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REVIEW ARTICLE

Value for Money Auditing and Audit Evidence from a Procurement Perspective -A Conceptual Paper

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Abstract

In a bid to drive effective and efficient public sector procurement management there is increased demand for government entities to focus on VfM and how it can be enhanced. This follows public observation that traditional performance audits (accounting and financial audits, procurement audits, systems audits) that seek to assess system or organisational performance in terms of compliance or conformity to particulars rules of the game or call them principles, is now highly insufficient. Contemporary practices require that such audits should be comprehensive enough to include an examination of the ability of government organisations to discharge their responsibilities and control of their costs by ensuring that resources are managed at the lowest and that activities are organised efficiently. Consequently auditors must always seek for more appropriate evidence to support the audit opinion. New approaches to public sector auditing that take into consideration of these issues are thus being sought, although with lots of limitations faced when putting them to use. Empirical research grounded ideas are highly desirable.

Keywords: *Audit evidence, Value for Money, Value for Money auditing.*

Introduction

There has been a dramatic change in the field of public sector management through out the world The pursuit of Value for Money (VfM) has become the holy grail of public sector management world wide [1]. Within the context of public procurement, VfM is now an essential test against which procuring and disposing entities (PDEs) must justify procurement outcomes. Public service providers too are expected to demonstrate to their communities that they are delivering better value for money addressing not only efficiency but effectiveness in delivery. Central to the concept of VfM in the public sector organisations is the principle that public funds should be put to the best possible use and that those who conduct public business should be accountable for the economical, efficient and effective management of the resources entrusted to them. Public sector managers have an obligation to demonstrate that resources such as people, goods and money, are used as productively as possible, that is with due regard for VfM, in achieving the intended results. The advent of the new public management (NPM) and managerialism approach to public sector governance, the traditional public sector audit role has also began to change, and VfM auditing is now a main requirement when assessing the performance of government systems. Consequently public procurement audits (and the resulting reports) should include a VfM analysis in relation to the entity's performance.

Although VfM auditing is relevant in both the private sector and public sector, it is the public sector that has taken the lead because of the special need for government organisations to demonstrate their accountability and their regard for economy, efficiency and effectiveness in the use of public funds and other resources. According to the PPDA Act, 2003 (the law governing public procurements and disposal of public assets in Uganda), specifically section 48, all procurements and disposals should be conducted in a manner which promotes economy, efficiency and VfM, and maximise competition (section 46). The principles underlying public procurement practices- non-discrimination, transparency, accountability and fairness provide further emphasis regarding the criticality of this requirement. Although it may be easy to assess the extent to which some of these principles (e.g. non-discrimination, transparency, accountability, fairness and competition) have been demonstrated by a given entity, determining whether VfM was achieved remains complex and a high level challenge. Indeed auditing public procurement processes has shown itself to be one of the most challenging and complex fields to audit. This is because VfM has not been well embraced in ordinary procurement audit processes. Also VfM indicators have remained abstract knowledge to most procurement practitioners and professionals and more so often to the auditors. Worse still research to examine how audit evidences are processed in VfM audit reports is limited. This conceptual paper highlights the basic meaning and relevance of VfM auditing, as well as exposing the reader to VfM auditing evidence from the perspective of public sector procurement process. It also presents itself to explaining the relevance of auditing in enhancing VfM in public procurement processes [2].

Defining and Understanding Value for Money Concept

It is practically incorrect and illogical to make a concretized discussion of Value for Money Audit without first gaining knowledge of what value for money is. Tang [3] describes Value for Money as comprising of three dimensions: Economy, Efficiency and Effectiveness, thus the '3Es' concept. This description is based on the traditional audit's understanding of the term. Value for Money is a term generally used to describe an explicit commitment to ensuring the best results possible obtained from the money spent [4]. It is about obtaining the maximum benefit over time with the resources available. It is about achieving the right local balance between economy, efficiency and effectiveness or spending less, spending well and spending wisely to achieve the local priorities. Therefore, central to the concept of VfM in public sector organisations is the principle that public funds should be put to the best possible use and that those who conduct public business should be accountable to the economical, efficient and effective management of the resources entrusted to them (OAG, Canada).

Economy (spending less) is concerned with minimizing the cost of inputs used for an activity having regard to appropriate quality. That is, it has to do with the acquisition of resources in appropriate quality and quantity at minimum cost. It is a measure of what goes into providing a service. Thus, costs of inputs-unit costs are used as an economy measure. The life costs or inputs such as the direct and indirect costs of acquiring, running and disposing off of assets or resources should be considered.

Efficiency (spending well) is concerned with improving productivity. It is the relationship between outputs and inputs used to produce them. It is a measure of productivity, in other words how much you get out in relation to what is put in. therefore, efficiency examines the relationship between inputs and outputs e.g. planned Vs actual delivery of milestones by service providers, or benchmarked comparison among programmes working to same or similar outcomes using different pathways to achieve intended outcomes. Thus, efficiency is the maximum output for any given set of inputs or the minimum inputs for any given quantity and quality of goods or services provided. Efficiency is measured by the formula stated as,

$$\text{Efficiency} = \frac{\text{Resources actually used}}{\text{Resources planned to be used}} \text{X}100\%$$

Effectiveness (spending wisely) is concerned with the extent to which objectives have been achieved, that is the extent to which any activity achieves the intended results. It involves qualitative and quantitative measures of increase or decrease in outcomes that show that a programme is effective in achieving its intended objectives. This examines the relationship between outputs and outcomes. Artley and Stroh also provide that,

$$\text{Effectiveness} = \frac{\text{Actual output}}{\text{Expected output}} \text{X}100\%$$

Poate & Barnett [5] suggested an alternative approach to measuring VfM. They argue that VfM can be measured or calculated on the basis of total commitment value, or even for separate classes of procurement project audit risk ratings, i.e. High Risk (HR), Medium Risk (MR) and/or Low Risk (LR).

Attempts have been made to distinguish between efficiency and effectives [6]. While efficiency tends to reflect that the organisation is "doing things right", effectiveness relates to an entity/organisation "doing the right thing". This implies that an entity can be effective but fail to be efficient. Value for Money is when there is an optimum balance between all the three elements. When costs are low, productivity is high and successful outcomes have been achieved. Thus, it is the optimal use of resources to achieve the intended outcome. The definitions of value for money that exit so far, do not only provide an assessment of value for money as involving the three elements (Economy, Efficiency and Effectiveness) but also attempt to examine each of these elements identifying the links between them and guide on drawing conclusions based on evidence about how well they perform together, refer to an optimal balance, as contrasted with maximum productivity ratio, suggesting that it is not the case that the cheapest option always represents better value for money, and pointing to the conversion of inputs, outputs and outputs-outcomes as the subject of real interest in value for money judgments. It is the balance between the 3Es and not the absolute level of each of them that represents the optimal route to good value for money. It is the optimum combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user's requirement (UK's HM Treasury VfM Assessment Guide).

Value for Money Auditing

The original idea of auditing was based on the premise that business owners and managers needed certain assurances that if their employers or their suppliers and dealers committed errors or frauds, such errors or frauds would be detected, thus verifications of all transactions was imperative. Contemporary business environments demand for demonstration of a similar concept but in different version. The dynamic nature of the profession has seen the emergency of a completely different concept –Value for Money Auditing. Value for Money Auditing (also referred to as comprehensive auditing, operational auditing, extended scope auditing, performance auditing or management auditing) is an investigation into whether proper arrangements have been made for ensuring economy, efficiency and effectiveness in the use of resources i.e. a financial analysis looking into whether resources are used in an economic, efficient and effective way. According to The Canadian Comprehensive Auditing Foundation, Value for Money auditing is defined as "an examination that provides an objective and constructive assessment of the extent to which; (1) Financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness; and (2) Accountability relationships are served". It is designed to determine whether the organisation in question is performing economically, efficiently and effectively in its use of resources, operating procedures and pursuit of its objectives [7]. A VfM audit is an objective, professional and systematic examination of the systems and procedures that management has established for the purpose of ensuring that resources, such as financial, human and physical resources are managed with due regard to economy, efficiency and effectiveness.

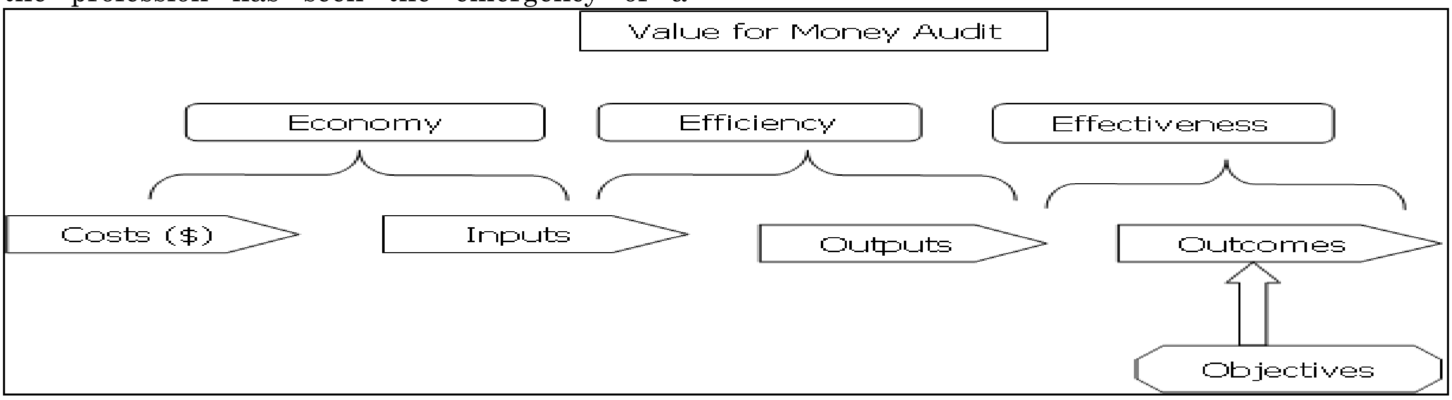

Fig.1. Defining and understanding VfM
Source: presentation by Tang [3]

Why value for money audit? According to Garner [8] there are basically two reasons for ensuring value for money audit: (1) because VfM audit is an indispensable tool of good management, and (2) because the public demands it. According to Boisclair [9], VfM auditing (3) examines the ability of government organisations to discharge their responsibilities and control of their costs by ensuring that resources are managed at the lowest and that activities are organised efficiently. It also deals with accountability, and, (4) attempts to explain organisational performance based upon the three criteria of economy, efficiency and effectiveness. Value for money audit has a dual role. It provides entities and stakeholders with information and assurance about the quality of management of public resources and also assists public sector managers by identifying and promoting better management practices. Value for money auditing may therefore lead to better accountability, improved economy and efficiency in the acquisition of resources, improved effectiveness in achieving public sector programme objectives, a higher quality in public service delivery and improved management planning and control.

In addition to the aforementioned, VfM auditing seeks to identify the performance gaps by comparing the in-put resources and expected outcome as well as the actual outcome. Where gaps exist recommendations are made to direct future management actions and /or government programmes in closing the gaps. The embedment of VfM auditing into the ordinary procurement audits or public sector public performance audits seeks to associate the identified performance gaps with responsible officers so that more appropriate punitive actions are taken especially where these gaps are attributable to personal failures or deliberate actions of the officials responsible for such activities as may be in question [2].

Value for Money Auditing Process

The VfM auditing process is practically a very dynamic one requiring understanding of the issues that form the focal point of the audit, developing an appropriate audit strategy for executing the audit, the actual execution of the audit and then reporting. According to Amakudzi [10], VfM audit process should involve the following stages/activities;

Table 1: VfM audit process

Stage	VfM audit process step	Process output
1.	Determining audit focus	- Knowledge of Business, including issues and risks - Audit objectives.
2.	Audit planning	- Criteria - Audit plan
3.	Audit field work (evidence gathering)	- Facts, findings, conclusions and recommendations.
4.	Audit reporting	- Draft report - Final report
5.	Report to the Legislature (RTL)	- RTL tabled in the Legislature –by the speaker.

Source: Amakudzi [10]

Auditing firms have also helped in defining and understanding the VfM audit approach. Fig. 2 below provides a diagrammatical presentation of one of the approaches developed by KPMG based on the five (5) core values of the public service, as recommended for statutory boards by the Ministry of Finance in 2006 as well as the three (3) enablers –People, Process and Tools-to implement and sustain VfM in the organisation (these are presented in fig. 3).

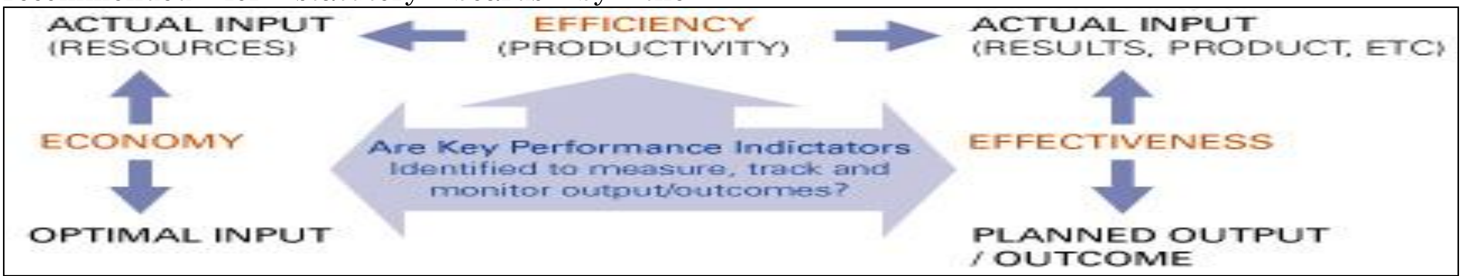

Fig.2: KPMG'sapproach to VfM auditing

Source: KPMG VfM audit procedure, [2]

Fig.3: Core values of public service

The above views on VfM auditing process though not the only ones, make sufficient attempt to guide on what the VfM auditing should entail. It can be conclusively noted that there is no standard explanation for these process activities; rather each of these activities is justified by the real purpose for which the activity is to be performed. Contextualizing the process to the Ugandan environment, at the end of stages 1 &2 an inception report is written providing details of the audit objectives, methodologies to be used and the overall audit plan. The third stage (audit field work) takes the auditor into data collection (collection of facts about the subject matter). Normally, in the field the auditor shall perform document review to obtain documentary evidence, field inspections and verifications to obtain physical evidences and also perform confirmatory correspondences (through interviews) to obtain corroborative evidence. External confirmations are part of the verification process. The concept of audit evidence is more dealt with in section 5, following below. Reporting is multi-stage requiring the inception report (before the actual audit execution), the draft report (normally discussed with the technical committee) and letter with management before final report which is submitted to the PPDA Board for action.

Audit Evidence

Audit evidence is a vital part of any audit. One of the inspectors' most frequent complaints is that audit files do not contain sufficient and appropriate audit evidence to support the opinion expressed in the auditor's report, resulting in a range of disciplinary actions against firms who expressed opinions they could not support with any evidence [11]. Audit evidence can be defined as information collected and used to support audit findings. It is all the information used by the auditor in arriving at the conclusions on which the audit opinion is based, and includes the information contained in the accounting records underlying the financial statements and other information (ISA 500). The basic issues relating to evidence are that: (1) auditors must obtain evidence to support financial statements and or related assertions. This evidence must be sufficient and appropriate. Here sufficiency and appropriateness are inter-related – sufficiency is the measure of the quantity of the audit evidence, and appropriateness is the measure of the quality and reliability of the audit evidence, (2) audit evidence must be documented sufficiently. Audit evidence usually falls into four (4) types: (1) Physical evidence i.e. an item can be seen, and or is tangible e.g. for works –for construction of a building, does the constructed building exist? Is it seen? Does it relate to what is being audited? (2) Testimonial evidence i.e. told evidence- people give testimonies (written or narratives). (3) Documentary evidence –records to show/tell that a particular occurrence did take place. (4) Analytical evidence. Physical observation, accounting records, internal and external documents, results of test of controls and substantive tests, confirmation letters (Debtor's circularization), and analytical procedures.

Relevant audit procedures that should be performed to obtain desirable audit evidence, Under ISA 500.4, the objective of the auditor is to design and perform audit procedures in such a way as to enable the auditor to obtain sufficient and appropriate audit evidence to be able to draw reasonable conclusions on which to base the auditor's opinion. The procedures that should be performed may include the following;

Inspection (of Assets)

Inspection of assets that are recorded in the accounting records confirms existence, gives evidence of valuation, but does not confirm rights and obligations. Confirmation that assets seen are recorded in the accounting records gives evidence of completeness. Within the context of procurement and disposal audits physical inspections are more pertinent when auditing works/construction projects and supplies where confirmation of physical existence of the completed construction works (e.g. buildings, roads, drainages, water channels, e.t.c…) and supplied items (e.g. computers, furniture, motor vehicles, e.t.c…) is very imperative if the auditor is to make a reasonable audit opinion.

Inspection (of Documentation)

Gives confirmation to documentation of items recorded in accounting records-confirms that an asset exists or a transaction occurred. Confirmation that items recorded in supporting documentation are recorded in accounting records tests completeness. Cut-off can be verified by inspecting reverse population; i.e. checking transactions recorded after the end of the reporting period to supporting documentation to confirm that they occurred after the end of the reporting period.

Inspection also provides evidence of valuation/measurement, rights and obligations and the nature of items (presentation and disclosure), it can also be used to compare documents (and hence test consistency of audit evidence) and confirm authorization.

Observation

This involves watching a procedure being performed (for example post opening, stock counting e.t.c.). Within the context of procurement and disposal management the auditor may observe the processes of bid receiving, bid box sealing and opening, bid opening among others. Observation is of limited use as it only confirms that the procedure took place when the auditor was watching.

Enquiring

Seeking information from client staff or external sources (e.g. suppliers, customers, old employees, e.t.c), however, it should be noted that where enquiries are made, the strengths of evidence will largely depend on knowledge and integrity of the source of information.

Confirmation

Seeking confirmation from another source of details in clients' accounting records, e.g. confirmation from bank to bank balances, suppliers to credit balances/accounts payable and purchase values.

Recalculations

Checking arithmetic of client's records, e.g. adding up ledger account, winning bid's cost estimates (Bills of Quantities), payments made to contractors/statement of payments among others.

Re-performance

This involves the auditor's independent execution of procedures or controls originally performed as part of the Entity's internal control, either manually or using the CAAT (Computer Aided Audit Techniques). For example, recounting of stock, recounting of supplied units (e.g. computers, furniture, pieces of timber e.t.c).

Analytical Procedures

These consist of evaluations of financial information made by a study of plausible relationships among both financial & non-financial data.

External Confirmation

As already mentioned for enquiries, the strengths of audit evidence obtained depends on knowledge and integrity of the source of information. This is also true for external conformations. The reliability of the audit evidence is affected by its source. Audit evidence is more reliable when it is obtained from independent sources outside the Entity. Both ISA 330-*the auditor's response to assessed risks* and ISA 505 *–external confirmations;* address the need for external confirmations in gathering sufficient and appropriate audit evidence. ISA 330 identifies the following situations where external confirmations are appropriate.

- Bank balances and other information from bankers
- Accounts payable balances
- Accounts payable balances
- Inventory held by third parties
- Property deeds held by lawyers
- Investments held for safe keeping by third parties or purchased from stockholders but not delivered at the balance sheet date.
- Loans from lenders

In this paper we extend this list to include more relevant situations that relate to procurement and disposal audits or more appropriately put as VfM audits.

- Contractor's amounts payable (rolled over from one Financial Year to another Financial Year), i.e. in case of completed contracts.
- Property rights e.g. land ownership/title especially in case of unprocessed title.
- Finance releases –how much money was transferred to the PDE's account from the funding programme.
- Supplier/bidder' participation in the bidding process.

Audit evidence is important and should therefore be obtained at all stages of the procurement process. Professional auditing standards require auditors to assess evidence critically, including consideration of possible fraud. Audit quality directly depends on correctly evaluating the probative value of evidence; which is indispensable for a correct reconstruction of the affairs in question. Procurement (or VfM) auditors are presumably required to evaluate the quality of evidence obtained and comment as to whether the procurements/projects covered by the audit were appropriately executed, and in compliance with the existing legal framework and that VfM was attained. Table 2 outlines form of audit evidence that may be obtained at each stage of the process and why. This takes a public procurement process perspective within the Ugandan context.

Table 2: The link between audit evidence and public procurement process auditing

Procurement stage	Audit evidence	Why?
Procurement planning and Budgeting.	Signed Specification statement or statement of works/requirements Approved procurement plan Approved budget	To confirm the relevance and prioritization of the procurement requirement. To confirm that the executed procurement requirement was planned for, and It was within the related financial year budget.
Specification,	Statement of requirement, or scope of works	To confirm that what was provided was what the users needed.
Initiation and Requisitioning	A completed procurement requisition (form) fully signed.	To confirm that the procurement requirement was originated by the rightful beneficiary (ies) in the user department. That the procurement was approved and authorized by the relevant officials, and in accordance with law. Assess appropriateness of prices or costs considering the price/cost estimates.
Selection, choice of procurement method	Submission by PDU to CC for approval of procurement method. Signed minutes of the CC meeting deciding on the procurement process. Signed CC decision on the selection of procurement method.	To confirm that the procurement method used was appropriate, in accordance with the law (PPDA Act, Regulations & Guidelines) and approved by the CC as required by the law.
Bidding (tendering)	Bidding documents Record of issue of bids Record of receipt of bids Record of opening of bids	To confirm that the bidding document used was appropriate (content wise and compliance to the law-SBD format) To confirm number of firms invited to bid, competition and transparency. To confirm whether listed firms were pre-qualified by the Entity. To confirm number of bids received. To confirm bidder's compliance with the bid submission procedures. Confirm that there were no late submissions (i.e. deadline/bid closing time was observed). To confirm whether all the received bids were opened and/or accounted for. Whether bid opening was transparently done. Check accuracy of details recorded at time of bid opening.
Evaluation	Submission of proposed evaluation committee to CC Approval of evaluation committee Record of Minutes of the evaluation committee meeting (s) A copy of the approved evaluation report. Notice of Best Evaluated Bidder Signed declaration of interest forms. Due diligence reports	To confirm that the evaluation committee was well constituted. To confirm that the record of the evaluation committee meeting proceedings is a true reflection of what transpired and what was agreed by the committee during the meeting. To confirm that evaluation actually took place. To confirm that the evaluation process and criteria used were consistent to those communicated in the Bidding Documents. To confirm that there was public communication of the BEB firm (or results of the evaluation process) to the public, and that BEB Notice was displayed for the time compliant to the provisions and requirements of the procurement regulations and guidelines. To confirm that there were no conflict of interest in evaluation process that would compromise the decision of the evaluation committee.
Contracting	Letters of bid acceptance Acknowledgement of letter of bid acceptance A signed contract agreement between the PDE and contractor/ provider/consultant firm Clearance by the Solicitor General.	To confirm that the bid firm's offer (in this case the bid price and terms) were considered acceptable (and there accepted by) to the PDE. To confirm that the letter of bid acceptance was delivered to the bidder firm (BEB) To confirm that there was an enforceable

		agreement (contract) between the PDE and the contractor firm.
Contract Management	Work inspection reports Approved interim and final payment certificates Progress reports Work completion certificates Payment initiation, approval and authorization records. Payment acknowledgement receipts. Physical evidence obtained through verifications. Uganda Revenue Authority (URA) receipts. Retention fees payment certificate.	To confirm that the works contracted out were executed successfully and in accordance with the terms and conditions of the contract. That supervision and monitoring of the contracts was adequate. To confirm that payments were made to the right contracted firm and received by the Payee (beneficiary firm). To confirm payments were accurately reported, and that there were cases of under payments or overpayments. To confirm that payment procedure followed compliant to the terms and conditions of contract, and went through correct approval and authorization procedures. Confirm that Withholding Tax where applicable was correctly calculated and remitted to URA Confirm that retention moneys were paid to the contractor after the retention period and in correct amounts.
Other areas of interest in VfM audits.		
Contracts Committee	Letters of appointment of members of the Contracts Committee Signed declaration of interest forms Record of minutes of the CC meetings, and decisions.	To confirm that the CC was/is adequate and well constituted. To confirm commitment of the committee to behave ethically, professionally and with integrity. To confirm the CC's participation in the procurement process.

Value for Money audit normally requires a high level Value for Money analysis. The underlying intention in any VfM analysis is to offer insight into how resources are successfully transformed into valued outcomes. This will involve (but not limited to) the following.

- Comparing contract value with the value of the second best alternative (BANA –Best Alternative to a Negotiated Agreement)
- Comparing contract value with the industry cost
- Comparing the contract value with market prices
- Comparing the contract value with PPDA price lists
- Comparing the contract value with average cost/prices

How (VfM) Audit Can Help in Procurement

Purchasers need to purchase goods and services of the right quality at the most cost effective price, in the most economic quantities, and ensure that they are available when needed. Thus, all public procurement of goods and services including works, must be based on VfM, having due regard to propriety and regularity. However, it should be noted that VfM is not about achieving the lowest initial price. It is defined as the optimum combination of whole life cycle costs and quality. Goods and services should be acquired by competition unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the procurement and barriers to the participation of suppliers should be removed. Better VfM from procurement can be achieved in a number of ways including but not limited to the following;

- Getting an increased level or quality of service at the same cost.
- avoiding unnecessary purchases
- Ensuring that user needs are met but not exceeded
- Specifying the purchasing requirement in output terms so that suppliers can recommend cost effective and innovative solutions to meet that need.
- Sharpening the approach to negotiations to ensure good deals are obtained from the suppliers.
- Optimizing the cost of delivering a service or goods over the full life of the contract rather than minimizing the initial price. Introducing incentives into the contract to ensure continuous cost and quality improvements through out its durations.
- Aggregating transactions to obtain volume discounts.

- Collaborating with other departments/organizations to obtain the best prices and secure better discounts from bulk buying.
- Developing more effective working relationship with key suppliers to allow both users and suppliers to get maximum VfM from the assignment by identifying opportunities to reduce costs and adopt innovative approaches.
- Reducing the cost buying goods or services by streamlining procurement and finance processes.
- Reducing the level of stocks held.

It is worth noting that improvements in VfM fall into (1) those aimed at reducing the cost of purchasing and the time it takes for example the administrative effort in processing an order, seeking and evaluating tenders, and taking delivery of goods ordered. This is the procurement overhead and can add between 10 to 50% to the cost of buying goods and services. (2) those aimed at getting more VfM by negotiating improved deals with suppliers, and (3) those aimed at improving project contract and asset management.

Discussion

This research paper contributes to the continuing debate on the relevance of VfM auditing in the public procurement management field. There is an explosion of the demand for VfM auditing of government entities and that public procurement audit reports should include a VfM analysis in relation to the entity performance. In line with this, this paper presents relevant audit evidence that would support public procurement VfM audits, with a view of the public procurement process followed in Ugandan government entities. This paper explicitly highlights the fact that the VfM auditing approach is now more of a legal requirement that procuring entities must comply with than a mere option. who contends that VfM auditing is backed by a legislated mandate to explicitly audit the three Es of economy, efficiency and effectiveness. Concluded studies show that across a broad range of disciplines emerging literature has examined various aspects of VfM auditing. Several researchers have focused on the role of VfM as a modernizer of the public sector and the influence of VfM on public administration [12] while a number of authors have directed pointed criticisms at the practice. The practice in Uganda sees a public perception that VfM auditing is related to accounting and financial audits and therefore should be performed by accountants. This disarms professional procurement auditors who undertake public procurement audits. The presumption that they lack accounting and financial audit knowledge and skills that are necessary in VfM audits pervades. Accordingly, although very little research has been centered on VfM auditing in developing countries, it still remains an area of focus of many research initiatives. Nevertheless practicing methodologies for VfM auditing have been designed by auditing firms (e.g. in KPMG Audit procedures, 2010), although such methodologies have not been fully embraced. Therefore, future research in the same is highly desirable. This is likely to help in determining how the VfM auditing concept and therefore VfM audit practices shall be embraced in the relevant national policies on public sector audits and in particular public procurement audits. Auditors too need a grounded approach on how they can be able to build the technical skills and competences for successful VfM audits performance [13-15].

Conclusion

This theoretical paper presentation gives a detailed literature and experience based discussion on value for money audit, auditing evidence from the perspective of public procurement management. Existing research shows that literature and knowledge on VfM audit is still limited, and that studies carried out on this subject have substantial limitations. In developing countries there are no effective VfM auditing methodologies and frameworks. Future research in the area should focus on designing and or developing VfM auditing methodologies and frameworks since these have hard limited attention. More empirical research linking well auditing evidence and VfM within the context of public procurement process should be carried out.

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