



5 October 2016

INTOSAI Capacity
Building Committee
meeting

Cape Town, South
Africa

The significance of SAI PMF for INTOSAI professionalisation

Greg Schollum, Deputy Auditor-General, New Zealand





Overview

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- The New Zealand story – SAI PMF
- The PASAI story – a lighter approach to SAI PMF for smaller SAIs
- How does SAI PMF fit with the professionalisation agenda?

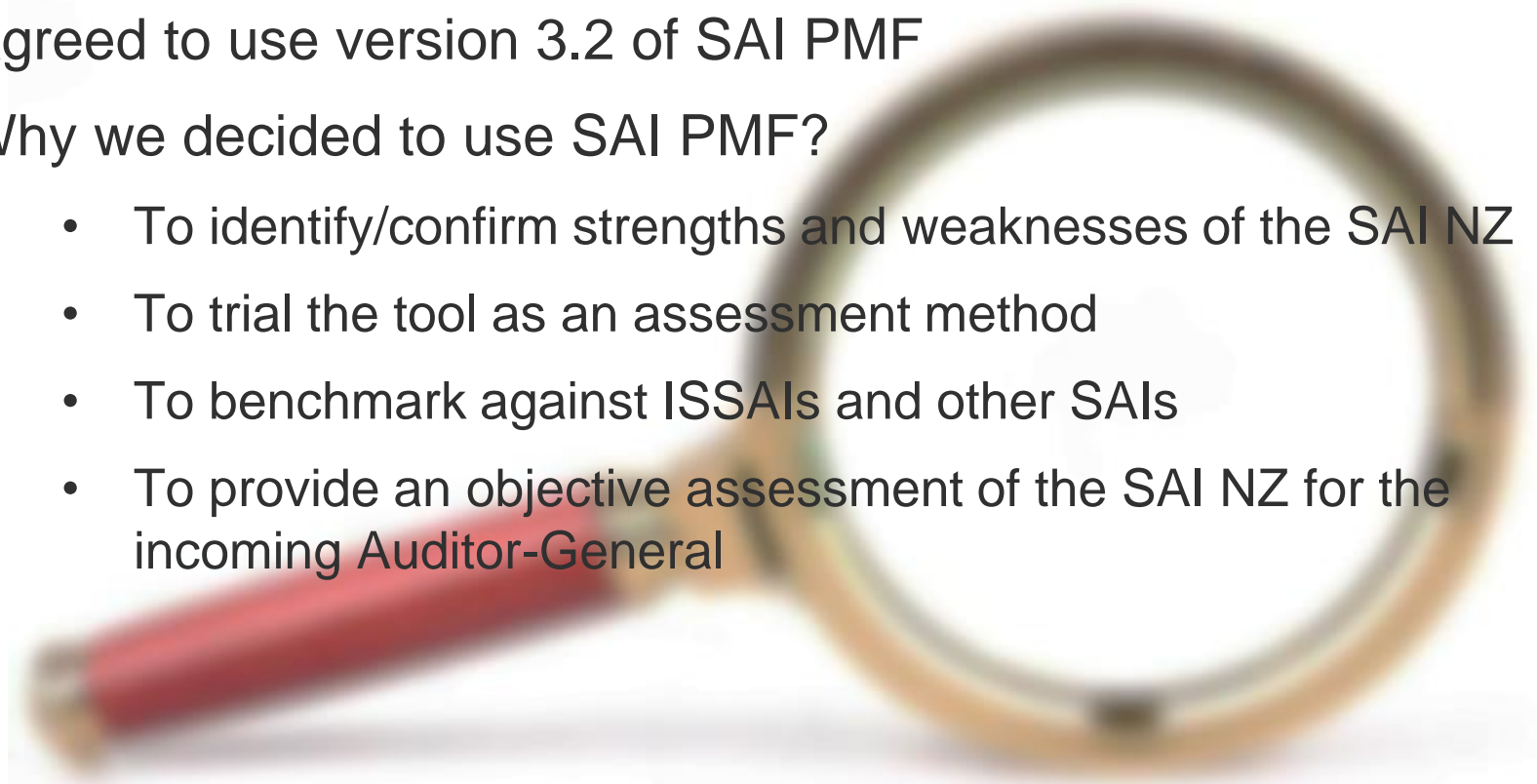




The New Zealand story – SAI PMF

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- SAI NZ project approved by the Auditor-General – March 2016
- Agreed to use version 3.2 of SAI PMF
- Why we decided to use SAI PMF?
 - To identify/confirm strengths and weaknesses of the SAI NZ
 - To trial the tool as an assessment method
 - To benchmark against ISSAIs and other SAIs
 - To provide an objective assessment of the SAI NZ for the incoming Auditor-General

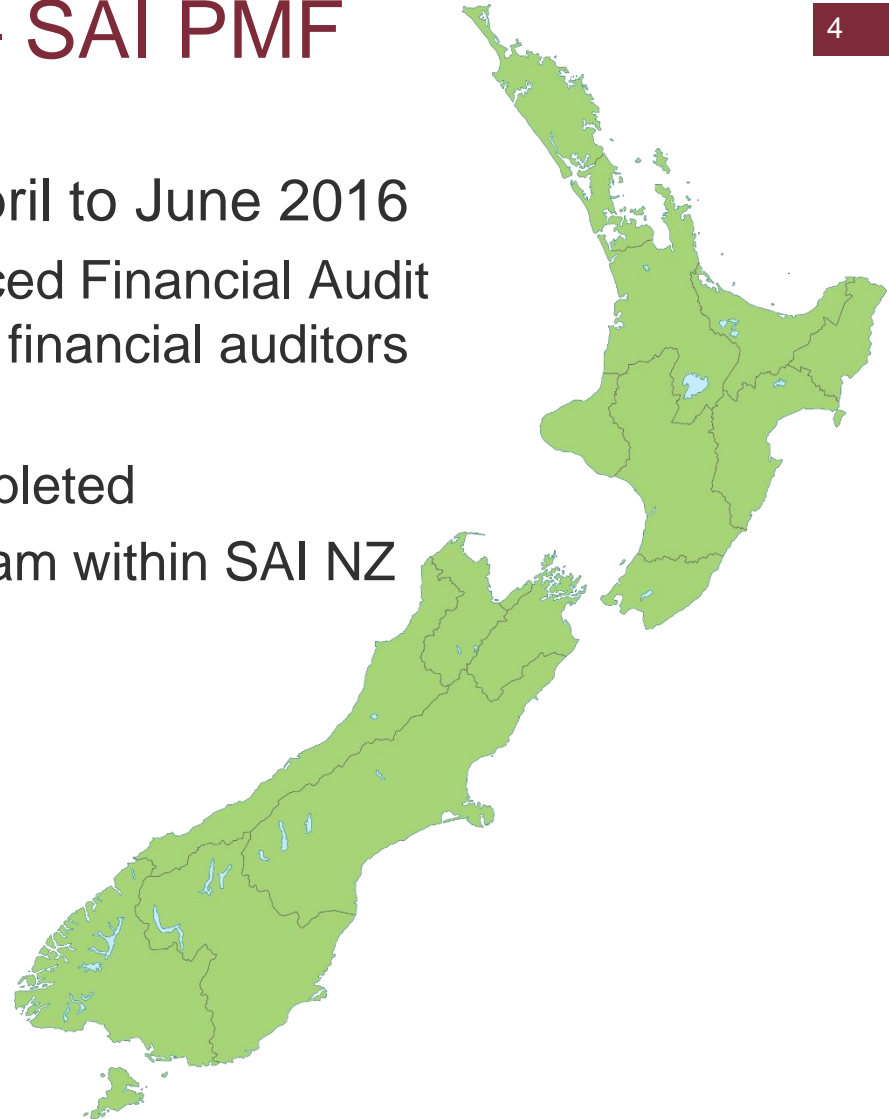




The New Zealand story – SAI PMF

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- Fieldwork largely completed April to June 2016
 - Using two senior experienced Financial Audit Directors and two qualified financial auditors (3-4 years' experience)
 - Senior review of work completed
 - Reliance on work of QA team within SAI NZ





The New Zealand story – SAI PMF

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- Reporting (in progress) August-October 2016
 - Using senior OAG staff member (previously Financial Auditor)
- Publication goal – end October 2016
 - The Auditor-General intends to publish the report and table in Parliament
 - Yet to confirm how much of report standard template will be tabled in Parliament and/or put on our website



The New Zealand story – Challenges

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- Agreeing the work to be assessed
 - Some aspects of mandate do not easily fit the model – we scoped out inquiries and controller function
 - Some work not previously identified as compliance audit found to meet this definition within SAI PMF
- SAI PMF assessment tool is quite a blunt instrument
 - It is a **Yes/No** rather than **how well** it's done
 - Doesn't deal well with proportionality





The New Zealand story – Results

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- Results of the SAI PMF review:
 - Some issues confirmed
 - Some issues revealed that were hidden
 - Issues included:
 - Strong independent mandate but New Zealand doesn't have a constitution
 - Strategic and operational planning links not strong
 - Applying auditing standards to small audits
 - What is compliance audit? (mostly done in conjunction with financial audits)



The PASAI story – a lighter approach to SAI PMF for smaller SAIs

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- 5 Southern SAIs completing 2016 – Westminster model SAIs
- 5 Northern SAIs completing next year – US-affiliated SAIs, financial audits contracted out
- Coordinated planning and reporting meetings, including IDI
- Using peer review model – with assistance from PASAI Secretariat





How does SAI PMF fit with the professionalisation agenda?

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- SAI PMF has the ISSAIs as its foundation
- It's healthy for SAIs to periodically review where they are at
- A score of less than 4 is not a failure
- SAI PMF is expected to evolve
- Using a lighter approach for SAI PMF is a useful stepping stone for some SAIs





Questions?

