

Final Report

Identifying solutions to the challenges experienced by SAIs in small island developing states/operating in complex and challenging contexts to adhere to international auditing standards

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Executive summary

Under a research agreement signed on 14 March 2024 with the INTOSAI CBC, researchers from HEC Paris and HEC Montreal interviewed representatives from Supreme Audit Institutions (SAIs) in small island developing states (SIDS) and/or operating in complex and challenging contexts (CCC) to better understand the challenges they face in adhering to international auditing standards for supreme audit institutions (ISSAIs) as contained in the INTOSAI Framework of Professional Pronouncements (IFPP). Our study had the following specific objectives:

- i. Confirm the root causes for the challenges experienced by SAIs in SIDS/CCC to adhere to the ISSAIs and ensure a proper understanding of the context variables.
- ii. Identify practical solutions to address the position in which SAIs in SIDS/CCC currently find themselves, including:
 - a. Examining INTOSAI initiatives aimed at addressing challenges faced in adhering to ISSAIs
 - b. Examining remedies available in private sector accountancy professions of potential relevance to challenges faced in adhering to ISSAIs
 - c. Local solutions adopted by some of the SAIs in SIDS/CCC to address challenges faced in adhering to ISSAIs

To meet these objectives, the INTOSAI CBC supplied access to 48 organizations that agreed to participate in the research project. The research team conducted interviews with 8 regional organisations or INTOSAI partners and with 37 SAIs represented by AFROSAI-E (5), ARABOSAI (3), ASOSAI (4), CAROSAI (11), CREFIAF (6), EUROSAI (3), and PASAI (4), OTHER (1). Based on an assessment of the geographic location and size, population, and relevant development factors, we consider that about half of our interviews were with SIDS and half with CCCs. We also requested and received written responses to our interview protocol with 3 SAIs that agreed to participate but with whom the researchers were not able to secure an interview.

Based on our interview data, we summarize our findings along the two main objectives of our study below and in detail with supporting quotes from our interviews in the body of the report. Note that the ordering of the challenges and solutions are not indicative of their significance.

i. Root causes of the challenges experienced in adhering to the ISSAIs

SAIs in small island developing states and complex and challenging contexts face a number of barriers in adhering to the ISSAIs. The root causes of these obstacles to adherence can be categorised into the four key areas generally applicable to all SIDS/CCCs and two areas applicable to select SIDS/CCCs.

a. Challenges generally applicable to all SIDS/CCCs

1. Resource and financial constraints – severe budgetary limitations, insufficient funding for necessary activities (e.g., training, technology, recruitment), financial/operational autonomy compromised
2. Staffing and competency gaps – shortage of trained and skilled auditors, lack of standardized knowledge of ISSAIs, deficit in localized training, high turnover rates, loss of institutional memory
3. Technological limitations – technology infrastructure outdated or lacking, absence of dedicated platforms, reliance on manual systems
4. ISSAIs complexity – extensive guidelines across audit types, high level of technical understanding and organizational capacity required, regular changes to requirements, specific standards (e.g., independence, risk assessment, materiality, documentation, quality assurance)

b. Challenges applicable to select SIDS/CCCs

1. Potential language barriers – ISSAIs produced in select languages, time and resource intensive translation processes, ensuring latest updates to standards and audit manuals/methodologies for use by audit staff
2. Local infrastructure concerns – space restrictions, lack of permanent headquarters, lack of well-functioning utilities (e.g., internet connectivity), country-level challenges to availability and use of technology/communications

ii. Solutions to address the challenges experienced in adhering to ISSAIs

The above challenges are interconnected, creating a cycle that makes it difficult for SAIs in SIDS/CCC countries to fully implement ISSAIs despite what appears to be a strong commitment and determination to overcome these concerns. Addressing these root causes requires a comprehensive approach involving enhanced funding, capacity building, investment in technology, and policies that ensure both financial and operational independence for SAIs. While INTOSAI may not be able to address all of these underlying issues directly, some existing initiatives can be strengthened, and new ones can be developed to offer further support.

Through our discussions with SAIs in small island developing states and complex and challenging contexts and our understanding of both ISSAI implementation and the SAI SIDS/CCC context, we identify solutions related to three broad categories to address challenges experienced.

a. Existing INTOSAI-CBC initiatives (to be strengthened/expanded)

1. Strengthening institutional arrangements – supporting SAIs in advocating for legal reforms around independence that improve organizational stability
2. International and regional collaboration – shared training initiatives, implementation guidance, more tailored assistance addressing unique challenges, guidance on implementing standards in SAIs with limited resources and in diverse jurisdictional frameworks, regional bodies may benefit from cross-collaboration and sharing of best practices
3. Technical support and knowledge sharing – facilitation of knowledge sharing through platforms and forums, appreciate training and methodological support, need for support on tools like audit software and templates/checklists that enhance fieldwork, ready-to-use resources and shared databases with standardized documents
4. Mentorship and follow-up mechanisms – matching SAIs on mock or joint audits allow direct knowledge transfer and hands on training, support beyond mentorship period, necessitates follow-up mechanism to ensure knowledge transfer is embedded, refresher workshops or virtual coaching

b. Remedies from private sector accountancy profession

1. Addressing ISSAI complexity – simplification of ISSAI guidelines for SIDS/CCCs, tailored versions focused on core set of requirements (similar to IFRS-SMEs, practical guidance materials with step-by-step instructions, examples easier to understand
2. Technological innovation and integration – cloud-based solutions, contemporary audit and data analytic tools from private sector
3. Specialized training programs – emulation of continuous learning and upskilling through incentive-based certifications and retention programs, breakdown training into practical online modules, case studies and exercises, train the trainers, regionally coordinated efforts on emerging topics
4. Quality assurance mechanisms – continue to strengthen quality assurance systems, consider regional level quality assurance function, modelling system of quality assurance peer review after private sector accountancy profession

c. Local solutions adopted by SAIs in SIDS/CCCs

1. Leveraging bilateral agreements – MoUs with larger SAIs to enhance audit capabilities, strengthen technical expertise in specialized/emerging audit areas, mentorship of more experienced auditors, on-site training and secondment opportunities

2. Adjusting standards to local context – customization and reconfiguration of audit manuals and procedures to ensure feasibility and effective application in smaller contexts, focus on high-risk areas in more practical approach
3. Outsourcing audits – contracting local auditors to conduct financial audits or other highly technical or complex (e.g., IT) audits, opportunity for local staff to learn from external experts specifically if working jointly
4. Internal capacity building initiatives – internal training programs to enhance staff skills, mission-focused training that addresses specific skill gaps, workshops led by experienced senior auditors

Background

The adoption and implementation of ISSAIs have been a constant key subject of the five global stocktaking reports published so far. The latest one (2023) reveals that a significant majority of SAIs (97%) have reported adopting ISSAIs as their audit framework. The depth of ISSAI integration varies widely, with only 21% of SAIs having developed formal implementation plans. This suggests that, while SAIs are committed to international standards, many lack the necessary systems and processes to embed these standards into daily operations. Furthermore, just 28% of SAIs have the legal frameworks in place to support ISSAI adoption, which hinders consistent application across regions.

A notable issue highlighted in the 2023 report is the gap between having quality audit manuals and actual audit practices. Only a small percentage of SAIs meet the quality benchmarks for financial, compliance, and performance audits, despite having adequate manuals. This gap is largely attributed to inadequate staffing, a lack of competency in key areas, and insufficient quality control mechanisms. Moreover, the practice of combining multiple types of audits compounds these issues. The report recognizes that ISSAI implementation is a gradual, long-term process, with each SAI at a different stage of progress. To bridge the gap between adoption and effective implementation, the report emphasizes the need for more structured support in areas such as staffing, professionalization, and quality management.

Other key challenges related to implementing the ISSAI standards in small or geographically challenging contexts are highlighted in various national and international articles and reports. A significant issue, as discussed in Murat Ince's book, is the fundamental difference between private and public sector audits. While INTOSAI standards are largely based on the International Standards on Auditing (ISAs), which emphasize financial statement verification for the private sector, public sector audits require a broader focus on governance, transparency, and accountability.

Resource limitations further exacerbate the challenges faced by SAIs in developing countries. Insufficient financial and human resources often prevent SAIs from meeting the complex demands of ISSAIs. In small island nations, such as those in the Pacific Association of Supreme Audit Institutions (PASAI), several articles report difficulties in recruiting and retaining qualified personnel to carry out public audits (International Journal of Government Auditing, 2024). Additionally, SAIs in developing countries frequently encounter obstacles like elite capture and political resistance, which can undermine their willingness or ability to fully adhere to and effectively implement international standards.

Scope and Purpose of Study

Building on the above, this research seeks to better understand the institutional, organizational, and regional factors that contribute to the uneven implementation of ISSAIs. By investigating the root causes behind gaps in quality management and audit execution, we aim to offer valuable insights into how SAIs can overcome these obstacles and fully leverage the benefits of ISSAI adoption. Moreover, assessing the impact of existing capacity-building efforts and external support will provide a clearer understanding of which interventions are most effective in enhancing ISSAIs implementation and audit practices. Through this detailed examination, we aim to identify actionable strategies that can guide INTOSAI/CBC in supporting SAIs to

implement ISSAIs more effectively, thereby strengthening their audit practices and improving overall governance and accountability.

To achieve these aims, a research team consisting of Lisa Baudot from HEC Paris and Mouna Hazgui from HEC Montréal conducted 45 interviews with representatives from (1) SAIs in SIDS and CCC and (2) a variety of regional and international partners involved in INTOSAI capacity building initiatives. These interviews sought to uncover the specific challenge SAIs encounter in complying with ISSAIs as outlined in the INTOSAI IFPP.

This study focused on the following objectives:

- i. Confirm the root causes for the challenges experienced by SAIs in SIDS/CCC to adhere to the ISSAIs and ensure a proper understanding of the context variables.
- ii. Identify practical solutions to address the position in which SAIs in SIDS/CCC currently find themselves, including:
 - a. Examining INTOSAI initiatives aimed at addressing challenges faced in adhering to ISSAIs
 - b. Examining remedies available in private sector accountancy professions of potential relevance to challenges faced in adhering to ISSAIs
 - c. Local solutions adopted by some of the SAIs in SIDS/CCC to address challenges faced in adhering to ISSAIs

Research Approach

This research employs a qualitative, interview-based methodology, which proved instrumental in providing deep insights into the contextual challenges, strategies, and experiences surrounding ISSAI implementation in diverse historical and geographical settings. Data was gathered through a semi-structured interview protocol (see Appendix A) with representatives from SAIs across various regions and countries. The flexibility of the interview format allowed for in-depth exploration of specific issues and spontaneous discussions prompted by the interviewees' responses. Each interview aimed to capture detailed insights into the challenges and opportunities of ISSAI adoption, focusing on resource constraints, staffing, technological limitations, training needs, and international collaborations. While our interview protocol was standardized, it was adapted in some cases to reflect the interviewees' unique roles (SAIs vs. INTOSAI partners or regional representatives) and the specific institutional contexts of certain SAIs (e.g., French-speaking, jurisdictional settings, SIDS vs. CCC, etc.).

A total of 48 organizations agreed to participate in the study. Of these, 45 interviews were conducted virtually via platforms like Microsoft Teams and Zoom, depending on the interviewee's preference. As each interview may have contained more than one participant, we interacted with 84 participants within our 45 interviews. The interviews ranged in length from 45 to 82 minutes, with an average duration of 59.5 minutes. These interviews included 8 regional organizations or INTOSAI partners and 37 SAIs. For 3 remaining SAIs that were unable to schedule an interview, written responses to the interview protocol were received and considered but are not tabulated below. Aggregate information regarding interviews is provided in the table below with additional details in Appendix B.

With the interviewees' consent, all interviews were recorded and fully transcribed. The transcriptions were then imported into Nvivo 14, a data analysis software, where a thematic analysis was conducted. Interviews were coded based on key themes that emerged during the

discussions, such as challenges and potential solutions for ISSAI implementation. Rich, illustrative quotes provided by the interviewees, reflecting both personal and institutional perspectives, were organized into specific codes that represented the underlying issues. Both researchers, along with the assistance of a research assistant, performed the coding, applying a consistent framework across all interviews to ensure comparability.

Descriptors	SIDS^A	CCC^A	Institutional	Total
AFROSAI-E	1	4	2	7
ARABOSAI		3		3
ASOSAI	1	3		4
CAROSAI	10	1	3	14
CREFIAF	1	5	1	7
EUROSAI	2		1 ^B	3
PASAI	4		2	6
OTHER		1		1
English	18	10	8	36
French	1	7	1	9
Total Interviews	19	17	9	45
Total Participants	36	35	13	84
Average Duration	60.1	57.8	59.8	59.5

^A Our categorization of SAIs as SIDS or CCCs considers characteristics identified in the Global Stocktaking Report (e.g., variety of democracy, World Bank income level, OECD Fragile State list) as well as additional factors (e.g. population, geographic size, political stability, corruption index) from reputable sources (e.g., World Bank, Transparency International).

^B One SAI could not be classified as a SIDS/CCC and therefore is included in Institutional.

In addition to our coded interviews, throughout the data collection and analysis process, the researchers reviewed publicly available documents and reports including reports published by INTOSAI on the Unique Challenges and Resilience of Small Islands and the Global Stocktaking Report and the various publications by SAIs including Strategic Plans, PMF Reports, Annual Audit Reports and Audit Manuals, where available. These documents help us to better understand the setting and the contextualize interview responses but were not formally part of our data analysis.

The data analysis involved a comprehensive review of the coded interviews to identify patterns, recurring themes, and variations across countries and/or regions. By categorizing responses into predefined codes, the research systematically explored the primary challenges faced by countries in implementing ISSAIs. Illustrative quotes were selected to offer direct evidence of the findings, highlighting key challenges and recommendations. These quotes substantiate the thematic coding and provide a deeper understanding of the experiences shared by the SAIs, forming the foundation for the findings presented in the following sections. These represent a select number of representative examples of what interviewees shared within each theme.

Findings

i. Root causes of the challenges experienced in adhering to the ISSAIs

a. Challenges generally applicable to all SIDS/CCCs

Resource and financial constraints: Many SAIs face severe budgetary limitations that impede their ability to effectively implement ISSAIs. These financial constraints often result in insufficient funding for necessary activities such as training, technological upgrades, and recruitment of skilled personnel. In several SIDS/CCC, the financial independence of SAIs is also compromised, which affects their operational autonomy. Limited control over their budgets restricts their capacity to make independent decisions that would improve access to specific resources and strengthen adherence to ISSAIs.

We have set some ceilings by the Ministry of Finance which now the Audit Office is being subjected operationally and strategically... Even that approved funding doesn't come as a lump sum so that you can prioritize and, you know, do as is necessary at the office. You are trenched on quarterly basis, you've got to justify, there will always be talk about issues of cash-flow and actually impeding the mandate of the office. (CCC, AFROSAI-E)

We need resources also, when I say resources, it's not the budget. I have a budget enough. My budget is sufficient, but I can't get the expertise. I can't get the resources to do that. It's the money that does not buy me the resources that I want, because their resources are not available. (SIDS, AFROSAI-E)

I think the biggest problem is always going to be budget, so all of us could probably do everything that's required of the standards if we could get the resources to do it. (SIDS, CAROSAI)

Within the country, even though we are considered high-income or whatever, the budget that we get doesn't translate to that, so we still, we don't get the funding from our international partners, we don't get the funding from our government, so where does that leave us? That is the situation... A lot of the initiatives that IDI brings up, we just can't do, and I mean it is really good initiatives, but we just can't be a part of it. (SIDS, CAROSAI)

We have initiated audits, what we call cooperative audits. For example... a cooperative audit was envisaged for the environment, but it was not completed because, in most cases, financial resources were not available. (CCC, CREFIAF)

The discrepancies in compliance with this standard [quality assurance] aren't due to a lack of interest, but rather to the limited resources we currently have at our disposal. Because implementing quality assurance due diligence, whether it's peer review or the use of an external firm to certify accounts, has a cost, and we have a budget that is more or less constrained... It's something that has a cost and it's a real challenge for our SAI from a material and financial point of view (CCC, CREFIAF)

We do have independence to hire people... but we have not had sufficient money for the past few years, so the last year where they actually brought in kind of like a graduate intake was 2016, and they didn't hire any new auditors between like end of 2016 and 2023. (SIDS, PASAI)

They only push back [on the budget] because of, you know, the constraints on the amount of money the government have, but it's the same for everybody. You submit your budget request, and it's cut just like everyone else is cut to the amount that the Government can fund. (SIDS, PASAI)

Staffing and competency gaps: A major issue for SAIs is the shortage of adequately trained and skilled auditors. Many institutions suffer from staffing gaps, and existing personnel sometimes lack the necessary competencies to implement ISSAIs effectively. Training remains inconsistent across many SAIs, resulting in a lack of standardized knowledge of ISSAIs among auditors. The deficit in training programs tailored to local contexts makes it difficult for SAIs to align their work with international standards. High turnover rates further exacerbate this problem, as trained staff frequently leave for better opportunities elsewhere. The inability to retain experienced staff creates a cycle of instability, limiting institutional memory and continuity, which are crucial for the sustained implementation of ISSAIs.

It's getting better, but that's [competency] still an issue. Yes, in terms of qualifications, it is getting better. Most of the SIAs are actually on the professionalization journey, but we do know that professionalization is a journey that could take up to 10 years or beyond, so slowly, let me say it's slowly getting better. (Instit, AFROSAI-E)

You have to always keep training. I train many people for other organizations [...]. Because when they are trained here, they know that they get relatively more competent and knowledgeable. And of course, they are honest people. So, therefore there is a demand from private companies, public enterprises, and other institutions, which recruit my people after 2, 3 years of training (SIDS, AFROSAI-E)

We keep training and retraining our staff every year because the knowledge transfer is a huge challenge, cause sometimes the staff may just give one month, well trained staff might say that he or she is going to leave. Then it's going to be a challenge for us, yes, it's a challenge... so, staff is always a challenge for us to, you know, implement standards. (SIDS, ASOSAI)

Even if you recruit new people, they are inexperienced. It takes time. The [adjustment period] is 3 or 4 years. Only after that could they do a full-fledged audit... Because of the cash-basis of accounting, we are a little [more] comfortable, but once we switch into accrual, probably we'll have problem in terms of manpower where we lack expertise because the accruals will entail lots of judgments and exemptions. (CCC, ASOSAI)

I think the problem that most of my other colleagues have is they just do not have a local pool of talent sufficient to the audit work to standards... I think many of my colleagues in the Caribbean will struggle to meet standards because they struggle to get people of the caliber that they need to deliver. (SIDS, CAROSAI)

And the thing is that in [SAI] we don't have the experts, there is no way we would have been able to do a climate change audit without the help of IDI. Any experts that we have are already working for the government and there are no others. (SIDS, CAROSAI)

[SAI] as well as other Caribbean territories have difficulties in finding skilled people for various positions, not just for audit... You don't get a lot of people applying for the job... and to get peers to come to the island, you're asking them to set up new here on an island that they have not been or not accustomed to, and the cost of living [here] is very high... So, people are mindful of that when they are looking to even try to get a job here in in our office. SAI is just not attractive. (SIDS, CAROSAI)

New hires do have the experience in the private sector, but they lack the experience in the public sector, so they are very, very strong in the financial audit part, but they don't know very much about the other audits streams and the peculiarities of the public sector. The methodology unit is fairly more trained in ISSAIs. We try to transfer this knowledge to our colleagues, but there's still a very, very large room for improvement in that area. I mean, as an office to be competent and confident enough in our knowledge of the ISSAIs, to be able to implement them in whatever scenario we come across. I mean, we're still learning as an office. (SIDS, EUROSAI)

There is a wide gap between those audit staff who have been trained before, and who have institutional memories, as I would say, and have the competency to do the audit, as with the new, the new personnel doing the audit... One of the big problems that we are facing now is, as you know, they need training, a lot of exposure in the real situation. So, schoolwork and school records do not really help that much. You really have to be exposed to reality to become a good auditor. (SIDS, PASAI)

Technological limitations: Technological progress in terms of software facilitating audit process and adherence to ISSAIs in several SAIs in SIDS is outdated or lacking. Some SAIs do not have dedicated platforms and struggle with local infrastructure concerns (see below). Several SAIs maintain manual procedures as their primary mechanism for conducting audits, while other use Microsoft products and shared drives but do not have the resources or the time to push technology to the next level. The absence of dedicated data platforms and continued reliance on manual systems hampers the ability to conduct audits in line with ISSAIs. In some cases, budget has been set aside or put towards investment in audit technology, but such technology has not been implemented or a lack of training on the technologies has led to its continued naïve use. This limits the efficiency of the audit process.

We require laptops. The area where we are not able to accomplish now. Our ambition was to have one laptop for every auditor. We were working on that. Unfortunately, the donor fund was squeezed and finished, and we are not. Auditors are dependent on one laptop, for instance, and other computer accessories as well. (CCC, AFROSAI-E)

Presently our work is totally manual here, of course well, we have our computers and so on, our working papers, they are just manual. And we don't have anything electronic to help us, even the storage we don't have that. (SIDS, CAROSAI)

We don't use any specific [audit] tools. We do have SharePoint and Microsoft, I mean, we use them like online, like the forms, Microsoft forms for conducting our survey for the risk assessment. So, we are incorporating technology slowly, but I mean I was speaking more to like an audit software. (SIDS, CAROSAI)

These technologies, some of them are not compatible, so when we want to extract information using a particular software from the government system, it's proving difficult, and there is reluctance because you don't want anything to be extracted information and then creating an issue with the system, the public service wide system... basically it's a little difficult to extract. (SIDS, CAROSAI)

We we're basically trying to implement software, got everything, got the package, started to put in the data, but because we do not have total financial independence, the Treasury could not renew it in the preceding year, so basically, we lost the license.... So, and that happened twice, right now, we do not have any [auditing] software, we just use total Excel. (SIDS, CAROSAI)

We started using [audit software], but we didn't get very far with getting everybody on board with it at the same time because we were so manual in our operations, it took a little while of starting to get people into the habit and us also getting fully equipped in terms of every person to have a computer, access to a computer to do all of this. So, we didn't get very far with that. It is still in progress. (CCC, CAROSAI)

There honestly, I have not seen much of that [audit software], you know, because SAIs are still at the stage of using this basic Microsoft Excel rather than other advanced automated technologies. Some SAIs are using Teammate simply to document the audit process... maybe particularly in the Pacific region, I have not seen much on a drive towards this technology. (Instit, PASAI)

[The audit] is a bit manual, but it is not completely manual by any stretch. It is more just they got a bit scared or put off by how it was maybe first introduced and then they were just like: Oh, no, that is either too hard, I am just going to ignore it and it will eventually go away... in the past years, that change has been introduced, but not well, and then everyone is kind of not relay implementing it, and then ok, we will abandon it then.. People are like oh, if I ignore it long enough, it will go away. (SIDS, PASAI)

Probably, one of the most essential things that we need right now, is to be able to track our audit recommendations and see what the agencies are doing with them. Because I plan to work with Parliament to introduce legislation that would compel agencies to implement our recommendations or justify why they can't implement the recommendations. (SIDS, PASAI)

ISSAIs complexity: The ISSAIs are complex and extensive, particularly for smaller SAIs with limited resources and for those whose governments still adhere to cash-basis accounting or who are under jurisdictional regimes. The standards are perceived to change frequently and to require a high level of technical understanding and organizational capacity, which can be difficult to achieve without substantial external support. SAIs confront challenges in conducting financial audits. Other challenges raised pertain to specific standards around independence, risk assessment, documentation requirements (due to lacking audit technologies and/or overall difficulties in compiling information from government clients), and quality control and assurance (mainly in the smallest SAIs). It also seems that stakeholder engagement is on the radar of many SAIs, who acknowledge the importance of public transparency regarding what they do but prioritize other aspects of ISSAI implementation. Furthermore, rapid changes to and detailed requirements of the ISSAIs can overwhelm SAIs that are struggling with limited resources and staffing issues.

Theoretically, everybody seems to know what risk assessment is. It's when you actually perform it, it is where the gap is. So, that's the big challenge, because it's very fundamental to any auditing, for every stream of audit. Risk assessment is the starting point, so if you miss that, you're missing the whole thing... it's a continuous problem for us, and we don't know when will be the day when we could say that, yes, we have done a very comprehensive risk assessment. (CCC, ASOSAI)

I'll just give you one example, the quality assurance one, that's one that I've been struggling with, seeing that we have such a small little team. You can't have a whole division with quality assurance at the same time. (SIDS, CAROSAI)

If you look at, you know the fundamentals under ISI100, and you do things like auditor independence, if you're in a small, I mean, we've got a population of getting on 100,000 here. Some of the countries in CAROSAI have populations of single digit thousands, so under 10,000, it's really, really, really difficult for them to have the auditor independence. (SIDS, CAROSAI)

You have a number of them, because for a small island we tend to see the ISSAIs as a tool for larger organizations, so that there are times when we have to fit it in, and we, and see if it works for us, because to me, to us it doesn't. It's not really standards for small island, small audit offices. So, it's been difficult in some instances to get that. (SIDS, CAROSAI)

It takes a lot of time before you can get documents, and one of the elements is also, you have to have timely reporting, but if you do not get the information, that's also will not comply with that element of the standard. And so, that information we have to assemble it, and that is not the way you would expect an audit to go. (SIDS, CAROSAI)

Financial audits sometimes require a little more experience, so it's not always easy for young colleagues to get involved in risk-based audits. It's not always easy, it requires a lot of work, a lot of supervision, but sometimes we don't have the right people, human resources, the necessary skills to supervise younger people. Consequences: well, some people confuse risks with effects, risks with consequences, risks with causes, and when you do an audit, well, the recommendations go in all directions, because the problems aren't properly understood, so you don't know where you stand. (CCC, CREFIAF)

It's true that there is a standard which was created for jurisdictional ISAs, but if you go into the types of audits, sometimes you think that there are certain things that aren't applicable to an ISAI, and that's understandable, because the basis of the standards is the Anglo-Saxon culture. They don't organize their ISAI on the basis of, let's say, a jurisdictional type. So, there are a lot of things that need to be readapted, or appendices need to be included for ISAs of a jurisdictional nature. (CCC, CREFIAF)

The financial auditing standards were the most difficult. They are the most technical I feel. I mean it was a field we didn't have much experience, I mean, risk assessments, materiality, and all these, and we didn't have access to experts, I mean direct access to an expert to help us who, I mean, in our day-to-day implementation of the standards. (SIDS, EUROSAI)

b. Challenges applicable to select SIDS/CCCs

Potential language barriers: In select countries, language barriers add to the challenge of adhering to ISSAIs, as ISSAIs are often available only in a limited number of languages. In addition, even in available languages there are interpretation concerns regarding the level of expertise of SAI staff in comparison to the experts towards whom the ISSAIs were prepared. This makes it more time- and resource-intensive for auditors to fully comprehend and apply the standards in countries whose native language falls outside of available ISSAI translations. In these countries, time must be dedicated to ensuring that the latest updates to standards and any related methodology documents are translated into the local language of audit staff.

Apart some of the languages maybe. The language of the ISAI's may need to be improved, so that they could be easily understandable by any lay person, layman. (CCC, AFROSAI-E)

Yes, we have our guidelines. Based on that ISSAI, we try to develop a guideline, simplify it, and currently, our auditors follow that, but there are so many inadequacies in the manual itself, and to correct it, we do not have that kind of expertise. We can't really align the principles of the standards into that guideline. So, we are not really sure whether that guideline is totally representing or demonstrating all the principles that are laid down in that standard. (CCC, ASOSAI)

We completed our first step which was translating ISSAIs from English... this helped our auditors to understand these standards better and motivate them to comply with ISSAIs... To achieve the greatest accessibility of standards and newly developed instruction, we propose to publish them in more languages used in INTOSAI, including Russian. (CCC, ASOSAI)

We work with [IDI] to establish our own manual [in Portuguese]... we are in the 1st phase of assessment so maybe next year, we can approve it. In our daily work, we use the Portuguese language, and in every moment we just talk in Portuguese... sometimes we have difficulties interpreting all of that, that standard, so sometimes we look at other standards in Portuguese, and we try to understand. (CCC, Other)

Local infrastructure concerns: In select countries, we noted that space restrictions, lack of permanent headquarters, and well-functioning utilities (namely, internet connectivity) may impact the efficiency of the SAI. While not specific to adherence to the ISSAIs, this represents a broader concern regarding the budget allocated to the SAI in these settings as well as country-level infrastructure challenges that trickle into their ability to work with colleagues in an efficient manner, access and use available technology, and communicate effectively.

Now, they are establishing [infrastructure]; people cannot work from home like the other countries are doing. There is IT connectivity problem in the country, so people cannot work from home. (CCC, AFROSAI-E)

Technology is still one of our greatest shortfalls for now, so we are really on a mission to upgrade, not even upgrade, more like start from scratch on installation of appropriate IT infrastructure. Yes, all of our staff are equipped with laptops and things like that, but each laptop is a stand-alone laptop. There is no networking of our IT infrastructure. So, that is one where we really have a major challenge. (CCC, AFROSAI-E)

There it's a big setup cost and sort of adjusting [audit software] for these offices. So, that would be quite difficult for them to use... Some of them have problems with internet connections. They don't have a very good connection or it's highly expensive... Somewhere they probably don't have a shared drive, so people are working on their own, own laptop drives even. (Instit, CAROSAI)

We asked in terms of infrastructure, infrastructure for working offices, for example in terms of headquarters... and this challenge remains... At the moment, [the SAI] has the major problem of not having its own office. You see, in 18 years, we have moved I think 3 times, so that is not good, and it also hinder the principle of independence. (CCC, CREFIAF)

Then on a practical level, it's true that we have a few problems, with Internet availability, the availability of laptops, et cetera... I am not into software because when you get into software, we get into computers. Then we will say we are poor, there are no computers, so that is complicated. (CCC, CREFIAF)

Take the Internet, for example. You know that in our countries, it's not as fluid as in Europe or elsewhere. Otherwise, it's the ambition of the State that of course we will be able to use digital technology and digitization for controls and audits. (SIDS, CREFIAF)

Covid-19 had actually had a very measured impact in the Pacific region. So, when auditors were asked to work from home, they were a bit handicapped in terms of having reliable internet connection because it is not the same as internet capacity. So, they had a huge challenge there in order to complete the audits. (Instit, PASAI)

ii. Solutions to address the challenges experienced in adhering to ISSAIs

a. Existing INTOSAI-CBC initiatives (to be potentially strengthened/expanded)

Strengthening institutional arrangements: While there may not be existing initiatives surrounding this point, we noted a need to focus on strengthening the independence and organizational stability of certain SAIs in SIDS/CCC. This might involve supporting SAIs in advocating for legal reforms that would grant them greater autonomy in areas such as recruitment, financial management, and ensuring control over the messaging and presentation of audit results. Such efforts would help ensure that these institutions are better equipped to carry out their mandates effectively and sustainably.

We are trying to lobby for the approval of our audit legislation. It's not yet approved, but we never give up. We always try to request the approval of the draft audit legislation. Once it is approved, we will be fully independent in terms of finance, of reporting, of governance, of everything. (CCC, AFROSAI-E)

Our office is working on our own audit act. It's currently in the draft stage, drafting stage, so we have an audit bill that is, will be enacted well, hopefully soon. It has been worked on for a couple of, more than 5 years, between 5 and 10 years, and according to that audit act, then that would give the Auditor general then that mandate to table straight to Parliament. (CCC, AFROSAI-E)

First of all, the law needs to be reviewed and corrected, so as to grant the Cour des Comptes financial and management autonomy, so that the budget of the Cour des Comptes is not administered by the Ministry of Finance, but is an annual allocation... and so that we have management autonomy to recruit our own staff when we need them. And all this requires the Cour des Comptes to have infrastructures worthy of the name, so that we can increase the number of magistrates and auditors to cover our vast remit. (CCC, CREFIAF)

Yes, there are standards, there's this, there's that, but... we want INTOSAI to get a little closer, because sometimes the regions aren't as well equipped. The regions sometimes don't have the necessary means to do the job. We need support, support to strengthen independence, to strengthen independence to enable SAIs to go and defend, because the framework, the legislative framework in [SAI] doesn't allow us to go and defend our budget at parliamentary level. (CCC, CREFIAF)

For us, at first it's legal independence for our SAI because our SAI is not yet a SAI as such legally. We are an SAI because our role follows the rules of the ISSAI, but no text to date refers to the Cour des Comptes as a Supreme Audit Institution. (SIDS, CREFIAF)

The big priorities in the strategic plan are about achieving independence. We have got a legal project that has been, now since the 90's, looking to get more financial independence in particular. We have managed to get HR independence through some decisions around the way, so that is not looking too bad, but financial independence and the appointment of the AIG, we would still like to have that a bit better. (SIDS, PASAI)

International and regional collaboration: INTOSAI's regional bodies, such as PASAI, AFROSAI and CAROSAI, play an important role in fostering collaboration among SAIs. This includes shared training initiatives and guidance on implementing ISSAIs. These initiatives provide crucial support for capacity building in areas like technology, audit methodologies, and performance audits. SAIs in SIDS/CCC greatly value the support they receive from regional and international partners but express the need for more tailored assistance that addresses the unique challenges faced by smaller audit offices. This includes practical guidance on implementing ISSAI standards with extremely limited resources and staff, and within diverse jurisdictional frameworks—for example, where governments still report on a cash basis or where recruitment policies mandate the appointment of magistrates as auditors within SAIs. Further, we noted that regional bodies themselves may benefit from cross-region collaboration and sharing of best practices and models that have worked well and might be adopted/adapted in other regions.

I don't see a solution other than regional cooperation, and I think that, there is so much more that could be achieved if there's good regional cooperation and I think that's a message that, you know, INTOSAI should be preaching constantly. (Instit, AFROSAI-E)

We are in close contact with AFROSAI-E. We always try forward what problems we are encountering, and they always come, AFROSAI always comes to our help. So, actually, they do understand our situation, the environment we are operating in and AFROSAI I can say they are much more helpful for the SAIs than any other country I can say. So, they are at any time, they are on our side to assist us. (CCC, AFROSAI-E)

At the more regional or so level, we have been in consultations with the AFROSAI-E, and they have resources. They are able to identify resources, have gone through a lot of training, have the experience. So, they are able to come to our assistance when we call upon them and they would provide resources for us. So, that yes, it is something that we are able to rely on. (CCC, AFROSAI-E)

Quality assurance, IT, those kinds of things you can do regionally rather than country level. They are sustainable. But if you try and do every country has its own QA function, its own methodology department, its own IT work, it is just not sustainable... I think that the idea of economy of scale and a regional capacity that is technical, not just administrative, maybe based in Jamaica or in Barbados, would make more sense. And then you've got, you've got potential for the resources being managed in such a way and that you could try and get a basket of funds to support the regional capacity. Then, that regional capacity could also undertake, like AFROSAI-E, an assessment of capacity development and a diagnostic about how people are going on. I can't see any other model that could work. (Instit, CAROSAI)

The thing that could make a difference to small offices would be if, I don't know whether it be the IDI or whether it would be done through the regional bodies of INTOSAI, but I think if you could have a smallish infrastructure where you could pull on and draw down resources. So, with the new system of audit quality management, we're going to have to do cold reviews which we've not had the capacity to do before, and I talked about trying to create a manager post to keep independence to do that. But actually, you know, if there was somebody that sat either in the IDI or sat under the Secretariat and CAROSAI, Lord knows how CAROSAI would, would fund it, that we could draw on and just pay for their services as and when we use them, or better still, have it funded. (SIDS, CAROSAI)

We have been a part of the IDI pilot on audit quality management system, which is very helpful. The colleagues there are brilliant, and they are very willing to help us with other issues as well. Whenever we have a question, we go to them. It is a matter of forming networks, I think. It is a matter of knowing the right people that are able to help you in specific areas. (SIDS, EUROSAI)

In AFROSAI, they have this strong collaboration across different SAIs, but I have also seen, you know, SAIs from a different region, another SAI in a different region. So, it is initiated at the IDI, the peer-to-peer support. And the idea is that the peer provider has adequate systems in order to provide support to the other SAI. So, that, that is, yes, that is quite useful in terms of having this support, supporting each other and the developed SAI is able to support that [other SAI]. So, it is not just IDI but you have other support providers also encouraging this kind of peer-to-peer support. (Instit, PASAI)

Technical support and knowledge sharing: INTOSAI facilitates knowledge sharing through platforms and forums, enabling smaller SAIs to learn from the experiences of better-resourced counterparts. This knowledge transfer is crucial for SAIs facing staffing challenges, allowing them to adopt best practices without having to develop them from scratch. Nearly all of our interviewees acknowledged the value of training and methodological support from international partners such as INTOSAI and IDI. Training and methodological support also seems to be more advanced in AFROSAI-E. However, they expressed the need for more comprehensive support, including access to essential tools like audit software, ‘template’ worksheets and other practical checklists to enhance fieldwork capabilities. While SAIs in SIDS/CCC appreciate the training provided by international organizations, they emphasize the need for a more holistic approach to capacity building. This would involve not only training but also the provision of practical, “ready-to-use” resources and technology to ensure that the training can be effectively implemented in practice. For instance, SAIs mentioned the possibility for a shared knowledge resource/database where they could access standardized audit templates that could then be customized to their particular settings.

Right now, they [region] are considering a webinar with India, and it is based on data analytic. So, they have sent us an email asking us what help do we need with these analytics? For us, operations are manual. We are paper and pen, so in terms of this analytic, I said to them: I need to know what it is, what it can do before I can tell you necessarily what I need. And she said to me: Well, ok, well, we will probably get somebody to do a webinar for you. That has not come off as yet. (SIDS, CAROSAI)

We’ve done lots of projects in other SAI, where we’ve gone along and helped with the financial audit practice, the performance audit practice, whatever it happens to be... It is about creating some sort of central resource that you could almost draw down... If you had a small technical help desk that sat under CAROSAI, if the IDI had one that small offices could draw upon globally, you know? And when I say technical, I don’t just mean auditing standards, I mean accounting standards and the interpretation of accounting standards for financial audit. That would be really, really good. So, I think those things would, yes, those things would probably help, help a lot, you know, like shared services, shared capacity. (SIDS, CAROSAI)

Technically having a database or data that you just tapped in that, you know, you have all the different types of audits. One database instead of, I say, I have to go to the website from the [SAI] audit chamber, to go to the website from the [another] audit chamber, go to the website of [a third] audit chamber to find things. And so, if you could have a database set up and say, ok, these are the resources and the different type of audits that are there, examples that you could look into, I think that would be something great that I think most SAIs would benefit from. (SIDS, CAROSAI)

I think my plea is that INTOSAI should really develop more ranges for popularizing its tools and working methods, and that it should be more open to helping ISSAIs with weaker capacities. (CCC, CREFIAF)

It would be helpful to have things like a collaboration platform maybe that all SAIs can come together, we can identify potential partners for, or even not partners, even exchange, you know, problems and solutions, and maybe some material. I mean something that brings SAIs together... on the methodology level, we do have some informal networks. I mean, people we have met in international meetings and things like that. We may exchange opinions or material when we need to, but it’s not very structured. (SIDS, EUROSAI)

What perhaps could really help is if INTOSAI or IDI or whoever, issue some kind of a system or a platform or whatever, where you have all the stages of the audit, all the forms, etcetera. And one could actually follow... I think that it is something which someone centrally could possibly do. Listen, the standard says this, and it uses this form, this template. Then if you do your compliance audit, you go to this platform, you have that template, you fill it in, ok, next step, next step, next step and it guides the auditors. For a small SAI, it’s important because otherwise, it’s impossible for us to follow all the standards to the letter. (SIDS, EUROSAI)

There is a, there is a tool from AFROSAI which they have developed that we are hoping to get a Pacific version to populate ourselves as a kind of one stop shop across the Pacific. And in that way, we can update the tool with the steps and guidance if any of the standards change, that way you don’t have to individually work with every single SAI to get up to date. It can just be one central place we can roll it out from. (Instit, PASAI)

Mentorship and follow-up mechanisms: Mentorship programs and twinning arrangements with larger SAIs are highly appreciated by SIDS/CCCs. These initiatives allow for direct knowledge transfer and hands-on training, which is instrumental in improving ISSAI compliance. For instance, twinning arrangements (e.g. mock audits or joint audits) have enabled smaller SAIs to access expertise and practical guidance from well-established audit institutions, bridging capability gaps that might otherwise hinder progress. However, many interviewees highlighted the need for ongoing support beyond the initial mentorship period. While the knowledge gained through these programs is valuable, there is often a lack of structured follow-up mechanisms to ensure that newly acquired skills and procedures are effectively embedded into daily operations. Yet, some of the benefits of initial mentorship may be lost due to staff turnover. Continuous engagement frameworks should be considered, such as periodic follow-up visits, refresher workshops, or virtual coaching sessions. Follow-up mechanisms would help maintain momentum, identify emerging challenges, and foster a culture of continuous learning (which may also help with employee retention). Establishing a clear plan for follow-up activities can ensure that mentorship efforts translate into lasting improvements in ISSAI implementation and audit quality.

Cooperative audits could be an area we can explore. We have been doing some cooperative audits like, you know, where many institutions audit the same subject, and they, you know, share their knowledge and experience, like the format that is followed by IDI. (SIDS, ASOSAI)

We have also a twin arrangement with auditor general offices in Canada, and that arrangement sees the audit office selecting staff, at least 2 every year, and they are sent to the audit office [in Canada], and then they actually work along with them, how to plan an audit, do an audit and execute. They come back here, follow through with it and they see it all the way to the issuing of that report. So, we have this sort of twinning arrangement where another auditor general works with us on those. (CCC, CAROSAI)

I know right now some of the different islands within CAROSAI are doing some peer-to-peer training with some of the bigger countries. So, as we go along within, we see some of the islands, and when they need that assistance, they do go out there. And by having this within the CAROSAI framework, it's also area where smaller SAIs could be able to tap into some of those resources where we can. So, that is one of the frameworks that from a CAROSAI perspective that we are trying to lay out there to be able to help our members, because most of us within CAROSAI are the small Island development stage that have the same similar challenges. (SIDS, CAROSAI)

We all have each other's phone numbers. And so, you would find that if a SAI requested assistance, so sometimes other SAIs would send a team to [another SAI] for training, say on a financial audit, so they would come in for a month and work with us. So, we do have those sorts of pairings. We would share templates and planning strategies. So, yes, we do have that sort of sharing, even outside of the Secretariat itself. (SIDS, CAROSAI)

On climate change, we are doing it with IDI. We are doing the cooperative audit because of the fact that they are assigning a mentor to us, they are giving us training on knowledge and technical areas that we wouldn't be able to access, and basically, they have different phases as they go along. So, they are working along with us, and they also have experts attached, so that is what we are doing for the performance audit. (SIDS, CAROSAI)

It's more in terms of exchanges, it's more in terms of international exchanges that we're still lacking because, yes, we've had training, a lot of training, but I think we needed other, how do you put it? Exchanges. For some internships with other peer SAIs, so that we can see exactly what the reality is, or what it's like with our peers, and how they've been able to overcome the difficulties. (SIDS, CREFIAF)

We have found out that most of the time you gain hands-on, hands-on experience, hands on exposure. We have just signed a cooperation agreement with [another SAI] for example, and we have agreed on exchange of staff. So, a person from our SAI, we identify a need in a particular section, so a person of our SAI goes to work say for a week or two and then we can, we can get exposed on and train the trainer. (SIDS, EUROSAI)

b. Remedies from private sector accountancy profession

Addressing ISSAI complexity: The complexity of ISSAI standards presents a significant challenge for many SAIs in SIDS/CCC with limited resources and staffing. In some regional contexts, guidance has been provided to local SAIs who are then responsible for customization; however, at times that guidance is intimidating as it may be prepared for much larger SAIs. In other regional contexts, standard guidance may be lacking for specific types of audits. Finally, others acknowledge having access to guidelines but not having the resources or time to adapt them to their specific audit contexts. Developing practical guidance materials, including templates and checklists, can help SAIs navigate ISSAI implementation more effectively. These tools can provide step-by-step instructions and examples in ways that are easy to understand and apply. Some have also suggested simplifying ISSAI guidelines to make them more accessible for smaller or fragile SAIs, akin to accounting standards that have emerged in the private sector such as IFRS for SMEs. This could involve creating tailored versions of the standards that focus on core requirements, allowing SAIs to implement key principles without being overwhelmed by the full complexity of ISSAIs. At the same time, a number of SAIs indicated a preference to maintain the full set of ISSAIs out of concern for perceived legitimacy in the global SAI community but for those standards to allow for them to opt out of certain standards through a ‘comply or explain’ process.

I would gladly welcome categorization, if I might call it that. It will help most of our SIAs and especially those operating in a very challenging environment, so that would be something that will lessen the load of them. (Instit, AFROSAI)

What is nice with ISAI 150, was recognizing that it needs to scale to different situations, and the idea that you develop your own professionalization pathway that makes sense to your country, to your size. That was, that was important, so this model can work in certain circumstances, but not in all. (Instit, AFROSAI)

Every time an ISSAI is being required for adoption, the committee would issue a application guidance to determine which paragraph of the ISSAI will not be adopted because it does not, it is not applicable in our environment and giving further explanation how specific paragraphs of a specific ISSAI would be adopted and implemented. (CCC, ASOSAI)

INTOSAI can choose as a body to say: Ok, we accept that there are standards which are acceptable for countries whose institutions proportionately are the size of what we call the PIEs, public interest entities in the private sector. That is fine, but where we don't have that, we should be looking at completely different levels of expectation. (Instit, CAROSAI)

We have to safeguard that there is a certain level of quality, a minimum level, but yes, we have to look at something like proportionality. So, what should it be, well, the max, or is there some room for, well, make it [ISSAIs] more customized and make it more feasible given a specific situation? (Instit, CAROSAI)

We are still bound to be able to follow these ISSAIs, so I think if you could get some changes in reducing it, so ok, if you are a smaller SAI within a certain framework, then this is what you would need to look for within the ISSAI, instead of having to look at the entire document. (SIDS, CAROSAI)

What we need is the minimum baseline and then we have a scale up. Say if you are a SAI of a certain level, these are the minimum that you should be able to adhere to. You need to have this for your independence. You need to have this ethics... You want to be able to say that I am adhering to standards of this level, say at the basic level. [Then] the main work, if I did a compliance or financial, a performance audit, it is at the level it should be, and then we add in the frills and all of the other things that are difficult for us to implement. (SIDS, CAROSAI)

Technological integration: Many SAIs face challenges related to keeping up with technological advancements. Some of this due to the previously mentioned infrastructure constraints as well as restricted financial resources. However, the movement to and adoption of cloud-based solutions for document storage and leveraging modern audit tools are remedies that have proven successful in the private sector and are therefore recommended for SAIs that are adequately resourced or can be supported regionally. For instance, regions like AFROSAI-E and PASAI have made investments in cloud-based tools and repositories that represent a good start from the standpoint of documenting the audit; however, these tools can be complemented by more advanced audit testing software. SAIs with the necessary financial resources, including several SAIs in the CAROSAI region, could benefit from similar technological investments to improve operational efficiency. Such solutions, however, require a level of training and expertise that certain SAIs may not have the resources to dedicate to technology.

The service provider is a South African company, that is hosting... an audit software named CaseWare that we have. Our working papers, we receive them from our regional body, we customize them, and as the standards change for financial audit, this system is then equally also amended. I think this, we are now right as we speak, there are a few changes that we will make to this audits software, audit system. And that, of course it is a bit pricey, but at least the ISSAIs regard this system as a tool to further help and aid in efficiency and the effect of following methodology. (CCC, AFROSAI-E)

We entered into a contract with the developer, and we came up with our own Teammate, which is just streamlined, you know, for our own paper, for the purposes of this SAIs. And at the moment there is now implementation of that software in the SAI about 10 to 12. They are in different levels of progress in implementing. We have tried to assist the SAIs from all levels, from the methodology, from actually recording the work and so forth. (Instit, AFROSAI-E)

I'm the responsible for the team who's working on developing the AI or finding the method, the best method to use the AI inside [SAI], and we are finding a new thing every week after we are searching on the web and ask our colleagues on other SAIs like US. They have an innovation lab which are, they are responsible to develop AI applications, and when they, when we are hosting them, we ask what is new?... They told me every second there is a new thing with AI. So, we are suffering to know the best method and what is the best AI app on the market to use it inside, but we think this will serve us on the quality control because with the AI application, with the automation, the mistakes or the quality issues will be minimized. It will not vanish... but at least we will minimize that with automation and AI, which is one of the, that's the projects that we have now. (CCC, ARABOSAI)

For the financial statements, we are now documenting or using CaseWare which you know is an auditing, it is audit based on the ISSAI, so we are using that audit software. It forces us and ensures that we are complying with the auditing standards. (SIDS, CAROSAI)

We do utilize Teammates as our auditing software for our work papers. We actually just transitioned to the new Teammate maybe like 2 years ago, and that was initially funded to through PASAI, but since the initial funding we've been able to renew and budget for the renewals. I mean for now, we're okay. We can, you know, we can support the continuous renewal of Teammate. I know this is something that does affect the other SAIs, small SAIs when it comes to budgeting cause Teammate is not cheap. (SIDS, PASAI)

We do use Teammate as the audit software tool... it really is just an audit filing system where it will tell you what the standard say needs you to do and then telling you how well you documented it... guides you through the standards, and as far as I am aware, it is up to date with the standards... But the AG is really determined that this one is the one that will stick and so he is making no audit can start outside of Teammate from the end of the year... We are looking at continuing the Teammate adoption and roll out. (SIDS, PASAI)

Specialized training programs: In the private sector, there is a focus on continuous training and upskilling. Within SAIs, there is a clear need for targeted training programs that break down complex ISSAI concepts into manageable modules. Most specifically, it seems that SAIs who have some interest in overseeing financial audits (often outsourced), could benefit from financial accounting and auditing training. SAIs can also benefit from further training in specialized areas such as IT, environment, and sustainability as well in conducting performance audits. Where SAIs have adequate resources they might dedicate staff to be trained as “certified” trainers or mentors for the local staff, commit a portion of the budget to annual professional training, or outsource training to the private sector. For others, training programs could be to some extent standardized regionally and delivered at no cost to the SAI, ideally through workshops or online platforms, incorporating practical case studies and exercises. This approach would allow auditors to learn at their own pace and revisit materials as needed, ensuring that the training is both accessible and adaptable. Emulating such training models may also benefit SIDS/CCC where staff turnover and retention appear to be common challenges, especially if doing so in conjunction with other private sector approaches, such as incentive-based retention programs and certifications, might also help mitigate issues of staff turnover.

The “train the trainer” project... is also meant to increase the numbers in the different offices, so that they can actually come up with their own training needs and also, have the capacity to train the people in house as well... We have a database of people that we use as trainers in the region for different areas... It’s also an aim to increase, it’s one of our performance indicators on how we are increasing the number of experts for each area in the region, so we can actually assist either at the AFROSAI-E level, but mostly in their own SAIs. (Instit, AFROSAI-E)

We have requested for resident trainers where we obtained them this year 2024, and we have already started trainings with the resident trainers. We have got the financial audit residence trainer. We have got the performance audit resident trainer. (CCC, AFROSAI-E)

We do have an internal policy on an annual basis, where we do ask staff to go out and see, ok, what courses are out there that they could utilize that to upgrade themselves professionally, and also to assist the business. If it’s something that we see is applicable and will be a benefit to both us and the individual, if our budget could sustain it, we would go ahead and do that. (SIDS, CAROSAI)

It will always be good if we could have some practical short sessions , not just theory, but practical. People like me, and I am certain many persons are like the same, we learn from practice. If we get some practical experiences on the application, how standards are applied in certain situations, not just, you know a virtual session and the person would go into standards like materiality, understanding the entity and so on... and you can show how it would be applied and all that, I think persons will understand and it will remain with us. (SIDS, CAROSAI)

We’ve just had a small contract with a [public accounting] firm for training colleagues. We have 120 hours, including 60 hours in auditing and 60 hours in accounting. (CCC, CREFIAF)

There should be a system, kind of a permanent robust system to update the audit methodology on a timely basis, similarly there is a robust training, training plan, and also the succession plan. Like if someone who is adequately trained decides to leave the SAI tomorrow, then they should have someone available to take that responsibility so that there is no vacuum created after someone had left... SAIs should focus on having this permanent and robust system in order to sustain the ISSAI based audit practices. (Instit, PASAI)

How to document things in Teammate, but [also] how to understand why you need to document things and why. For a while there, the training just became a template, this is how to fill out the template, but [Name] is trying to get them to understand why it is important that they even do that task to begin with and trying to get a bit more judgement or critical thinking happening, not just following the process cause last year we did it that way. (SIDS, PASAI)

Quality assurance mechanisms: The challenge with compliance with ISSAI 140 on quality assurance is notable among SAIs with limited capacity. While these SAIs are working to continue to implement and strengthen quality assurance systems within the constraints of their particular office sizes and contexts, there may be alternative mechanisms for assisting these SAIs in their quality implementations. For instance, regional level or peer quality assurance functions may be an option, modelling quality management systems similar to those used in the private sector to address the compliance and quality assurance issues identified.

We have actually got three levels of quality assurance. Number one is when the team leader reports to the director, the director looks into the report of the team leader and sends it to the department head, which is actually the Deputy Auditor General... When it comes to the quality assurance review team we have, they try to go through the already done audit working papers. They try to indicate the shortfalls of the audit working papers and try to improve them in the coming assignments... Now we are trying to involve them in the current audit files, so that they can assist the team leaders in terms of rectifying some of the issues... In addition, every 3 years, we are reviewed by AFROSAI quality assurance review team. That team tries to recommend, they try to go through our audit working papers at two levels, at an institutional level and at individual level audit files. (CCC, AFROSAI-E)

At the Arab level, the ideal would be if we had audit guides approved by the whole region, and that these audit guides contained all the workpaper models, so that afterwards everyone would use the same documents, well the same templates, so to speak, and that we could create a kind of regional quality assurance for all our processes... if the whole region uses the same audit guides and therefore the same templates, and applies the same audit procedure, then ARABOSAI can carry out a sort of quality assurance review of ISSAIs in the region, and that after the outputs of this quality assurance will identify the weak points of all ISSAIs on the basis of which we must respond with specific training programs. (CCC, ARABOSAI)

We had the SAIs conduct pilot audits in some cases like quality assurance of other SAIs, conduct a multi assurance review of other SAIs, peer review. I've been involved, personally, in those kind of engagements. I think those are very useful. (SIDS, CAROSAI)

It was hard enough when it was just engagement quality control, now with ISQM1 and 2 and ISI140, we're going to a whole system. It just makes it even harder. I try and be creative, can we do things, reciprocal things with other offices? You know, that's difficult. It always feels like me reaching out to see if we can do things and, in the Caribbean, I mean I'm trying to see if Bermuda or Jamaica might be able to help me. I'm not sure it's going to work. That's difficult in a small jurisdiction. (SIDS, CAROSAI)

What PASAI have done, is engage an independent quality assurance reviewer to see... to what extent that particular audit had complied with the requirements of the standards, and then providing recommendations and findings from that review... Then SAIs are able to learn from this independent review findings and try to address the issues that were brought up in this quality assurance review and then improve in the next audits. Again, it requires some resources to have that independent function, so I think it doesn't mean that SAIs should have that kind of permanent function, but to have that system and it can be either internal independent review or it could be external. And that is where again the peer SAI could provide that support, so I strongly feel that there is a potential to explore that. (Insttit, PASAI)

c. Local solutions adopted by some SAIs in SIDS/CCC

Leveraging bilateral agreements: Several SAIs have used bilateral Memorandums of Understanding (MoUs) with larger SAIs such as India and China to enhance their audit capabilities. These agreements involve knowledge exchange and access to additional resources, which help mitigate local capacity issues. Through these partnerships, the SAIs are able to strengthen their technical expertise, particularly in specialized areas such as financial and environmental or IT auditing. These agreements also provide opportunities for staff to receive training and mentorship from more experienced auditors, thereby enhancing the overall quality of audit work. Similarly, certain SAIs in the CAROSAI region enter into bilateral agreements with the UK or Netherlands to improve their ISSAI compliance. These partnerships include on-site training, secondment opportunities for auditors, and ongoing remote support. This collaboration enhances the ability of these SAIs to conduct complex audits, particularly in emerging areas, but also to share experiences with partners across regions.

We have MOUs with India SAI, we have MOUs with Malaysia... We had a MOU with China... we have had lots of, you know, training programs... and two of our staff are now undergoing a postgraduate program in audit... at one of their training institutes. (SIDS, ASOSAI)

We also have bilateral contacts and cooperation with 3 countries within the Mina region. It's Morocco, Algeria, Libya and those activities, those bilateral activities are mainly focused on specific topics or teams. And so, we work demand-driven and based on specific needs or specific questions. And just to give you an example of a topic, for example, communication and stakeholder management, but also the strengthening of the performance audits. (Instit, CAROSAI)

We are currently in partnership with the Canadian Foundation for Audit and Accountability (CFAA), which is funded by Global Affairs, and has been for 4 years now. Every year, we send a team of two people on immersion at the Office of the Auditor General of Canada or the Auditor General of Quebec, and they take part in auditing missions, particularly performance audits. (CCC, CREFIAF)

Getting resources is also not easy, so we have bilateral MOUs with 1 or 2 SAIs, and large ones, of course, India and China and Mauritius, and also, now I'm discussing with Rwanda. Despite these [MOUs], getting the right resources is a challenge... So far, we have got only support from India and so other MOUS are still I would say at the implementation stage. So, they have not produced any tangible results yet. But I'm expecting a delegation from SAA China this year and they will come with a view to help us in IT audit, but then again, you know, they can come and help us say 3 months, 6 months, and they can train someone, but there is no guarantee that the person who is being trained will stay with us, no matter what, how hard you work to keep them. (CCC, CREFIAF)

We've just come back from Russia, where we went to sign an agreement with the Accounts Chamber of the Russian Federation, and before that we had an agreement with Morocco... which aim to share our mutual experiences in terms of controls and audits, mutually reinforce our capacities. That is to say that Morocco can ask [SAI]: We have such and such a training in such and such a field, if you are interested you can send us audit assistants or even advisors for training, and so on. (CCC, CREFIAF)

We have an agreement with Slovenia, we have an agreement with Croatia, and now we even have an agreement with North Macedonia who visited our office at the beginning of this year. So, we believe in this hand on exchange, we believe because when you see and when you do... And so, when we exchange these, our experiences and our thoughts about these things, I think that's the best way of training I think, not just an academic theoretical but on a practical hands-on approach. (SIDS, EUROSAI)

Adjusting standards to local context: Recognizing the unique challenges of small administrations, some SAIs adapted international standards to better fit their specific contexts. Manuals and audit procedures originally designed for larger, resource-rich SAIs have been reconfigured to ensure feasibility and effective application within smaller institutions. In the PASAI region, one SAI adapted ISSAI standards to align with the specific needs of its public sector entities. By simplifying certain requirements and focusing on high-risk areas, the SAI has been able to implement ISSAIs in a way that is both practical and effective, given its limited resources. In the CAROSAI region, another SAI customized ISSAI guidelines to suit its smaller institutional size. The office focused on developing simplified audit manuals and templates that are practical for its context, ensuring that key audit principles are adhered to without unnecessary complexity.

Everyone can take our guidance and material and translate it if it needs to be translated and customize for their circumstances... but the standard is the standard... At the moment all the SAIs have manuals, because we prepare the manuals, their template manuals but they have to customize them. So, they customize the manuals, and we look at the manuals when they've customized them, they actually go out and carry out some audits using that. (Instit, AFROSAI-E)

If you look at the region and this, the manual is for population of 300 million country where the economy is I don't know, I can't even put figures. And so, economy is that and the government budget may be trillions of let's say dollars, and then we have to use the same manual, with a completely different organization and setup, because it is the manual that's adopted by the regional chapter. We have been discussing with them. They need to relook at the manual, and also, you know, customize it. (SIDS, AFROSAI-E)

We would like to have the manuals for all the personnel to be aware of what the standards are, and that they are incorporated in manuals for compliance, for performance, but that also takes time. So, we have to like, we cannot just copy the manuals from [another bigger] SAI, because the scale of in which they work and we work, we have to make it acceptable for our SAI. (SIDS, CAROSAI)

In the early years, we actually had a collaboration within CAROSAI in implementing a manual for the audit of financial statements. So, we had a manual that we call a risk-based approach to financial statement audits, and that manual was based on a manual that was developed for CAROSAI... for the others, we did not, we did not collaborate with CAROSAI, for the performance and the compliance. We basically used the same template, but we went ahead and did it on our own. (SIDS, CAROSAI)

What we have done, for example you have the code of ethics, which is a bit broad for example, right? What we try to do is... use the ISSAI standards and guidance and create our own to fit with our own practice and have that approved and use it, but then we say in it, this is used in conjunction with the ISSAI. That's what we try to do in certain instances where some things are not really meant for us... we try to bring it more in line with what we do locally. (SIDS, CAROSAI)

If you have ISSAIs for small territory, I will say it [adaptation] could work. It's basically like if you take the full ISSAIs at a state that is suited for your particular country, basically, that's what I'm doing... but each country will have to basically do that. We also do have an audit manual and do not follow the audit manual 100%, so we skip a lot of steps in there (SIDS, CAROSAI).

The PASI project has developed control guides. So, I know that there are control guides being drawn up, compliance control guides, performance audit guides and so on. We have guides that are being developed, but I would say that the project has not yet been finalized. (CCC, CREFIAF)

Based on the ISSAI implementation handbook that we have for 3 types of audits, financial, performance, compliance audits, they adapted and then modified to their context. Similarly that is what we try to do in the, in PASAI for 8 SAIs as well based on our handbooks, so we supported them to modify the methodology to their context. So, it is not using them as they are, but they modify. (Instit, PASAI)

Outsourcing audits: Where specific expertise or sufficient human resources are unavailable internally, some SAIs have opted to outsource certain types of audits, primarily financial audits. In other audit situations, local SAIs brought in external specialists to support their work, thus allowing them to conduct audits that would have otherwise been impossible given their staffing limitations. Outsourcing enables these SAIs to fulfil their audit mandates without compromising quality, while also providing an opportunity for local staff to learn from external experts and gradually build their own capabilities in these areas. For example, one SAI in the ASOSAI region outsourced IT audits to external specialists due to the lack of internal IT expertise. This enabled the SAI to conduct critical audits of government IT systems, which are essential for ensuring data security and operational efficiency. The partnership also provided opportunities for the staff at this SAI to work alongside external experts and gain exposure to advanced IT audit techniques. In many other small SIDS financial audits are outsourced to private accounting firms to ensure the timely completion of audits. However, such outsourcing is likely quite expensive although there may be options for some of the fees to be provided by the audited entities. In addition, this reliance on external auditors also means that key aspects of ISSAI implementation are not fully within these offices' control. Furthermore, the SAIs still need the in-house expertise to be able to evaluate and monitor outsourced audit work from a quality assurance standpoint.

Currently, in terms of resources, you'll find we have a situation whereby for financial auditors, say especially that accrual [accounting] that we mentioned, you will find we will have to go out into the market to outsource some of our audits. So, for a given year we'll accrual base being done by private audit firms, that is to be sourced through a well rigorous procurement process, but there's resources for it. You'll find this budget item, just to outsource those clients that the SAIs mandate, are mandated to audit, so resources in terms of outsourcing is there. (CCC, AFROSAI-E)

For the [audits of] government owned companies, we employ those people who are, those professionally certified auditors... They are professional firms, then we employ them based on certain selection criteria, and based on that, then we appoint our audit of those government or agencies operations, and also some religious organizations. We outsource those orders to those firms. (CCC, ASOSAI)

We've called on the expertise of chartered accountants a lot, both for training and to support us on certain assignments... We've drawn up a feasibility report, and try and find the right experts to support us. (CCC, CREFIAF)

Most of our [financial] audits of the statutory bodies are outsourced, they are outsourced to private auditors due to limitations in staff numbers. (SIDS, CAROSAI)

The statutory authorities and state-owned enterprises are financial audits, so they are entities who want to have their audits done, so they are providing their financial statements and they are harassing us about getting them done, and they provide audit fees, so that means that we can actually contract out their audits to like the big four firms or even some local mid-tier firms to do the audit on behalf of the SAI, and then the SAI just has to like quality review over the file. (SIDS, PASAI)

We have those external consultants here with us. Like we have one for performance, one for compliance and one for financial audits just to help us through, and especially for financial. Someone has to know the IFRS standards, and someone has to know the IPSAS standards, and so in those two areas, we get consultants to help us. (SIDS, PASAI)

Internal capacity building initiatives: Some SAIs initiated their own internal training programs to enhance staff skills despite limited resources. For example, several SAIs have implemented an in-house on-boarding and training program to enhance staff skills around the audit process in general or for specific audit types. These programs typically include workshops led by senior auditors, covering key topics such as risk assessment and audit planning. Further, we noted several SAIs who have training centers dedicated to training staff on internal methodologies and/or mission-focused training. These programs are designed to address different audit types or to fill specific skill gaps, allowing staff members to develop the competencies required to conduct audits that are compliant to ISSAIs. These initiatives help the SAI improve audit quality despite challenges related to limited resources and staffing.

We have trained all 40 financial auditors on the new audit methodology, and in that process, we have customized the manual. The training covered the whole audit process from the beginning to the end in every aspect. (CCC, AFROSAI-E)

We have a small training center dedicated to our SAI, and we have a handful of people who are experienced, who are being trained as a mentor, and a certified trainer. On a very small scale, we try to embark them on a regular basis throughout the year. So, this is how we try to sustain critical competency gaps in the organization. (CCC, ASOSAI)

For each new cohort of person coming in, we have orientation where they are taken through the basics of ISSAIs and they receive hands-on training from the unit that they are assigned. For the orientation, it is over a week where they are taken not only through the ISSAIs, but various aspects of the audit process and the department. (SIDS, CAROSAI)

As for compliance and performance auditing standards, it's true that we received training here at the Cour des Comptes when we were recruited. I think we received a 30-day training cycle right from the start, and there we studied the standards, the templates, how to apply them. (CCC, CREFIAF)

What was good for [SAI] was they had this plan, succession planning, they had this annual training, annual refresher courses on the audit methodology. So, there is continuation as they have new recruits and there is a policy that they have to be trained before they are sent for these audits (Instit, PASAI)

Conclusion

The study identifies that SAIs in small island developing states and complex, challenging contexts face significant barriers to fully adhering to ISSAIs. These challenges, rooted in resource constraints, staffing shortages, technological limitations, and the complexity of ISSAIs, impede consistent implementation and efficient audits. Despite these obstacles, SAIs demonstrate a strong commitment to aligning with ISSAIs, underscoring the necessity for tailored support mechanisms.

Key recommendations include enhancing organizational capabilities through strengthened regional and international collaboration, expanding technical support, simplifying ISSAI guidelines, and fostering knowledge-sharing networks. Leveraging local and regional partnerships, customized training, and mentorship programs are effective ways to address resource and staffing challenges. Additionally, the adoption of cloud-based solutions and accessible audit software presents a practical means to overcome technological limitations, provided training resources are available.

In sum, our research emphasizes that, while INTOSAI and other international and regional partners are crucial in providing standards and frameworks, adapting these tools to fit the distinct needs of smaller or fragile SAIs is essential for meaningful impact. Addressing these challenges through comprehensive support frameworks can ultimately empower SAIs to fulfil their mandates more effectively, enhancing accountability and governance across contexts.

Appendix A: Interview Protocol

This research examines how Supreme (government) Audit Institutions (hereafter, SAIs) experience and address challenges associated with producing audits that adhere to International Standards of Supreme Audit Institutions (hereafter, ISSAIs).

(Note: This document represents a script from which the interviewer will work. It is important that these questions are not shared with the participants prior to their interview. Participants will receive a broad overview of the main topics to be discussed before the interview.)

1. Demographic info
 - Region (AFROSAI, CAROSAI, PASAI)
 - Category (SIDS, CCC, other)
 - Age of SAI (founded, joined region, joined INTOSAI)
 - Size of SAI (human and financial resources)
 - Structure of SAI (reporting, governance, level of independence, etc)
2. Tell us about your background, experience, and role within the SAI.
3. Please help us to understand the nature of audits conducted within the SAI.
 - Types of audits (financial, compliance, performance, environmental, forensic, IT)
 - Portion of time/resources dedicated to these types
 - How/when the focus is determined
4. How would you describe the extent to which international auditing standards (ISSAIs) are currently adhered to overall and in relation to each type of audit?
 - Describe where you are in implementing ISSAIs (refer to IDIs five-step model)
 - Basis used to determine full adherence, material adherence or close adherence
 - Does the extent vary depending on financial, compliance, performance audits
 - How does answer translate into possible risk for the SAI/public sector
5. What is your perspective on the usability/applicability of ISSAIs considering your current situation?
 - Aspects of the standards / procedures within the set of international auditing standards that do not apply or that pose specific problems in their application
 - Quality controls, independence, competence
6. Can you describe the main factors that are affecting the extent to which ISSAIs are adhered to? Explore these factors and their sources.
 - Budget, resource constraints, limited capacity, institutional arrangements, other
 - Complex, challenging situations (war, corruption, other serious interruptions)
 - Factors specific to audit types or engagement specific factors

7. How have you thus far been dealing with the factors identified above?
 - Informed by global practices – CBC, INTOSAI Development Initiative (IDI), Forum for INTOSAI Professional Pronouncements (FIPP), Professional Standards Committee (PSC), other
 - Local mechanisms attempted or enacted aimed at improving adherence to ISSAIs?
 - Human resource innovations, private sector outsourcing, collaboration with SAIs?
 - Available audit technology or the lack of technology and how that impacts adherence to ISSAIs?

8. Do you have any suggestions for how to improve usability/applicability of ISSAIs?
 - What support would be desired from oversight partners – INTOSAI, including the IDI and INTOSAI’s FIPP, region (ideally)
 - What local resources would you need (ideally) – human, technology, other

Appendix B: Interview Details by Region

Date	Type	Region	Language	Attendees	Duration
4/22/2024	SIDS	AFROSAI-E	English	1	67
4/23/2024	CCC	AFROSAI-E	English	5	74
5/1/2024	CCC	AFROSAI-E	English	3	54
6/13/2024	CCC	AFROSAI-E	English	1	60
6/19/2024	CCC	AFROSAI-E	English	1	85
4/9/2024	Institutional	AFROSAI-E	English	3	59
7/15/2024	Institutional	AFROSAI-E	English	1	59
4/24/2024	CCC	ARABOSAI	English	1	63
4/30/2024	CCC	ARABOSAI	French	2	38
7/10/2024	CCC	ARABOSAI	French	1	70
5/6/2024	SIDS	ASOSAI	English	3	68
6/18/2024	CCC	ASOSAI	English	2	61
6/20/2024	CCC	ASOSAI	English	1	36
6/28/2024	CCC	ASOSAI	English	4	74
4/8/2024	SIDS	CAROSAI	English	1	76
4/30/2024	SIDS	CAROSAI	English	1	58
5/2/2024	SIDS	CAROSAI	English	4	51
5/7/2024	SIDS	CAROSAI	English	1	66
5/7/2024	SIDS	CAROSAI	English	2	54
5/8/2024	SIDS	CAROSAI	English	6	71
5/13/2024	SIDS	CAROSAI	English	1	45
5/16/2024	SIDS	CAROSAI	English	1	47
6/3/2024	SIDS	CAROSAI	English	1	82
6/20/2024	SIDS	CAROSAI	English	2	52
6/12/2024	CCC	CAROSAI	English	1	42
4/10/2024	Institutional	CAROSAI	English	1	61
7/8/2024	Institutional	CAROSAI	English	1	54
7/18/2024	Institutional	CAROSAI	English	2	58
4/29/2024	SIDS	CREFI AF	French	1	54
5/6/2024	CCC	CREFI AF	French	3	53
5/13/2024	CCC	CREFI AF	French	1	49
6/13/2024	CCC	CREFI AF	French	2	46
6/18/2024	CCC	CREFI AF	French	2	52
6/19/2024	CCC	CREFI AF	French	3	80

6/26/2024	Institutional	CREFI AF	English	1	70
5/20/2024	SIDS	EUROSAI	English	2	61
6/19/2024	SIDS	EUROSAI	English	3	60
5/7/2024	Institutional	EUROSAI	French	2	72
6/24/2024	CCC	OTHER	English	2	60
6/20/2024	SIDS	PASAI	English	1	65
6/24/2024	SIDS	PASAI	English	2	64
6/25/2024	SIDS	PASAI	English	1	48
7/3/2024	Institutional	PASAI	English	1	60
7/3/2024	Institutional	PASAI	English	1	45