The significance of SAI PMF for INTOSAI professionalisation

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Overview

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

- 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

- 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

- 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

• 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

• 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

• 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?

- 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?