

# Supreme Audit Institutions Performance Measurement Framework



## Implementation Strategy

2017-19

October 2016

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# 1. Introduction

## 1.1 What is the SAI PMF?

- The SAI Performance Measurement Framework (SAI PMF) is an international framework for self, peer, or external assessment of a SAI's performance against the International Standards of Supreme Audit Institutions (ISSAIs) and other established international good practices, thereby enabling the SAI to confidently engage internally and externally regarding its future. It has been developed under the auspices of the INTOSAI Working Group on the Value and Benefits of SAIs, with valuable support from the INTOSAI-Donor Cooperation, to be implemented under INTOSAI ownership in collaboration with the donor community.
- A key principle of SAI PMF is that whether or not to do a SAI PMF assessment is voluntary, and that it is the Head of the SAI that makes all key decisions about the assessment: whether to initiate an assessment; when to conduct the assessment, how to conduct the assessment, and what to do with the results, including dissemination and publication. It is important that it is the Head of the SAI that takes the decision to initiate a SAI PMF, to ensure ownership and acceptance of any issues identified and commitment to address them. It is also important that the SAI is seen to be acting in an independent manner in all its activities, to ensure credibility as an independent audit organization and especially, that the SAI is not seen to be acting on the instruction of others.
- The SAI PMF can be applied in all types of SAIs, regardless of SAI models, mandate, national context and development level, so long as the SAI considers the ISSAIs as a relevant benchmark.
- The SAI PMF examines holistically both the SAI's audit and non-audit functions in relation to its legal foundation and environment, identifying interdependencies between different aspects and root causes of SAI performance, thereby providing a strong basis for comprehensively assessing the SAI's needs, informing its' strategic and capacity development planning, and enabling tracking of progress over time.
- The SAI PMF is a valuable tool for all SAIs, regardless of development level, to demonstrate to stakeholders the extent to which the SAI contributes to strengthening public financial management, promoting good governance, fostering transparency and accountability, and fighting corruption, and ultimately the SAIs' commitment to increasing their value and benefits to society.
- For developing country SAIs, the SAI PMF is an invaluable tool for obtaining and maintaining support for its capacity development efforts by showing their commitment to transform, acceptance of the need to adhere to the highest international standards, and the SAIs' commitment to increasing their value and benefits to society.

## 1.2 Why is SAI PMF of such strategic importance now?

- *The world needs strong and high performing SAIs* – In addition to SAIs continuing to help their respective governments improve performance, enhance transparency, ensure accountability, fight corruption, promote public trust, and protect the interests of their citizens, the UN’s Agenda 2030 and the numerous SDG targets to be implemented require the insight of capable SAIs.
- *Credibility of the SAI* – the global community through a number of UN Resolutions, and our donor partners through the INTOSAI-Donor Cooperation, have come to recognise the value-adding role of SAIs. They deserve proof that SAIs merit their continued support by committing to such a robust and credible assessment process. In addition, all heads of SAIs should realise the value to be gained from the detailed analysis obtained upon completion of a SAI PMF assessment.
- *SAI development needs are still comprehensive* – the 2014 Global SAI Stocktaking Report<sup>1</sup> indicated that there is a marginal decline in SAIs’ development needs compared with the results of the 2010 Stocktaking<sup>2</sup>, but that needs are still comprehensive although this varies greatly from region to region. Standardised assessments are vital to appropriately structuring development efforts across all INTOSAI regions and are fundamental to the SAI community demonstrating that it leads by example<sup>3</sup> in promoting transparency and accountability through credible public reporting on their own performance. Over the long term, the SAI PMF may also contribute credible data on SAI performance for purposes of monitoring – in consultation with the regions and/or their members SAIs – of changes in SAI performance at the global and regional levels.

A working group established on the request of the INTOSAI Goal chairs, comprised of the CBC (SAI South Africa and SAI Sweden), the INTOSAI-Donor Secretariat, the INTOSAI Development Initiative and the Chair of the WGVBS (SAI Mexico), has developed the first draft of the INTOSAI SAI PMF Strategy 2017-19. The strategy was developed based on a recommendation paper from the INTOSAI-Donor Steering Committee. The paper reflected an agreement made earlier by the INTOSAI Goal Chairs to recommend the CBC as strategic governance lead for SAI PMF and IDI as the operational lead post 2016. This would ensure INTOSAI ownership of the SAI PMF and its implementation.

<sup>1</sup> INTOSAI Development Initiative, “Performance, Capacities and Needs of SAIs, Global SAI Stocktaking Report 2014”

<sup>2</sup> INTOSAI-Donor Cooperation, *Capacity Development of Supreme Audit Institutions – Status, Needs and Good Practices, Stocktaking Report 2010*

<sup>3</sup> ISSAI 12, especially Principles 8 – 11.

## 2. Purpose of the strategy

The overall purpose of this strategy is to guide the global roll out of SAI PMF after endorsement at INCOSAI 2016 to achieve sustainable improvement in SAI performance globally, through use of SAI PMF.

A single, globally recognized and broadly used needs assessment and performance measurement tool will enhance the value and contribution of SAIs across the world. It will also enable monitoring of SAI performance progress globally and regionally over time, thereby providing input to regional and global capacity development programmes.

To achieve this purpose, the following two strategic outcomes have been identified.

### Strategic outcome 2.1:

To establish the SAI PMF as a widely recognised tool within INTOSAI for holistic, evidence-based SAI performance measurement, and recognised as such by in-country stakeholders and the donor community

The first strategic outcome relates to the SAI PMF's credibility as a performance measurement framework among all key stakeholders, that it is accepted, supported and used by SAIs, INTOSAI regional organisations and other bodies of INTOSAI, and recognised by the donor community as the SAI needs assessment and measurement framework of choice.

A number of SAI evaluation tools and assessment methods have existed within INTOSAI for quite some time and will continue to be used and are useful given the specific purposes for which they were developed. This includes a peer review framework, maturity and capability models, independent quality assurance reviews, a regional institutional capacity development framework, and a capacity building needs assessment framework. A number of measurement frameworks also exist outside of INTOSAI that include measurement of elements of SAI's performance. However, the SAI PMF is the only SAI performance measurement tool that, based on evidence, provides a holistic performance evaluation of the SAI's audit and non-audit functions in relation to its legal foundation and external environment, identifying root causes of SAI performance and interdependencies between these different aspects.<sup>4</sup>

<sup>4</sup> At the start of the development of the SAI PMF a total of 20 tools and frameworks for SAI assessments and/or PFM system were assessed and mapped against twelve criteria defined by the WGVBS. The assessment showed that none of the tools met all twelve criteria. It was, however, evident that the majority of the criteria could be met if the strengths of a limited number of particularly relevant tools were combined in a new tool. The recommendation from the analysis was that a new SAI performance measurement tool should be developed, but building on those existing tools so as not to duplicate efforts. (See also the report and appendices from the mapping analysis at <http://www.idi.no/artikkel.aspx?MI1=144&AI1=1064>)

It identifies performance variations in a meaningful way, and assists the SAI in understanding the causes of strong and weak performance. Assessments cover both the internal processes as well as the SAI's outputs, are evidence-based, and are carried out in terms of a thorough process to ensure quality – including internal quality control arrangements and independent review of quality. The detailed performance report produced at the end of the assessment provides the SAI with an objective basis for demonstrating its ongoing relevance to citizens and other stakeholders, and its standardized scope and objective measures also makes it well suited for comparison of performance over time.

The SAI PMF is based on and reflects experiences gained through extensive testing and consultation with numerous stakeholders between 2013 and 2015, including more than 20 pilot assessments.

The following factors may impact acceptance of the SAI PMF during roll-out:

- a. INTOSAI leadership and strategic governance: There is a need for endorsement and steadfast support at all levels of INTOSAI, as well as effective strategic direction and monitoring by a dedicated INTOSAI goal committee.
- b. Expert support that is properly resourced: The establishment of a dedicated and adequately resourced unit to provide day-to-day quality support, coordination and facilitation of SAI PMF.
- c. Involvement of the regional organisations: Not all regions may be equally capacitated or inclined to immediately develop and implement needs-based regional strategies supporting the SAI PMF roll-out. However, SAI PMF provides a valuable tool that, according to demand, can be used by groups of SAIs and/or INTOSAI regions to better facilitate knowledge sharing between SAIs.
- d. Quality assessments and assessment reports: Proper training courses and workshops, guidance material, advice to assessment teams, and offering of independent review of quality of assessment reports will be vital.
- e. Continued donor engagement in SAI PMF: In order to benefit from donors sharing their experiences and knowledge; to maintain SAI PMF as the framework of choice and prevent creation and promotion of alternative assessment tools, increasing the assessment burden on SAIs; and to provide the credibility that comes from endorsement and acceptance by users external to INTOSAI.
- f. Effective communication and successful awareness-raising: Structured communication targeted at key stakeholders should raise awareness of the value of SAI PMF assessments and the real benefits to be derived from embracing the SAI PMF at SAI and regional level, and thereby drive a change in behaviour within INTOSAI and strengthen donor-wide support for the tool. Of particular importance is the need to ensure buy-in at the highest level of SAI management.

## Strategic outcome 2.2:

Through an effective roll-out of the SAI PMF, with proper guidance and support activities, ensuring that all assessments are considered to be of high quality, credible and relevant by all users

High quality SAI PMF reports based on factual accuracy are fundamental if the SAI PMF reports shall form a credible basis for strategic planning, further capacity development, monitoring performance over time, and identifying the results of capacity development initiatives. Low quality assessment reports on the other hand will not only limit the usefulness of the report for the SAI in question, but may also negatively impact the credibility of the SAI PMF. Focus on ensuring quality of assessment through training courses and workshops, guidance material, advice to assessment teams, and offering of independent review of quality of assessment reports is therefore essential.

In its 2017-22 strategic plan INTOSAI commits to fostering SAI capacity development and continuous performance improvement. The INTOSAI strategic plan recognises the voluntary nature of SAI PMF, but seeks to allocate roles and responsibilities to create the proper environment for high quality assessments by those SAs wishing to apply SAI PMF, and to further promote the effective use of the resulting assessments.

## 3. SAI PMF Functions

There are broadly five different functions that are essential for the SAI PMF strategy to meet its purpose, and it is important with clear allocation of roles and responsibilities in relation to these:

- SAI PMF function 1: Strategic governance and advice: INTOSAI's Capacity Building Committee (CBC) is established to build the capabilities and professional capacities of SAs and will be responsible for SAI PMF strategy and decisions connected to revision of the SAI PMF. The CBC is also responsible for establishing a platform for communication on strategic SAI PMF matters, and to ensure engagement by both the INTOSAI and donor communities.
- In order to provide for strategic advice, the CBC will establish a SAI PMF Independent Advisory Group (Advisory Group) of volunteer donors, SAs and INTOSAI bodies. The Advisory Group will provide strategic advice and recommendations to support the INTOSAI Capacity Building Committee (CBC) and the IDI SAI PMF Unit in their efforts to implement the SAI PMF strategy, and to ensure continued and appropriate donor engagement in SAI PMF (see Annexure 2 for the terms of reference of the Advisory Group).

- SAI PMF function 2: Conduct SAI PMF assessments: This function lies under the governance of the individual SAI – the decision whether or not to undergo a SAI PMF assessment is voluntary, and it is the Head of the SAI that makes all key decisions about the assessment, including whether or not to initiate an assessment, when to conduct the assessment, how to conduct the assessment, and if, when, and for what purpose to publish the assessment report. (It is important that the SAI is seen to be acting in an independent manner in all its activities, to ensure credibility as an independent audit organization and especially, that the SAI is not seen to be acting on the instruction of others.)
- The assessment teams conducting the individual assessments should in total have good skills in SAI PMF, experience from all relevant audit disciplines (financial, compliance, performance, and/or jurisdictional control if relevant) contain evaluators with work experience from a SAI of the same model in order to avoid the risk of misunderstanding the functioning of the evaluated SAI, have knowledge about organizational management systems, and be familiar with levels 1-3 of the ISSAI framework.

### Global implementation support arrangements

The INTOSAI Development Initiative (IDI) has received the mandate from INTOSAI to support SAIs in developing countries in their efforts to sustainably enhance performance, independence and professionalism. As such the IDI will be the operational lead on SAI PMF support, coordination, and facilitation and will establish a SAI PMF Unit strictly working on tasks related to SAI PMF. This SAI PMF Unit in the IDI will have the responsibility for delivery and/or support of the remaining three SAI PMF functions.

- SAI PMF function 3: Support of Assessment Quality and Global Monitoring: This function relates to being the global coordinator, training body, support function and knowledge centre for SAI PMF. This includes amongst others, development of guidance and training materials, delivery of training courses and workshops, provide general support to assessors, and development of a pool of experts to support SAI PMF roll-out in different languages.
- SAI PMF function 4: Facilitate SAI PMF assessments and use of assessment results: This function will address needs expressed by INTOSAI regions (and sub-regions), groups of SAIs and individual SAIs for facilitation support in relation to conduct of, and understanding and use of, results from SAI PMF assessments. Regional SAI PMF plans that address identified common SAI PMF needs and linking this with regional capacity development programs will be developed when requested in collaboration with the relevant INTOSAI-region. The facilitation function is likely to be the most resource intensive part of the SAI PMF strategy, and will be subject to both demand and resource availability.

- SAI PMF function 5: Quality Assurance / Independent Review: This function entails promoting the importance of adequate quality assurance processes to ensure the production of credible, high quality SAI PMF reports. The IDI SAI PMF Unit will offer to conduct, or arrange other SAI PMF experts to conduct, independent reviews of all SAI PMF assessments. A statement of independent review will be issued for all reports that have undergone an independent review arranged by the SAI PMF Unit in the IDI.

Upon approval of the strategy, the SAI PMF Unit will develop an implementation plan with more detail on the implementation of the above functions and the resources required. See also Annexure 1 for the Results Framework and Results System for the SAI PMF roll-out.

## 4. Stakeholders

For the SAI PMF to be used globally as the SAI needs assessment and measurement framework of choice, the interests of key stakeholders have to be recognised and managed.

The following are the key stakeholders in the SAI PMF implementation process:

Stakeholder	Main interest
• Head of SAI	An assessment report of high quality, the use of which is at the sole discretion of the head of the SAI, although the publication of the report is encouraged
• SAI staff	Proper training as assessment team-members, and advice and support during assessments
• INTOSAI regional organisation and other relevant INTOSAI regional bodies	Effective cooperation with regard to regional capacitation and implementation initiatives, and support with regard to regional SAI PMF plans that cater for region-specific needs and circumstances
• INTOSAI committees and subcommittees/work streams	Effective cooperation with regard to specific topics that contribute to measuring and improving aspects of SAI Performance
• Individual donors	Well-executed SAI PMF assessments resulting in credible high quality reports. Efficient and adequate delivery of SAI PMF support, facilitation and coordination activities.
• INTOSAI-Donor Cooperation	Alignment between the objectives of the Cooperation and SAI PMF implementation, and future refinement of the tool, in coordination with CBC and IDI
• INTOSAI Governing Board	Consistent roll-out support across all regions, and implementation monitoring and reporting
• Governments (e.g. ministries of finance) and citizens <sup>5</sup>	Increase in number of SAIs adding maximum value and benefits

<sup>5</sup> As part of the communication plan for the roll-out of the strategy, all key stakeholders will be identified with engagement purposes and actions for each.

## 5. Resourcing of SAI PMF work

The implementation of the SAI PMF will require substantial direct financing as well as in-kind support, amongst others to fund the following areas:

- 5.1 The global support functions that support assessment quality and global monitoring; facilitate SAI PMF assessments and use of assessment results, and quality assurance/independent review. Typical costs items will include staff costs, developing the program content and program material, translating material, the roll-out of training courses and workshops, maintaining of the virtual community, financing awareness-raising, and funding reviews done by consultants – the main source will be donor funding, although in-kind support is also an option. The IDI as operational lead for SAI PMF work will budget for the operational plan of the SAI PMF strategy, and this budget will be approved by the IDI Board as part of the IDI budget.
- 5.2 Trainers and facilitators – the main source is envisaged to be in-kind support from the INTOSAI community.
- 5.3 SAI PMF assessments – the funding source will largely be determined by the context and the purpose of the assessment. For example, external providers where SAI PMF assessment is part of an externally funded capacity development strategy may be willing to fund the assessment. On the other hand, assessments carried out to support the SAI's performance reporting and internal performance management system are more likely to be funded by the SAI itself.
- 5.4 Global monitoring – the feasibility of monitoring of performance changes in SAIs globally and regionally will be investigated by the IDI SAI PMF Unit and resources will be required for this investigation.

As already mentioned, the SAI PMF Unit will develop an implementation plan stipulating the resources required for the SAI PMF implementation in more detail.

## 6. Monitoring, reporting and evaluation of the SAI PMF Strategy

The CBC, as strategic governance lead, is responsible for monitoring the implementation of the SAI PMF Strategy 2017-19. An annual report on progress against SAI PMF strategy will be put forward by the Director General of IDI for information at the annual CBC meeting and to the IDI board. The CBC leadership will in addition receive quarterly updates from the IDI on progress against the SAI PMF strategy and implementation plan.

It is the responsibility of the CBC to oversee evaluation of the implementation of the SAI PMF Strategy 2017-2019, following the implementation period. The Director General of the IDI will act as commissioning/appointing authority for external evaluations.

## 7. Critical success factors and risks

	Success factors and risks	Mitigating measures
7.1	Support for SAI PMF assessments by INTOSAI regional organisations and Heads of SAIs	An effective communication strategy and positioning of the SAI PMF to enable advocacy of the strategic significance of the SAI PMF by the regional organisations and SAI heads, coupled with firm support by INTOSAI and donor leadership
7.2	Adequate and sustainable resourcing at all three levels of INTOSAI	Funds required for SAI PMF roll-out matches donor interests and funding, a properly resourced SAI PMF Unit within IDI, and willingness by SAIs to make available in-kind resources
7.3	Role of the regions in supporting the SAI PMF strategy	Early consultation and cooperation with regional organisations, and regional strategies / programs that are tailored to regional needs and capacities
7.4	Continued donor involvement in SAI PMF	Establishment of an effective SAI PMF Independent Advisory Group; continuation of general support from INTOSAI-Donor Cooperation, and willingness by INTOSAI and donors to make trained experts mutually available
7.5	Quality of SAI PMF assessments	Adequacy of all five support functions, especially the availability of a pool of trained experts in all regions, and the availability of training opportunities
7.6	Continued relevance of the tool	Revision of the SAI PMF at appropriate times based on proper information and advice (including from the independent Advisory Group)

## 8. Roles and responsibilities

The key role players in respect of SAI PMF governance and implementation are as follows:

	INTOSAI CBC	IDI Board	SAI PMF Unit in IDI
1.	Assumes ownership of the SAI PMF on behalf of INTOSAI, taking into account the work and contributions of other CBC work streams.	Approves IDI structure & staff establishment, including establishment of the SAI PMF Unit within IDI. Approves IDI policies and procedures.	Sets in place work methods and reporting procedures under guidance of the DG IDI.
2.	Approves the global SAI PMF Strategy (every three to five years) at the annual CBC meeting, after consultation with the IDI Board.	Approves IDI strategic plan, into which the SAI PMF Strategy feeds.	Supports the development and implementation of the SAI PMF Strategy.
3.	The annual CBC meeting takes note of the annual report on SAI PMF implementation put forward for information by the SAI PMF Unit in the IDI.	Receives annual SAI PMF Unit reports from the DG IDI on progress against SAI PMF strategy.	Reports against the SAI PMF strategy to the CBC leadership on a quarterly (high level) basis, and to CBC Steering Committee and IDI Board on an annual basis.
4.	The SAI PMF annual plan is put forward for approval at the annual CBC meetings.	Approves IDI operational plans, including SAI PMF annual plans after approval by CBC.	Reports to the DG IDI on progress with regard to operational plans / day-to-day functioning (in terms of internal IDI reporting timelines).  Develops and implements SAI PMF annual plans in terms of the approved SAI PMF strategy.
5.	Provides feedback/input on budgets and other operational issues to the DG IDI.	Approves IDI budgets, including the SAI PMF Unit's budget.	Reports to the DG IDI on budget management in terms of internal IDI reporting timelines.
6.	Supports IDI funding requests (and fulfils INTOSAI-wide advocacy role for the SAI PMF).	Solicits specific funding for the SPF and its operations.	Uses, and reports on the use of, solicited funds in accordance with agreements with donors.

	INTOSAI CBC	IDI Board	SAI PMF Unit in IDI
7.	<p>Oversees impact of the SAI PMF, including deciding –</p> <ul style="list-style-type: none"> <li>• Timing of evaluations of the SAI PMF strategy (e.g. approx. every three-five years),</li> <li>• When revision of the current tool is required, and</li> <li>• On the establishment and oversight of the revision team.</li> </ul>	<p>DG IDI acts as commissioning / appointing authority whenever evaluations of the SAI PMF strategy are to be commissioned.</p>	<ul style="list-style-type: none"> <li>• Coordinates evaluations of the SAI PMF strategy</li> <li>• Coordinates revisions of the SAI PMF strategy</li> </ul>
8.	<p>Ensures appropriate donor involvement and communication / advice through e.g. -</p> <ul style="list-style-type: none"> <li>• SAI PMF annual update at joint information session of the annual CBC and IDSC meetings</li> <li>• Appointing a SAI PMF Independent Advisory Group including Donor members, to provide input to strategic planning and in the case of revision of the SAI PMF.</li> </ul>		<ul style="list-style-type: none"> <li>• Consult with global and regional donors on needs connected to SAI PMF, as input to the development of global and regional strategic and annual plans.</li> </ul>

A memorandum of understanding between the CBC and the IDI Board will provide for the detailed cooperation arrangements in terms of the above roles and responsibilities.

## Annex 1. Results Framework and Results System for SAI PMF implementation

### A. Results Framework

The SAI PMF results framework seeks to show planned inputs, SAI PMF functions with underlying activities, outputs, outcomes and assumptions at all levels of the results chain, in order to provide a basis on which the SAI PMF performance measurement system can be based. The results framework also provides a basis for future evaluations, by setting out the results and assumptions considered necessary and sufficient at each level of the results chain in order to achieve the results at the next level of the results chain.

For the SAI PMF, the results chain is: **inputs-SAI PMF function (with underlying activities); outputs-SAI PMF Outcomes-SAI Outcomes**, and the **impact**-SAIs in making a difference to the lives of citizens. The components of the results framework are defined as follows:

- **Inputs:** all inputs, including engagement of INTOSAI and donors in the CBC, SAI PMF Independent Advisory Group and the IDI board, SAI PMF Unit staff and core funds, financing for specific activities and programs, participation of SAI staff and leadership in activities and programs, in-kind contributions of SAIs, involvement of INTOSAI regional bodies and committees, contributions from other SAIs including subject matter experts.
- **SAI PMF functions:** the main themes of the SAI PMF strategy, showing how inputs are used to deliver the activities underlying the individual SAI PMF functions.
- **Outputs:** tangible results of SAI PMF activities, such as training courses and workshops, guidance material developed and maintained, regional SAI PMF plans developed and implemented, and assessments conducted.
- **SAI PMF Outcomes:** this focuses on whether the activities planned are successful in promoting behavior change among the INTOSAI and Donor communities towards considering the SAI PMF as the favorable SAI performance management framework, and towards producing credible and high quality reports. This is the highest level of results attributable to the SAI PMF strategy, and contributes to achievement of SAI outcomes (below).
- **SAI Outcomes:** measures the desired performance improvements in SAIs that the SAI PMF strategy is intended to contribute to. This relates to independence and legal framework (including mandate); the quality of its core audit work; the quantity, submission and publication of financial, compliance and performance audits; and the effectiveness of its internal organizational systems. This is the level at which the performance of SAIs should be measured, noting that it may take 3-5 years to see performance change at this level.

- **Impact:** the contribution of SAIs in making a difference to the lives of citizens, through strengthening the accountability, transparency and integrity of government, demonstrating ongoing relevance to citizens, Parliament and other stakeholders, and leading by example in the public sector.

It is important to explicitly recognize the difference between SAI PMF outcomes on the one hand and SAI outcomes on the other hand. SAI PMF outcomes are closely attributable to the SAI PMF activities and are useful for evaluating program economy, efficiency and effectiveness. SAI outcomes are influenced by many factors beyond SAI PMF (e.g. capacity, resourcing and independence of the SAI) and are useful for monitoring and evaluating performance improvement at the level of the SAI. These have been included to recognize that SAI PMF assessments and related activities are an efficient way of contributing to strengthening the performance of SAIs around the world, and are not an end in themselves.

# SAI PMF Results Framework

Purpose: Sustainable improvement in SAI performance Globally



Sustainable Improvement in SAI Performance Management & SAI Performance

Relevance to SAI and Stakeholders' Needs

Economy, Efficiency & Effectiveness of SAI PMF

## Assumptions / Risks

- ✓ INTOSAI & Donors (and other relevant stakeholders) continued engagement in SAI PMF
- ✓ Funds needed for necessary functions and for global roll-out of SAI PMF match donor interests and funding
- ✓ SAIs seek to use support (including trainings, workshop, QA etc.) offered by IDI's SAI PMF unit
- ✓ SAIs want to participate in regional SAI PMF programs
- ✓ Regional strategies and programs are adjusted to regional needs and capacities
- ✓ SAIs conduct credible SAI PMF assessments & share results
- ✓ Donors respect SAI decision making on SAI PMF assessments
- ✓ SAIs take ownership of their own capacity development
- ✓ SAI leaders drive change
- ✓ SAIs have sufficient funding and independence to make the changes necessary to sustain performance
- ✓ Country political economy favours a stronger SAI
- ✓ Improved SAI performance delivers impact to country
- ✓ Country environment promotes accountability, transparency & integrity
- ✓ Executive implements audit recommendations
- ✓ Legislature reviews audit report, enforces follow-up

## B. Results System SAI PMF

The results system seeks to facilitate monitoring, reporting and evaluation of the SAI PMF roll-out at SAI PMF outcome level. The table below include the performance indicators used to measure the SAI PMF outcomes, these will be measured annually or every third year. The performance on SAI Outcomes will not be measured by the SAI PMF Unit within the IDI, but elsewhere within INTOSAI.<sup>6</sup> A results system at output level will be linked to operational plans for implementation of the strategy.<sup>7</sup>

PURPOSE: Sustainable improvement in SAI performance globally				
SAI PMF Outcome Indicator 1: Conducted Assessments	Baseline 2015	Milestone 1 2017	Milestone 2 2018	Target 2019
Cumulative number of SAIs with a SAI performance report based on the SAI PMF framework a) First time assessment b) Repeat assessment	20 <sup>8</sup> (Developing countries 80% Developed countries 20% <sup>9</sup> ) -	40 -	55 -	65 10 <sup>10</sup>
	Achieved:			
	Source: Annual IDI survey tracking assessments			
SAI PMF Outcome Indicator 2: Quality of Assessments	Baseline 2016 <sup>11</sup>	Milestone 1 2017	Milestone 2 2018	Target 2019
Percentage of conducted assessments finalized the last three years that includes a QA statement demonstrating independent verification of facts, as well as proper application of the SAI PMF methodology	48%	53%	58%	63%
	Achieved:			
	Source: Annual IDI survey tracking assessments			

6 IDC Results Framework, IDI Strategic Plan results framework

7 Operational plans for implementation of the SAI PMF strategy will be developed by the IDI

8 The baseline for 2015 is measured based on the total number of finalized draft reports, as some SAIs testing SAI PMF in the pilot phase decided not to formally develop a final report.

9 The SAI PMF is a performance measurement tool for all SAIs, regardless of development level. The ratio between developed and developing countries in regards of use of the SAI PMF will be monitored and reported on. Developing countries are defined as countries listed on the OECD's DAC list of ODA recipients.

10 Target is low in 2019, as few SAIs will have reached the stage for development of new strategic plan for the SAI (depending on strategic period set)

11 As of September 2016

SAI PMF Outcome Indicator 3: Assessment results used in SAI strategic planning and capacity development	Baseline 2015	Milestone 1 2017	Milestone 2 2018	Target 2019
Percentage of conducted assessments finalized the last three years that are reported as having been used as basis for SAI strategic planning and/or capacity building projects.	-	-	-	LDC & LI = 80% LMI = 75%; UMI = 65% HI = 50% <sup>12</sup>
	Achieved:			
	Source: Annual IDI survey tracking assessments			

LDC, LI, LMI, UMI, HI refer to the classification used in the OECD DAC list: Least Developed Countries, Other Low Income Countries, Lower Middle Income Countries, Upper Middle Income Countries, and High Income Countries

<sup>12</sup> Classification based on OECD's DAC list of ODA recipients.

## Annex 2. SAI PMF Independent Advisory Group – Terms of Reference

### 1. Purpose

The purpose of the SAI PMF Independent Advisory Group (the Advisory Group) is to act as an independent advisory mechanism to support the INTOSAI Capacity Building Committee (CBC) and the IDI SAI PMF Unit (SPU) in their efforts to continually develop, and implement, the SAI PMF.<sup>13</sup>

### 2. Key roles

The main functions of the Advisory Group are as follows:

- 2.1 Provide advice on the strategic vision and advice on the maintenance/continued development and implementation of the SAI PMF
- 2.2 Provide feedback from experiences in applying SAI PMF in a country context, and
- 2.3 Promote and champion the SAI PMF to all relevant global stakeholders

### 3. Composition and Membership

The Advisory Group will comprise volunteer representatives from INTOSAI, the donor community, and other stakeholders with expertise in SAI PMF and/or similar measurement tools. The Advisory Group should not exceed 10 members, and its composition reflect a balance between donor and INTOSAI members. The Advisory Group will elect a Chair from among its members. Membership of in the Advisory Group will be approved by the CBC Steering Committee as and when the need arises. Once established, changes in membership will be approved by the CBC Steering Committee after consultation with the Chair of the Advisory Group.

The SPU as the global coordinator and knowledge centre for SAI PMF will provide technical advice to the Advisory Group on SAI PMF issues.

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<sup>13</sup> The SPU will in addition seek input from relevant stakeholders in relation to development and implementation of regional plans and activities.

## 4. Reporting

The Advisory Group will provide advisory reports to the CBC on the following:

- 4.1 The usability of the SAI PMF and its implementation strategy, and provide advice and recommendations for improvement
- 4.2 Review and comment on the SAI PMF annual progress report in light of the SAI PMF strategy and annual implementation plan
- 4.3 Review and comment on the draft SAI PMF implementation plan for the forthcoming year, and provide advice and recommendations to strengthen it
- 4.4 Advise on the development and implementation of a SAI PMF communications strategy, targeted to SAI, donor and other stakeholders
- 4.5 Additional SAI PMF related tasks, as requested by the CBC and/or SPU, accepted by the Advisory Group.

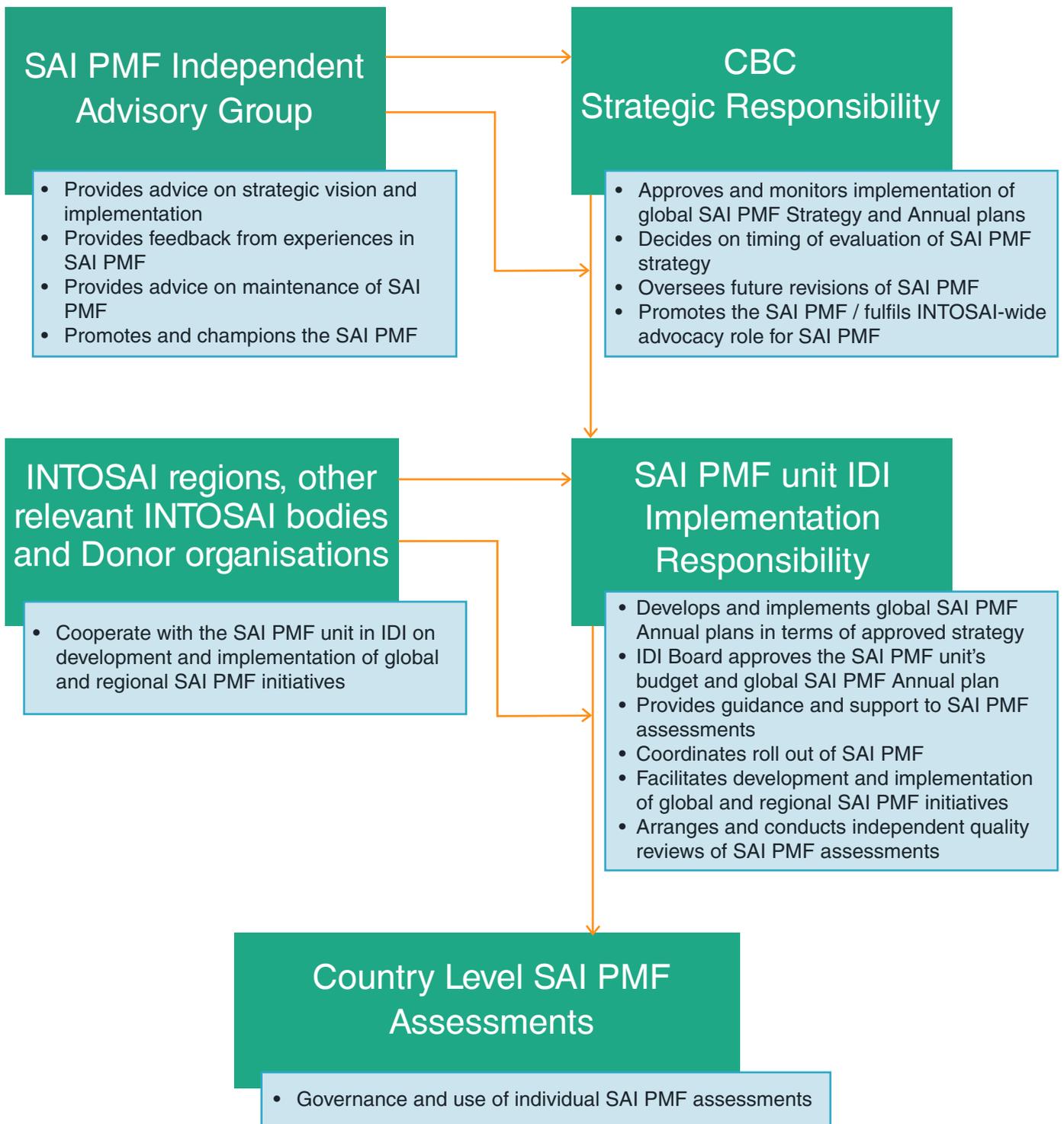
The advisory group will provide a high level summary of its work and recommendations at the annual CBC meeting.

The CBC and the IDI will at the annual CBC and INTOSAI-Donor Cooperation Steering Committee (IDSC) meetings provide an update on SAI PMF related issues that will include a summary of the work of the advisory group. These meetings will also give an opportunity for other stakeholders who are not current members of the Advisory Group to raise questions and provide comments related to SAI PMF.

## 5. Meetings

The Advisory Group will aim to hold one meeting per year, but beyond that the Advisory Group will decide on the frequency of meetings. Virtual meeting platforms will be used when possible and considered adequate.

## Annex 3. Roles of Main SAI PMF Actors





# Implementation Strategy

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