

## SAI PMF Progress Note (for the period October 2023 – September 2024)

Prepared by the IDI for the CBC Meeting, November 2024

### INTRODUCTION AND PURPOSE OF THIS REPORT

The SAI Performance Measurement Framework (SAI PMF) is a holistic, multipurpose and universal framework for voluntary assessment of an SAI's performance against international standards and other established international good practices for external public sector auditing. The global implementation of SAI PMF contributes to accomplishing Goal 2 in the INTOSAI Strategic Plan 2023-28 focusing on supporting SAIs in developing their capacity.

The governance structure for the implementation of SAI PMF comprises CBC as the strategic lead in monitoring the execution of the SAI PMF Strategy and the IDI as the operational lead in the global rollout of the framework. The Independent Advisory Group (IAG) consisting of SAIs and development partners supports the CBC and IDI in their roles. The rollout of SAI PMF is guided by the SAI PMF Strategy 2023-28.

This report aims to provide the CBC, IAG and other stakeholders with an overview of the progress recorded in executing the 2024 operational plan and the SAI PMF Strategy 2023-28. The status of activities in this report is as of September 2024. The report also highlights the key activities earmarked for implementation in 2025.

#### Key Activities/Achievements at a Glance

- The SAI PMF has been revised to:
  - align the framework with the requirements of new ISSAIs, particularly ISSAI 140 and ISSAI 150.
  - address comments received from the global consultation on possible enhancements to the framework
- 3 SAI PMF reports have been finalised in the SAI PMF facilitation programme involving 4 SAIs in the CAROSAI region. The remaining draft report will be finalised by year-end.
- SAI PMF advanced training conducted in 2 regions (ARABOSAI and ASOSAI) to strengthen regional participation in SAI PMF implementation. Roll out to other regions will be done in the coming years.
- Updates to enhance the e-SAI PMF are ongoing and expected to be completed by year-end. There is a steady increase in the number of SAIs adopting the use of e-SAI PMF.
- Development and setting-up of the repeat assessment self-learning course in French, Spanish and Arabic is in the final stage. Launch of the course is expected by year-end.
- The Strategy, Performance Measurement and Reporting (SPMR) Initiative continues to be the main driver of SAI PMF assessments. To date:
  - 43 SAIs conducted an assessment in 2018-19 in the SPMR round I
  - 8 SAIs conducted an assessment in 2021-22 in the SPMR round II
  - 10 SAIs are currently conducting an assessment in the SPMR round III
  - 5 SAIs will conduct an assessment as part of SPMR Round IV
- Stakeholder engagement – Actively collaborated with CBC and the IAG on SAI PMF implementation. In addition, engaged with other key stakeholders such as INTOSAI regions, SAIs and PEFA.

## PROGRESS NOTE

### 1. Progress against SAI PMF Strategic Outcomes

#### SAI PMF Strategy Outcome Indicator 1 – Conducted Assessments

The first SAI PMF strategy outcome aims to promote the SAI PMF as the preferred and internationally accepted framework for measuring the performance of SAIs against international standards and other best practices for external public sector auditing. The use of the framework by SAIs across all regions has continued to grow. As of September 2024, 118 assessments have been completed globally of which 100 are first-time assessments and 18 are repeat assessments. Several assessments are ongoing as of September 2024 out of which 4 are expected to be finalised by year-end<sup>1</sup>. The target of 98 first-time assessments by year-end has been exceeded by 2 as of September 2024. However, repeat assessments and published reports are both under target with no prospects of positive changes by year-end. This signifies the need for more efforts in encouraging and supporting SAIs to conduct repeat assessments and to publish their reports.

SAI PMF Strategy Outcome Indicator 1: Cumulative number of SAIs with a finalised SAI performance report based on the SAI PMF framework a) First time assessment b) Repeat assessment c) published assessment		
Target 2024:	Actuals as of September 2024:	Outlook end 2024:
a) 98 b) 28 c) 22	a) 100 b) 18 c) 20 <sup>2</sup>	a) 104 b) 18 c) 20

#### SAI PMF Strategy Outcome Indicator 2 – Quality of Assessments

The second SAI PMF strategy outcome focuses on ensuring SAI PMF assessments of high quality. Strict adherence to the assessment methodology and correct application of the SAI PMF principles are vital in guaranteeing high-quality assessment reports. High quality reports underpinned by factual accuracy facilitate effective capacity development efforts and monitoring of performance over time. The IDI conducts or arranges for independent reviews of draft SAI PMF reports to ascertain whether the assessment follows the prescribed methodology and that the report is based on an analysis leading to valid findings and conclusions. Of the 118 final reports, 85 (72%) have been independently reviewed by IDI. This performance exceeds the target for 2024 by 1 percentage point. The status at year-end is expected to remain the same at 72%.

SAI PMF Strategy Outcome Indicator 2: Percentage of all (i.e. cumulative) finalised SAI PMF assessments that includes an IR statement demonstrating independent verification of facts, as well as proper application of the SAI PMF methodology		
Target 2024: <b>71%</b>	Actual as of September 2024: <b>72%</b>	Outlook end 2024: <b>72%</b>

#### SAI PMF Strategy Outcome Indicator 3 – Assessment Results used in SAI Strategic Planning and Capacity Development.

The third SAI PMF strategy outcome is centred on the SAI's use of assessment results. SAI PMF monitoring data and experience from the global rollout indicate a strong commitment to SAI PMF when the SAI is clear about how the assessment results will be used to improve its capacity. The IDI maintains a database on assessments conducted globally, which includes information on how the SAIs have used the assessment results to enhance their institutional, organisational and professional capacity.

The SPMR initiative has continued to be the main driver of progress on this indicator and the adoption of the framework in general. Under the SPMR methodology for strategic management, the first step is to conduct a needs assessment using the SAI PMF. The assessment results are used for developing a new SAI strategic plan

<sup>1</sup> Ongoing assessments likely to be finalised by year-end: Nigeria, Grenada, Gambia and Rwanda

<sup>2</sup> For two of the assessments a summary is published.

or updating an existing strategic plan. Since the launch of SPMR in 2018-19, over 40 SAIs have developed (or updated) their strategic plans based on the results from the SAI PMF assessment. As of September 2024, 88% of final reports indicate that the assessment results have been used for developing a new strategic plan, updating an existing strategic plan and/or designing capacity development interventions. This performance is under target for 2024 by 2 percentage points. Performance at year-end is expected to remain the same at 88%. Examples of success stories on the use of SAI PMF results can be accessed on the IDI website <https://idi.no/workstreams/well-governed-sais/about/success-stories>

SAI PMF Strategy Outcome indicator 3: Percentage of all (i.e. cumulative) finalised SAI PMF assessments (all countries) that are reported as having been used as basis for SAI strategic planning and/or capacity building projects.		
Target 2024: <b>90%</b>	Actual as of September 2024: <b>88 %</b>	Outlook end 2024: <b>88%</b>

#### SAI PMF Strategy Outcome Indicator 4 – Assessments conducted with Timely Independent Reviews.

Experience from applying the SAI PMF over the years indicates that the independent review (IR) process has a significant impact on the timeframe for completing a SAI PMF assessment. Hence, the fourth SAI PMF strategy outcome has been introduced in the SAI PMF Strategy 2023-28 to monitor the timeliness of the IR process. Measures to reduce the average time for completing the IR process have been identified for implementation in 2025. These measures include revising the IR report to make it less cumbersome for the independent reviewer and encouraging regular consultations between the independent reviewer and the assessment team to ensure a speedy resolution of outstanding issues. The Independent Reviewers’ Guide will be updated accordingly. The independent reviews conducted in 2023 were completed within an average time of 2.8 months, a measure adopted as the baseline for 2024. However, the completion time for the IR process regressed marginally from an average of 2.8 months in 2023 to an average of 3 months as of September 2024. The outlook to year-end is positive at an estimated average completion time of 2 months<sup>3</sup>.

SAI PMF Strategy Outcome Indicator 4: Assessments conducted with timely independent reviews		
Baseline 2024 (average): <b>2.8 months</b>	Actual as of September 2024 (average): <b>3 months</b>	Outlook end 2024 (average): <b>2 months</b>

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

The fifth and last SAI PMF strategy outcome aims to ensure timely and cost-efficient assessments. One way to manage the costs of a SAI PMF assessment is through effective approaches to resourcing. For many SAIs, resourcing is a key factor that influences management’s decision to conduct a SAI PMF assessment. Timely completion of SAI PMF assessments can lead to cost-efficient SAI PMF assessments, although this depends on the effective and efficient use of other resources such as financial and human resources. Additionally, timely completion of a SAI PMF assessment guarantees the use of valid assessment findings for decision-making and reduces the risk of the framework being viewed as costly and/or burdensome. To facilitate timely completion, SAIs are encouraged to use the e-SAI PMF for conducting the assessment. e-SAI PMF is an online application that supports rapid, high quality and efficient assessments. As of September 2024, 11 SAIs have used the e-SAI PMF for conducting the assessment. The outlook to year-end is positive as it is expected all the 5 SAIs participating in SPMR Round IV (OLACEFS) will use the e-SAI PMF to conduct the assessment. Notwithstanding, the expected status of 16 SAIs using the e-SAI PMF by year-end is under target.

<sup>3</sup> The estimated average completion time of 2 months by year-end relates to the ongoing independent review of the draft report for SAI Nigeria. This IR is being conducted by an external consultant.

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

Target 2024: **20**

Actual as of September 2024: **11**

Outlook end 2022: **16**

## 2. Key Activities and Achievements

### a) Strategic governance and advice

The CBC is responsible for providing strategic leadership on SAI PMF implementation globally. In its strategic role, the CBC approves the SAI PMF strategy, monitors its implementation and undertakes advocacy and promotion of SAI PMF.

#### • Revision of the SAI PMF Framework

The CBC approved the proposal by IDI to conduct the first ever “hard” revision of the SAI PMF seven years after its endorsement in December 2016. The rationale for the “hard” revision of the framework rests on two overarching considerations:

- (i) To align the framework with the requirements of the new ISSAI 150 - Auditor Competence and the revised ISSAI 140 – Quality Management for SAIs.
- (ii) To address comments received from the global consultation on possible enhancements to the SAI PMF.

As of September 2024, the revisions are on track. Field visits to test the revised indicators are scheduled for November and December.

The draft revised framework will be exposed for comment in January 2025 in line with the INTOSAI due process for quality management. The final revised framework to be approved by CBC in June 2025 will be presented for endorsement at the INTOSAI Congress to be held in November 2025 in Cairo, Egypt.

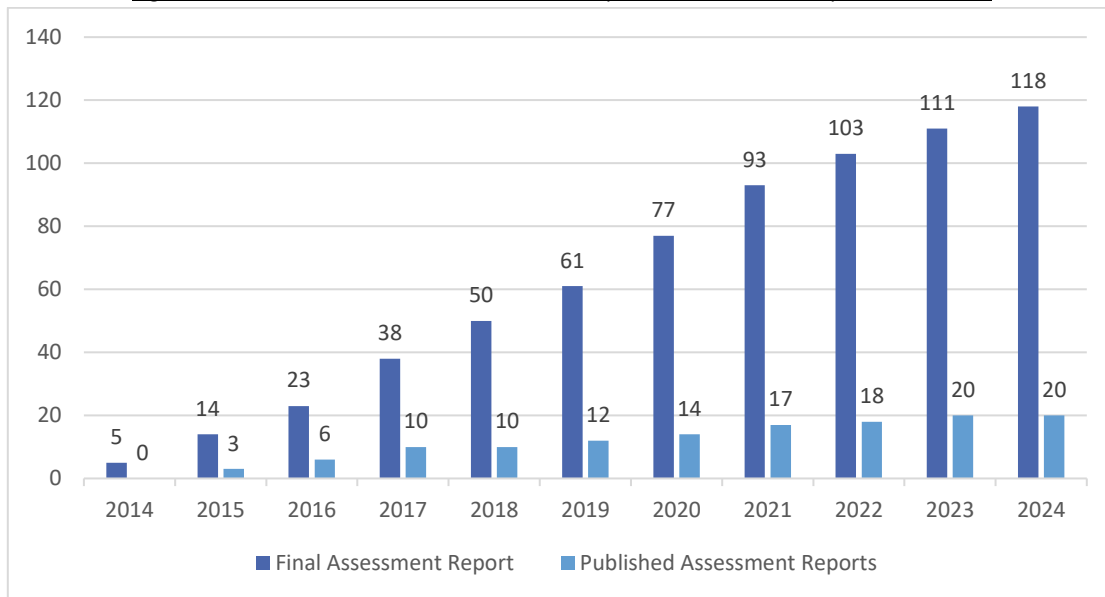
#### • Communications

- The IDI is exploring experience sharing with other institutions that use public financial management assessment tools similar to SAI PMF e.g. PEFA. The objective is to draw lessons from other institutions in managing the assessments. These lessons learnt will be used to enhance the uptake of SAI PMF across all the regions.
- Although donors are not so keen on providing earmarked funding for SAI PMF, an upward trend is noticeable in the number of donors supporting individual SAI PMF assessments at the country level.
- Submitted an article for publication in the EUROSAI Magazine. The article highlights the status on the global implementation of SAI PMF and the latest developments.
- To raise awareness among heads of SAI and other stakeholders, a comprehensive SAI PMF promotional and advocacy campaign will be conducted in 2025.

### b) Conduct of SAI PMF assessments

Figure 1 shows the cumulative number of finalised SAI PMF assessments from 2014 to date.

**Figure 1 Cumulative Number of Final SAI PMF Reports and Published Reports 2014-2024**

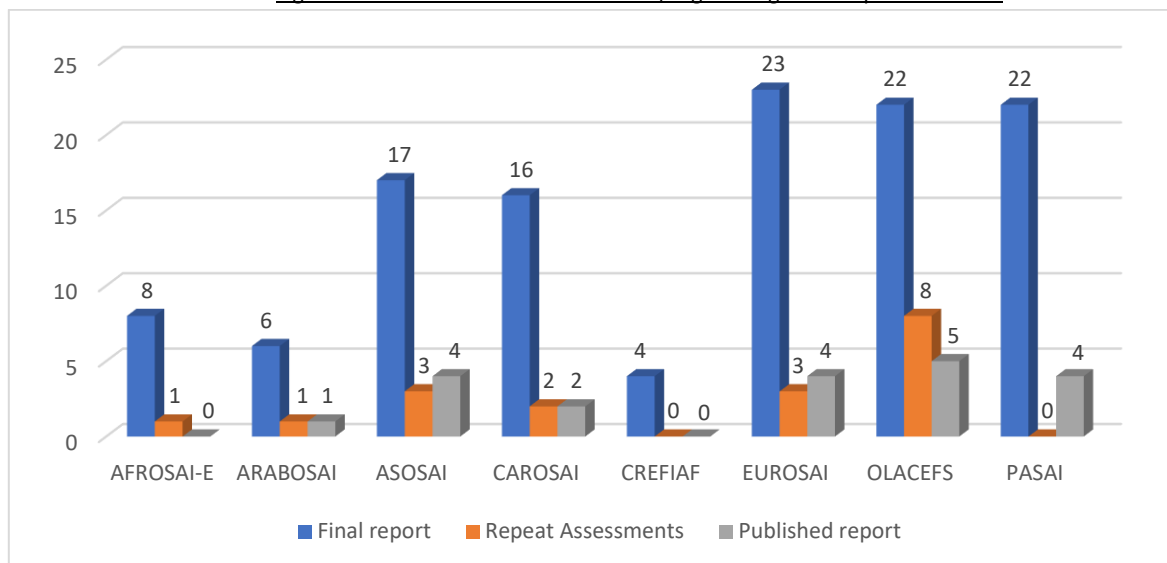


Source: SAI PMF database - September 2024.

SAI PMF assessment is a voluntary undertaking. The head of SAI makes all the key decisions including whether to conduct the assessment, when to conduct the assessment, the assessment approach and the use of the assessment results. As the operational lead on SAI PMF implementation, IDI provides technical support to SAI PMF assessments globally. Figure 1 shows a continuous and steady growth in the number of finalised SAI PMF assessments in the last 10 years. Currently, there are 118 finalised SAI PMF assessments, of which 31 were conducted under the SPMR Initiative and 2 under the Bilateral Support Workstream. On the other hand, the number of published reports has stagnated at 20 in the last two years. This represents 17% of the finalised reports globally. IDI will continue to advocate for publication of SAI PMF reports as a way of demonstrating the SAI's transparency and accountability in the management of its own affairs. There are several ongoing assessments across all regions as of September 2024.

Figure 2 shows the regional status of the finalised SAI PMF reports, published reports and repeat assessments as of September 2024.

Figure 2 Status of SAI PMF assessments, regional figures - September 2024



Source: SAI PMF database - September 2024

As shown in Figure 2, SAI PMF has been applied in all the INTOSAI regions although the uptake varies from region to region. In absolute terms, the EUROSAI, OLACEFS and PASAI regions collectively represent 57% (evenly distributed) of the final reports globally. The ASOSAI and CAROSAI regions collectively account for 28% (evenly distributed) of the final reports globally. The remaining final reports are spread among the regions: AFROSAI-E (7%), ARABOSAI (5%) and CREFIAF (3%). The published reports are largely evenly distributed among the ASOSAI, EUROSAI, OLACEFS and PASAI regions. No final report has been published in the AFROSAI-E and CREFIAF regions.

### c) Support of Assessment Quality and Global Monitoring

Providing support to ensure the quality of SAI PMF assessments is one of the key responsibilities of IDI. The IDI is the global training body, support function and knowledge centre for SAI PMF.

#### • **Delivery of Courses and Workshops**

The IDI delivers SAI PMF courses and workshops to build a pool of trained assessors, raise awareness and support the quality of assessments.

- The development of a SAI PMF repeat assessment self-learning course in Spanish, French and Arabic is in its final phase. The launch of the course in both languages is expected by year-end. The development of a self-learning SAI PMF basic training course has been postponed to 2025 due to a reprioritisation of activities.
- A face-to-face advanced SAI PMF training was conducted for SAIs in ARABOSAI in December 2023 and another for SAIs in ASOSAI in June 2024. The objective of the training is to strengthen the participation of INTOSAI regions in SAI PMF implementation. This training will be rolled out to other regions in the coming years.
- SAI PMF awareness raising was conducted virtually as part of the SPMR package for SAIs in OLACEFS. The webinar was attended by more than 400 participants from the SAI and donor community.

- **e-SAI PMF Application**

The e-SAI PMF is being modified to add more features for greater efficiency and improved user experience. The modifications are instigated by the feedback from users. The new version of the e-SAI PMF will be ready for use by the end of the year.

- **SAI PMF Assessment conducted by IDI and Other Ad-hoc Support**

The draft report of SAI Cayman Islands was finalised<sup>4</sup>. The assessment was conducted by a Team from IDI (peer assessment approach). The final report was submitted to the Head of SAI in November 2023. Further, the needs of SAIs and other stakeholders on SAI PMF were addressed during the year.

#### **d) Targeted Support to Assessments**

The IDI provided continuous support to 4 SAIs participating in the CAROSAI SAI PMF facilitation programme. As of September 2024, 3 draft reports were finalised while the remaining draft report is at the independent review stage<sup>5</sup>. Additional SAI PMF support was provided through the SPMR Initiative and the Bilateral Support.

#### **e) Independent Review**

To ensure the final reports are of high quality, the IDI conducts an independent review of the Terms of Reference for the assessment and the draft reports. The independent review provides assurance that all key considerations have been taken in the planning phase of the assessment and that the draft report adheres to the assessment methodology. In the year to September 2024, the IDI conducted an independent review of 5 draft reports that resulted in final reports<sup>6</sup>.

### **3. Resource Overview**

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

- **Staff Resources**

The SAI PMF team is staffed with 3 dedicated SAI PMF managers. Of the 3, 2 managers also dedicate a significant proportion of their time contributing to other IDI initiatives. The time spent by the 2 managers on other IDI initiatives is compensated by the contributions to SAI PMF implementation of several IDI managers working on other IDI initiatives. These managers have been trained in SAI PMF methodology and have acquired vast SAI PMF experience through their continued involvement in supporting SAI PMF assessments.

In November 2022, IDI and the Audit Board of the Republic of Indonesia (BPK) signed a 3-year Memorandum of Understanding (MOU) to cooperate in several areas, including SAI PMF implementation. Under the MOU, BPK has released one of its staff, Ms Nila Eka Putri to work part-time as an IDI Associate. Ms Putri dedicates 30% of her regular time in BPK to working on IDI's SAI PMF initiative. She is trained in SAI PMF methodology and has practical experience conducting SAI PMF assessments. She has also conducted several independent reviews of draft SAI PMF reports.

Further, SAI PMF implementation has significantly benefited from the in-kind support of resource persons from across the INTOSAI regions.

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<sup>4</sup> The assessment of SAI Cayman Islands was work-in-progress in the previous year's progress report September 2022 – September 2023.

<sup>5</sup> The 3 finalised SAI PMF reports were work-in-progress in the previous year's progress report September 2022 – September 2023.

<sup>6</sup> Independent reviews completed by IDI in the reporting period: Montserrat, Curacao, St Vincent and the Grenadines, Benin and Tajikistan.

- **Financial Resources**

The funding for SAI PMF implementation is stable. SAI PMF implementation is fully funded from IDI basket funding. However, it is important to note that SAI PMF activities undertaken as part of the SPMR initiative are funded by the Swiss State Secretariat for Economic Affairs (SECO). To ensure cost-effectiveness in SAI PMF implementation, the IDI will continue with a blended approach to delivering SAI PMF projects where face-to-face meetings and eLearning are used.

### **2023**

The budget figures for 2023 and 2022 (table 1) are based on revised budgets approved in June. The total programme spending is lower by 57% (1 654 115 NOK) compared to 2022. The decrease in costs is attributed to reduced expenditure on the development of the e-SAI PMF application since only maintenance was required in 2023. Additionally, two significant budget items in 2022 namely, evaluation of the SAI PMF Strategy 2017-22 and development of communication materials (promotional videos) were not relevant in 2023. The underspending of 273 537 NOK representing 18% of the revised total programme budget was due to actual costs incurred on the face-to-face advanced SAI PMF workshop being lower than budgeted.

Guidance and monitoring accounts for 42% of the total staff costs. The main cost drivers under this function include e-SAI PMF maintenance, training and translation of materials. The remainder of the staff cost is evenly distributed across the other functions. Compared to 2022, the total staff costs have reduced by about 12%. The reduction is attributed to reduced scale of SAI PMF activities under the SPMR initiative while preparations were underway to launch new rounds of the programme.

**Table 1 SAI PMF budget and spending 2023 and 2022 (figures in NOK)**

	2023 Budget and actuals		2022 Budget and actuals		2023 – actual staff costs
	Budget	Actuals	Budget	Actuals	
Strategic governance and advice	0	0	414 207	306 667	354 629
Conduct of assessments	0	0	208 592	195 484	549 721
Guidance and monitoring	1 031 899	757 137	2 762 860	2 310 995	927 141
Regional facilitation	446 020	447 602	5000	0	317 115
Independent review	35 000	34 643	70 000	80 351	78 150
<b>TOTAL</b>	<b>1 512 919</b>	<b>1 239 382</b>	<b>3 460 659</b>	<b>2 893 497</b>	<b>2 226 755</b>

### **2024**

The budget figures for 2024 (table 2) are based on the revised budget approved in June. The total programme budget for 2024 has reduced by 206 179 NOK (14%) compared to 2023. The reduction is partly due to non-financial implications of the CAROSAI facilitation programme in 2024<sup>7</sup>. The main cost drivers include enhancements to the e-SAI PMF, SAI PMF trainings and the revision of the framework. As of September 2024,

<sup>7</sup> In 2023, a budget of 446 020 NOK was included for a SAI PMF review workshop in the CAROSAI SAI PMF facilitation programme. This cost was not relevant in 2024, hence the reduction in the total budget.



65% of the programme total budget had been spent. Overall, the spending for the remainder of the year is expected to be within the approved revised budget.

The entire budget for 2024 is allocated to guidance and monitoring. This explains the 75% allocation of staff costs to this function. In combination, strategic governance and conduct of assessments account for 21% of the staff costs while independent review accounts for 4% of the staff costs.

**Table 2 SAI PMF budget and spending 2024 (figures in NOK)**

	2024 – revised budget June	2024 – actuals up to 31. September (Programme Costs)	2024 – actuals up to 31. September (Staff Costs)	Proportion of Staff Costs up to 31. September
Strategic governance and advice	0	17 606	153 968	11%
Conduct of assessments	0	0	138 278	10%
Guidance and monitoring	1 306 740	831 493	1 080 111	75%
Independent review	0	0	58 048	4%
<b>TOTAL</b>	<b>1 306 740</b>	<b>849 099</b>	<b>1 430 405</b>	

#### 4. Upcoming Events 2023 and Key Activities in 2024/2025

A summary of the upcoming events in the 4th quarter of 2024 and key activities in 2025 are shown in the table below.

**Table 3 Upcoming Events in 4th Quarter 2024 and Key Activities in 2025**

Activity	Targeted Region	Timing
Revision of SAI PMF – Testing the revised indicators	EUROSAI, ASOSAI, CAROSAI	November - December 2024
Repeat Assessment Self Learning Course – Launch in Spanish, French and Arabic	Global	December 2024
Launch of updated version of e-SAI PMF	Global	December 2024
SAI PMF Basic Training - Online (SPMR)	OLACEFS	November 2024
Revision of SAI PMF – Exposure of draft and approvals by CBC and Congress	Global	January - December 2025
Design Self-Learning SAI PMF Basic Course	Global	January – December 2025
Update of Guidance for Assessors	Global	June 2025
Strengthening regional participation in SAI PMF Implementation	Regional (TBD)	June 2025
Explore experience sharing with other institutions on PFM assessment tools	Global	March 2025
SAI PMF training - independent review training	Global	June 2025
Communication Management and SAI PMF awareness raising <ul style="list-style-type: none"> <li>○ Webinar on eSAI PMF</li> <li>○ Circulate a comprehensive promotional communication package</li> </ul>	Global	February 2025 April 2025

## 5. Acknowledgement of In-Kind Support

IDI management extends its sincere thanks to SAIs and regional bodies for the in-kind support to the implementation of SAI PMF. Particularly, the SAIs of Sweden, Norway, Tunisia, Zambia, Jamaica, Costa Rica, Pakistan and the regional secretariats of AFROSAI-E and PASAI, for their invaluable contributions to the revision of the SAI PMF. Special thanks also go to all the SAIs and other stakeholders who provided comments to the global consultation on possible revisions to the current version of SAI PMF. IDI management is indebted to the SAIs of Tunisia and the Philippines for the in-kind support (resource persons) in developing and delivering the SAI PMF advanced training course conducted in ARABOSAI and ASOSAI. The IDI Management further expresses its gratitude to the Audit Board of the Republic of Indonesia (BPK) for authorising one of its staff to work on IDI’s SAI PMF Initiative part-time. Although not typically in-kind support, the IDI recognises and appreciates the efforts of cooperating partners supporting individual SAI PMF assessments at the country level.