

# “Auditing to benefit the society of tomorrow”

Strategic plan 2018–2024

The Office of the Auditor General of Norway



Adopted by the Board of Auditors General on 13 February 2018

## **Preface**

*The strategies for 2018–2024 provide direction for the organisation over the coming years. The civil service is facing considerable transformations and it is important that the Office of the Auditor General adapts and evolves to face the challenges. This means, among other things, that we must further develop the content of our role as the Storting's<sup>1</sup> auditing and monitoring body in accordance with the Auditor General Act and as society develops, and that we must carry out our role as external auditor in line with the requirements and expectations of the future.*

*In order for the Office of the Auditor General to succeed in its role and maintaining its position as society's foremost institution within public auditing, we must be a role model from which others wish to learn, and we must be able to deliver relevant and current reports faster to the Storting and the executive bodies of government. This requires results-oriented, motivated and competent employees and managers.*

*The Board wishes to emphasise how important it is during this period that the Office of the Auditor General places greater focus on the improvement perspective in auditing and makes room for state enterprises to take risks within the appropriate limits. Furthermore, the Board wishes to highlight the need to make changes to work processes and forms of reporting to ensure that the products are better adapted to the users' needs.*

*It is important that virtuous processes are followed and that our good working environment be maintained in all change processes. To comply with the stated values of the Office of the Auditor General will be central to achieving its goals.*

*The Office of the Auditor General has defined three primary goals with associated strategies for the period 2018–2024, which specify how we will handle our tasks in the most effective manner. The goals overlap somewhat, but together they highlight the main challenges of the Office of the Auditor General and show which direction we should take. The strategy will be elaborated upon in more detailed plans throughout the strategy-period. In the plans, which will be updated on a regular basis, it will be important to clarify concrete decisions for further development of the Office of the Auditor General.*

## **The Board of Auditors General**

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<sup>1</sup> The Storting is the name of the Norwegian Parliament.

## “Auditing to benefit the society of tomorrow”

The Office of the Auditor General is the Storting’s auditing and monitoring body, and as such has a unique assignment. We are the only institution that can provide the Storting with a comprehensive and independent audit of the state authorities. The assignments are stated in Article 75(k) of the Norwegian Constitution and in the Act and Instructions relating to the Office of the Auditor General. The Office of the Auditor General’s primary task is to carry out financial and performance audits and corporate control with high professional quality, within the framework set by the Storting.

There has been growing interest over the past 20 years concerning the work of the Office of the Auditor General. We have had an increasingly large place in the media and are reaching large groups of the population, with reports commonly referenced in public debate.

Through the vision of *Auditing to benefit the society of tomorrow*, we will strive externally and internally to continue helping building a better civil service and to protect the Storting’s requirement for control of the executive arm of government. We will maintain our position by ensuring that we continually renew and improve ourselves, and by being at the forefront of digitalisation. Our products will be of the highest quality, and we will be a role model within our field. This also applies as an organisation, both in Norway and internationally.

The Office of the Auditor General will uphold high ethical standards, and our values will commit us in our daily work. Our reputation will be characterised by the fact that we are *competent, independent and objective*. Our values create a shared identity and enable us to work together to achieve our common goals. Our cooperation will build on *team spirit, openness and respect*.

## Development trends in society

### Digitalisation

Digitalisation affects all levels of society and also the way in which the Office of the Auditor General works. Technological development is of great importance for communication and interaction both within and between government entities, industry and the public. Artificial intelligence, the automation of processing routines, increased use of self-service solutions and the possibility of communication between IT systems will affect how public-sector tasks are organised and resolved. More and more services which are currently performed by public sector workers, will in the future be possible to be carried out by individual citizens themselves.

This development creates great opportunities and influences, among other things, the way in which people receive information and news. At the same time, digitalisation is creating new challenges regarding monitoring, personal privacy, ICT security, quality and the extent to which there should be a free flow of information between sectors and between countries.



Access to information and the amount of data available is increasing significantly, and this creates great opportunities to connect data for providing new and better insights into how the civil service functions. At the same time, technological development is presenting us with major opportunities to streamline and think in new ways. To meet the technological development, society will need different and increased skills.

**New challenges to management in the public service administration and users' expectations**



Public sector services and service production are becoming increasingly cross-sectoral, both at the same administration level and between administration levels.

This development is characterised by large cross-sectoral reforms and various organisational forms. We are seeing, among other things, more use of state own companies and complete or partial privatisation. More collaboration between the public and private sectors is expected in the future. The public administration in Norway is also affected by the frameworks and requirements imposed internationally. The complex and multifaceted public administration imposes exacting demands on interaction, coordination and management.

The needs for risk-taking, capacity to deliver and the ability to act within public sector management have become more apparent. More and more of the public administration will become user-oriented, and future users will expect public services to be better connected. Management by objectives and results) is still the basic principle in public administration follow-up, but parallel to this there has been a development with more focus on user rights and regulatory management. Both this and the fact that the public sector is organised hierarchically and with sectoral ministries could challenge the ambition to bring about more overarching management and greater freedom of action for the executive authority.

**Tighter financial limits**

The public sector will gradually be given tighter financial limits and less leeway. The increase in the availability of resources will decline, due to both reduced petroleum revenues and a decrease in the proportion of the total population in active employment. Demographic development and the expectations of the population is such that we will still seek more and better public services. This means that both public administration and current welfare schemes will be put under intense pressure.



In the years to come, possible savings in welfare schemes, more specific targeting of transfers and other cost-cutting measures would get more attention. This will necessitate stronger prioritisation of goals, reduced bureaucracy and an ability to shut down old activities in order to make room for new ones. There will be a strong need to switch from a resource economy to a knowledge-based economy in order to generate new growth, as well as a great need for reorganisation and renewal, in addition to demanding requirements for an efficient public administration.

## **The significance of the development trends for the Office of the Auditor General**

The technological development means that the Office of the Auditor General must prepare itself for a development which imposes new demands, but which also provides new opportunities. Problem solving will become more automated, and the use of artificial intelligence will gradually take over tasks in both the public administration and the Office of the Auditor General. Furthermore, access to information and the amount of data will increase significantly, generating among other things great opportunities to connect data. This can provide new insights into how the public administration functions. At the same time, technology is presenting us with major opportunities to streamline and think in new ways. We must be creative and not only improve existing processes, but also seek new, smarter ways of working. This will require further development of existing skills as well as a different set of skills than those currently covered.

The Office of the Auditor General must always have a good insight into, and overview of, trends and developments in society. It is expected that the Office of the Auditor General is taking into considerations the overall needs of society even better when choosing areas and assignments. We must therefore have a more holistic approach to a civil service in which new and more complex requirements for management exist, and in which the users will have higher requirements and expectations of the services provided. To ensure the Office of the Auditor General does not contribute to increased detail management and thereby inhibit the development of the public administration, it is expected that we will be less detail-oriented and will place greater emphasis on guidance.

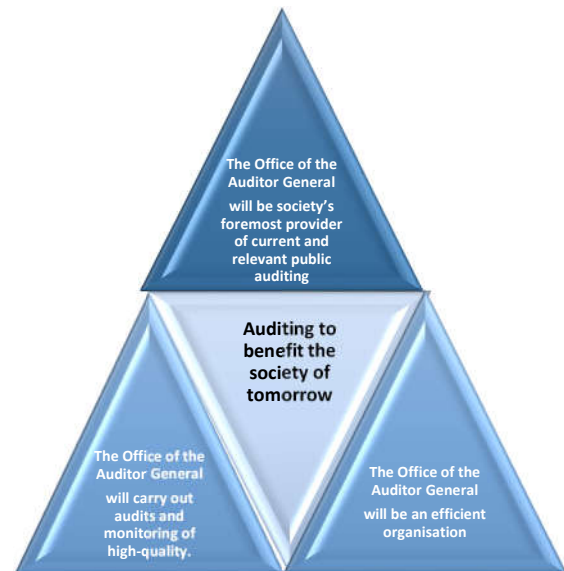
The Office of the Auditor General will, together with Norwegian society in general, have tighter finances, and at the same time will find that we are expected to do more with fewer resources. To address this challenge, the Office of the Auditor General will carry out a holistic modernisation programme over the forthcoming strategy period. The programme will involve the entire organisation and is intended to improve the Office of the Auditor General in all areas in which we have identified a need for significant developments.

## Goals

The Office of the Auditor General holds a strong position, which is expressed through satisfaction in both the Storting and the executive branch of the administration, and we have a good working environment. We must carry out a programme of modernisation that ensures that we achieve the desired reorganisation and can live up to these primary goals:

- 1. The Office of the Auditor General will be society's foremost provider of current and relevant public auditing**
- 2. The Office of the Auditor General will carry out audits and monitoring of high-quality**
- 3. The Office of the Auditor General will be an efficient organisation**

Within each primary goal, the Office of the Auditor General has defined strategies which specify how we will work and prioritise in order to achieve the desired reorganisation.



### **1. The Office of the Auditor General will be society's foremost provider of current and relevant public auditing**

The Office of the Auditor General is the only institution that can provide the Storting with a comprehensive and independent audit of the state authorities. Through our constitutional role, we must protect the overall interests of society in choosing audit domains and assignments. We must provide the Storting with necessary information and support to maintain its control function, whilst at the same time as providing assurance that the administration's financial accounting is correct. Furthermore, the Office of the Auditor General will provide guidance that contributes to improvement and promotes renewal of the public sector.

Strategy:

- The Office of the Auditor General will strive to present reports which **provide the Storting with an interesting factual basis** for its deliberations.
- The Office of the Auditor General will place clearer emphasis on the **improvement perspective** in audits and **balance this against the responsibility perspective**.
- The Office of the Auditor General will, **through all audits and controls**, be a current and relevant source for **analysis and insight** regarding the public sector administration.

This means that we will

- be at the forefront and have a **strategic perspective** across ministries and administration levels in order to deliver **broader analyses** of an increasingly complex civil service administration
- always have sufficient **insight into** and **overview of** trends and developments in society in order to take into account the **overall interests of society** in choosing audit domains and assignments
- have good dialogues with the Storting and the public administration in order to **understand their uniqueness, needs and perspectives** and to contribute to learning in the civil service
- **promote development of the administration** and not encourage micro-level management, this by placing greater emphasis on guidance
- make **necessary changes to work processes** and **forms of reporting** which ensure that we provide the Storting with current information and guidance at the right time
- have processes to ensure we **can quickly carry out necessary reprioritisation** of tasks and resources to include changes along the way
- implement new forms of reporting and make use of new technology in **communication** with the Storting, the public administration and other users to ensure efficient sharing and re-usage of data and to achieve **increased impact**.

## 2. The Office of the Auditor General will carry out audits and monitoring of high-quality

The Office of the Auditor General must be trustworthy and credible, and we cannot compromise on quality. Our work will be performed according to the highest international standards within all types of auditing, and our judgements in reports and accounts must be able to withstand internal and external verification. The Office of the Auditor General is a knowledge-based organisation which must have employees with good and relevant skills.

Strategy:

- The Office of the Auditor General will be a **role model** and **driving force in the development** of public sector auditing, both nationally and internationally.
- The Office of the Auditor General will have a **skill set** which ensures deliveries are of a high quality and that it is **adapted to changes** in task execution resulting from digitalisation and other development trends in society.
- The Office of the Auditor General will identify and extract **quality gains** from increasing skills and digitalisation.

This means that we will

- have an **active role** in the development of public sector auditing through close collaboration with other relevant specialist fields and stakeholders
- have **defined which skills** are necessary to achieve high quality in the Office of the Auditor General, and **increase the skills** of managers and employees in order to meet the defined skill requirement
- be a **preferred employer** for external candidates with skills that matches our needs
- be convincing in **justifying methods** and presenting findings
- allow the **tasks**, and not organisational structure, **to determine** the use of methods and resources
- **make use of new technology** to ensure effective analyses and a strong factual basis for all of our audits
- **use the opportunities provided by digitalisation** to present more comprehensive and solid audit evidence, even in complex situations
- provide assurance of **correct accounting reports** and contribute to strengthening financial management in the public sector

### 3. The Office of the Auditor General will be an efficient organisation

We will be a well-managed organisation that performs monitoring and audits in a cost-effective way. We must adapt the organisation and our way of working so that we are prepared to meet future challenges. The Office of the Auditor General will, together with Norwegian society in general, have tighter finances, and at the same time will find that we are expected to do more with fewer resources.

Strategy:

- The Office of the Auditor General will have **managers and employees** who are **change-oriented**.
- The Office of the Auditor General will identify and extract **efficiency gains** through changed **work processes** and **efficient support systems**, e.g. through digitalisation.

This means that we will

- promote a **culture that motivates and inspires** the employees to carry out necessary changes
- have a **holistic organisational management** that ensures a strong basis upon which to evaluate the results of the Office of the Auditor General through efficient prioritisation, flexible use of resources and quick adaptation to changes when needed
- facilitate **automation** of work processes, faster analyses and presentation of complex subjects
- have **appropriate organisation** of core tasks and support functions



## **Updating the strategy and prioritisation of necessary development measures**

In order for the strategies to be dynamic, they are expected to be updated in conjunction with annual planning.

The Office of the Auditor General has established a modernisation programme to coordinate planning and implementation of measures that will ensure that we achieve the necessary changes and reorganisations. The programme extends over several years and will consist of necessary development measures and clarify the prioritised order and correlation between the measures in both the short and long term.

Updated strategies and recommended development measures in the modernisation programme will be a central starting point for setting prioritised assignments in the annual performance plans.