AUDITOR COMPETENCE- VALUE ADDING AUDITS

Value means something being useful and adding value therefore means to make something more useful.

In order to "add value" an audit should be useful by:
- Providing information to top management regarding the organization's ability to meet strategic objectives
- Identifying problems which, if resolved, will enhance the organization's performance.
- Identifying improvement opportunities and possible areas of risk
- Enhancing the organization's ability to provide conforming product

There are three value adding questions during the audit process:
  i). What are the risks that drive value of the organization? - audits will only add value if they start where the value is
  ii). How is that value created or eroded? - audit will only add value if it provides insight into value creation and loss
  iii). What emerging risks and opportunities must be managed? – audits must look at the horizontal, not just the past.

For an auditor to conduct a value-added audit, they need to have the right motivation in obtaining audit evidence. The motivation is based on focusing on conformance and effectiveness of the process rather than the non-conformances and ineffectiveness. Value added audits concentrate on process potential and less on procedures. In addition, the audit will focus more on results and less on records.

In order to add value, auditors have to go beyond the traditional method of simply finding the 'whats' to constantly thinking about the 'whys' which are/could hamper the achievement of institutional objectives and recommend innovative and simple ways to efficiently, effectively and economically attain the goals of the audit client.

Value added auditing is about the Auditor helping senior management in addressing the questions of: "Are we doing the right things?" and "Are we doing things the right way?" "Are we getting them done well?" and "Are we getting the maximum benefits?" auditors provide information on governance, risks and internal controls. This will require extensive auditor expertise and high degree of professionalism in order to get more tangible value from audit work. The auditors should be individuals who thoroughly understand and can significantly improve performance in different departments or entities. A significant portion of the audit program should be conducted by knowledgeable auditors who are **trained** on both technical matters and audit procedures.

It is important for an auditor to have a clear understanding of the following:
  i). Organization's strategic objectives, context of the organization and organizational practices. This will enable them to align audit objectives
  ii). Organizational boundaries, public commitments, organizational values, contractual obligations and other policies.
  iii). The business model, the obstacles and risks that lie in the way of achieving organization's objectives, as well as the strengths that enhance their achievement.

Ways to add Value to Audits
  i). Use the Vertical/Horizontal Auditing method to cover all of the Standard's requirements.
  ii). Use your Process Map to identify the critical processes
  iii). Train your Auditors and develop their Interview Skills

iv).   Select knowledgeable Internal Auditors

v).   Pair new Auditors with experienced expert Auditors

vi).   Plan regular auditor meetings to discuss progress, challenges and ways of improvement

vii).   Seek Improvement suggestions with 3 mandatory questions (What are we doing well? What should we be doing better? What changes do you think we should introduce to this procedure/process/method/etc

viii).   Auditors to provide clear and targeted reports that are easy to understand

ix).   Review all of the Audit Reports and not just the non-conformances