Innovative approaches and case studies in performance audit

Marko Männikkö
Deputy Auditor General
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National Audit Office of Finland
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## Finnish Auditing Context

### Corruption Perceptions Index

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### The Legatum Prosperity Index™ Governance

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Innovation?

1.) A “new” type of Audit: the Fiscal Policy Audit

https://www.vtv.fi/en/functions/fiscal_policy_audit
**Innovation? – Fiscal Policy Audit**

→ Background: need to focus fiscal sustainability issues in Finland

→ NAOF “created” fourth audit type - Fiscal policy audit

  – Combines the methods and approaches that are used in the traditional audit types
Innovation? – Fiscal Policy Audit

• Audit targets:

- fiscal policy decision-making

- the reliability of the information

- the function of fiscal policy administrative instruments and the achievement of goals
Innovation?

2.) Procurement audits

Focus to promote good practices instead of compliance


Innovation? – focus for good practices instead of weaknesses

• Traditionally, the audit approach to public procurement has focused to the correctness of procedure

• Risk aversion limits the willingness to try new solutions

• Government’s goal to promote innovation with public procurement

• Lost opportunities
Innovation? – focus to good practices instead of weaknesses

• What makes procurement cases innovative?
  - contractual relationship
  - response to the practical development challenge
  - aims to create a demand for new products or services

• Defined characteristics of innovative procurement
Innovation?

3.) Data-analytics opportunities - effectiveness of structural fund programmes

Opportunity to utilize “control groups”

• Equal treatment limits possibilities for control groups

• Administrative decision created natural control group

• Flexibility and operation environment analysis enabled us to notice the opportunity
Innovation?

4.) Using unconventional data (PISA) utilized in a performance audit

(PISA = The Programme for International Student Assessment)

Innovation? Unconventional data utilized

- PISA 2012\(^1\) test data
  - compulsory schooling: equal opportunities for immigrant students compared to native students?
  - Why us (audit office)? -unbiased

\(^1\) The Programme for International Student Assessment (PISA)
Thank you!

Marko Männikkö
Deputy Auditor General
National Audit Office of Finland

+358 9 432 5803
marko.mannikko@vtv.fi

www.vtv.fi/en
www.vaalirahoitus.fi
@VTV_fi