

SAI PMF Progress Note (for the period September 2022 – September 2023)

Prepared by the IDI for the CBC Meeting, October 2023

INTRODUCTION AND PURPOSE OF THIS REPORT

The Supreme Audit Institutions Performance Measurement Framework (SAI PMF) is an INTOSAI performance measurement tool that provides SAIs with a holistic framework for voluntary assessments of their performance against international standards and other established international good practices for external public sector auditing. The SAI PMF has been in use for seven years since its endorsement in December 2016. The tool is firmly anchored in the INTOSAI Strategic Plan 2023-28, under Goal 2 “Support SAIs in Developing their Capacity”.

The CBC has assumed responsibility as a strategic lead on SAI PMF and is monitoring the execution of the SAI PMF Implementation Strategy 2023-28. The IDI is tasked with the operational responsibility for the global rollout of SAI PMF. The CBC and the IDI are supported by an Independent Advisory Group (IAG), consisting of SAIs and development partners.

This report is intended to provide the CBC, the IAG and other stakeholders with key information about progress towards achievement of the 2023 SAI PMF annual plan and the SAI PMF Strategy 2023-28, as of September 2023. A progress report covering the whole year 2023 will be presented as part of IDI’s Performance and Accountability Report for 2023. Additionally, this report is intended to look ahead and present an outlook on key activities for 2024.

Key Activities/Achievements at a Glance

- 2022 version of SAI PMF endorsed at the XXIV INTOSAI Congress held in Rio de Janeiro, Brazil, in November 2022.
- SPMR continues to be the main driver of SAI PMF assessments. After the SPMR Round 1 in which 43 SAIs conducted a SAI PMF assessment in 2018-19, 8 SAIs conducted an assessment under SPMR Round 2 in 2021-22 and a further 8 SAIs are expected to conduct an assessment in SPMR Round 3 due to be launched in the fourth quarter of 2023.
- Consultations on possible revisions to the current version of the SAI PMF are in progress.
- SAI PMF assessment of SAI Cayman Islands conducted by a team from IDI (peer review).
- SAI PMF Facilitation Programme involving 4 SAIs in the CAROSAI region is ongoing – 3 draft reports are being finalised, 1 draft report is at independent review stage.
- e-SAI PMF supported the conduct of 6 assessments. Positive user-experiences have been communicated together with useful input to future improvements to enhance the application further.
- SAI PMF repeat assessment self-learning course launched in English. Launch in other languages expected by December 2023.
- SAI PMF awareness raising conducted in meetings with INTOSAI regions organised by CBC.
- Guidance material – A Roadmap on Publishing and Sharing SAI PMF results finalised and is available for use by SAIs and other stakeholders.

PROGRESS NOTE

1. Progress against SAI PMF Strategic Outcomes

SAI PMF Strategy Outcome Indicator 1 – Conducted Assessments

The first strategic outcome of the SAI PMF Strategy 2023-28 represents the importance of maintaining the relevance of SAI PMF for it to be widely applied and used by SAIs and supported by stakeholders. The number of finalised SAI PMF assessments globally¹ has continued to rise steadily. To date, 111 assessments have been completed constituting 94 first assessments and 17 repeat assessments. Currently, there are 5² assessments at the independent review or draft report phase that are expected to result in final reports by December 2023. The milestone of 95 first assessments by the end of 2023 is less by 1 as of September 2023, but with a positive outlook at year end. Published reports have exceeded the year-end milestone as of September 2023. However, the outlook on repeat assessments is that these will be under target by end of 2023.

SAI PMF Strategy Outcome Indicator 1: Cumulative number of SAIs with a finalised SAI performance report based on the SAI PMF framework a) First time assessment b) Repeat assessment c) published assessment

Milestone 2023:	Actuals as of September 2023:	Outlook end 2023:
a) 95 b) 19 c) 18	a) 94 b) 17 c) 20 ³	a) 99 b) 17 c) 21

SAI PMF Strategy Outcome Indicator 2 – Quality of Assessments

The second strategic outcome emphasises that SAI PMF assessments must consistently be of high quality. High-quality SAI PMF reports, based on factual accuracy, are fundamental if the SAI PMF reports are to serve as a credible basis for capacity development and monitoring of performance over time. To this end, the IDI offers to arrange for independent review of draft reports, resulting in a formal statement that the report meets the quality criteria in all material respects. This indicator measures the cumulative number of independent reviews conducted. Of the 111 finalised assessments, 79 (72%) have been independently reviewed by the IDI. The milestone of 70% by the end of 2023 has been exceeded as of September 2023. This demonstrates that SAIs are embracing the importance of ensuring high quality SAI PMF reports, and that the independent review function is highly relevant. The outlook at the end of 2023 is positive, estimated at 73%.

SAI PMF Strategy Outcome Indicator 2: Percentage of all (i.e. cumulative) finalised SAI PMF assessments that includes an IR statement demonstrating independent verification of facts, as well as proper application of the SAI PMF methodology

Milestone 2023: 70%	Actual as of September 2023: 72%	Outlook end 2023: 73%
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SAI PMF Strategy Outcome Indicator 3 – Assessments Results used in SAI Strategic Planning and Capacity Development.

The third strategic outcome focuses on the use of assessment results by SAIs. The significance of this outcome lies in the fact that the success and usefulness of SAI PMF is closely linked to the value SAIs obtain from the use of the assessment results. Through regular contact with SAIs and assessment teams, the IDI maintains a

¹ SAI PMF assessments are counted in the IDI SAI PMF monitoring system if the SAI has submitted corresponding information to the IDI, including on the start and end dates of the assessment, the approach employed, the assessment team members, and the objectives and use of results of the assessment. The majority of SAIs also choose to share the report confidentially with the IDI, even when they don't request an independent review.

² At IR Stage: 2 reports distributed as 1 under CAROSAI facilitation programme, 1 stand-alone; Draft Report Stage: 3, all under CAROSAI facilitation programme and are expected to progress to IR stage in a couple of weeks.

³ For two of the assessments a summary is published.

database on assessments that have been conducted globally, which includes information on how the assessment results have been used.

The SPMR initiative has significantly contributed to the good results on this indicator. Under the SPMR, SAIs use the assessment results as an input to the preparation of a SAI Strategic Plan or updating an existing strategic plan. Since the launch of SPMR in 2018-19, about 40 SAIs have approved strategic plans that were developed (or updated) based on the results of the SAI PMF assessment. As of September 2023, 88% of finalised SAI PMF reports indicate having used the assessment results as a basis for developing or updating the SAI Strategic Plan and/or for designing capacity development projects. The outlook at the year-end will be boosted by the launch of SPMR Round 3 in the fourth quarter of 2023, although the measure of the indicator is likely to remain the same at 88%. Examples of success stories on use of SAI PMF results can be accessed on the IDI website <https://idi.no/work-streams/well-governed-sais/about/success-stories>

SAI PMF Strategy Outcome indicator 3: Percentage of all (i.e. cumulative) finalised SAI PMF assessments (all countries) that are reported as having been used as basis for SAI strategic planning and/or capacity building projects.

Milestone 2023: 89%	Actual as of September 2023: 88 %	Outlook end 2023: 88%
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SAI PMF Strategy Outcome Indicator 4 – Assessments conducted with Timely Independent Reviews.

The fourth strategic outcome is about timeliness in conducting SAI PMF assessments and the importance of conducting repeat assessments. Experience from previous assessments indicates that the time it takes to conduct an independent review of a draft report significantly affects the timely completion of SAI PMF assessments. This outcome indicator has been introduced to monitor progress on the time it takes to complete the independent review process. The results of an independent evaluation of implementation of the SAI PMF Strategies 2017-22 conducted in 2021 reveal that the independent review process takes too long to be completed. By end of 2023, the IDI aims to explore the current methodology for conducting independent reviews to look for improvements that will reduce the time taken to conclude the process. In addition, the IDI will explore integrating the independent review process in the e-SAI PMF application. The conclusions on improving the independent review process will be done in consultation with CBC.

As this is a new outcome indicator, a baseline and milestones have not been set in the SAI PMF Strategy 2023-28. The information collected in 2023 will be used to create a baseline and milestones for monitoring progress in the subsequent years.

SAI PMF Strategy Outcome Indicator 5 – SAIs using e-SAI PMF.

The fifth and last strategic outcome aims at ensuring cost-efficient assessments. Linked to strategic outcome 4, cost efficiency entails SAI PMF assessments being conducted and finalised within a reasonable time to ensure assessment findings are valid and that the use of the assessment tool is not perceived as costly and/or burdensome. To achieve this goal, it is essential to manage costs through effective approaches to resourcing an assessment. One such approach is the use of the e-SAI PMF for conducting a SAI PMF assessment. e-SAI PMF is an online application developed by IDI to support SAIs and SAI PMF assessors to conduct rapid, high quality and efficient assessments. As of September 2023, 6 SAIs have used the e-SAI PMF for conducting their assessments. It is highly likely the milestone of 15 SAIs by end of 2023 will be achieved, in view of the launch of SPMR Round 3 in the last quarter of 2023.

SAI PMF Strategy Outcome indicator 5: SAIs using e-SAI PMF

Milestone 2023: 15	Actual as of September 2023: 6	Outlook end 2022: 15
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2. Key Activities and Achievements

a) Strategic governance and advice

The responsibility for providing strategic governance and advice on implementation of SAI PMF lies primarily with the CBC, supported by the IAG.

- **SAI PMF Implementation Strategy 2023-28**

Under the strategic guidance of the CBC, the IDI prepared a new SAI PMF Implementation Strategy 2023-28. The Strategy was endorsed at the 76th Meeting of the Governing Board of INTOSAI in November 2022. The strategic focus areas for the new Strategy include promoting repeat assessments, ensuring expeditious assessments, leveraging on technology to improve efficiency, use of assessment results, publication and sharing assessment results, and revision of the SAI PMF framework to maintain its continued relevance.

- **Revision of the SAI PMF Framework**

The 2022 version of the SAI PMF was endorsed at the XXIV INTOSAI Congress held in November 2022, Rio de Janeiro, Brazil. This version represents editorial revisions to the 2016 version to align the framework with the INTOSAI Framework of Professional Pronouncements (IFPP). In addition, the 2022 version includes more extensive revisions to indicators assessing jurisdictional activities to align with INTOSAI-P 50. To maintain the relevance of the framework, the IDI is currently conducting broad-based consultations with INTOSAI members and other stakeholders on possible additional enhancements to the current version of the framework. As the strategic lead on SAI PMF, the CBC will make the final decision on the revisions to be adopted.

- **Communications**

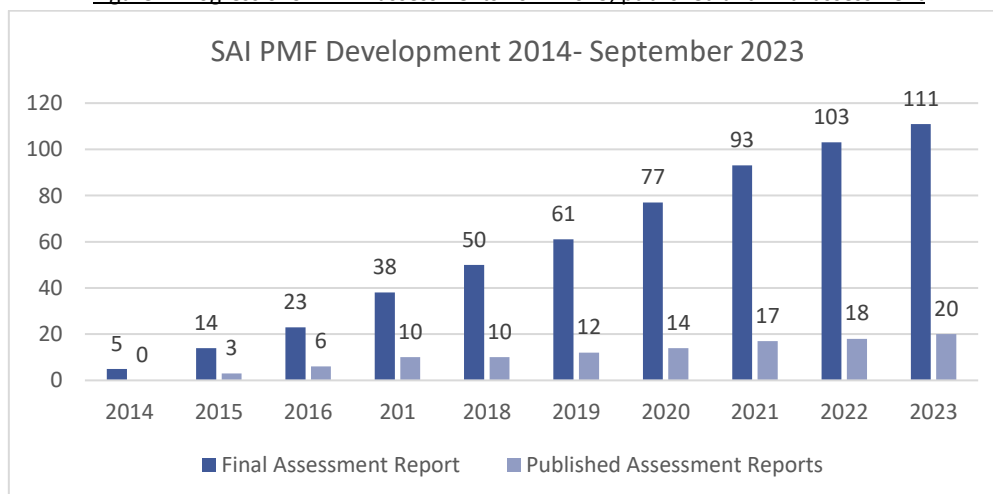
As part of SAI PMF awareness raising, the IDI participated in meetings with INTOSAI regional bodies organised by the CBC. A brief presentation was made on the new SAI PMF Implementation Strategy 2023-28 and on the new developments on SAI PMF. Strengthened social media presence has continued to be a focus area.

b) Conduct of SAI PMF assessments

Below is a summary of SAI PMF assessments conducted globally and per INTOSAI region to date:

- **Status of Assessments conducted Globally**

Figure 1 Progress of SAI PMF assessments 2014-2023, published and final assessment

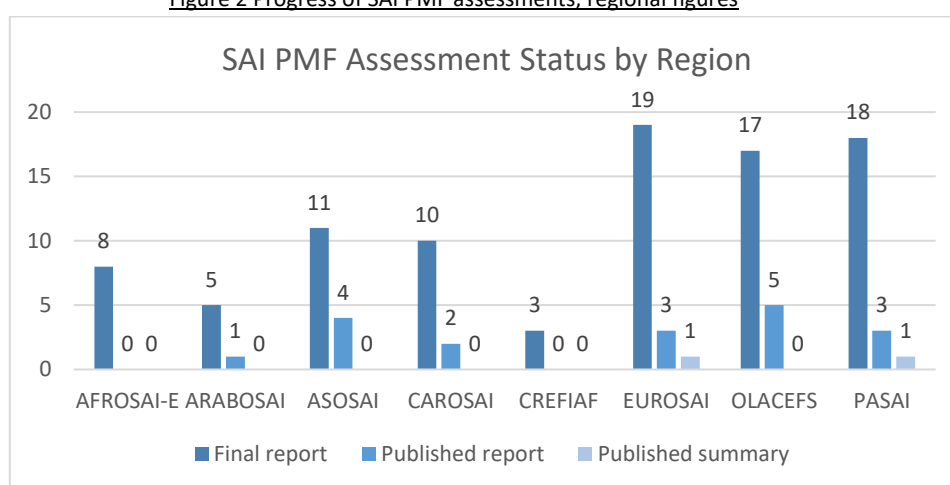


Source: SAI PMF monitoring sheet as of September 2023.

The decision whether to conduct a SAI PMF assessment lies with the head of SAI. The IDI is responsible for supporting and guiding the SAIs and assessment teams in conducting the assessment. As demonstrated by Figure 1, the number of SAI PMF assessments conducted since the inception of the framework in 2014 has continued to rise. Of the 111 final reports as of September 2023, 31 were conducted under the SPMR initiative. The continued uptake of SAI PMF globally is an indication that SAIs and stakeholders find the framework useful and are willing to dedicate resources to conducting an assessment. Whereas there is an upward trend in the number of published reports, the increase from year to year is marginal. 20 final reports have been published to date (of which 2 are summaries), representing 18% of the final reports globally.

- **Status of Assessments by Region**

Figure 2 Progress of SAI PMF assessments, regional figures



Source: SAI PMF monitoring sheet as of September 2023

As demonstrated in Figure 2, all INTOSAI regions have embraced the SAI PMF framework although there are some regional variations in the uptake. It should be noted that several assessments are currently on-going at various stages across all the INTOSAI regions.

c) Support of Assessment Quality and Global Monitoring

Support to ensure the quality of assessments is one of the key responsibilities of IDI. This role relates to IDI being the global training body, support function and knowledge centre for SAI PMF.

- **Guidance and Training Materials**

In the period under review, the following activities were implemented regarding the development and refinement of guidance and training materials:

- A Roadmap on publication and sharing of SAI PMF results has been finalised and is publicly available for use by SAIs and other stakeholders. Based on this roadmap, a training module on publication and sharing of SAI PMF results has been developed.
- A product development meeting with the purpose of co-creating new SAI PMF material and reflecting on new developments since the adoption of the framework in 2016 was conducted in December 2022. Inspired by the resolutions of this meeting, existing training modules are currently being modified to effectively address areas of concern in the assessment process.

- Translation of the 2022 version of the SAI PMF framework into Spanish and French finalised and the documents are publicly available for use by SAIs and other stakeholders. Translation of the framework document into Arabic is currently work in progress.
- General update of training and guidance materials on an on-going basis.

- ***Delivery of Courses and Workshops***

Delivery of courses and workshops is another key activity of the IDI in raising awareness and supporting the quality of SAI PMF assessments. The IDI is exploring venturing more into self-learning online courses which will enable SAI staff and other interested stakeholders to take the courses at their own leisure. For a start, a SAI PMF repeat assessment self-learning course has been developed and launched in English. The launch in other languages is expected by the end of 2023. In 2024, the plan is to initiate the development of a self-learning SAI PMF basic training course. A SAI PMF online basic training course was conducted in November 2022 followed by a SAI PMF review workshop (face to face) in July 2023. Both trainings were conducted as part of the CAROSAI SAI PMF facilitation programme (more information under item d). A SAI PMF online refresher course was conducted under the SPMR initiative in June 2023.

- ***e-SAI PMF Application***

The e-SAI PMF application was launched in December 2022. e-SAI PMF is an online application developed to better support assessments conducted and streamline the assessment process. To date, 6 SAIs have actively used the application for conducting their assessments. The preliminary feedback on the usefulness of the application is positive. Enhancements to the e-SAI PMF are anticipated in 2024 to address any shortcomings that will be identified from its use so far and to explore the possibility of adding more features for greater efficiency. However, the progress in making improvements to the e-SAI PMF will be strongly influenced by available funding. With appropriate enhancements, it is expected that the e-SAI PMF will facilitate global monitoring of assessments and more convenient analysis of aggregate results of SAI performance.

- ***SAI PMF Assessment conducted by IDI and Adhoc Support***

The IDI conducted a SAI PMF assessment of SAI Cayman Islands (peer review approach). The draft report is currently at the independent review stage. Further, on an ongoing basis, the IDI addressed several inquiries on SAI PMF submitted by SAIs and other stakeholders.

d) Targeted Support to Assessments

In addition to the SAI PMF support provided through SPMR, the IDI conducted a SAI PMF facilitation programme involving 4 SAIs from the CAROSAI region. The facilitation programme was launched in November 2022 and as of September 2023, 3 draft reports were being finalised and 1 draft report was at the independent review stage. Unlike the SPMR initiative, no further support is provided on the use of assessment results under the SAI PMF facilitation programme. However, SAIs are encouraged to transition to SPMR or any other IDI initiative where the assessment results are a useful prerequisite.

e) Independent Review

One of the key responsibilities of the IDI is to maintain the independent review (quality assurance) function for SAI PMF assessments. This entails an independent review of both the terms of reference and the draft SAI PMF report, to ensure adherence to the methodology. Over the last year, the IDI has completed 5⁴ independent reviews that have resulted into final reports. 18 draft reports are currently in the independent review process,

⁴ Independent reviews completed in the reporting period: Kosovo, Jamaica (repeat), Suriname, Bahamas and Cayman Islands.

however, it is unlikely that the independent review process will be completed for 16 of these draft reports⁵. There are three main reasons for the stagnation of the draft reports at the independent review stage:

- i. For assessments conducted under the SPMR initiative, some SAIs are not motivated to complete the independent review process once the results of the SAI PMF assessment have been obtained and used for the intended purpose e.g preparing the draft strategic plan.
- ii. The independent review process may coincide with the peak period for conducting audits in the SAI, in which case audit work is prioritised over attending to the independent review. With passage of time, the independent review is completely abandoned by the SAI despite several reminders from IDI.
- iii. In a few cases, a change of leadership in the SAI has affected the progress on the SAI PMF assessment. A new head of SAI may have new priorities which may not include the SAI PMF assessment.

3. Resource Overview

An overview of the staffing and financing situation on SAI PMF in the period under review is presented below.

- **Staff Resources**

The SAI PMF team is staffed with 3 dedicated SAI PMF managers. Of the 3, 2 managers also use a significant amount of their time contributing to other IDI initiatives. A mitigatory measure is that, currently, there are at least 7 other IDI managers working on different initiatives across the IDI that are contributing to SAI PMF implementation. These additional managers have been trained in SAI PMF methodology and have acquired vast experience through their involvement in SAI PMF projects, mostly under SPMR. The associated staff costs are covered under the IDI budget.

The IDI and the Audit Board of the Republic of Indonesia (BPK) signed a 3-year Memorandum of Understanding (MOU) in November 2022 to cooperate in several areas, including SAI PMF implementation. Accordingly, BPK has authorised one of its staff, Ms Nila Eka Putri to work as an IDI Associate on a part-time basis. Ms Putri dedicates 30% of her regular time in BPK to working on IDI's SAI PMF initiative. Ms Putri was the Team Leader of the SAI PMF assessment conducted by BPK in 2020.

In addition, several SAI PMF resource persons from the SAI community have provided in-kind support to IDI on implementation of SAI PMF in their respective regions and globally.

- **Financial Resources**

Overall, the funding situation for IDI is stable although securing earmarked funding for SAI PMF is a challenge. Currently, SAI PMF implementation is fully funded from IDI basket funding, except for SAI PMF activities under SPMR which are funded by the Swiss State Secretariat for Economic Affairs (SECO). To ensure cost effectiveness, the IDI will continue with a blended approach to delivering SAI PMF projects where eLearning will be used whenever appropriate.

2022

The budget figures for 2022 and 2021 (table 1) are based on revised budgets approved in June. The total programme spending is higher by 924 000 NOK compared to 2021. The increase in costs is mainly related to increased expenditure on developing the e-SAI PMF, workshop for SAI PMF resource persons (face-to-face) and development of communication materials. The cost for independent review, however, reduced substantially in 2022 due to IDI Management's decision to use more in-kind support and less external consultants. The underspending of 567 000 NOK against the revised total programme budget was mainly

⁵ Of the 16 draft reports with no prospects of completing the independent review process, 12 are under SPMR and 4 are stand-alone assessments.

because of rescheduling the SAI PMF advanced training (face-to-face) to 2023 and lower expenditure than budgeted on e-SAI PMF and translations and design of SAI PMF materials.

Support of assessment quality and global monitoring accounts for 50% of the total staff costs. The key cost drivers under this function include the revision and update of the SAI PMF framework, developing the e-SAI PMF, developing guidance and training materials and delivering SAI PMF training. 80% of the actual budget was spent on supporting assessment quality and global monitoring and this explains the correspondingly high allocation of staff costs to this function. In addition to the ad hoc support provided to SAIs and other stakeholders on a day-to-day basis, the SAI PMF assessment of SAI Cayman Islands significantly contributed to the accumulation of about 20% of the total staff costs under the function 'conduct of assessments'. In exception of the staff costs on 'support of assessment quality and global monitoring' which have doubled compared to 2021, staff costs for all the other SAI PMF functions have largely remained the same as in 2021.

Table 1 SAI PMF budget and spending 2022 and 2021 (figures in NOK)

	2022 Budget and actuals		2021 Budget and actuals		2022 – actual staff costs
	Budget	Actuals	Budget	Actuals	
Strategic governance and advice	414 207	306 667	450 000	279 321	398 136
Conduct of assessments	208 592	195 484	0	0	490 722
Guidance and monitoring	2 762 860	2 310 995	1 094 782	1 304 362	1 267 249
Regional facilitation	5000	0	2 157	2 262	256 920
Independent review	70 000	80 351	295 104	383 059	131 107
TOTAL	3 460 659	2 893 497	1 842 043	1 969 003	2 544 134

2023

The budget figures for 2023 (table 2) are based on the revised budget approved in June. The total programme budget for 2023 is about 50% lower than in 2022. The difference is due to a substantial reduction in the budget on e-SAI PMF in 2023. The other main cost drivers are the CAROSAI SAI PMF facilitation programme and the SAI PMF Advanced training (face-to-face). As of August 2023, 30% of the approved programme total budget has been spent. Overall, the spending for the remainder of the year is expected to be within the approved revised budget.

The trend of a greater proportion of staff costs being spent on supporting assessment quality and global monitoring continues in 2023, although we see a slightly even spread across the 5 SAI PMF functions. Despite a zero-budget on strategic governance and conduct of assessments, a significant proportion staff costs (45%) have been spent on these two functions. This is because there is no direct delivery cost on the activities conducted under these functions in 2023. The regional SAI PMF facilitation programme conducted for a group of SAIs in the CAROSAI region and under the SPMR accounts for 19% of the total staff costs as of August 2023.

Table 2 SAI PMF budget and spending 2023 (figures in NOK)

	2023 – revised budget June	2023 – actual up to 31. August (programme costs)	2023 – actual up to 31. August (staff costs)
Strategic governance and advice	0	0	281 441
Conduct of assessments	0	0	444 414
Guidance and monitoring	1 031 899	183 019	549 898
Regional facilitation	446 020	251 474	302 315
Independent review	35 000	0	47 433
TOTAL	1 512 919	434 493	1 625 501

4. Upcoming Events 2023 and Key Activities in 2024

A summary of the upcoming events in the 4th quarter of 2023 and key activities in 2024 are shown in the table below.

Table 3 Upcoming Events in 4th Quarter 2023 and Key Activities in 2024

Activity	Targeted Region	Timing
SAI PMF Basic Training	Global	October 2023
SAI PMF workshop	ARABOSAI	December 2023
Strengthening regional SAI PMF capacity.	Global	January - December 2024
Revision of SAI PMF Framework	Global	January - December 2024
Design Self-Learning SAI PMF Basic Course	Global	January – December 2024
Facilitate SAI PMF Courses – Using SAI PMF for monitoring, Report writing, Publication of assessment results and e-SAI PMF	Global	March/November 2024
Enhancements to e-SAI PMF Application	Global	June – December 2024

5. Acknowledgement of In-Kind Support

The IDI Management would like to extend its profound gratitude to the SAIs that have provided and continue to provide in-kind support to the implementation of SAI PMF. Particularly, the SAIs of Norway, Aruba and Malawi for supporting the delivery of the IDI-CAROSAI SAI PMF facilitation programme launched in November 2022; the SAI of Norway again, for contributing to developing the IDI roadmap on Publishing and Sharing SAI PMF Results; the Audit Board of the Republic of Indonesia (BPK) for dedicating a staff member who is contributing to various SAI PMF projects on a part-time basis. Furthermore, support from the Inter-American Development Bank (IDB) to e-SAI PMF. The IDI would not have achieved impressive results on SAI PMF implementation without these invaluable contributions.