

Supreme Audit Institutions Performance Measurement Framework (SAI PMF) - International Organization of Supreme Audit Institutions



Objective and features

1. Objective

SAI PMF aims to provide supreme audit institutions (SAIs) and other stakeholders with a framework for assessing SAI performance against the International Standards for Supreme Audit Institutions (ISSAIs) and other established international good practices. SAI PMF is not a tool for comparing performance among SAIs.

2. Institutional coverage

Supreme audit institutions.

3. Technical coverage

SAI PMF measures SAI performance against ISSAIs and international good practices in six domains:

- Independence and Legal Framework
- Internal Governance and Ethics
- Audit Quality and Reporting
- Financial Management, Assets and Support Structures
- Human Resources and Training
- Communication and Stakeholder Management.

4. Application method

Self-assessment, peer assessment, or by any external entity, or a combination (e.g., a self-assessment with an external facilitator).

Methodology

5. Methodology

A set of 25 indicators (of two to four dimensions each) for measuring SAI performance against ISSAIs and international good practices are present in six domains:

- Independence and Legal Framework – comprises independence of the SAI, mandate of the SAI, strategic planning cycle, organizational control environment, outsourced audits, and leadership and internal communication.
- Internal Governance and Ethics – comprises strategic planning cycle, organizational control environment, outsourced audits, leadership and internal communication, and overall audit planning.
- Audit Quality and Reporting – comprises overall audit coverage, financial audit standards and quality management, financial audit process, financial audit results, performance audit standards and quality management, performance audit process, performance audit results, compliance audit standards and quality management, compliance audit process, and compliance audit results.
- Financial Management, Assets and Support Structures – comprises jurisdictional control standards and quality management, jurisdictional control process, results of jurisdictional controls, financial management, assets and support services, and internal governance and ethics.
- Human Resources and Training – comprises human resource management; professional development and training; and communication with the legislature, the judiciary, and the executive.
- Communication and Stakeholder Management – comprises communication with media, citizens, and civil society organizations.

Each dimension has various criteria as a basis for evaluating SAI performance. The assessment team identifies whether the criteria is met based on the evidence collected. The source of the evidence is provided in the Excel sheet to be filled in. An explanation of the reason behind the criteria evaluation is also given by the assessment team, thus making the assessment both qualitative and quantitative. Scoring of each dimension is given according to the relative importance of the criteria listed. In the context of INTOSAI standards, ISSAI compliance assessment tools may be considered.

6. Benchmarking system

Scoring of each dimension follows a set score formula, developed according to the relative importance of the criteria listed. Indicators and dimensions are scored using a numerical scale from 0 to 4, where 0 is the lowest level, and 4 is the highest. Scores broadly correspond to the level of development in the area measured by the indicator in keeping with the practices of INTOSAI capability models.

- Score 0: The feature is not established or barely functions.
- Score 1: The founding level.
- Score 2: The development level.
- Score 3: The established level.
- Score 4: The managed level.

7. Linkage to PEFA framework

The following aspects of the PEFA assessment are covered, but this list is not exhaustive: public procurement (PI-24), internal audit (PI-26), annual financial reports (PI-29), external audit (PI-30), and legislative scrutiny of external audit reports (PI-31).

8. Complementarity with PEFA framework

SAI PMF assessment can assist with the development of a reform program where a PEFA assessment has found weaknesses in this area. Where an SAI PMF assessment is already performed, it would provide the necessary input to PI-30 (external audit) of a PEFA assessment.



Development and use

9. Development and coordination

SAI PMF was developed by the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS) following a decision at the INTOSAI Congress in South Africa in 2010. Prior to the SAI PMF Task Team deciding to develop a new tool for assessing the performance of SAIs, the INTOSAI-Donor Secretariat conducted a mapping of existing tools used within the INTOSAI and donor communities to assess the performance of SAIs. Some of the tools mapped include Institutional Capacity Building Framework (B26), quality assurance review, SAI maturity model, PEFA (A01), and Public Expenditure Review (A07). The mapping exercise showed that none of the existing tools has met all the defined requirements to serve the needs of different stakeholders. The main recommendation from the mapping report was to develop a new SAI performance measurement tool, with the aim of meeting as many of the requirements as possible, building on the existing tools. IADB also played a major role in the development process.

The 2016 version was subject to extensive consultation and testing through more than 20 pilot assessments, and several official rounds of consultation. Endorsed at the INTOSAI Congress in Abu Dhabi in 2016, this version reflects experiences from the pilot version (from July 2013) involving numerous stakeholders over 2013–2015.

To strengthen the development and implementation of SAI PMF, an SAI PMF Independent Advisory Group (IAG) of volunteer donors, SAIs, and INTOSAI bodies was established. The IAG provides strategic advice and recommendations to support the Capacity Building Committee and the SAI PMF Task Team in their efforts to continuously develop and implement the SAI PMF strategy. It is also tasked with ensuring continued and appropriate donor engagement in SAI PMF.

10. Assessment management

The steps involved in conducting the assessment are as follows:

- Decision to conduct the assessment is taken by the head of the SAI.
- The planning phase consists of the preparation of terms of reference for the assignment, and training and awareness-raising for the assessment team. Assessment purpose and approach are decided, and assessment scope is defined.
- During the field work stage, evidence is collected and indicators are scored.
- A detailed assessment report is prepared.
- An independent review is conducted.
- Results are shared with the SAI.

During the assessment, the team leader reviews the working papers and the work of the team, and supervises and monitors the progress of the assessment. A check on the factual correctness of the report is conducted by one or two staff from the SAI who were not part of the assessment team.

It is strongly recommended that all SAI PMF reports are subject to an independent review of the report's adherence to SAI PMF methodology by a certified external and independent reviewer. The INTOSAI Development Institute offers to conduct, or arrange other SAI PMF experts to conduct, independent reviews of all SAI PMF assessments to ensure adherence to the SAI PMF methodology.

11. Uses by the government and members of the PFM community

SAI PMF is used by developing countries as a source of credible and accurate information on the performance of SAIs.

It is a comprehensive, evidence-based assessment tool that examines holistically both the audit and non-audit functions of the SAI in relation to its legal foundation and environment. It identifies the root causes of SAI performance, strengths, and weaknesses.

12. Sequencing with other tools

While the domains and topics covered by the Institutional Capacity Building Framework are comparable to SAI PMF, the methodology and assessment management serve different purposes.

13. PFM capacity building

SAIs coordinate the timing of SAI PMF assessments to be used as basis for strategic and capacity development planning. SAIs take ownership of their own capacity development. Based on SAI PMF findings, SAIs decide upon capacity building considering their external stakeholder environment.

14. Tracking of changes and frequency of assessments

For repeat assessments, changes in dimension and indicator scores and explanations of these will be apparent from the reporting on the indicator-led analysis. It records the scoring and a brief explanation from the previous assessment, a note on performance change, and other factors to be considered when comparing the indicator scores over time.

SAI PMF assessment is recommended to be done at the end of each strategic planning cycle, or as a midterm review in case of strategic planning cycles of seven to ten years. Some dimensions or indicators can be applied for annual performance monitoring or as a standalone assessment of performance.

15. Resource requirements

The assessment cost varies with respect to the assessment method – self-assessment, peer assessment, or hybrid assessment (self and peer). Typical cost items include size and complexity of the SAI, staff costs, developing and translating guidance material, the roll-out of training courses and workshops, financing awareness-raising, and funding independent reviews conducted by consultants.

The recommended size of the assessment team is three to five assessors. The time and resources required for the assessment are context-specific.

However, in some cases, the person days required are 70 to 80 days. The time required is about 12 to 20 weeks.

Transparency

16. Access to methodology

Methodology is [available](#). Detailed information about the toolkit is [available](#).

17. Access to assessment results

Twenty percent of the reports have been published (according to INTOSAI Development Institute website). SAI PMF promotes publication of reports and encourages transparency. As the SAI PMF is a voluntary assessment and the performance report is SAI's property, it is the choice of the SAI alone whether to publish the report or not, even if the assessment has been funded externally.

