

INTOSAI Capacity Building Committee: Occasional paper series:

Resource Planning Model for Supreme Audit Institutions

Introduction

For many Supreme Audit Institutions (SAIs) implementing the ISSAIs is a major challenge. It requires new ways of thinking about audits, the development of new skills among auditors, and also new ways of organising. One of the changes SAIs need to consider is whether they have the right numbers of resources to deliver ISSAI compliant audits. To some extent a move from massive amounts of substantive testing to a more risk based approach should free up staff but equally if as a result of adopting the ISSAIs a SAI wants to move to being able to annually audit all government accounts then it could require more resources.

The UK National Audit Office (NAO) has developed a simple model to help SAIs identify the number of front-line audit staff and managers as well as the number of corporate support staff which may be needed. The staffing levels in the model are based on those existing in the NAO – so SAIs which are only just starting to use the ISSAIs may not reach the NAO's levels of efficiency immediately and may need more staff initially. The figures which result from using this model are only indicative. Each SAI using this model will need to take the resulting figures and assess their relevance to their own unique contexts. In some cases, the total resource needs which the model will generate may be beyond the scope of the particular SAI – and it may not be possible to do all the audits every year. However, what we hope is that this model will encourage

users to think carefully about their staffing needs and be in a better position to define their resource needs for budgetary purposes and for discussions with governments, parliaments and others.

Some key assumptions

- The model reflects a situation in which the UK central government is producing accounts in line with international standards. In countries where this is not the case then the numbers of staff needed to complete audits may be different.
- The model is based on a situation in which financial audits and compliance audits are combined. For SAIs where there are two distinct activities then again the final resource mix may be different.
- The NAO has 3 main outputs – financial audits, performance audits and investigations. SAIs producing other outputs will need to factor these into plans.
- The NAO only audits central government. SAIs auditing local or regional governments may need to include these in the resource planning – possibly inputting them as micro or small audits.

First steps

To operate this model, a SAI will need to:

- On the model input page:
 - input a list of all financial audits it is expected to complete each year and classify these by size and level of risk – can be -x% or +x%.
 - enter the number of performance audits and investigations it wishes to complete in a year against each audit area.

Further information:

- This has been designed as an open source document and a public good – SAIs can adapt it as they see fit;
- See also the technical note explaining the construction of the tool;
- Copies of the model and technical note can be found on www.intosaicbc.org;
- For further information please contact: NAO International on: International.Support@nao.gsi.gov.uk.

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Sample screen shots

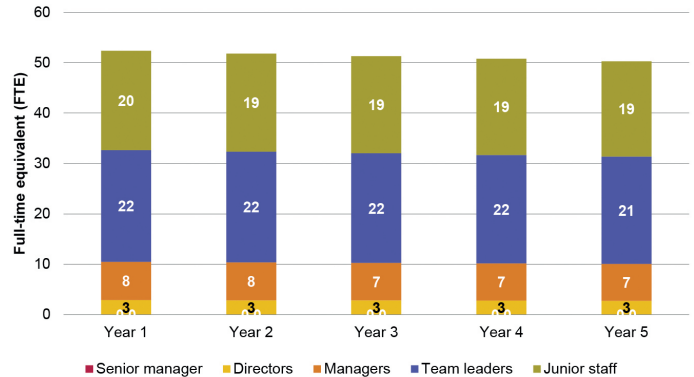


Title	Resource planning model for Supreme Audit Institutions
Purpose	This model has been developed to help Supreme Audit Institutions calculate the audit and support staff needed to carry out ISSAI compliant audits

Key	
	Information/instructions
	Cells not to be edited
	Data/Model inputs
	Calculations
	Output

Worksheet	Description
Model>>>	This worksheet describes how the organisational design model works and can be used
Model_assumptions	This worksheet incorporates the assumptions for the organisational model
Model_inputs	This worksheet provides a space for the user to build an organisational portfolio
Model_engine	This worksheet incorporates all of the calculations of the model
Model_outputs	This worksheet presents outputs from the model
Global_inputs	This worksheet sets out global inputs used in the model

People projections (five year)



Resource planning model for Supreme Audit Institutions

Model engine

Modelled FTEs: 52

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Key	Information	Do not edit	Input / data	Calculations	Outputs
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4. Project portfolio

Financial audit (using average resources for financial audit work which include organisational assumptions)

Ref	Institution	Type of financial audit	Total hours					
			Total hours	(senior manager)	(director)	(manager)	(team leader)	(junior staff)
1	Micro audit	Micro	353	0	18	46	150	139
2	Micro audit (-10% risk)	Micro	317	0	18	46	150	139
3	Micro audit (+10% risk)	Micro	388	0	18	46	150	139
4	Small agency	Small	1,269	0	64	167	538	500
5	Small agency (-10% risk)	Small	1,142	0	64	167	538	500
6	Small agency (+10% risk)	Small	1,396	0	64	167	538	500
7	Large agency	Medium	3,244	0	164	426	1,376	1,278
8	Large agency (-10% risk)	Medium	2,919	0	164	426	1,376	1,278
9	Large agency (+10% risk)	Medium	3,568	0	164	426	1,376	1,278
10	Large agency (1 performance audit)	Medium	3,244	0	164	426	1,376	1,278
11	Large agency (1 investigation)	Medium	3,244	0	164	426	1,376	1,278
12	Big Department	Large	8,462	0	427	1,111	3,590	3,333
13	Big Department (-10% risk)	Large	7,615	0	427	1,111	3,590	3,333
14	Big Department (+10% risk)	Large	9,308	0	427	1,111	3,590	3,333
15	Big Department (1 performance audit)	Large	8,462	0	427	1,111	3,590	3,333
16	Big Department (1 investigation)	Large	8,462	0	427	1,111	3,590	3,333
17			0	0	0	0	0	0
18			0	0	0	0	0	0

Corporate overheads breakdown (year 1 only)

