

**Section 6A of the Audit Act 1969 provides the mandate for the Auditor General to conduct performance auditing.**

**“The Auditor General may conduct any audit that the Auditor General considers necessary to determine:**

- a. whether an entity that the Auditor General must or may audit under section 6 is achieving its objectives effectively and doing so economically and efficiently with all relevant Acts; or**
- b. whether the operations or activities of all state entities or one or more of those state entities are being performed effectively, economically and efficiently and in compliance with all relevant Acts.**

**In conducting a performance audit under the above, the Auditor General may audit an entity together with one or more other entities”.**

**The following Performance Audits completed by the OAG for the year 2014 are available on the following websites:**

**[www.parliament.gov.fj](http://www.parliament.gov.fj)  
[www.oag.gov.fj](http://www.oag.gov.fj)**

1. Management of National Employment Centre
2. Contractual Engagements by Municipal Councils
3. Management of Multilateral Environment Agreements
4. Management of Rural Electrification Program
5. Public Debt Management
6. Management of the Land Reform Program
7. Monitoring of Municipal Councils by Department of Local Government
8. Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement
9. Follow Up Audit on Monitoring of Government Entities
10. Follow Up Timeliness in Management of Magistrate Court

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# **PERFORMANCE AUDITS**

**OFFICE OF THE AUDITOR  
GENERAL  
REPUBLIC OF FIJI**



***Excellence in Public Sector Auditing***

A.

## WHAT IS PERFORMANCE AUDIT?



1. Performance Audit is an independent examination of the **efficiency and effectiveness** of government undertakings; Programs or organizations with due regard to economy and aim of leading to **improvements**.
2. It is concerned with the:
  - + audit of economy of administrative activities in accordance with sound administrative principles and practices and management policies;
  - + audit of the efficiency of utilization of human, financial and other resources including examination of information systems, performance measures and monitoring arrangements and procedures followed by audited entities for remedying identified deficiencies; and
  - + audit of effectiveness of performance in relation to achievement of the objectives of the audited entity and audit of the actual impact of activities compared with the intended impact.

Performance audits provide independent assurance to Parliament and the public that government funds are being spent efficiently and effectively and in accordance with the law.

## B. PURPOSE OF PERFORMANCE AUDIT:

Contributes to improved **economy, efficiency** and **effectiveness** in the public sector by examining, analysing and reporting on the performance of public entities

Promotes good governance and accountability

Promotes transparency

Provides reliable and independent information

Promotes incentives for learning and change

Improves conditions for decision making

## C. BENEFITS OF PERFORMANCE AUDITING



## D. FINANCIAL AUDIT vs. PERFORMANCE AUDIT

FINANCIAL	PERFORMANCE
Uses financial data only to express an opinion on the audited entity's financial position & compliance with rules & regulations.	Uses financial as well as non-financial data to assess economy, efficiency & effectiveness in the management of resources.
Focuses on transactions pointing out errors, omissions, frauds and impropriety.	Reports on the overall performance of an organization, program or project but remains alert to any errors, omissions or frauds.
Does not comment on the extent to which government agencies are meeting the expectation of the target groups they are serving.	Evaluates the extent to which government agencies are meeting the expectations of target groups.
Does not make recommendations for improving economy, efficiency and effectiveness of the government agencies.	Makes general recommendation for improving economy, efficiency and effectiveness of government agencies.