Developing Effective Resource Management Techniques at SAIs

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Effective resource management is one of the key issues facing Supreme Audit Institutions (SAIs) around the world. As the key organization responsible for public sector accountability, SAIs are under constant scrutiny on in-house resource management and utilization. For an SAI managing resources, identifying impediments to audit processes, responding to scope creep are key challenges resulting in increased engagement time and costs.

Resources are the key building blocks of an Audit engagement. People, equipment, finances, human skills are all examples. The discipline of Project Management has been using Resource Management techniques for ensuring efficiency and effectiveness in projects. Resource Management is the efficient and effective utilization of Audit organization's resources when and where they are needed. These project management tools can be used in the managing the resources during audit engagements by SAIs. The resource management process involves:

- Identifying team members
- Clearly defining roles and responsibilities
- Creation of an appropriate reward systems
- Incentivizing improved performance by individual team members
- Track team and individual performance
- Control physical resources and ensure effective utilization

Thus, Resource Management Process involves planning, estimating and acquiring resources, developing and managing people, and controlling physical resources. Using Resource Management tools and techniques is a key component of the auditing skill set in SAIs as it would help in improving efficiency of audit teams, which in turn would result in better quality assured reports. This requires as a first step, clear identification of roles and responsibilities of management, team members, and other stakeholders working on the audit engagement. Important aspects of audit resource management are:

- Resource estimation
- Collection of data
- Resource planning
- Schedule development
- Negotiation for resources

Given below are the key areas of resource management processes that an audit manager would need to work on for each unique engagement:

(i). Resource Allocation

Resource Allocation is at the heart of the resource management process in an audit engagement. Based on team members' skills and capacity, resource allocation is the process of tackling audits using the resources one has at their disposal in the most efficient manner possible.

(ii).Resource Leveling

Another important area of resource management is resource leveling. This technique aims to discover underused or inefficiently used resources within the audit organization and work them to an Audit Manger's advantage.

(iii).Resource Forecasting

Having a resource management plan is critical to optimizing people, materials, and budget efficiency. Resource forecasting allows an Audit Manager predict optimal future resource requirements (people, materials, and budget) before an audit begins.

Each Audit is unique in terms of its scope, cost and time duration. Resource Management processes have to be adjusted for each audit. Various tools are used to measure the adjustments needed for each unique project. To make these accurate predictions and assessments, project managers may use Project management software to have level of visibility. The adjustments for each unique audit could best be made based on these tools and techniques.

Another key tool which can be used to make the adjustments for each audit is the resource breakdown structure (RBS). It can be used to manage planning and controlling audit work. Often described as a work breakdown structure for resources, RBS is a list of the resources needed to execute a project. The list is broken down by function and type, and covers the people needed to complete a project. It includes people, project management tools, equipment, and materials. RBS is a hierarchical chart used to help project managers organize resources and find the interrelationships. It helps better organize resources and clearly align these resources with the overall goals and objectives of the project. By using it resource management processes can be adjusted for each unique audit. An Audit Manager can also use various tools to determine how to adjust to shifting demands of resource management of each engagement.

To sum up, the key challenge for an Audit Manager is to utilize resources efficiently, effectively and economically to the ever-changing demands of each unique engagement. Resource management is the key to effective utilization of scarce resources by SAIs. A word of caution in the end, however, that it is not always a straight-line progress from project management to auditing, but still armed with the resource management tools an audit supervisor in an SAI can better manage the audit process, providing assurance about quality of the final product i.e., the audit report.