improvement to inform changes to debt strategies and processes for small business?	21
<b>3. Consistent management of small business debt</b>	
Does the ATO have processes that support consistency in progressing debt towards firmer, and stronger action?	28
Does the ATO have effective controls to ensure consistent firmer and stronger debt action for small business tax debt?	36
<b>4. Performance monitoring and reporting</b>	
Is there effective monitoring and reporting of small business tax debt, including tax debt arising from compliance activities?	39
Does the ATO have a sound performance framework in relation to the effective, efficient and consistent recovery of small business tax debt, including debt arising from compliance activities?	44
<b>Appendices</b>	
Appendix 1 Australian Taxation Office response	54
Appendix 2 ATO firmer and stronger actions	54
Appendix 3 Issues raised by the ABC Four Corners investigation	58
Appendix 4 ATO Quality measures and indicator	69
	70

Source: Management of Small Business Tax Debt, Australian National Audit Office, 2019

In **Figure 41**, the SAI used question-style headings for the parts of the report that cover audit findings. Some SAIs prefer to use the contents page as a summary of findings. To do so, they use headings that are one-sentence summaries of their audit findings. **Figure 42** provides an example of this approach.



**Figure 3: Contents page using descriptive headings**

<b>Heading</b>	<b>Page</b>
Summary	5
Recommendations	11
<b>Part 1</b>	
The Welsh Government has a plan for waste prevention but has focussed more attention and resources on recycling	13
The Welsh Government has focussed successfully on increasing municipal recycling, but waste prevention has generally had a lower profile despite some important initiatives	14
While the Waste Prevention Programme reflects common practice, there are opportunities to learn from approaches elsewhere and to make further use of legislation and financial incentives	17
The Welsh Government has provided councils with significant funding for their municipal waste management services, but this has mostly supported recycling, with very little of it spent on waste prevention	23
Between October 2015 and September 2018, the Welsh Government gave £13 million to three not-for-profit organisations with objectives that include, but are not necessarily limited to, waste prevention	26
<b>Part 2</b>	
The data used by the Welsh Government to measure performance against its ambitious waste prevention targets is of variable quality and indicates mixed progress	30
The Welsh Government has good data on municipal waste, but the data it has on most other wastes is limited	31
The data that is available on the amount of waste produced indicates mixed progress to deliver the Welsh Government's ambitious waste prevention targets	35
<b>Appendices</b>	
Appendix 1 – Audit methods	43
Appendix 2 – Key elements of the Welsh Government's Waste Prevention Programme and the waste sector plans	44
	45

Source: Waste Management in Wales – Preventing Waste, Wales Audit Office, 2019

## **Executive summary**

The executive summary is a short chapter designed to provide a quick synopsis of the main points and key messages of the report. Many people only read this section of the report; thus, it is important that it is written clearly and that it concisely summarises the most important parts of the report. Typically, an executive summary includes an explanation on why the audit was carried out, brief information on the subject of the audit and the audited entities, the audit objective and questions, the scope, the methodology, the key findings, the conclusions and the recommendations.

Not all SAIs use an executive summary; some summarise the audit report in other ways. For example, the US GAO uses a one-page abstract instead (see Appendix 18). Where used, a good summary will:

- reflect accurately what is in the rest of the report;

- be concise without omitting important audit findings;
- guide the reader as to the significance of the audit questions and their answers;
- show the reader which parts of the main report support each key audit finding;
- work as a standalone document;
- only include material covered in the main report; and
- mention important contextual information such as previous audits or the legislature's coverage of the topic.

When appropriate, the executive summary may include a graphic or visual to help convey the message.

An effective executive summary answers the fundamental questions the reader will have about the audited topic and the SAI's assessment of performance. For example, the United Kingdom's National Audit Office guidance on drafting audit summaries asks auditors to answer the following list of questions, as appropriate:

- **Assessing performance.** What would good value look like in the context of this study? What comparator or counterfactual has been used?
- **Where the comparator is operational good practice.** How has good practice been determined?
- **Quantification.** Are the total resources at stake and achievements quantified? Are costs and benefits presented in a way that supports the conclusion on performance?
- **Causality.** Is it possible to attribute value or benefits in the system to the specific spending being examined? In interpreting data, what other factors may have affected outputs and outcomes?
- **Uncertainty.** What are the risks and uncertainties relating to data used in the report? All data is subject to uncertainty, and it is reasonable to state explicitly the level of uncertainty.

The length of the executive summary is usually proportionate to the length and complexity of the main report. However, a typical summary tends to be less than three pages long. Appendix 19 illustrates an executive summary.

### Executive summary

✓ Build an executive summary from summary paragraphs and sentences within the main report – this will ensure that the summary is consistent with the report.

✓ It is sometimes useful to think of: the executive summary as being written for the Public Accounts Committee or oversight legislative committee; the report as being written for the audited entity; and the appendices as being written for those academics or specialist staff with an interest in the field and the detailed methodology.

Source: IDI/PAS Development Team

## Introduction

The introduction of the report provides the context of the performance audit, helping the reader to understand the audit. Typically, SAIs use the introduction section of the report to describe the audit topic but not to provide audit findings.

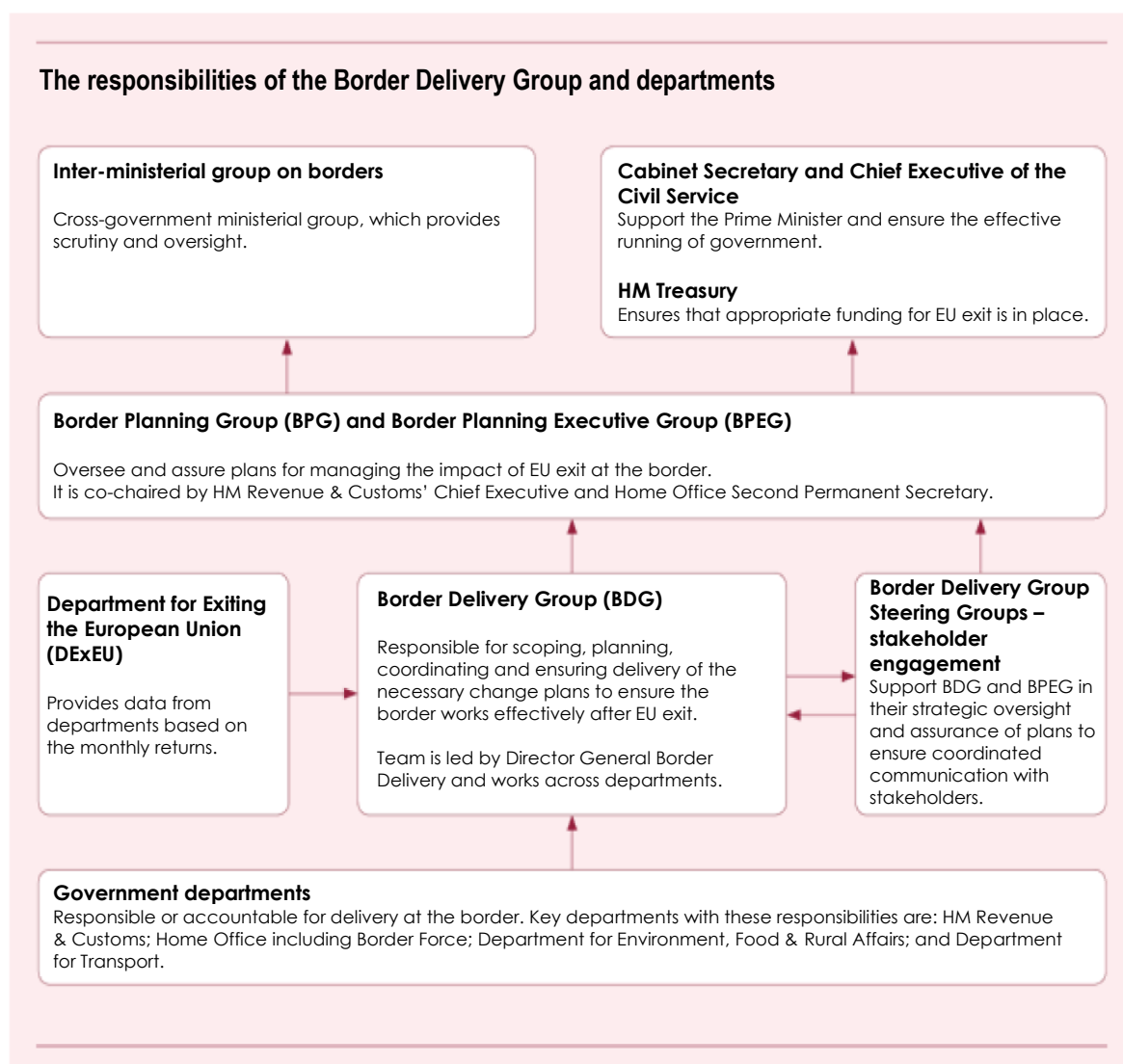
The introduction does not need to be overly long and detailed. For example, **Figure 43** shows how you might use a simple graphic in the report's introduction to quickly explain the responsibilities of various audited entities. If the reader needs more detail, you can provide it in an appendix or in a separate background section; or you can indicate where the reader can obtain further information.

### Introduction

- ✓ Include sufficient context for the reader to know how the audited activity works and is managed, but not so much detail that they are tempted to skip the section.
- ✓ Consider using a simple diagram to illustrate who is responsible for which audited activity.
- ✓ Tell the reader why you are reporting on this activity now.
- ✓ Use appendices, cross-references or a bibliography section to point reader towards further details.

Source: IDI/PAS Development Team

**Figure 4: Using a simple graphic to illustrate the responsibilities of audited organisations**



Source: National Audit Office UK – analysis of departments' documents

## Audit objective(s) and questions

It is important that your performance audit report has to describe the audit objective(s) and the audit questions. Readers need this information to understand the purpose of the audit, the nature and extent of the audit work performed, and any significant limitations on the audit objectives, scope and methodology. See Chapter 4 for examples of audit objectives and questions.

## Audit scope and methodology

Different readers have different needs and expectations from the audit. The audit scope helps the reader understand:

- what to expect from the report;
- what use can be made of the findings and conclusions; and
- the degree of reliance they can place on the findings and conclusions.

Be sure to tell the reader about what is in and out of scope in your audit approach, what time period or geographical area is covered, and who is the subject of the audit. It is important to tell the reader if the report focuses on a narrower set of audited activities than might be implied by the report title. For example, if a report entitled *Protecting Wetlands* does not cover activities in all national wetlands, you will need to explain the particular focus of the report.

Also, describe the audit methodology used to address the audit objective(s).

### An excerpt of a description of a performance audit report methodology

"To examine the characteristics of Federal Aviation Administration-certificated mechanics and repairmen, we analyzed cumulative FAA data as of December 2018 for demographic characteristics such as age and sex. To examine the employment characteristics of aviation maintenance workers – such as wages and unemployment – we analyzed Bureau of Labor Statistics Current Population Survey data for selected labor market indicators from 2013 through 2018, and we reviewed all 50 states' most recent Workforce Innovation and Opportunity Act plans."

Source: US GAO report AVIATION MAINTENANCE: Additional Coordination and Data Could Advance FAA Efforts to Promote a Robust, Diverse Workforce, 2020, GAO-20-206

You may describe the methodology briefly in the report body, with more details in an appendix. See Appendix 20 for a description of the mentioned report's scope and methodology.

The main body of the report has to mention at a minimum and in a concise form:

- the audit methodology and approach;
- the sources of data;
- the data gathering and analysis methods used; and
- any limitation on the data use.

It is often important to provide more details to the reader about the methodology or any data used in the report. Thus, providing more details, often in an appendix, could be appropriate. For example, you may provide information on:

- what you have done to establish the reliability of the data;
- if there are methodological limitations that the reader should know about, for example, limitations in the data and analysis and how they should be interpreted;
- if there were limits on the data and other evidence you could access; and
- if any trends you identify in your quantitative analysis are statistically significant.

## Audit criteria and sources

It is important to state what the audit criteria are, how they were developed and what the sources were. By drawing attention to the audit criteria, you clarify the standard against which you are judging performance. If you are clear about your sources, audit criteria, methods and assumptions, you will help the reader to judge how much weight to give the evidence and conclusions in your report. (GUID 3920/115)

Audit criteria are not always readily available in performance auditing. In such cases, the audit team needs to develop the criteria and discuss them with the audited entities. If the audited entities does not agree with the criteria, the SAI has the final responsibility to set them. In case of significant disagreement on criteria developed by the SAI, the auditors need to consider the risk that the audited entities will dispute findings where the auditors only can refer to themselves as the source of criteria. This topic is discussed in more detail in Chapter 4.

## Audit findings



### The Standard

The auditor shall ensure that the audit findings clearly conclude against the audit objective(s) and/or questions, or explain why this was not possible.

Source: ISSAI 3000/124

As discussed in detail in Chapter 6, it is important when you draft the report that the reader understands how the audit findings relate to the audit criteria and the evidence gathered during fieldwork. Many reports make this linkage clear by organising the findings according to the audit questions. Each audit question becomes a section or a chapter of the audit report, which contains the relevant findings. If different findings are interlinked or not, it can be appropriate to develop conclusions in the same chapter or as a separate chapter. Regardless of the organisation method chosen, it is important that the reader clearly understands the condition, criteria, cause and effect for any findings, as discussed in Chapter 6.

### Example of a description of a finding in a performance audit report

We identified deficiencies associated with the Drug Enforcement Administration's drug diversion efforts, including the following:

- **Limited proactive and robust analysis of industry-reported data.** While DEA's current data systems are not designed to conduct real-time analysis, and it conducts some analyses of industry-reported data, such as in response to requests from its field division offices, DEA could conduct more analyses using automated computer algorithms to help identify questionable patterns in the data. For example, DEA could analyse data to identify unusual volumes of deleted transactions or unusual volumes of drugs disposed of rather than sold. It could also analyse data to identify trends in distribution or drug purchases in a given geographic area. Other analysis DEA could perform is to look for unusual patterns when comparing drug orders in one geographic area with other nearby areas. These analyses could potentially help DEA proactively identify suspicious activities or registrants that may warrant investigation.

- **No data governance structure to manage all drug transaction data.** Although DEA has guidance, policies and procedures for the use of some information systems, it has not established a formal data governance structure to manage all data it collects and maintains, which are integral to its diversion control activities. A data governance structure is defined as an institutionalised set of policies and procedures for providing data governance throughout the life cycle of developing and implementing data standards. Industry and technology councils, domestic and international standards-setting organizations, and federal entities endorse the use of a governance structure to oversee the development, management, and implementation of data standards, digital content, and other data assets. While DEA began efforts to develop a governance structure, it is in the early stages of development and does not have additional details or documentation of its efforts. An effective data governance structure could help DEA ensure its important data assets are consistently and fully utilised.

Source: US GAO report DRUG CONTROL: Actions Needed to Ensure Usefulness of Data on Suspicious Opioid Orders, 2020, GAO-20-118

Also, as discussed earlier, using graphics and tables can significantly enhance the readability of the report.

### Conclusions

Many reports include conclusions that summarise the findings and information presented in the report, as discussed in Chapter 6. There are many ways to write this section, depending on the SAI's report style and the audience's needs. **Figure 44** presents illustrations of audit report conclusions from three different SAIs.

**Figure 5: Illustrations of audit conclusions**

Performance audit report from 2021 on European Union humanitarian aid for education. European Court of Auditors, 2021.	<p><b>Audit objective.</b> To assess whether EU humanitarian aid for education was effective in helping children and was delivered efficiently.</p> <p><b>Audit conclusion.</b> Overall, EU aid helped children in need and projects achieved their expected results. However, they did not reach enough girls. In addition, most of the projects in our sample were too short compared to children's educational needs, decreasing efficiency. The findings from our examination of 11 projects are summarised in Annex II. 68 projects were relevant and well-coordinated, and the commission addressed the problems it identified during monitoring visits. Projects achieved most of their planned results. However, the commission made limited use of the results of its Enhanced Response Capacity projects. In addition, the commission did not target enough girls, even though they faced greater disadvantages. Furthermore, several of the projects did not reach the targeted proportion of girls.</p>
Performance audit report Moving towards sustainable artisanal fishery in Mauritius. SAI Mauritius, 2018.	<p><b>Audit objective.</b> To assess whether measures implemented by the ministry were effective to support sustainable artisanal fishery.</p> <p><b>Audit conclusion.</b> The ministry has taken laudable initiatives in devising and maintaining a wide range of interventions targeting artisanal fishermen individually, collectively at community and national level through preservation and protection of lagoon ecosystems. All these interventions are aligned to SDG 14B and the FAO Code of Conduct for Responsible Fisheries, which promote sustainable artisanal fishery.</p>
Performance audit on the hygiene control in meat production process. SAI Tanzania, 2016.	<p><b>Audit objective.</b> To assess whether the Ministry of Agriculture, Livestock and Fisheries (MALF), President's Office Regional Administration and Local Government (PO RALG) and the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC) have efficient and effective hygiene practices and control mechanism in meat production process to ensure safe and wholesome meat is delivered to the public.</p> <p><b>Audit conclusion.</b> There is no assurance that the meat delivered to the public in some of the visited slaughter facilities is safe for human consumption, as meat inspection and sanitary controls in many slaughter facilities are unsatisfactory. This is because the hygiene control mechanisms are not effectively and efficiently managed by (MALF), (PO RALG) and (MoHCDGEC).</p>

Source: ECA, SAI Mauritius and SAI Tanzania

## Recommendations

Many reports contain recommendations to the audited entities. You will need to balance the way that you describe the recommendation; it needs to be clear enough to avoid ambiguity but not so specific that it encroaches on management's responsibility. Chapter 6 discusses the development of recommendations in detail. More guidance on recommendations can be found in ISSAI 3000/127-128 and GUID 3920/125-128. **Figure 45** provides examples of SAI recommendations.



**Figure 6: Examples of recommendations in select SAI performance audit reports**

<b>Improvements in trauma networks</b>	<p>The Department is supporting the introduction of trauma networks by strategic health authorities. However, given the lack of progress made in improving major trauma services over the last 20 years, we recommend the following actions:</p> <ul style="list-style-type: none"> <li>a. Primary care trusts and ambulance trusts develop and implement triage protocols to determine which emergency departments seriously injured patients have to be taken for treatment. This work has to be coordinated by strategic health authorities.</li> <li>b. Primary care trusts use their commissioning powers to require all acute and foundations trusts with emergency departments that receive trauma patients to submit data to TARN. The purpose is to use the data collected to inform the ongoing development of trauma networks.</li> <li>c. Strategic health authorities with hospital trusts develop protocols for the transfer of patients requiring specialist care or surgical procedures not available at the receiving hospital.</li> </ul>
<b>Coordination of actions on elimination of violence against women</b>	<p>We recommend to the Ministry of Women to:</p> <ul style="list-style-type: none"> <li>a. Strengthen its governance systems by revising the legal framework governing the elimination of violence against women, improving coordination between NGO's and relevant government authorities and improving government commitments to international agreements.</li> <li>b. Coordinate effectively with key relevant stakeholders to strengthen the application of the legal framework on violence against women.</li> <li>c. Improve and strengthen its monitoring and reporting arrangements.</li> </ul>
<b>Decision making for domestic violence cases</b>	<p>For informed decision making while responding to the domestic violence cases, we recommend to the Ministry of Women to ensure:</p> <ul style="list-style-type: none"> <li>1. Access to the background information (if the violator had been convicted, use of drugs, possession of firearms etc.) of the domestic violence case for the responding police officer, to ensure correct risk assessment on the spot and due protection of the victim.</li> <li>2. To aggregate defending as well as restraining orders in the same database to enable swift and effective response to the violations.</li> <li>3. For early detection of domestic violence, the commission with the responsible parties to elaborate and implement early detection system for domestic violence cases within the activities of routine medical checks for children, screening for women etc.</li> </ul>
<b>Government Assistance to Students and Teachers in Private Education (GASTPE)</b>	<p>The SAI recommends that the Department for Education:</p> <ul style="list-style-type: none"> <li>a. crafts appropriate performance indicators to determine the extent the programme improved access to quality education and decongest the public schools;</li> <li>b. ensure that the programme prioritises the underprivileged;</li> <li>c. establish the GASTPE Composite Team and, thereafter, a dedicated and functional office to manage the Program;</li> <li>d. develop its Information Systems Strategic Plan in order to integrate all the relevant Information Technology (IT) systems, including those purportedly owned by Private Education Assistance Committee.</li> </ul>

Source: NAO, SAI Fiji, SAO Georgia, and SAI Philippines

## Abbreviations

For some topics, you may find it difficult to avoid using unfamiliar abbreviations and technical terms. You can help the reader by providing a glossary of terms and a list of abbreviations at the beginning of the report or in an appendix.

## How do you ensure the quality of the report?

Quality control procedures need to be an integral part of the conduct of each performance audit to minimise the risk of error and drive consistency in conduct (GUID 3910/102). There are several ways that SAIs can help ensure that the reports they produce are of high **quality**. These include a process to map the evidence of the report back to other sources, obtaining reviews of the report and obtaining comments from the audited entities before publishing the final report. ISSAI 140 provides additional guidance on quality control.

### How do you map evidence to sources?

It is good practice to produce a data reconciliation or equivalent audit trail that shows the source of all the numbers, facts and judgements that appear in your published report before publication. Doing so will reduce the risk of error in the report and make it easier to respond if the facts are questioned by reviewers, audited entities or third parties. This should be kept as part of your audit work papers. **Figure 46** shows an example of how to prepare a data reconciliation for your report.

**Figure 7: Example of a data reconciliation document for a performance audit report**

Paragraph	Reference	Explanation/source
2.3	In June 2019, the Minister for Education announced that other planned schemes to construct new colleges would be paused.	In her address to Parliament on 3 June 2019, the Minister for Education said, "It is this Government's priority to build the best possible colleges for our students. Some faults have been identified in the first of the new wave we have built. We are therefore going to learn the lessons from these early problems before we proceed with building the remaining facilities." [Parliamentary Transcripts, June 2019]
2.4	The delay will cost the Ministry \$15 million.	Figure 8 provides the breakdown of this \$15 million total. The source is the Ministry's Project Plan v3.7 of May 2019.  The \$15 million total comprises ...

Source: NAO, SAI Fiji, SAO Georgia, and SAI Philippines

### What is the report review process?

In Chapter 2, we discussed the need for SAIs to operate quality checks as part of their quality control and assurance framework. Before publication, SAIs put their revised draft reports through internal quality controls. SAIs will have their preferences regarding quality review procedures, but the review is typically conducted by:

- managers at different levels within the SAI;
- communications experts;
- an internal SAI office that is independent of the audit team; and
- possibly, an external expert. For example, you might request a review by an academic professional, a methodologist or another expert with in-depth knowledge of the activity you are auditing.

Such reviews provide you with independent assurance that the report is fair and balanced. Reports that are fair and balanced:

- treat the gathered evidence objectively, avoiding bias and prejudice;
- give due weight to both positive and negative evidence that is relevant to the audit objective(s) and questions; and
- present the evidence in a way that is not misleading or likely to have the reader draw an inaccurate inference from it.

It is important that the reviewers have the necessary skills to make an independent **professional judgement**. Chapter 2 provides more details on applying professional judgement and professional scepticism.

As discussed earlier, SAIs also commonly pass their final draft through reviews by senior management, copy editors, and communications specialists. **Figure 47** shows how one SAI organises quality control of its draft reports.

**Figure 8: How NAO Tanzania carries out quality control reviews of its audit reports**

Quality control	
<p>Quality cannot be imposed by reviewers but is something embedded in the whole process of performance auditing. However, quality control review is one important part of this process. In SAI Tanzania, as in all other SAIs, the quality of performance audit reports is considered to be paramount. It takes a long time to develop trust, but it can easily be ruined by inadequate information or poor analysis in single reports. The purpose of quality control reviews is to enhance the quality of the reports and safeguard against insufficient quality of reports.</p> <p>The SAI systematically uses three types of quality control reviews in all performance audits: peer review, review by subject matter experts and review by three levels of managers.</p> <p>In the <b>peer reviews</b>, colleagues from other teams review the plans for the audit and the draft report. The draft pre-study and the draft audit report are discussed in meetings with all performance auditors. The SAI plans to expand the performance audit practice and limit these review meetings to the different sections. The peer review provides an opportunity for the audit team to have their judgement tested against the collective experience and wisdom of their colleagues. Another benefit is that it keeps the reviewers and other staff members current with what other teams are doing and share innovative approaches (e.g. suitable techniques for data collection in a certain locality due to their cultural behaviour) and successful experiences. This contributes to uniformity and improvement in the performance audit practices.</p>	<p>The SAI also asks <b>subject matter experts</b> to review all draft reports before they are published. The experts are selected among the renowned experts in that field with extensive theoretical and practical experience on the subject matter under audit. It may, for example, be professors from higher learning institutions, retired civil servants or any other expert who have got no vested interest with the audited entity. The experts provide advice and counsel on the drafted preliminary findings, conclusions and recommendations and discuss difficult, ambiguous or contentious issues and alternative reporting strategies. This helps us to improve the quality of our reports. The Controller and Auditor General (CAG) personally participates in the review meetings with the experts. As a complement to the supervisory review, this means a lot to provide the CAG with assurance of the quality of the draft report.</p> <p>The <b>supervisors' review</b> is intended to ensure that major decisions made by the team and the draft report are reviewed by the senior officials, who can subject the team to rigorous challenge. Team leaders are supervised by their seniors, Assistant Auditor Generals (AAG) and the Deputy Auditor General (DAG) responsible for performance auditing. The responsibility of the managers is to ensure that audits under their jurisdiction are properly conducted according to the laid down procedures. The SAI recently got the current management structure in place. This structure means that all draft reports will be reviewed by the responsible AAG, as well as by the DAG and the CAG.</p>

Source: AFROSAI-E Performance Audit Handbook, 2016

During this process, it is important for reviewers to reconsider carefully the chain of logic that leads from the raw findings to the analysis and then to the audit conclusions. They need to consider different perspectives and all relevant arguments before drawing the conclusions. In particular, it is important that a reasonable reader would reach a similar conclusion from the same evidence. These kinds of review should be recorded and placed in the audit file. It is important for the audit team to document how they have responded and how any disagreements were resolved.

## How do you consider audited entities or third party comments?

As described in Chapter 6, it is very important that the team discuss the findings with the audited entities (GUID 3920/129-136). In addition, before finalising the report, it is important to obtain the audited entities' and third parties' views and incorporate any appropriate changes into the report prior to publication (GUID 3920/136). Some SAIs also publish the audited entities' formal comments and an analysis of the comments in the final report for full transparency.



### The Standard

The auditor shall give the audited entity the opportunity to comment on the audit findings, conclusions and recommendations before the SAI issues its audit report.

Source: ISSAI 3000/129

When you formally provide the audited entities with a copy of your report, they may provide comments on:

- the factual accuracy of the report;
- how you have interpreted the facts and draw conclusions; and
- the implications of recommendations you have made.

It is important to examine the audited entities' response carefully and consider making appropriate changes to the draft report based on evidence standards. You will already have discussed your emerging findings with the audited entities, as mentioned above. Nevertheless, sometimes audited entities respond differently when they have seen your findings in a report format.

As part of your audit trail, keep a formal summary of how and why you have incorporated any amendments the audited entities have suggested, as well as a copy of the audited entities' comments.



### The Standard

The auditor shall record the examination of the audited entity's comments in working papers, including the reasons for making changes to the audit report or for rejecting comments received.

Source: ISSAI 3000/130

*In addition*, audit reports often include direct or indirect references to third parties (organisations, groups and individuals that are not included in the scope of an audit). For example, your report may refer to a charity or other social grouping representing people who use public services.

We recommend that you notify such third parties and ask them to verify the accuracy and completeness of statements concerning them. This process enables the SAI to ensure that references to third parties are accurate and fair.

## How do you publish the final report and communicate the results?



### The Standard

The SAI shall make audit reports widely accessible, taking into consideration regulations on confidential information.

Source: ISSAI 3000/133

Distributing audit reports widely can promote the credibility of the audit function. Therefore, audit reports need to be distributed to the audited entities, to the executive and the legislature, and to other responsible parties. The reports also need to be made accessible to other stakeholders and the general public directly and through the media, except for reports that contain sensitive or classified information (ISSAI 3000/134). If you exclude sensitive or classified content from the published report, you should disclose in the report that certain information has been omitted, plus give the reasons for the omission. (GUID 3920/138)

SAIs should publish and distribute their reports consistent with their specific mandates (GUID 3920/137). Practices may vary among SAIs. The primary audiences for performance audit reports is the legislature, executive, government agencies and the public. A good performance audit enables the legislature to effectively oversee government and agency performance and influence decision-makers in government and the public service to make changes that lead to better performance outcomes. However, there are also the general public and other stakeholders, such as the private sector and the media, who can have an interest, but possibly a different focus, in the outcome of a performance audit (ISSAI 3000/135). It is important to communicate to all relevant parties, and you may want to consider generating additional products. (GUID 3920/141)

### When writing a performance audit report, remember to ...

- ... develop a logical and sensible report structure;
- ... write recommendations using the SMART (Specific, Measurable, Attributable, Relevant and Time-bound) framework;
- ... ensure that your report is comprehensive, convincing, timely, reader-friendly and balanced;

- ... make sure the report is independently reviewed to ensure that Supreme Audit Institution standards are met, and evidence supports the findings and conclusions; and
- ... provide sufficient time to obtain and consider comments from the audited entity and relevant third parties.

Source: IDI/PAS Development Team