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What is the overall change in SAI Performance from 2017?

What are the main challenges and opportunities SAIs face in terms of their performance?

How does SAI performance correlate with geographies, income levels and levels of democracy?
Global SAI Stocktaking Report 2020

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<td>African Organization of Supreme Audit Institutions</td>
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<td>African Organization of English speaking Supreme Audit Institutions</td>
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INDEPENDENCE AND RESOURCE CONSTRAINTS REMAIN AN IMPEDIMENT FOR SAI PERFORMANCE

Democratic backsliding and receding trust in government has constituted a global trend the last decade. The global crisis caused by COVID-19 has escalated this and calls for stronger accountability institutions to ensure accountability in crises. Yet Supreme Audit Institutions (SAIs) report continuing challenges related to independence and resource access, which inhibits them from reaching their potential in contributing to good financial governance and adding value to all.

The Global Stocktaking Report shows that, globally, SAIs are experiencing a further deterioration in terms of the independence principles outlined by the INTOSAI Mexico Declaration on SAI Independence. SAIs in Low-Income countries and in countries with limited democratic space are more likely to face shortcomings in their legal frameworks and de-facto independence.

There is also a concerning drop, from 70 to 44% of SAIs, reporting that they have full access to information necessary to carry out their audit work. It is reasonable to assume that this trend will continue, as many governments have introduced emergency laws and measures that undermine the very systems of accountability in the wake of COVID-19.

Impediments brought about by continued limitations to financial and administrative independence add to a global picture where half of all SAIs report having insufficient financial resources to adequately carry out their mandated audit responsibilities. This challenge also extends to human resources, with 70% of SAIs reporting staff shortfalls, either in terms of staff competency or staffing levels.

IF SAIS ARE TO LEAD BY EXAMPLE THEY MUST ENHANCE THEIR GOVERNANCE

Solid organisational capacity and governance arrangements are foundations for well-functioning SAIs. The number of SAIs with Strategic Plans remains high at 92%, though only 57% report publicly against their strategic objectives. Of the 72% of SAIs which produce annual financial statements, only 73% have them audited by an external auditor, and only 65% publish an external audit opinion. This is particularly worrying in light of the role of SAIs as government auditors, and in terms of leading by example in the public sector in line with INTOSAI P-12 “The Value and Benefits of SAIs.” There has been an increase in the number of SAIs who use SAI PMF to assess their performance, but a decrease compared to the last stocktake in the total number of reported SAI performance assessments during the period covered. Of SAIs reporting to have conducted a SAI PMF, only 18% had shared results externally.

Combined, these findings suggest a continued reluctance of SAIs to be transparent with their own financial and performance information.
ISSAI IMPLEMENTATION SLOWED DOWN BY WEAK SYSTEMS AND LACK OF RESOURCES

The 2020 Stocktake confirms that SAIs are progressing towards increased adoption of the International Standards for Supreme Audit Institutions (ISSAIs), with 86% of SAIs reporting that they have adopted ISSAI standards in some form. Despite that, there is still a long way to go to achieve implementation of ISSAIs, and SAI PFM data suggests that few SAIs are mostly complying with ISSAIs across all parts of the audit process. Across financial, performance and compliance audits, a substantially larger proportion of SAIs have ISSAI compliant manuals than have ISSAI compliant audit practices. More SAIs are also lacking ISSAI benchmarks for planning, conducting and reporting in financial audit and performance audit while compliance audit is lagging behind.

There’s also a worrisome trend observed for audit coverage. Since 2014, coverage has receded slightly for financial and performance audit, while it has increased slightly for compliance audit. As more efforts are required to implement compliance audit according to the ISSAIs, part of the decrease in coverage could be due to a shift in priorities towards compliance audit.

According to the Global Survey, the most common reason for not implementing the ISSAIs is a lack of resources. This also seems to affect key parts of the audit process including quality management, coverage, reporting and follow-up. For quality management, 37% of SAIs report the lack of a monitoring system for audit quality for any of the main audit streams, a figure which is even higher for SAIs with perceived insufficient resources.

After a fall to 58% in the 2017 report, the proportion of SAIs that publish at least 80% of their audit reports has been reinstated at 70%.

The trend of increased publication is reflected in all regions (though 12% report that they have not published any reports).

While positive, it should be noted that there is a correlation between sufficient resources and demography levels, and SAIs’ ability to publish audits reports. Almost all SAIs who didn’t publish reports are from countries of the lower end of the democracy index.

Finally, there’s also a substantial reduction in the proportion of SAIs who report that they have an internal audit follow-up system across audit types, from 86% in 2017 to 65% in 2020.

Again, the existence of follow-up systems is more prevalent for SAIs in High Income (H-I) countries, and amongst SAIs who have access to sufficient resources. Furthermore, reported implementation of audit recommendations is higher for jurisdictional control, than for compliance, performance and financial audit, suggesting the need to enhance follow-up mechanisms for these audit streams.

The most frequently reported impediment to implementation of audit recommendations is the executive response. While SAIs report regular communication with the Executive, they involve the Executive less in the follow-up of audits by failing to request feedback on the status of the audit recommendations or evidence that recommendations have been implemented.

This suggests a need to improve relations with the Executive Branch, and/or to cooperate with other oversight institutions and civil society actors to strengthen implementation of audit recommendations. However, as legislative and judicial oversight functions are also perceived as major obstacles to achieving impact, SAIs should enhance their cooperation with them as well.

Systems for quality management and audit processes maintain and promote timely and high quality audits, facilitate internal learning and can provide assurance that the SAIs are carrying out their work in line with the ISSAIs. Organisational challenges in developing and maintaining these systems heighten the risk to overall accountability, as corroborated by scores on aggregated indicators for audit work and oversight reported by the PEF-A framework and the Open Budget Survey.

SAIS HAVE THE OPPORTUNITY TO BECOME RESPONSIVE TO EMERGING ISSUES SUCH AS ENSURING MORE GENDER RESPONSIVE SAIS

The gender composition in SAIs has remained balanced and stable over the last decade. This also includes the gender balance for audit staff. This does not, however, translate to leadership and senior positions, where more than two-thirds of Head of SAIs are men, and less than 40% of senior managers are women.

Only 10% of SAIs use gender analysis to inform their strategic plan, and less than one-third of SAIs address gender in their strategies. The limited prioritisation of gender is reflected in SAIs audits, with one quarter of SAIs having carried out gender audits, while fewer have mainstreamed gender in their audits.

Less than 10% of SAIs have received gender related capacity development support. However, there is an increase of 20% of SAIs who are interested in enhancing their capacities on gender in organisational processes in the coming period. There is also an increase in SAIs which are interested in strengthening leadership and communication through capacity development.

Potential, there may also be an opportunity to address gender imbalances through SAI leadership programmes.

The results suggests a need to focus more on quality management systems and stakeholder engagement, while at the same time building organisational capacity for less-resourced SAIs, who need systems that enable them to use their resources in a way that creates most impact.

SAIs that publish at least 80% of audit reports:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>58%</td>
</tr>
<tr>
<td>2020</td>
<td>70%</td>
</tr>
</tbody>
</table>

EXECUTIVE SUMMARY
EMBRACING OPPORTUNITIES FOR DIGITALISATION

During 2017-2019, only half of all SAIs globally had a digitalisation strategy as a part of their Strategic Plan. Increased interest in the area is evident, however, and there is a jump from 31 to 64% of SAIs with plans to address digitalisation over the coming 3-year period from 2017 figures.

Digitalisation and better utilising the opportunities created by technology, has become a heightened priority for governments and SAIs alike during COVID-19, due to the need for remote work and automatising documentation processes. Half of the SAIs worldwide uses digitalised audit documentation to a large extent, and these results coincide with the availability of digital documentation from the auditees, indicating that SAIs are being responsive to the digital development of the public sector.

STRENGTHENING COMMUNICATION FOR MORE AUDIT IMPACT

Communications strategies are now in place for two-thirds of SAIs, with SAIs recognising that stakeholder engagement is increasingly important for delivering audit impact. However, SAIs continue to focus most on their communication with auditees, and there are regional variances when it comes to involvement with other stakeholders such as citizens, media and civil society. At the same time, there is an appetite amongst SAIs to strengthen their work with all main types of stakeholders. Since the last Stocktake, the number of SAIs planning to strengthen communication with the Legislature, Executive and Judiciary has doubled, and the proportion wanting to strengthen communication with media, citizens and civil society has increased by 20%.

INTOSAI REGIONS REMAIN RESPONSIVE TO SAI NEEDS

The Global Stocktaking Report suggests that although the INTOSAI regional bodies’ mostly operate with limited human and budgetary resources, they are responsive and able to focus their support towards the communicated needs of the SAIs. Regional strategies are based on their members’ input, and cover the needs expressed by members. Responses to the INTOSAI regional survey suggest that while external financial support to the regional bodies only increased for few regions in the last period, strong collaboration with INTOSAI bodies and other partners served as an important factor for enabling the regions to provide regular support to their membership.

64% of SAIs plan to address digitalisation over the coming 3-year period.

1. When referring to INTOSAI regions, in this report reference is made both to INTOSAI regions and sub-regions of AFROSAI-E, CREFIAF and in the chapter on INTOSAI regions also ASEANSAI.
ABOUT THE GLOBAL STOCKTAKING REPORT 2020

OBJECTIVE AND APPROACH

The objective of the Global Stocktake is to give a snapshot of SAI capacities and performance globally, based on the previous three years. Originating with the Global Stocktaking from 2010, the IDI Global Stocktaking Report 2020 marks a 10-year anniversary for the tri-annual exercise.

The purpose is to monitor and detect changes in SAI performance over time, and to identify areas where SAIs need support to evolve. Furthermore, the Stocktake analyses SAI results considering government systems and economic factors, in addition to breaking down results according to INTOSAI regions.

As with previous Stocktakes, the primary data for the report is responses from the INTOSAI Global Survey. This report will present comparisons with the Global Stocktaking Report 2017. In selected areas, the report also presents development going back to 2014 and 2010, to offer a longer perspective and identify trends.

Development of the survey has been a partnership between the INTOSAI Development Initiative (IDI) who administered the survey and INTOSAI regions, INTOSAI Goal Chairs, INTOSAI General Secretariat and INTOSAI Chair. The INTOSAI regional organisations also played a key role assisting in the collection of SAI responses.

Chapter 6, summarising regional bodies’ performance, is based on responses to a separate regional survey. A statistical summary according to key indicators is presented in Annex 1.

Specific to this edition is a synthesis of findings based on questions related to Gender, in Annex 3. While bringing a part of the report, this annex could also be read on its own.

About the report

178 SAIs returned the INTOSAI Global Survey 2020

APPROACH

The Stocktake is based on analysis of responses from 178 SAIs who returned the INTOSAI Global Survey 2020. Covering the period 2017-2019, the survey consisted of 153 questions related to key areas of SAI performance:

- Independence and mandate
- Governance including strategic management and accountability
- Core audit services
- Professionalisation and human resource management
- Stakeholder management and communications
- Capacity development
- Cross-cutting issues such as gender, inclusiveness and digitalisation.

The report also draws on analysis of a sample of 42 SAI PMF reports completed in the period 2017-2020, as well as secondary sources to corroborate data.

In addition, the results have been subjected to analysis considering governance arrangements and economic factors. To test regime type and government functioning as factors related to performance, this report has used the Economist Intelligence Unit (EIU) Democracy Index 2020, which ranks and groups countries per levels of democracies. Some questions have also been analysed against the indicator for the “functioning of government category” of the EIU index, which measures aspects of governance and institutional checks and balances. Regarding economy, SAI responses have been analysed according to the World Bank Income Level Index, which groups countries according to the four categories Low Income (LI), Low Middle Income (LMI), Upper Middle Income (UMI) and High Income (HI), to assess whether country income level correlates with capacities and performance. Perceived sufficiency of resources has also been applied as a variable to test for differences in performance. Please see Annex 2 for an elaborated summary of the report’s methodology, and a full list of respondents to the IDI Global Survey 2020.

2. The response rate was 85% and all respondents were members of INTOSAI and/or INTOSAI regions.

Overview of the SAI World and coverage by the Global Survey 2020

1.1 GLOBAL CONTEXT OF THE SAI PERFORMANCE

During 2020, the year of the COVID-19 pandemic, the average global score in the 2020 Democracy Index fell from 5.44 in 2019 to 5.37, an all-time low. The score fell due to receding scores in regions already dominated by countries characterised as “authoritarian regimes”. Furthermore, scoring on EIU’s indicator on the “functioning of government” regressed further since 2019. This indicator measures trends in transparency and accountability, and those countries scoring below 50, on a scale from 0 to 100, receive reports from SAIs, but a much smaller percentage (66%) report having clearly established procedures for reviewing reports.

The EIU Index, throughout the pandemics the population has become more critical of their governments, even when endorsing measuring to combat COVID-19.

In 2020, the number of Free countries in the world reached its lowest level since the beginning of a 15-year period of global democratic decline, while the number of Not Free countries reached its highest level.

The Transparency International’s Corruption Perceptions Index (CPI) 2020, also report that corruption is contributing to undermining democracy. The index, which ranks 180 countries and territories by their perceived levels of public sector corruption, finds that most countries have made little or no progress in tackling corruption in the last decade, with more than two-thirds of these scoring below 50, on a scale from 0 to 100. Research from 2019 suggests that falls in scores on the CPI index correlates with drops in levels of democracy.

The last decade’s deterioration of democracy is a part of trend that was intensified by last year’s COVID-19 pandemic. The pandemic affected the overall democracy scores, in particular in scores for civil liberties. EIU also report that “confidence in government” was influenced by the public’s perception of governments’ handling of the pandemic. According to EIU Index, throughout the pandemics the population has become more critical of their governments, even when endorsing measuring to combat COVID-19.

Trends that weaken democracy, accountability and transparency also transcend to budget and oversight processes. The Public Expenditure and Financial Accountability (PEFA) Global Report 2020 concludes that governments perform strongest on budget preparation, and weakest on internal audit, external audit and scrutiny. The 2019 Open Budget Survey (OBS) notes that budget transparency remains limited, with average global scores of 45 out of 100, and that meaningful public participation in the budget process remains low with averages scores of 14 out of 100.

Countries that score well also score highly on overall transparency. Global average PEFA scores also suggest that, for fiscal transparency, countries score lowest on performance information for service delivery (PI–8) and public access to fiscal information (PI–9). Research has suggested that fiscal transparency is a determinant for budget credibility.

According to the Inter-Parliamentary Union (IPU), the fundamental objectives of parliamentary oversight are to promote people’s freedoms and well-being and to improve governance. For SAIs in many countries, the Legislature is an ally in holding government accountable for public expenditure and service delivery to citizens. IPU reports that almost all parliaments (90%) receive reports from SAIs, but a much smaller percentage (66%) report having clearly established procedures for reviewing reports.

OBS 2019 corroborates that only 34 countries have adequate legislative oversight. Legislative budgetary oversight covers budget formulation, approval, implementation, and review. Performance is overall better at budget approval than formulation, implementation, and review.

Global developments can clearly impact SAIs as well as other oversight institutions. SAIs, which often report to their parliaments and are charged with holding the Executive to account, form a key pillar of the state’s separation of powers which forms a basis for democracies.

The results of the Global Stocktake are therefore presented against the backdrop of trends in governance and independence, as they are likely to already be affecting, and will continue to affect SAIs.

SAIs operate in a world characterised by democratic backsliding. According to the Economist Democracy Index (EIU) 2020, only about half (49.4%) of the world’s population live in a democracy of some sort, and even fewer (9.4%) reside in a “full democracy”. In the 2020 Democracy Index, 75 of the 167 countries and territories covered by the index, or 44.9%, are considered to be democracies.

This demise continues a trend observed over the last 12 years. The downturn is particularly visible for civil liberties. The Freedom House Index concludes that 2020 constituted the 15th consecutive year of decline in global freedom. While these downturns are seen in all thematic areas covered by the index, the most common areas of decline are functioning of government, freedom of expression and belief, and rule of law. According to Freedom House, nearly 75% of the world’s population lived in a country that faced deterioration last year.
1.2 INTOSAI REGIONAL STRUCTURE

With its 195 members, INTOSAI is the umbrella organisation for SAIs globally. INTOSAI members have organised themselves into regional bodies. While there are seven official INTOSAI regional organisations, within AFROSAI there are also two sub-regions AFROSAI-E and CREFIAF for anglophone and francophone SAIs respectively, and under ASOSAI there is the sub-group of ASEANSAI. The analysis of SAI data in the report will be presented according to 8 groups, notably AFROSAI-E, ARABOSAI, ASOSAI, CAROSAI, CREFIAF, EUROSAI, OLACEFS and PASAI. In addition, North American countries are grouped together.

1.3 INSTITUTIONAL PROFILE OF SAIS

Globally, SAIs have different institutional profiles related to history and country governance structures. This Stocktake differentiates between three different models in line with the three branches of government: the parliamentary/legislative model, jurisdictional model and executive model. Some SAIs follow the jurisdictional model, while 11% of SAIs are part of the Executive Branch.

Some SAIs report to have a different institutional set-up, and are grouped together as “other”. According to the responses to the Global Survey, 68% of SAIs are organised according to the parliamentary/legislative model. Of these, most have a single head (President or Auditor General), while other SAIs are led by a Board. Some SAIs report to have a different institutional set-up, and are grouped together as “other”. According to the responses to the Global Survey, 68% of SAIs are organised according to the parliamentary/legislative model. Of these, most have a single head (President or Auditor General), while other SAIs are led by a Board.

SAIs within the legislative and jurisdictional models can be further distinguished based on their leadership structure. One group of SAIs are led by a single person (President or Auditor General), while other SAIs are led by a Board. Some SAIs report to have a different institutional set-up, and are grouped together as “other”. According to the responses to the Global Survey, 68% of SAIs are organised according to the parliamentary/legislative model. Of these, most have a single head (President or Auditor General), while other SAIs are led by a Board.

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8. ASEANSAI is surveyed under the regional survey.
9. SAIs of the United States and Canada, who are not members of a INTOSAI region.
1.4 SAI FINANCIAL RESOURCES

The size of the budget is an important factor in explaining performance levels among SAIs. The analysis of SAI budgets indicates that, globally, they are correlated with the size of the country’s population and their income status in terms of national GDP. Deviations could be explained by differences in statutory mandates of SAIs.

FIGURES 3 AND 4 SAI BUDGETS BY POPULATION AND COVERAGE PER CAPITA

In responding to the Global Survey, only 52% of SAIs worldwide report that they have sufficient financial resources to fulfil their mandate to the expected extent and quality. SAIs from LI countries are less likely to have adequate resources, and levels of expressed resource sufficiency is correlated to income classifications. SAIs in ASOSAI, North America and ASOSAI report resource sufficiency above the global average. In contrast, SAIs in CREFIAF, AFROSAI-E and OLACEFS report the highest incidents of under-funding.

FIGURES 5 AND 6 SUFFICIENCY OF FINANCIAL RESOURCES BY COUNTRY INCOME STATUS AND INTOSAI REGIONS (Percent answering ‘yes’).
SAI INDEPENDENCE

SAI independence remains at risk

For SAIs to be effective, credible institutions that deliver on their mandate, they need to be independent from the audited entity (Executive) both in terms of de jure and de facto SAI independence. Well-defined legal basis is a critical prerequisite for the effective functioning of SAIs. It should cover the independence of the SAI versus the executive branch of the government and provide the SAI with sufficient operational powers to establish its role as the external auditor of the government.

Equally, SAIs should be able to deliver their mandate without interference and fear of repercussions. SAI independence often reflects country governance systems and can be either an enabler or an inhibitor for SAI performance. The SAI’s legal framework is decided by other state powers, and is not directly under control of the SAI itself.

Around the world, SAI independence continues to be a challenge for many SAIs. The Stocktake shows that overall, there is a continued, albeit slight, backslide in the levels of SAI independence since the 2017 report. In addition, new threats to SAI independence appear to be emerging.

The global trend shows a slight decline across seven of the eight principles since 2017. In addition, Principle 8 historically remains lowest among these principles, suggesting that globally SAIs face greater challenges with their financial independence and administrative autonomy.

The Eight Principles are combined into a single aggregate ‘independence index’. The independence index ranges from ‘0’ to ‘100’ with ‘0’ signalling no independence on all 8 principles across all SAIs and ‘100’ signalling full independence on all 8 principles across all SAIs.

The global SAI independence index is measured by the average of the individual principle indices.

The decline since 2017 is most prevalent in countries with lower levels of democracy and middle-income countries. When comparing only the countries who partook in the 2017 stocktake, the largest decline is seen in the Americas (OLACEFS, CAROSAI, and North America), but the decline is global. ARABOSAI is the only region that improved slightly.

2.1 GLOBAL SAI INDEPENDENCE DETERIORATES

INTOSAI’s Mexico Declaration on independence, INTOSAI-P 10, outlines conditions for ensuring SAI independence through eight core principles. Figure 7 indicates the changes from 2017 to 2020 against the eight principles, one by one and Figure 8 shows the 2020 scores across the INTOSAI regions.

FIGURE 7 COMPARISON OF SAI SCORES ON PRINCIPLES OF INDEPENDENCE IN 2017 AND 2020

Based on n=171 and n=178 SAIs in the 2017 and 2020 surveys, respectively

The Eight Principles are combined into a single aggregate ‘independence index’.

The global trend shows a slight decline across seven of the eight principles since 2017. In addition, Principle 8 historically remains lowest among these principles, suggesting that globally SAIs face greater challenges with their financial independence and administrative autonomy.

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20% of SAIs have shortcomings in their legal framework when it comes to termination of tenure for Heads of SAIs.

Source: INTOSAI Global Surveys: 2017 & 2020
Principles 1-3 in the Mexico Declaration cover questions about appropriate legal frameworks that enables the SAI to do its work. The analysis shows that weaknesses in the legal framework are most prominent in LI countries, putting these SAIs at even greater risk of having inadequate independence to deliver effectively.

The Global Survey 2020 asked SAIs the extent to which they perceive that their legal framework provides appropriate conditions for independence (Principle 1).

68% of SAIs perceive the legislative framework to be adequate. Fewer SAIs in the LI, LMI and UMI categories consider that the legal framework provides the appropriate conditions for independence. Analysis shows that an inadequate legal framework is also linked both to lower level of functioning of government, and to lower levels of democracy.

The independence of Heads of SAIs should be reflected in the legal framework and apply to their appointment, reappointment, or removal from office (Principle 2).

Legislation should ensure that such processes are carried out in a manner that guarantees their independence from the Executive. Nevertheless, for 20% of SAIs on a global average, shortcomings mean lower protection around termination of tenure.

Regionally, SAIs in CREFIAF and ARABOSAI face the most challenges. In terms of country income levels, LI countries seem particularly vulnerable with regards to the protection of Heads of SAIs. Adequate protection against dismissal is less common for SAIs that form part of the Executive.

15. Annex 2 provides details on the methodology for the calculation of the independence index.
A sufficiently broad mandate (Principle 3) means that SAIs should be empowered to audit the use of public monies, collection of revenues owed to public entities, legality and regularity of public entities account, quality of financial management and reporting, and economy, efficiency and effectiveness of public sector operations.

Nearly all SAIs (99%) confirmed that they are mandated to carry out financial, performance and compliance audits, while 23% are mandated to carry out jurisdictional controls. In addition, a minority of SAIs are mandated to carry out other tasks, such as advisory services, public policy evaluation and pre-audit. The SAI's mandate to conduct regional or local audit is more limited in higher income countries.

FIGURE 11 DISCRETION TO DISCHARGE SAI MANDATE

Principle 3

Source: INTOSAI Global Survey 2020

Full discretion in the discharge of its functions is reflected in the SAI’s ability to plan, conduct and report its audits independently from the Executive and Legislature. Globally, around 84% of SAIs consider that they have this discretion. Independence according to this indicator appear lower in LI countries and especially in ARABOSAI, OLACEFS and CREFIAF. There are no major differences between reported abilities to plan, conduct and report audits. Ability to discharge the mandate also seem to be related to the level of functioning of government, as measured by EIU Democracy index. As Figure 12 shows, a majority (94%) of SAIs grouped within the highest level of functioning of government report to be fully free from direction or interference in selection of their audit programme and conducting and reporting on their audits. This suggests that countries with higher performing governments facilitate stronger systems, with clearer division between the roles of politicians, public administration and SAIs.

In the 2020 Global Survey, only 44% of SAIs said that they fully experienced timely, unconstrained, and free access to all necessary documents and information for the proper discharge of their statutory responsibilities (Principle 4), a dramatic drop from the 70% who reported having full access in 2017. While 28% of SAIs mentioned that their access was only restricted in a limited way, 18% considered their access to information to be largely or fully restricted. Countries that score highly in terms of levels of democracy and functioning of government enjoy better SAI access to information. Regionally, SAIs from ARABOSAI and OLACEFS experience the most significant impediments to accessing information.
The right and obligation to report on their work (Principle 5), and the freedom to decide the content and timing of audit reports and to publish and disseminate them (Principle 6) are both critical for SAIs to promote the transparency and accountability of governments. Overall, there's been a slight drop in the index score for these principles since 2017. Behind this drop we find an increase of the number of SAIs stating they have not been free from interference in line with Principles 5 and 6.

71% of SAIs confirm they experienced full independence in publishing and disseminating their audit reports, a small increase since 2017. The freedom to publish and disseminate reports is more restricted in LI countries, and in countries with lower levels of democracy and lower functioning of government.

13% of SAIs worldwide state that they had no power at all in deciding on reporting, publication and dissemination of their reports, while 16% report that their ability to freely publish reports was restricted.
To ensure that the audited entities properly address and implement the SAI’s observations and recommendations, SAIs should have a follow-up system to track the implementation of their own recommendations as well as those made by the Legislature, one of its commissions, or the auditor’s governing board. The Global Survey 2020 shows that, globally, 65% of SAIs have in place such a follow-up system - a significant drop from 81% in 2017. There are substantial regional differences. Chapter 5 presents results according to audit streams. For involvement of legislature in follow-up, there is also a decrease in the share of SAIs that involve Legislature regularly.

The eight principles of SAI independence

**INTOSAI MEXICO DECLARATION**

**PRINCIPLE 1**

68%

The existence of an appropriate and effective constitutional/statutory/legal framework and of de facto application provisions of this framework.

**PRINCIPLE 2**

85%

The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties.

**PRINCIPLE 3**

84%

A sufficiently broad mandate and full discretion, in the discharge of SAI functions.

**PRINCIPLE 4**

77%

Unrestricted access to information.

**PRINCIPLE 5**

80%

The right and obligation to report on their work.

**PRINCIPLE 6**

80%

The freedom to decide the content and timing of audit reports and to publish and disseminate them.

**PRINCIPLE 7**

74%

The existence of effective follow-up mechanisms on SAI recommendations.

**PRINCIPLE 8**

56%

Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources.

2.4 Financial and Administrative Autonomy Remain a Major Challenge

The degree of reported independence remains lowest on Principle 8 - financial and managerial/administrative independence - with a global average rating of 64%. SAIs in ARABOSAI and CREFAF are most challenged. The score reflects a combination of scores on financial and administrative autonomy.

Challenges that SAIs face vary greatly in extent and in characteristics, sometimes being related to country system features.

While 60% of SAIs report that they didn’t experience major interferences in the execution of their budgets, 40% state that they did. 86% of SAIs had control of their offices’ administrative organisation (60% fully and 26% to a greater extent). However, these responses don’t rule out variations of interference, such as delayed transfers of budget allocations or management of staff, which may not be perceived as such, if they are a regular occurrence.
FIGURE 17 PERFORMANCE ON PRINCIPLE 8 – FINANCIAL AND ADMINISTRATIVE AUTONOMY ACCORDING TO REGIONS

Independence in budget formulation

Source: INTOSAI Global Survey 2020

Independence from Executive interference in budget execution

Source: INTOSAI Global Survey 2020

FIGURE 18 SAI ADMINISTRATIVE AUTHORITIES RELATED TO HR

% of all 178 SAIs indicating they have full control for each option

As Figure 18 suggests, of the administrative authorities related to human resource management measured, full control over internal organisation and appointments is the highest (82%). Full control of SAIs is reported to be lowest for recruitment (63%) and remuneration (44%).

63% of SAI have full control of recruitment of staff.
SAI GOVERNANCE

SAIs governance and transparency should be enhanced

The SAI’s credibility in making recommendations to government entities hinges upon its reputation for managing its own organisation. As pronounced by INTOSAI-P 12 “The value and benefits of SAIs”, being a role model is one of the principles SAIs need to follow if they want their work to have an impact and deliver benefits to society.

This chapter shows that SAIs are using strategic plans as a governance tool, and that more SAIs are conducting SAI PMF assessments. However, globally SAIs are still closed, inward-looking organisations that could demonstrate their own accountability better by being more transparent, undergoing external audits of their financial statements and publishing performance results.

In terms of human resource management, a majority of SAIs have challenges related to the adequacy of staff. In addition, the gender balance seen across professional audit staff does not translate to senior positions. To address any gaps, it’s becoming increasingly important to define necessary competencies and professional pathways.

Although strategic planning has become a common and sustainable practice among SAIs worldwide, SAI PMF data shows that only 43% of the sampled SAIs had a high-quality strategic planning document that met the SAI PMF benchmark.48

In addition, the Global Survey suggests that strategic planning could be better used to address emerging and cross-cutting issues. Only half of all SAIs have a digitalisation strategy as part of their Strategic Plan (49%). Globally, only 10% have used a gender analysis to inform their strategic planning, and less than one-third of SAIs promotes gender equality at the institutional level or commit to developing gender capacity of staff in their strategic plans. The SAIs most frequently addressing these three gender dimensions in their strategies and plans are in AFROSAI-E and CREFIAF.

3.1 STRATEGIC MANAGEMENT PRACTICES COULD FOCUS MORE ON EMERGING ISSUES

The Global Survey 2020 confirms that strategic planning is well-established as a tool for SAI governance. 92% of SAIs globally have a Strategic Plan, with a slightly higher prevalence in developing countries (93%) than in HI countries (88%). The majority of these SAIs (96%) stated that their Strategic Plan were based on a holistic needs assessment, and 50% state that SAI PMF assessments were used as part of the strategic planning process.

The majority of SAIs (79%) make their Strategic Plans available to the public, a sharp increase from 2017 (32%).

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FIGURE 19 STRATEGIC AND OPERATIONAL PLANNING 2010-2020
Bars show percentage of SAIs answering each Global Survey indicating that they had a plan in place

It should be noted that separate gender policies and gender strategies can also serve as high-level guidance for SAIs’ work on gender equality, with a focus on strategic priorities and how to implement them. Both can be relevant to enhancing gender equality and diversity in the organization, by including gender issues in decision-making processes and gender balance in SAI management and staffing and in strengthening audit work that contributes to gender equality. However, few SAIs are developing and applying these tools to direct their gender equality efforts, with only 29% reporting that they have a gender policy and 15% reporting to have a gender strategy.

FIGURE 20: GENDER EQUALITY MEASURES IN STRATEGIC PLAN COMBINED AND ACCORDING TO REGIONS
Percent of SAIs indicating any of the following about their strategic plan: (i) it promotes gender equality at the institutional level; (ii) it commits us to integrating gender equality within our audit work; (iii) it commits us to developing the capacity of our responsible staff to integrate gender equality in audit work.

3.2 SAIS’ OWN PERFORMANCE ACCOUNTABILITY MEASURES ARE NOT TRANSPARENT

For undertaking performance assessments, there is a decrease from 2017, when 62% of SAIs reported having done a performance assessment, to 58% in 2017-2019. 72 SAIs from developing countries and 31 SAIs from HI countries have undertaken performance assessments. In ASOSAI, CREFIAF and EUROSAI, the share of SAIs doing performance assessments has increased. SAI PMF is the preferred tool for assessing performance, with 62 SAIs reporting to have used SAI PMF. However, findings on the extent to which SAIs share their performance assessments show a continued reluctance to share the full results with stakeholders and the public. Out of all SAIs that have carried out a SAI PMF assessment, only 18% of SAIs report have shared the full report with all its external stakeholders. 22% have shared the report with a limited number of stakeholders, and an additional 12% have shared parts of the report. Of the SAIs which carried out SAI PMF assessments, around half were not shared with anyone outside the SAI in any form.

FIGURE 21: SAIS WHO CARRIED OUT PERFORMANCE ASSESSMENTS 2017-2019 ACCORDING TO INCOME CLASS GROUP
The Global Survey 2020 shows that only 72% of SAIs produce financial statements and, of those SAIs, financial accountability is to prepare a set of financial statements by the end of the fiscal year and to have them audited by an independent auditor. The majority of SAIs who produce financial statements invite external auditors to audit their financial statements. Figure 23 shows that the performance on these criteria is closely correlated with the country income level.

### FIGURE 22 SAIS SHARING RESULTS OF SAI PMF REPORTS EXTERNALLY

Percentage of SAIs indicating each option:

- Yes, the full report has been published (n=21): 48%
- The full report has been shared with a limited number of external parties (n=26): 22%
- The full report has been shared externally (n=4): 5%
- No, the results have not been published or shared externally (n=57): 18%

### FIGURE 24 ACCOUNTABILITY AND TRANSPARENCY ON FINANCIAL PERFORMANCE PER INCOME LEVEL

Percent of SAIs indicating that they have each of the following:

- We produce a set of financial statements covering our SAI’s financial performance for the year/period, and our financial position (n=178): 83%
- Our SAI’s financial statements are subject to external audit (e.g. by an independent external body such as a private audit firm, other government auditor, peer SAI) (n=90): 60%
- Our external auditor issues an opinion on our SAI’s financial statements (n=90): 58%
- We produce a set of financial statements covering our SAI’s financial performance for the year/period, and our financial position (n=20): 100%
- Our SAI’s financial statements are subject to external audit (e.g. by an independent external body such as a private audit firm, other government auditor, peer SAI) (n=10): 50%
- Our external auditor issues an opinion on our SAI’s financial statements (n=10): 50%
- We produce a set of financial statements covering our SAI’s financial performance for the year/period, and our financial position (n=19): 90%
- Our SAI’s financial statements are subject to external audit (e.g. by an independent external body such as a private audit firm, other government auditor, peer SAI) (n=11): 50%
- Our external auditor issues an opinion on our SAI’s financial statements (n=11): 50%

Figure 24 provides the data on a regional level. SAIs from EUROSAI and AFROSAI-E are most likely to prepare financial statements and to have them audited and published. SAIs from the ARABOSAI and CREFIAF region are least likely to do so. It should be noted that these are also the regions reporting to have SAIs with less financial and organisational autonomy.

### FIGURE 23 ACCOUNTABILITY AND TRANSPARENCY ON FINANCIAL PERFORMANCE BY INTOSAI REGION

Percent of SAIs indicating that they have each of the following:

- We produce a set of financial statements covering our SAI’s financial performance for the year/period, and our financial position (n=26): 45%
- Our SAI’s financial statements are subject to external audit (e.g. by an independent external body such as a private audit firm, other government auditor, peer SAI) (n=11): 38%
- Our external auditor issues an opinion on our SAI’s financial statements (n=11): 33%
- We produce a set of financial statements covering our SAI’s financial performance for the year/period, and our financial position (n=18): 30%
- Our SAI’s financial statements are subject to external audit (e.g. by an independent external body such as a private audit firm, other government auditor, peer SAI) (n=14): 21%
- Our external auditor issues an opinion on our SAI’s financial statements (n=14): 11%

SAI GOVERNANCE

Transparency and accountability issues are also identified in SAIs’ reporting on financial accountability. A basic requirement for financial accountability is to prepare a set of financial statements by the end of the fiscal year and to have them audited by an independent auditor. The Global Survey 2020 shows that only 72% of SAIs produce financial statements and, of those SAIs, only 73% invite external auditors to audit their financial statements. The majority of SAIs who produce financial statements (but not all, at 65%), publish these statements along with the external audit opinion. Figure 23 shows that the performance on these criteria is closely correlated with the country income level.
It is also crucial for the credibility of the SAI that the institution’s integrity is not compromised by wrongdoing from any of its staff members. This has been recognised by SAIs globally since 2010, with an increasing proportion of SAIs adopting a Code of Ethics (see figure 25). The Global Survey 2020 shows that a majority (94%) of SAIs have a Code of Ethics. The small group of SAIs that do not have a Code of Ethics does not vary significantly by country income status or region. CREFIAF members constitute a larger part of the SAIs without a Code of Ethics.

**FIGURE 25 SHARE OF SAIS WITH A CODE OF ETHICS IN PLACE**

![Graph showing percentage of SAIs with a Code of Ethics from 2010 to 2020.]

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>77</td>
<td>77</td>
<td>80</td>
<td>94</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

Figure 26 shows that full implementation of the Code of Ethics is challenging. Findings are correlated with the country income status. SAIs’ implementation of measures to deal fully with non-compliance increases in higher income countries. More than half of SAIs globally (56%) include gender equality and diversity issues in their Code of Ethics. The highest share is among OLACEFs (70%) and AFROSAI-E (67%).

**FIGURE 26 IMPLEMENTATION OF THE CODE OF ETHICS**

<table>
<thead>
<tr>
<th>Measures to enforce Code of Ethics</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our SAI ensures that staff are acquainted with the Code of Ethics</td>
<td>61%</td>
</tr>
<tr>
<td>Our SAI monitors the application of the Code of Ethics</td>
<td>42%</td>
</tr>
<tr>
<td>There are measures in place in our SAI to deal with non-compliance with the Code of Ethics and we implement them</td>
<td>43%</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

Having a code of ethics by itself is not sufficient. It also requires that the staff are aware of the code, that the application of the code is monitored and that measures are taken in case of non-compliance.

**3.3 HUMAN RESOURCE MANAGEMENT NOT SUFFICIENTLY FOCUSED ON PROFESSIONALISATION**

The main assets of SAIs are its people. To manage human resources well, SAIs need to attract and retain talent, while considering gender and inclusiveness in recruitment and professional development. The Global Survey 2020 responses suggest there is potential for more focus on this area, by strengthening competencies of auditors and cultivating leadership positions.
3.3.1 INADEQUATE HUMAN RESOURCES AN ISSUE FOR SAIS

For public sector auditors, competency requirements expand with the increased complexity of government operations. There is a recognition that SAIs need to professionalise and strengthen their human resources to meet these changes in their operating environment. In fact, nearly 70% of SAIs consider that they have inadequate staff in terms of either (a) staffing levels or (b) staff competence. Of this 70%:

- 60% of SAIs consider that inadequacy is more related to the staffing levels than staff competence.
- 25% of SAIs consider that their inadequacy in staffing is related to both the staffing levels and staff competence.
- 15% of SAIs consider that the inadequacy is linked to the competence of its staff.\(^{19}\)

SAIs perception on the adequacy on staffing is closely correlated with the country income level and SAIs with better access to resources perceive themselves as being more adequately staffed. See figure 27.

3.3.2 NEED FOR EFFECTIVE HR – STRATEGIES AND TOOLS FOCUSED ON PROFESSIONALISATION

Inadequate staffing in terms of number and staff competencies, along with a limited focus on gender composition, suggests there’s a need for effective tools for human resource management and professionalisation of staff.

Some of the limitations in the use of HR tools to recruit and develop staff are due to structural limitations, which in turn are due to a lack of independence. About 37% of SAIs report having full control over recruitment. 18% of SAIs do not have full control over internal appointments\(^{20}\) and 56% of SAIs have not got full control over remuneration. See also section 2.4 on Financial and administrative autonomy.

The Global Survey 2020 responses suggest that:

- 52% of SAIs have formulated a HR Strategy in alignment with the SAI’s overall strategic plan.
- 66% of SAIs have written recruitment procedures.
- 66% of recruitment plans based on SAIs organisational needs HR characteristics.
- 76% SAIs have written job descriptions which define required competencies.
- 67% SAIs have performance appraisals at least annually.
- 69% of SAIs have written rules on remuneration and promotion.

**FIGURE 27 GLOBAL SAI PERCEPTION ON ADEQUACY OF STAFFING BY COUNTRY INCOME LEVEL**

<table>
<thead>
<tr>
<th>Country Income Level</th>
<th>Percentage of SAIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income (n=26)</td>
<td>10%</td>
</tr>
<tr>
<td>Lower middle income</td>
<td>12%</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>31%</td>
</tr>
<tr>
<td>High income (n=49)</td>
<td>35%</td>
</tr>
</tbody>
</table>

- 10% of SAIs have formulated a HR Strategy in alignment with the SAI’s overall strategic plan.
- 12% of SAIs have written recruitment procedures.
- 31% of SAIs have written job descriptions which define required competencies.
- 35% of SAIs have performance appraisals at least annually.
- 35% of SAIs have written rules on remuneration and promotion.

**FIGURE 28 SAI STRATEGIC HR MANAGEMENT**

<table>
<thead>
<tr>
<th>Strategic HR Management Tools</th>
<th>Percent of SAIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written recruitment procedures</td>
<td>38%</td>
</tr>
<tr>
<td>Written performance appraisals</td>
<td>32%</td>
</tr>
<tr>
<td>Written promotion procedures</td>
<td>32%</td>
</tr>
<tr>
<td>Written rules on qualifications</td>
<td>14%</td>
</tr>
<tr>
<td>Written rules on promotion and remuneration</td>
<td>14%</td>
</tr>
<tr>
<td>Written rules on performance appraisals</td>
<td>14%</td>
</tr>
</tbody>
</table>

Our SAI has established an effective staff retention and job for staff and these are generally followed in practice.

Source: INTOSAI Global Survey 2020

\(^{19}\) These 15% are part of the larger set of 47% of SAIs that state that they are not fully independent in recruitment of new staff.

\(^{20}\) Some SAIs report to be limited in appointments internally in the organisation, which could even limit their ability to recognize and advance staff according to government civil service systems for official positions.
Even though many SAIs are limited in their ability to recruit their own staff or in promoting and remunerating existing staff as a way of rewarding and incentivising good performance, there are still internally managed ways to develop staff, such as applying different pathways of professionalisation.

Professional development of auditors seems to be increasingly important for SAIs, with 44% of SAIs stating that they increased the professional development budget in 2020 from 36% in 2017. However, in nearly half of SAIs, the budgets for professional development have not changed, and in 12% the budget was reduced. It’s worth noting that this is an additional aspect to the general resource constraints which half of SAIs state they are experiencing.

Professionalisation should be based on a competency framework that clearly defines the necessary skills and competencies of SAI staff. 65% of SAIs globally report that they have developed a competency framework across all three audit streams (financial, performance and compliance audits) and more than half (56%) state that they have built their HR processes around their competency frameworks. Around 70% of SAIs have appraisal mechanisms in place (fully or partially) to assess auditor competence and performance against the competency framework.

Meanwhile, over 30% of SAIs either have no competency framework on which to build HR functions, or these processes are out of their control. It is noted that all SAIs in the AFROSAI-E region and 95% of SAIs in OCACEFS report to have adopted a competency framework. This reflects a widespread roll-out of competency frameworks developed by these regional bodies.

Figure 29 indicates that, globally, SAIs combine different approaches to professional development of their staff. The most widely used approach is a professional development programme created in-house. 72% of SAIs use in-house developed programs for financial, compliance and performance audit and 30% of SAIs report that these programmes are recognised and regulated by a national educational/professional regulatory body responsible for the quality of educational/professional programmes. On average, 50% of SAIs use professional accountancy qualifications to build their auditor pathways for the three audit streams.

This is followed by programmes by relevant INTOSAI regional bodies by 42%, and by external programs (e.g., university programs) by 41% of SAIs.

For leadership development, the most common mechanism appears to be on-the-job training and coaching and/or mentoring by SAI leaders. SAIs are also frequently using leadership programmes run by external providers (e.g., universities). However, as Chapter 6 also indicates, offers of leadership development training are not prominent amongst the capacity development support offered by INTOSAI regions or received by SAIs. A notable exception is the Women Leadership Academy offered by AFROSAI, which also explains higher numbers of SAIs from AFROSAI-E and CREFIAF who’ve taken part in leadership development (see annex on gender).

44% of SAIs increased their budget for professional development in 2017-2019.
3.3.3 SAIS CAN DO MORE TO PROMOTE FEMALE LEADERS

Over the last ten years, gender composition has been balanced for SAIs overall. According to the Global Survey 2020, male staff comprise 51% and female staff 49% of total staff numbers. There are variations across regions, some of which are due to structural issues. Certain regions with a lower proportion of female staff in 2010, such as CREFIAF and AFROSAI-E, now note an increase in the proportion of women staff.

However, analysis according to income level shows that LI countries have a lower proportion of female staff, with only 29% female vs 71% men in 2020, with little change over the last decade. For professional audit staff, data indicates that gender composition is balanced and that the trend hasn’t changed much over the last ten years. However, for leadership positions – heads of SAI and senior management – the percentage of men remains significantly higher.

This holds true across all regions and income groups. At the top management level, the majority of SAI Heads are male (71%). The number of female Heads of SAIs increased somewhat from 24% to 29% between 2017 and 2020. Among senior management positions, women account for 39% in 2020. Senior management teams are thus predominantly male (61%). LI countries have an even higher proportion of men in senior management positions, at 81%.

The gender imbalances seen among top management could be a reflection of the low emphasis on gender in strategic plans, as seen in 3.1. When it comes to addressing any gender imbalances for Heads of SAI, senior management, professional auditing staff and support staff, the Global Survey shows that only one-fifth of SAIs have set targets for increasing the under-represented gender, and around 40% of SAI respond that they don’t consider gender imbalance to be an issue across any positions.

3.3.4 RISK MANAGEMENT / COVID-19 RESPONSE

Globally, 53% of SAIs have an emergency preparedness and continuity plans. Lower income countries are significantly lagging behind the higher income countries. In response to Covid-19 pandemic, SAIs have undertaken various measures. Out of these measures, facilitation of staff to work from home ranks the highest (87%) followed by the revision of audit plan. 66 percent of SAIs have performed audits on Covid-19 related government funds.

There seems to be little regional variation when it comes to revising audit plans and undertaking audits. Few SAIs report being unable to audit Covid-19 funds, at the time of the Global Survey 2020.
This chapter focuses on the performance of SAIs in conducting their core task of public sector auditing. The International Standards of Supreme Audit Institutions (ISSAIs) recognise three generic types of audit: financial audit (FA), compliance audit (CA) and performance audit (PA) and have recently (2019) consolidated a set of Professional Principles for Jurisdictional Control (P-50), carried out by SAIs with a jurisdictional mandate.

The chapter provides details for each of the four audit disciplines on the following aspects of performance:

- Adoption and compliance with the ISSAIs
- Audit coverage and audit types carried out
- Publication and dissemination of audit results
- Follow-up and stakeholder relations

The findings are based on the responses to the Global Survey 2020. To overcome the inherent weakness in self-reporting on performance, the analysis also makes use of the findings of a sample of 42 SAI PMF reports. This data serves to triangulate the Global Survey results. Annex 2 provides further details on the methodology.

4.1 ADOPTION AND IMPLEMENTATION OF ISSAIS ARE SLOWLY INCREASING

4.1.1 DEVELOPING COUNTRIES MORE LIKELY TO ADOPT ISSAIS DIRECTLY AS AUDIT STANDARDS

Out of 178 responding SAIs, 74% are familiar with the transition from the ISSAI framework to the INTOSAI Framework of Professional Pronouncements (IFPP). SAIs from the CAROSAI, CREFIAF and PASAI regions are the least aware of this transition. This indicates that INTOSAI still has a job to do in terms of communicating and sensitising the SAI community on the IFPP.

The total share of SAIs that self-report adopting the ISSAIs (86%) is a marked increase from 65% in 2017. 86% of SAIs who have the mandate to cover all audit streams report they have adopted the ISSAIs for financial, performance and compliance audit. 91% of SAIs who have the mandate to cover all audit streams report they have adopted INTOSAI Principles (INTOSAI Ps) (covering fundamental and organisational principles).
For SAIs with a jurisdictional mandate, adoption of INTOSAI-P 50 (which was only approved at INCOSAI XXIII in 2019) is also relevant. The recent approval of INTOSIA P-50 is reflected in the levels of SAIs that have adopted standards/principles consistent with P-50, at 28% (see figure 58). 61% of SAIs have yet not benchmarked their jurisdictional control standards against P-50, and 12% report that they have not adopted or developed principles for its jurisdictional activities.

According to the Global Survey 2020, SAIs in LI countries are most likely to directly adopt the ISSAIs. In higher income countries, it is more common for SAIs to have adopted their own national audit standards, which may or may not be consistent with ISSAIs. The difference in approach could be due to LI countries having fewer resources (professional capacities) available to expand and adapt ISSAIs to their national circumstances, or to the lack of national standards applicable to public auditing. Another explanation is that many SAIs in HI countries already had national auditing standards before the ISSAIs were adopted at the XX INCOSAI in 2010.

4.1.2 ADOPTING ISSAIS VERSUS ISSAI-COMPLIANT AUDIT PRACTICES

Formal adoption of the ISSAIs by a SAI does not mean that the SAI has ISSAI-compliant audit practices. While only 16% of SAIs report that they are fully ISSAI compliant, half of the SAIs perceive themselves as complying with most elements contained in the ISSAIs. The variations in reported compliance with ISSAs do not seem to correlate strongly with regional origin and country income status. Of the 18 countries who said they are not in a position to rate their compliance, a majority are from HI countries. Presumably, these SAIs have either not adopted the ISSAIs or have not performed a SAI PMF or iCATs to assess their practices. Meanwhile many SAIs from developing countries have participated in IDI or region-led ISSAI implementation initiatives, which could explain why these SAIs are able to assess levels of compliance with ISSAIs.

The Global Survey 2020 responses on implementation are corroborated by observations from SAI PMF data, but the numbers are slightly lower.

For audit manuals/standards, performance audit ranks highest with 69% of SAIs meeting SAI PMF benchmarks. For financial audit it is 68%, and 52% for compliance audit. This is a positive development compared to the last Stocktake.
For the audit process, SAI PMF results are summarised in figure 34. As is evident, the proportion of SAIs meeting the benchmark for each audit type, is lower than for ISSAI complaint audit manuals. On average, across the three audit types, less than a third of SAIs meet the SAI PMF criteria on audit planning benchmarks. It’s notable that for both financial and performance audit, the proportion of SAIs meeting benchmarks are the same for audit planning and conducting the audit (referred to as implementation in SAI PMF). This suggests that weaknesses in planning the audit have a knock-on effect when conducting audits. Performance audit have the highest share of SAIs meeting benchmark for planning and conducting the audit, with 38%. The share of SAIs meeting benchmarks on audit reporting is higher, but this could be due to several criteria for reporting being more focused on formalities of the report.

The main reason stated for non or partial compliance is the lack of capacity and resources to implement the requirements.

The Global Survey responses suggest that challenges to ISSAI implementation are linked to three main areas: resource access, combination of audit types and quality management. From the 129 SAIs that have indicated that they do not fully comply with the ISSAIs, the main reason stated for non or partial compliance is the lack of capacity and resources to implement the requirements. In practice this covers inadequacy of financial and human resources, as seen in other parts of this report, as well as the weaknesses in the audit systems, such as lack of proper quality management systems.

There is a correlation between quality management practices and resources access, with data showing that SAIs who report to have insufficient resources are also less likely to have a system for monitoring the quality of audits, meaning that in turn, insufficient resources could affect a SAI’s ability to build up the robust systems needed to promote high quality audits.

Secondly, one-fifth of SAIs report that they don’t cover all audit types. This may be due to combinations of audit engagements (for instance combining financial and compliance audit) or organising audit activities in a way which doesn’t follow any of the audit methodologies, and having other audit objectives (for instance providing limited assurance for financial audit or including compliance audit under other engagements). The way SAIs organise themselves, also affects how they define audit objectives. If the audit activities are not centred around the audit objectives according to the standards, it makes it difficult to attain these objectives.
Another issue is that combining audits often entails favouring the objectives of one audit stream, rather than equal emphasis. Results seem to suggest that for compliance audits, the audit type where ISSAI-compliant audit practices are lagging behind, is frequently carried out in combination with other audit types. Figure 36 presents the most common ways SAIs are combining different audit streams in their audit engagements. In terms of so-called ‘combined audit’, a combination of financial, performance and compliance audits, is the most frequent way of organising the audit work. Other frequent combinations are ‘financial and compliance audit’ and ‘performance and compliance audit’. Only around 30% of SAIs appear to make a strict separation between the three types of audit. While it seems that combining audit objectives affects levels of compliance, it does not mean that SAIs doing this cannot increase levels of compliance with ISSAI in with their current organisation of audits.

![Figure 36 Combination of Different Audit Types in Audit Engagements](image)

**Figure 36 Combination of Different Audit Types in Audit Engagements**

Percentage of all SAIs indicating each option

- Engagements have financial audit objectives only: 35%
- Engagements have performance audit objectives only: 40%
- Engagements have compliance audit objectives only: 36%
- Engagements have financial and performance audit objectives: 62%
- Engagements have financial and compliance audit objectives: 50%
- Engagements have performance and compliance audit objectives: 48%
- Engagements have all three audit objectives: 39%
- Engagements have more than one of the audit objectives mentioned above: 22%

Source: INTOSAI Global Survey 2020

Finally, robust and strong SAI quality management systems can help promote ISSAI-compliant audit practices. The Global Survey data shows that, globally, one-quarter of SAIs do not have in place any of the features considered to make up a robust quality management system. At the audit engagement level, results show that one-third of SAIs operate without quality control reviews on engagements in financial audits (29%), compliance audit (27%) and performance audit (31%). More concerning is the fact that 37% of SAIs don’t have a system in place for monitoring the quality of any of the audit streams.

![Figure 37 Combination of Engagement Objectives for Jurisdictional Control](image)

**Figure 37 Combination of Engagement Objectives for Jurisdictional Control**

Percentage of SAIs with a mandate for jurisdictional control indicating each option

- Jurisdictional control engagements are conducted separately to other audit engagements: 61%
- Jurisdictional control engagements are combined with financial audit objectives: 22%
- Jurisdictional control engagements are combined with performance audit objectives: 28%
- Jurisdictional control engagements are combined with compliance audit objectives: 33%
- Jurisdictional control engagements are combined with more than one of the audit objectives mentioned above: 3%

Source: INTOSAI Global Survey 2020

In case of jurisdictional control mandates, the practice of combining jurisdictional control with other types of audits is less frequent. In 61% of SAIs with such a mandate, jurisdictional control engagements are conducted separately to other audit engagements. Except for those SAIs who report to combine jurisdictional control with other objectives, these SAIs do not report on organising their work according to the objectives of financial, compliance and performance audits. However, it is necessary to note that there is not a correlation between these SAIs and SAIs that report not to cover the audit types.
The sample of SAI PMF assessments confirms that systems monitoring of audit quality (referred to as quality assurance) are less robustly applied than quality control procedures. Figure 39 shows that less than half of SAIs have ISSAI-compliant quality management both at the organisational and audit engagement levels. Furthermore, the figure shows that at audit engagement level quality control is strongest in financial audit followed by performance audit and compliance audit.

Data suggests that quality control systems alone don’t lead to more ISSAI-compliant audits. Comparing SAIs’ performance in audit quality control with the performance in conducting the audit shows lower scores on conducting the audit (referred to in the SAI PMF as audit implementation) for all audit streams, than for engagement-level quality control. This suggests that quality control systems should be accompanied by quality monitoring practices for SAIs to address deficiencies more systematically.

**Digitalisation of audit documentation**

The results of 2020 global survey show that 51% of SAIs state that auditee information is recorded in a digital format to a full/greater extent. SAIs are lagging only slightly behind in this trend as 49% of SAIs apply digitalised audit documentation to a full/greater extent. Not surprisingly, the more complex the technology, the less SAIs are using them in their audit practices. For example, advanced data analytics is still only used to a full/greater extent by 24% of SAIs.
4.2 DECLINE IN AUDIT COVERAGE OVER TIME

Audit coverage is an indicator of the degree to which the SAI meets its audit mandate. Audit coverage may reflect SAI prioritisation and work processes but may also be impacted by the access to resources and the scope of the audit mandate as stipulated in legislation.

In this section, SAI coverage is assessed against a set of specified benchmarks for financial, compliance and performance audit. These benchmark levels are consistent with the SAI PMF criteria on the audit coverage dimension and across the Global Surveys of 2014, 2017 and 2020.

The results of the 2020 Global Survey show a declining trend in coverage from 2014 in financial and performance audits while compliance audit coverage is on the rise.

**FIGURE 40 PERFORMANCE ON SAI AUDIT COVERAGE IN FA, CA AND PA**

- **Financial audit coverage**
  - Globally, 62% of the SAIs meet the benchmark for financial audit coverage, which is slightly below the 66% reported in 2017.
  - The coverage in developing countries fell from 68% in 2014 to 55% in 2020. The coverage was below the global average for SAIs in CREFIAF (11%), OLACEFS (40%), and ARABOSAI (43%).

- **Performance audit coverage**
  - For performance audit coverage, 62% of SAIs globally meet the benchmark, an increase from the 58% reported in 2017. 64% of SAIs from developing countries indicate that they meet the benchmark which is a 6% increase from 2017. SAIs in CAROSAI (35%), CREFIAF (42%) and PASAI (22%) most frequently fell short of the benchmark.

Coverage is also affected by the extent of the scope of the mandate of the SAI, as well as SAI prioritisation. In practice, access to resources and size of staff will affect ability to meet the mandate, in terms of coverage.

- **Compliance audit coverage**
  - For compliance audit coverage, 62% of SAIs globally meet the benchmark, and at least 64% of SAIs from developing countries responded that they had met the benchmark, 6% lower than in 2017.

The results also show that developing countries lag significantly behind HI countries in financial and performance audit coverage, and the differences seem to increase. In compliance audit, developing countries appear to have higher audit coverage than HI countries. This may be correlated to the different challenges countries are facing in PFM with SAIs focusing their efforts on the area they can add most value.

**Benchmark Levels for Financial, Compliance and Performance Audit**

- **Financial audit**
  - Our SAI applies a documented risk basis for selecting audits, and at least 60% (by value) of the audited entities within our mandate were subject to a compliance audit in the last audit year.

- **Compliance audit**
  - Our SAI audited at least 75% of the financial statements we received.

- **Performance audit**
  - Our SAI has issued at least 10 performance audits per year and/or 20% of our SAI’s audit resources have been used for performance auditing.

**Source**: INTOSAI Global Survey 2020

**SAI CORE AUDIT SERVICES**
FIGURE 41 SAIS MANDATE TO AUDIT POLITICAL PARTIES ACCORDING LEVELS OF DEMOCRACY

Political parties

<table>
<thead>
<tr>
<th>Region</th>
<th>Refer results to legal powers</th>
<th>Make binding remedial action</th>
<th>Discharge public managers</th>
<th>Oversees national fraud/corruption institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global (n=148)</td>
<td>87%</td>
<td>79%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Authoritarian (n=21)</td>
<td>74%</td>
<td>56%</td>
<td>21%</td>
<td>76%</td>
</tr>
<tr>
<td>Hybrid Regime (n=32)</td>
<td>76%</td>
<td>72%</td>
<td>67%</td>
<td>84%</td>
</tr>
<tr>
<td>Planned Democracy (n=40)</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
<td>75%</td>
</tr>
<tr>
<td>Full Democracy (n=44)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

FIGURE 42 SAIS MANDATE TO AUDIT DONOR FUNDS ACCORDING TO INCOME CLASSES

Donor funds

<table>
<thead>
<tr>
<th>Income Class</th>
<th>Share information with specialised anti-corruption institutions</th>
<th>Investigate corruption and fraud</th>
<th>Refer results to legal powers</th>
<th>Make binding remedial action</th>
<th>Discharge public managers</th>
<th>Oversees national fraud/corruption institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global (n=117)</td>
<td>76%</td>
<td>60%</td>
<td>60%</td>
<td>71%</td>
<td>82%</td>
<td>86%</td>
</tr>
<tr>
<td>Low income (n=26)</td>
<td>40%</td>
<td>50%</td>
<td>50%</td>
<td>33%</td>
<td>46%</td>
<td>57%</td>
</tr>
<tr>
<td>Lower middle income (n=24)</td>
<td>89%</td>
<td>84%</td>
<td>83%</td>
<td>78%</td>
<td>79%</td>
<td>84%</td>
</tr>
<tr>
<td>Upper middle income (n=43)</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
</tr>
<tr>
<td>High income (n=18)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

4.3 SAIS’ MANDATE IN PREVENTING CORRUPTION

As an integral part of the country’s PFM system, SAIs have a deterrent and preventive role in the fight against corruption, by investigating and uncovering the misuse of funds. However, while SAIs may have become more responsive to the challenges of corruption, there is great variation in how far SAIs can go to address issues related to fraud and corruption.

Most SAIs (85%) can refer potential cases of corruption to the appropriate entity with prosecutive legal powers. 78% of SAIs have the mandate to share information with specialised anti-corruption institutions, which replicates the responses to the Global Survey 2017. The majority of SAIs (60%) have the mandate to investigate corruption and fraud issues by themselves - an increase of 5% compared to the 2017 figures. Nearly half of SAIs (45%) are mandated to issue binding remedial actions, and 42% of SAIs exercise oversight of national institutions whose own mandate is to investigate corruption and fraud issues. The latter constitutes a 3% increase compared to 2017. A very small number of SAIs (7%) have a mandate to discharge public managers from financial liability for public accounts.
The mandate to fight corruption correlates with country income status and democracy levels. Figure 44 shows that SAIs’ mandate to investigate corruption and fraud is stronger in countries with lower levels of democracy. In full democracies, the SAIs are less likely to be mandated to issue binding remedial actions.

### 4.4 SAI INVOLVEMENT IN GENDER AUDITS

In a SAI context, a gender audit can be defined as an audit which aims to contribute to gender equality and empowerment of women and girls. In the past three years, 24% of SAIs globally have undertaken gender audits. The share is highest for SAIs in OLACEFS (65% of SAIs have undertaken gender audits) followed by AFROSAI-E (with 28%). It’s worth noting that in LI countries only 15% has carried out gender audits.

Analysis suggests that the high percentage of gender audits conducted in OLACEFS results from member SAIs’ engagement in a cooperative audit on “auditing governments’ preparedness for the implementation of Sustainable Development Goal 5 on gender equality.” Apart from these SDG-5 audits, globally 16% of SAIs have carried out other gender audits.

### 4.5 IMPROVEMENTS IN TIMELY REPORTING AND PUBLICATION

Following the audit process, results are presented in audit reports to the audited entity and other relevant stakeholders. The impact of the audit, however, depends on the use of the results, so audit reports should be of high quality, delivered at a relevant time, and SAIs should make efforts to get their messages across.

Timely audit reports ensure relevant conclusions and recommendations. Responses to the Global Survey 2020 shows that a majority of SAIs (61%) have submitted their consolidated annual audit report to legislature within the time stipulated by the law (see Figure 46). Compared to 2017, this is a slight increase.
The SAI PMF sample corroborates results on timeliness. The results clearly show that timely submission of the consolidated annual audit report by SAIs appears to be strongly correlated with the country income status, suggesting the link with the resources available to SAIs.

**FIGURE 46 TIMELY SUBMISSION OF CONSOLIDATED ANNUAL AUDIT REPORT BY SAIS**

<table>
<thead>
<tr>
<th>Percentage of all SAIs indicating each option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within six months of stipulated legal time</td>
</tr>
<tr>
<td>Within one year of stipulated legal time</td>
</tr>
<tr>
<td>More than one year after stipulated legal time</td>
</tr>
<tr>
<td>More than one year after stipulated legal time</td>
</tr>
<tr>
<td>For our SAI, there is no time stipulation for issuing the consolidated annual audit report</td>
</tr>
</tbody>
</table>

The SAIs publishing at least 80% of reports, or none

Source: INTOSAI Global Survey 2020

**FIGURE 47 PERFORMANCE OF SAIS IN MEETING SAI PMF CRITERIA TIMELY SUBMISSION OF AUDIT RESULTS AND PUBLICATION**

<table>
<thead>
<tr>
<th>Compliance audit</th>
<th>Financial audit</th>
<th>Performance audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely submission of results</td>
<td>62%</td>
<td>55%</td>
</tr>
<tr>
<td>Timely publication of results</td>
<td>55%</td>
<td>59%</td>
</tr>
</tbody>
</table>

**4.6 SAIS PUBLISH MORE AUDIT REPORTS**

SAIs have an important role in empowering the public to hold governments accountable and responsive through objective information and timely access to audit reports. Commonly, the legal framework of SAIs stipulate their rights and obligations to report on their work and, specifically, SAIs’ discretionary power to decide on the timing of publication and dissemination of their audit reports.

The responses to the Global Survey 2020 show that 70% of SAIs publish at least 80% of their audit reports. This is a reassuring result after the fall from 69% in 2014 to 56% in 2017.

Globally, 12% of SAIs have not published any audit reports during the last three years, slightly lower than 15% in 2017. SAIs in CREFI/AF have the highest share of SAIs that have not published any reports during 2017-2019 (47%).

**FIGURE 48 PERCENTAGE OF SAIS PUBLISHING AT LEAST 80% OF THEIR AUDIT REPORTS IN 2014-2020 (INCLUDING THE DECISIONS FROM JURISDICTIONAL CONTROL ACTIVITIES).**

<table>
<thead>
<tr>
<th>Publishes at least 80% of reports</th>
<th>Publishes no reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>65%</td>
</tr>
<tr>
<td>2017</td>
<td>55%</td>
</tr>
<tr>
<td>2020</td>
<td>70%</td>
</tr>
</tbody>
</table>

The positive development in publishing the results of financial, compliance and performance audit reports is not observed in the publication of decisions resulting from jurisdictional control activities. The proportion of SAIs that publish the results out of the total number of SAIs that have the mandate to perform jurisdictional control has fallen significantly, from 65% in 2017 to 50% in 2020 (no data for 2014). However, there is also a decline in SAIs reporting that they publish none of their judgements from 24 to 18%.

Source: INTOSAI Global Survey 2020
Except for the publication of judgements/judicial decisions, the Global Survey 2020 results show that the number of SAIs that publish audit reports is increasing across all regions (see Figure 50) with a particularly high increase in ARABOSAI.

Analysis also suggests a correlation between publication and the SAI’s institutional model. SAIs which are a part of the Executive publish their reports less frequently. It’s possible that this relates to the fact that the SAI may play a different role in the accountability as a part of the Executive, addressing the report mainly to the Executive, rather than to the public. For other institutional models, the figure for publication is also lower for SAIs that are of the Jurisdictional Model with a Single Head, explaining the lower numbers of publication of judgements for jurisdictional SAIs, seen above.

Secondly, only 57% of the SAIs reporting that they do not have enough resources manage to publish 80% of their reports, against 83% when SAIs confirm they have sufficient resources. This suggests that planning for publication, which is a part of the audit process, could require additional competency and financial resources for some SAIs, to enable the establishment of sustainable practices.

Globally, 67% of SAIs have formulated a communication strategy to a great or full extent. Regionally, the strong performance of AFROSAI-E is noteworthy. 65% of SAIs report to have established a dedicated communications department to handle media requests. A lower number of SAIs (80%) monitor media coverage of SAI work and an even lower number of SAIs use news releases and hold press conferences on audit reports. Otherwise, SAIs are seen to be traditional in their ways of communicating with the public about their reports, and only half of all SAIs issued a press release to launch their annual report in the last year (2019).

This traditional communication could also be a part of the explanation of why 64% of SAIs report that they communicate regularly with civil society organisations in limited ways only, or not at all. For citizens in general, half of SAIs state that they communicate with them regularly.
4.7 LESS SYSTEMATIC FOLLOW-UP AND STAKEHOLDER MANAGEMENT COULD RESULT IN LOWER AUDIT IMPACT

This section addresses SAIs’ ability to follow up on results, through follow-up systems across audit streams, including stakeholders in follow-up processes and the overall observed rate of implementation of recommendations. These issues are key to addressing any lack in impact SAIs may experience when submitting their audit reports.

The 2020 Global Survey data shows that on average 65% of respondent SAIs have an internal system to follow-up on the observations and recommendations made to the audited entities in financial, performance and compliance audits. This represents a sharp decrease from 86% in 2017. The decrease is seen in all regions.

The results of the 2020 Global Survey are supported by the sample of SAIs that carried out a SAI PMF assessment. The overall proportion of SAIs is significantly lower than reported by SAIs in the Global Survey, but the SAI PMF assessment evaluates the practices under the follow-up system as well as the existence of one, including submission and publication of follow-up reports.

The percentage of SAIs with follow-up systems of jurisdictional control decisions is much smaller than for the three audit streams. This finding correlates with the low number of follow-up systems in the CREFIAF region and LI countries. The results may be explained by variation in mandates and processes following judgements and decision-making - for example, limitations related to identification of liable parties, or practices of transferring to prosecutors if there’s evidence of a breach of penal codes.

As suggested by Figure 52, the highest number of SAIs have a follow-up system for Performance Audit. Regional variation can be observed. CAROSAI and CREFIAF appear to less systematic follow-up of audits, in all audit streams.
In addition to a decline in follow-up, numbers are even lower for submission of follow-up reports to the Legislature or Judiciary.

Less than 40% of SAIs submit follow-up reports, and less of one-third of SAIs report that they publish their follow-up reports on implementation of recommendations. Again, these could both stem from the less than systematic approach to follow-up, but also from a lack of knowledge about the degree of implementation, which would be the result of the quality of the follow-up work being done.

A key indicator for the impact of the work of SAIs is the extent to which its recommendations are implemented by the Executive. According to SAIs’ self-reporting, only half of recommendations are mostly or fully implemented. Figures are higher for jurisdictional control, where 67% of recommendations are classified as mostly or fully implemented. Analysis shows that higher levels of democracy correlate with higher levels of recommendations being technical in nature and not well understood, that there are not sufficient incentives to take up the recommended measures, or defensive attitudes from the side of the audited entity.

The lack of follow-up by the Executive is confirmed by the results in the recent joint IDI-IBP report “All Hands on Deck”, which suggested that Executive implementation is the weakest link in the audit and oversight ecosystem. The Open Budget Survey data shows that on a scale from 0 to 100, the average score of executive response, globally, is a mere 13. Reasons for low response to recommendations could be that recommendations are technical in nature and not well understood; that there are not sufficient incentives to take up the recommended measures, or defensive attitudes from the side of the audited entity.

If these factors are valid, it would require SAIs to do more work in communicating the findings and results of their work to the audited entity. Interestingly, it’s noted that implementation of recommendations is reported to be higher for jurisdictional control, which may suggest that the legal imposition behind the recommendations incentivise certain audited entities to respond to audit results.

The rate of implementation of recommendations for financial audit, compliance audit and performance audit are also correlated with the country income status. According to the responses to the Global Survey 2020, the most important obstacle to deliver audit impact globally is the Executive response, reported by 60% of the SAIs, with 80% of certain regions reporting Executive response to be the main obstacle.24

The extent to which audited entities implement the SAIs’ audit observations and recommendations (including of jurisdictional control) in the last 3 years?

Percentages are based on the extent to which SAIs report that their audit recommendations are implemented, averaging across compliance, financial and performance audits.
In the Global Survey, 63% of SAIs report that they communicate regularly with the Executive, while numbers are higher for audited entities (85%). However, less than half of all SAIs state that they involve the Executive in their follow-up system by asking for feedback on recommendations or requesting evidence for implementation of recommendations. Again, numbers are higher for audited entities, yet there are regional variations, with five regions reporting lower percentages than average for regular involvement. This suggests that the regular interaction with audited entities may be less strategic, both in terms of addressing systemic weakness in performance, and in finding ways to establish a dialogue that nurtures understanding of the results presented.

These weaknesses can also be observed in OBS data where independent follow-up, as part of the audit and oversight ecosystem, has a global average of 28 of 100. Given the negative developments reported on follow-up systems by SAIs, these low figures on consultations with and follow-up of Executive responses, suggest that impact of audit results will not improve as long as follow-up of audits is not prioritised by SAIs as a way of holding the Executive accountable. SAIs’ ability to create impact also depends on their abilities to interact with other stakeholders. Legislative oversight is a key component of accountability, yet this requires legislatures to make use of audit reports, in a timely manner.

Overall, regular communication with legislature is reported by 75% of all SAIs, but only 47% report that they involve Legislature regularly in follow-up discussions about the extent of implementation of recommendations.

Yet another part of stakeholder management for creating impact could be to pursue matters such as audit findings to other appropriate institutions, such as referrals of findings related to corruption and misuse of funds.

Generally, the proportion of SAIs reporting that they communicate regularly with the Executive is low, at only 28% globally. Numbers are higher for SAIs with jurisdictional models and SAIs who are part of the Executive. Regular involvement of the judiciary is very low, with 12% reporting to regularly involve Judiciary Branch in their follow-up. While it's expected that exchange with the Judiciary would be less common for many SAIs, the low figures also suggest that there are missed opportunities for exchange and possible referral of cases related to misuse of funds and possible corruption, which again indirectly reduces the impact of the SAI’s work.

Yet another part of stakeholder management for creating impact could be to pursue matters such as audit findings to other appropriate institutions, such as referrals of findings related to corruption and misuse of funds.

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SAI CAPACITY DEVELOPMENT

Opportunities for more peer-to-peer support

This chapter examines SAI capacity development support, from the perspective of both recipients and providers of support. It explores support received by SAIs or aligned to their identified future capacity development plans, and support provided to SAIs by peer SAIs and others, and the future availability of peer-to-peer support. It also looks at other forms of support including cooperative audits and dissemination of Global Public Goods (GPGs). Finally it examines the effectiveness of support and mechanisms for coordination.

Despite increases in global development spending, this chapter shows that global support for SAIs has stagnated in recent years, and fallen in real terms. The vast majority of developing country SAIs receive external support, though SAIs in less democratic countries are less likely to receive support, reflecting donor development policies. In recent years there has been an increase in funding for global SAI capacity development initiatives, offset by a reduction in the number of countries with significant bilateral support programmes. Many SAIs continue to face challenges in mobilising financial support for capacity development, especially SAIs in LI countries and when the SAI intends to implement the support project themselves.

While there is significant technical support provided from within the INTOSAI community, most of this – especially large support projects – ultimately requires donor financing. Looking to the future, SAIs continue to prioritise development in the core audit streams, audit quality and planning, strategic management, SAI PMF, independence and professional development. Emerging priorities include human resource management, ICT governance, leadership and communication, as well as support in auditing public debt management.

A small core of SAIs are well experienced in leading peer-to-peer support projects, and several more SAI providers are emerging; however most peer SAIs are only willing and able to support peer-to-peer projects or provide smaller, focused support to other SAIs. While much peer-to-peer support tends to be led by SAIs from HI and UMI countries, especially from EUROSAI and OLACEFS, substantial peer-to-peer support is also provided between SAIs in the various regional and language groupings.

SAIs highlight that for success, support needs to be aligned with the SAI’s strategy and owned by the SAI, with strong engagement of SAI staff. Insufficient funding, human resource constraints and poor coordination and communication are highlighted as critical factors that can undermine support. Effectiveness of support can also be enhanced through donor coordination mechanisms which create a forum for regular dialogue on accountability, ensure effective communication and sound understanding of the country context.

5.1 SUPPORT RECEIVED BY SAIS AND FUTURE NEEDS

5.1.1 GLOBAL SUPPORT FOR SAI CAPACITY DEVELOPMENT HAS STAGNATED AT $88 MILLION

Following an initial rise after establishment of the INTOSAI-Donor Cooperation in 2010, the value of capacity development support to SAIs globally has remained steady at around $88 million for the past seven years. As these figures are reported in current prices, this represents a real-term fall in support for SAIs, at a time when global development spending has been rising. While there is a risk that the database does not capture all SAI capacity development spending, it is nonetheless concerning that support for SAIs has, at best, flattened.

As would be expected, more support continues to be provided to SAIs from countries from lower income classifications. 2020 appears to show a small shift in support from UMI to LMI countries.
5.1.2 Most SAIs are supported, but SAIs from less democratic countries are at risk of being left behind

94 SAIs (80% of respondents) from developing countries received support from external partners for their capacity development (and 61% of SAIs globally). The main factor explaining lack of external support to developing countries, however, is not regions but democracy levels, with SAIs in countries at the lower end of the EIU democracy index making up most of the unsupported SAIs. This reflects the importance attached to democracy in the aid policies of most development partners.

80% of respondents from developing countries received support from external partners for their capacity development

While this data shows most SAIs are supported, it does not consider the size and duration of support. SAIs with significant capacity development needs often require sustained support. The percentage of developing countries benefiting from a substantial capacity development initiative (in size or duration) increased from 34% in 2019 to 36% in 2020 but declined from the 41% reported in 2017. While this appears to be fewer long-term support projects at the SAI level, fitting with the increased focus on global programmes.

Source: INTOSAI Global Survey 2020

SAI capacity development database, percentage of developing countries which, in the year in question, have benefited from a significant capacity development initiative (i.e. exceeds $0.5 million for the SAI and has a duration of 2 years or longer).
5.1.3 DIFFICULTIES IN SECURING FINANCIAL SUPPORT WHEN SAI IS THE IMPLEMENTER

43% of SAIs that received support from external partners found it difficult to obtain financial support for their capacity development. SAIs found the most challenges in mobilising support for projects to be implemented by the SAI itself, with 74% of SAIs in LI countries reporting that this is difficult. In contrast, SAIs found least difficulty in obtaining external financial support for initiatives to be implemented by another body such as IDI, peer SAIs, INTOSAI regional bodies or external providers, than for initiatives implemented by the funding development partner. Further analysis of these results by region show similar patterns except for EUROSAI and CAROSAI.

74% of SAIs in lower income countries had challenges in obtaining support for projects to be implemented by the SAI itself.

FIGURE 59 ASSESSMENT OF SAI PERCEIVED DIFFICULTY OF ACCESSING FINANCIAL SUPPORT BY COUNTRY INCOME STATUS

Percent of SAIs who received capacity development support indicating that found accessing financial support ‘difficult’ or ‘somewhat difficult’

5.1.4 EVOLVING SAI CAPACITY DEVELOPMENT PRIORITIES

96% of SAIs report that they intend to develop their capacities over the next three years, and most intend to seek support from external partners to do so. Exceptions are SAIs in HI and some UMI countries, particularly in EUROSAI, as well as some SAIs in ASOSAI and APABOSAI.

The figures below show and compare areas where SAIs received support in the past three years and planned development areas for the future. In the past three years SAIs have focused on the strategic planning cycle, with two-thirds of SAIs receiving such support. Other common areas include audit quality and planning systems, SAI PMP, organisational control environment, SAI independence, and professional development and training capacity. Looking to the future, SAIs continue to plan development in these areas, but several new areas are also gaining prominence. These include human resource management, ICT governance, leadership and communication – internal, with citizens and the media, and with the executive, legislature and judiciary.

96% of SAIs report that they intend to develop their capacities over the next three years.
FIGURE 61 SUPPORT AREAS RECEIVED 2017-19 AND PLANNED FOR DEVELOPMENT 2020-22: AUDIT DISCIPLINES AND TOPICS

FIGURE 62 SAIS RESPONDING THAT THEY RECEIVE TECHNICAL AND FINANCIAL SUPPORT FROM THE FOLLOWING TYPES OF ORGANISATIONS BETWEEN 2017-2019

5.2 SUPPORT PROVIDED TO SAIS AND FUTURE SUPPLY

This section explores which bodies fund and provide the support received by SAIs.

5.2.1 THE INTOSAI COMMUNITY AND DONORS PLAY ESSENTIAL ROLES IN MOBILISING SUPPORT

The Global Survey asked SAIs which bodies provided financial and technical support for their capacity development projects. From the perspective of recipients, IDI and INTOSAI regional bodies were most frequently noted as providing technical support, and international donors dominated in provision of financial support. Note, though, that these responses are not weighted by value of support projects: some of the largest projects by value are delivered by external providers. Meanwhile, financial support provided by IDI and INTOSAI regional bodies, whilst prevalent, is often small scale – usually funding the costs of staff and SAI participation in events, and ultimately much of this support is donor-funded. Nevertheless, the figures show both the extent of involvement of the INTOSAI community in delivering support, and the essential role of donors in financing this, as well as providing technical support.

Capacity development on gender related issues remains limited.

Only 8% of SAIs report having received capacity development support on gender in organisational processes and 8% on gender in specific audit topics. There is a somewhat higher focus on support in capacity development in CREFIAF, OLACEFS and AFROSAI-E regions. A few SAIs in OLACEFS and EUROSAI region report having received capacity development support on gender in organisational processes and on specific gender audits. About one quarter of SAIs globally respond that they have plans to develop capacities on gender over the next three years.

5.3 SIGNIFICANT PEER-TO-PEER SUPPORT WITHIN INTOSAI REGIONS

Among the modalities of capacity development support, the most frequently used is SAI peer-to-peer support.30 SAIs have long expressed a preference for peer support over support from those outside the community,31 though this depends on the specific support area in question. During 2017-19, peer support constituted 70% of all support received (by occurrence, not value) by developing country SAIs (94 SAIs).

The 2020 Global Survey shows that 71 SAIs (40%) indicate that they provided capacity development support to other SAIs during the period 2017-2019, down from 87 SAIs in 2017.

As noted below, only 67 SAIs indicated an intention to continue providing support in the future, thus continuing the trend of reducing providers of peer-to-peer support.

SAIs more commonly receive support from peer SAIs within their region rather than outside their region. This in part reflects that many INTOSAI regions are also based around common working languages – Arabic, French and Spanish speaking SAIs often look for peer support from SAIs that can deliver in those languages. The figures below summarise the frequency of provider-recipient peer-to-peer support based on INTOSAI regions, from the recipient and provider perspective.

30 Support by IDI and INTOSAI regional bodies is also characterised as peer-to-peer support.
31 See Global Stocktaking Report 2017
5.3.1 67 SAIS WILLING TO SUPPORT PEER SAIS IN THE FUTURE

While SAIs commonly express a preference for peer-to-peer support, this demand presupposes there are sufficient peer SAIs willing and able to provide this.

67 SAIs responded that they are willing to provide support to their peers in the next three years. Of these, 26 were willing to lead support.

However, only four SAIs report they have their own resources to fund it, while the other 22 SAIs require external funding. While those willing to lead support come predominantly from EUROSAI (9) and OLACEFS (5), there was at least one such SAI in each region. While the Global Survey did not explore past experience and the volumes of support SAIs could lead and finance, the SAI capacity development database shows that six SAIs have led a portfolio of SAI capacity development projects over the past five years. This shows there is a combination of established peer providers and emerging peer providers for the future.

More commonly amongst SAIs is a willingness to support (rather than lead) peer-to-peer development initiatives.

This includes lending staff to projects run by others, the SAI participating as a junior partner on a project or facilitating knowledge-sharing initiatives. A further 41 SAIs indicated a willingness to support in this way, of which 14 reporting being resourced to fund this, and 27 SAIs saying they could do so if external funding was made available. Unsurprisingly, those SAIs reporting they could self-fund peer-to-peer support came mainly from HI, then UMI countries. However, a few such SAIs face restrictions that such support could only be provided on a cost recovery basis, and/or by their arm’s-length capacity development bodies.

In conclusion, there seems to be sufficient peer SAIs to support SAI capacity development initiatives, and a reasonable number willing to lead such initiatives if external funding can be found.

Without external funding, the demand for peer-to-peer support cannot be met.

5.3.2 FACTORS DRIVING PEER-TO-PEER SUPPORT

Most SAIs providing peer support have policies, principles and practices guiding how they decide which SAIs to support, and how such support is delivered. The most common determinants are the nature of the support requested, whether it matches the SAI’s own expertise, and whether the support can be funded. It is therefore the SAI’s ability to deliver what is requested that drives support rather than wider developmental considerations such as commitment to and likelihood of sustainable change within the SAI and accountability system.

The working language, similarity of SAI model and priority for the country (i.e., historical bilateral relations) is also important, suggesting that most peer SAIs will focus on the same region or group of countries, and may be less willing to explore support in new geographies. This in part explains the prevalence of SAIs willing to support SAIs in AFROSAI-E, and the challenges sometimes faced in mobilising support for SAIs in CREIFIAF facing similar or greater needs.
Once the country focus of peer support has been decided, most peer SAIs follow good practices in delivering support. Most respond that areas to be supported are determined by the peer SAI, though almost half also consider their own SAI’s priorities in determining support areas. Only 25% of responding SAIs said that they often provided support for more than a year, indicating that a lot of peer-to-peer support is focussed and small scale. However, 34 SAIs responded that they use twinning arrangements to support peer SAIs. Only 16 SAIs – mostly from EUNOSAI – regularly tender for consultancy projects, and very few SAIs (11) regularly have staff stationed at the peer SAI’s office. For many SAIs, support is increasingly provided remotely, a trend that looks set to continue under the ‘new normal’ – further highlighting the importance of support and investment in ICT governance for SAIs.

In addition to financial and technical assistance, and peer-to-peer support, significant capacity development occurs through cooperative audits and disseminating Global Public Good (GPGs). 75% of responding SAIs – from all regions – participated in cooperative audits, most prominently those from UMI countries. Most SAIs have participated in cooperative audits arranged by themselves (38), INTOSAI regional bodies (91), IDI (90) and peer SAIs (93). Cooperative audits organised by the SAI community are perceived as significantly more effective in enhancing audit methodology and staff skills than such audits organised by others.

### FIGURE 66 APPLICATION OF GOOD PRACTICE PRINCIPLES IN DELIVERING SUPPORT

Percentage of the 71 SAIs who provided capacity development support indicating each of the following.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Not effective at all</th>
<th>Somewhat effective</th>
<th>Very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>The capacity support is timely and of adequate scale.</td>
<td>8%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>We meet for regular meetings.</td>
<td>15%</td>
<td>28%</td>
<td>18%</td>
</tr>
<tr>
<td>The areas focussed are our priorities.</td>
<td>15%</td>
<td>18%</td>
<td>28%</td>
</tr>
<tr>
<td>Support is provided for general needs.</td>
<td>9%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>The same SAI is the point of contact.</td>
<td>31%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Support is provided on a reciprocal basis.</td>
<td>10%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Twinning arrangements support peer SAIs with their regular operations.</td>
<td>3%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Twinning arrangements support SAIs in an advisory capacity.</td>
<td>10%</td>
<td>31%</td>
<td>13%</td>
</tr>
<tr>
<td>Staff remain for the entire duration of support.</td>
<td>5%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Twinning arrangements occur through cooperative audits.</td>
<td>15%</td>
<td>27%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

### FIGURE 67 PERCEIVED EFFECTIVENESS OF COOPERATIVE AUDITS IN ENHANCING AUDIT METHODOLOGY AND STAFF SKILLS, BY ORGANISING BODY

For SAIs participating in each organiser–type of cooperative audit.

<table>
<thead>
<tr>
<th>Organising Body</th>
<th>Not effective at all</th>
<th>Somewhat effective</th>
<th>Very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our SAI (n=86)</td>
<td>3%</td>
<td>31%</td>
<td>66%</td>
</tr>
<tr>
<td>Peer SAI (n=80)</td>
<td>67%</td>
<td>23%</td>
<td>10%</td>
</tr>
<tr>
<td>INTOSAI Regional Body (n=11)</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>IDI (n=80)</td>
<td>31%</td>
<td>49%</td>
<td>20%</td>
</tr>
<tr>
<td>International Development Partner (n=32)</td>
<td>51%</td>
<td>45%</td>
<td>4%</td>
</tr>
<tr>
<td>External provider (n=32)</td>
<td>59%</td>
<td>31%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: INTOSAI Global Survey 2020

32. Cooperative audits are those where several SAIs work on the same or similar audits at the same time, often under guidance from another entity, with initial sharing of knowledge and experiences built into the process.

**5.3.3 FACTORS DRIVING PEER-TO-PEER SUPPORT**

Most SAIs providing peer support have policies, principles and practices guiding how they decide which SAIs to support, and how such support is delivered. The most common determinants are the nature of the support requested, whether it matches the SAI’s own expertise, and whether the support can be funded. It is therefore the SAI’s ability to deliver what is requested that drives support – rather than wider developmental considerations such as commitment to and likelihood of sustainable change within the SAI and accountability system.

The working language, similarity of SAI model and priority for the country (i.e. historical bilateral relations) is also important, suggesting that most peer SAIs will focus on the same region or group of countries, and may be less willing to explore support in new geographies. This in part explains the prevalence of SAIs willing to support SAIs in AFROSAI-E, and the challenges sometimes faced in mobilising support for SAIs in CREP/AF facing similar or greater needs.
The survey also explored success and failure factors for capacity development support, from both provider and recipient perspectives. The most critical factors contributing to successful support initiatives as perceived by recipient SAIs are link to the SAI’s strategic priorities, subject matter knowledge, inclusion of recipient SAI staff in the initiative and clear communication. The factors contributing to support failure relate to insufficient funding, human resource constraints, poor coordination and communication, inflexible procedures and limited country knowledge.

**FIGURE 70 CRITICAL SUCCESS FACTORS FOR SUPPORT ACCORDING TO SAI RECIPIENTS**

Graph shows the frequency with which each potential success factor was mentioned by recipient SAIs compared to the average number of mentions across all factors (the average is set to 100%).

**FIGURE 71 FACTORS CONTRIBUTING TO SUPPORT FAILURE ACCORDING TO SAI RECIPIENTS**

Graph shows the frequency with which each potential failure factor was mentioned by recipient SAIs compared to the average number of mentions across all factors (the average is set to 100%).

SAI providers of support were also asked the same questions on critical success and failure factors for support. (As the survey only went to SAIs, the views of other non-SAI providers of support were not collected.) Providers identified the critical success factors as commitment from SAI leadership, subject matter knowledge and effective communication. The most critical factors contributing to failure were again insufficient funding, language barriers and insufficient allocation of staff time by the recipient SAI to the project.

### 5.5 ENSURING EFFECTIVENESS OF SUPPORT TO SAIS

#### 5.5.1 EFFECTIVENESS OF SUPPORT TO SAIS

According to recipients of support, most aid effectiveness principles for providing support have been widely applied. Eight of the eleven principles were applied in at least 88% of countries. Most frequently reported was principles to involving the recipient SAI staff in the initiative and clear communication. The survey identified that a more limited share of SAIs (73%) indicated that the support was led by the recipient. This may indicate limitations in the SAI ownership of some capacity development initiatives.

**FIGURE 68 MOST USED INTOSAI GLOBAL PUBLIC GOODS**

<table>
<thead>
<tr>
<th>INTOSAI Body</th>
<th>Number of GPGs</th>
<th>MOST USED GLOBAL PUBLIC GOODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTOSAI Professional Standards Committee</td>
<td>16</td>
<td>ISSAI 130 Code of Ethics, Mexico Declaration on SAI Independence, Lima Declaration</td>
</tr>
<tr>
<td>INTOSAI Capacity Building Committee</td>
<td>18</td>
<td>SAIFMF INTOSAI Tool, GUID 1900 – Peer Review Guidelines, GUID 1300 – Guidelines on IT Audit, GUID 5022 – Sustainable Development – The Role of SAIs, GUID 5021 – Environmental Audit and Regularity Auditing</td>
</tr>
<tr>
<td>AFROSAI</td>
<td>1</td>
<td>AFROSAI Gender and Development Strategy</td>
</tr>
</tbody>
</table>

**FIGURE 69 APPLICATION OF GOOD PRACTICE PRINCIPLES ACCORDING TO RECIPIENTS OF CAPACITY DEVELOPMENT SUPPORT**

*Source: INTOSAI Global Survey 2020*

**FIGURE 72 SUCCESS FACTORS CONTRIBUTING TO SUPPORT ACCORDING TO PROVIDERS**

*Source: INTOSAI Global Survey 2020*
Comparing these factors with those outlined by support recipient SAIs shows that:

- Subject matter knowledge is crucial from both the recipient and provider’s point of view.
- While receivers emphasise alignment with the strategy, providers point at the importance of ownership from the recipient SAI. Both elements are related.
- While providers emphasise effective communication, recipient SAIs point at the importance of including recipient SAI staff in the project. Both elements are related.
- Insufficient funding, human resource constraints and poor coordination and communication (including language barrier) are considered the most important common factors limiting success for support recipient and support provider SAIs.

5.6 COORDINATION OF SUPPORT

There has been a slight increase in the percentage of developing country SAIs that have a donor coordination group to support their capacity development, from 42% in 2017 to 44% in 2020. Among the 97 SAIs where there is more than one donor, 56 SAIs confirmed having an established donor coordination group. The countries in which this practice is the most common are LMI countries in CRIFRAF, AFROSAI-E and ASOSAI.

The success of this mechanism was mostly determined by regular meetings with the stakeholders (39%) and a good understanding of the country context (36%). Among the factors contributing to failure of donor coordination, 24% of SAIs mentioned lack of a dedicated coordination/discussion (policy dialogue) forum focused on audit (or accountability). Further, 21% mentioned shortcomings in communication and 18% noted the lack of understanding of the country context.

FIGURE 72. CRITICAL SUCCESS FACTORS FOR SUPPORT ACCORDING TO SAI PROVIDERS

Graph shows the frequency that each potential success factor was mentioned by provider SAIs compared to the average number of mentions across all factors (the average is set to 100%).

FIGURE 73 FACTORS CONTRIBUTING TO SUPPORT FAILURE ACCORDING TO SAI PROVIDERS

Graph shows the frequency with which each potential failure factor was mentioned by provider SAIs compared to the average number of mentions across all factors (the average is set to 100%).

FIGURE 74 RANKING OF DONOR COORDINATION SUCCESS FACTORS

Graph shows the frequency with which each potential success factor was mentioned by SAIs compared to the average number of mentions across all factors (the average is set to 100%).

FIGURE 75 RANKING OF DONOR COORDINATION FAILURE FACTORS

Graph shows the frequency with which each potential failure factor was mentioned by SAIs compared to the average number of mentions across all factors (the average is set to 100%).
REGIONS’ PERFORMANCE

Regional organisations are responsive to members’ needs

SAIs around the world are supported and organised through regional bodies, normally grouped according to either language or geography. A separate regional survey collected responses from ten INTOSAI regional and sub-regional bodies, notably AFROSAI, AFROSAI-E, ARABOSAI, ASEANSAI, ASCOSAI, CAROFAI, CREFIAF, EUROSAI, OLACEFS, and PASAI. They support and represent SAIs in different ways, in accordance with their unique mandates, member composition and context.

This chapter is based on analysis of the regional responses. The survey sought information about the governance structure of these organisations, and about their practices benchmarked against the principles outlined in the INTOSAI Capacity Building Committee (CBC) Regional Professionalisation Framework. The framework identifies values added by regional organisations through four strategic dimensions. These are (1) Governance, Organisation and Sustainability, (2) Strategic Management, (3) Advocacy and Communications, and (4) Capacity Development support. Each dimension is regarded as important, but the emphasis may vary depending on the circumstances in the region. The chapter aims to summarise what role regional bodies in INTOSAI currently have, and to identify where there are opportunities to explore more.

All INTOSAI regions have Strategic Plans, and across the regions, main strategic priorities include professionalisation of auditors and improving audit practices. Similarly, the technical support offered by regions to their members aligns with these strategic priorities and is focused on developing audit capacity. Regional Secretariats are small and quite diverse, yet all the organisations facilitate or provide technical support related to audits.

Most often they lead in implementation and adaptation of INTOSAI standards in their region. Regional strategic priorities appear to have been established on the needs expressed, and input provided by their member SAIs. The responses to the regional survey also show that the majority of regions rely on external financial support in addition to their membership fees, to finance capacity development to its members. Further, they often partner with other INTOSAI bodies or technical partner to provide support to their members.

FIGURE 76 MAP WITH REGIONS

4 of 10 regions had an increase in external funding since 2017

6 regions report to rely greatly on in-kind support.

33. Seven of these regions are considered the official INTOSAI regions.

* AFROSAI covers the whole African continent
** ASEANSAI is a sub-group and members are also members of ASOSAI
6.1 GOVERNANCE ARRANGEMENTS AND RESOURCES

The first section presents the governance structures and profile of the different regions.

FIGURE 77 GOVERNANCE ARRANGEMENTS IN INTOSAI REGIONAL AND SUB-REGIONAL ORGANISATIONS

Governance structures vary across regions, reflecting their uniqueness, members need and autonomy. Almost all regions have an Executive Secretariat. For seven regions, the Secretariat is the main implementer of the Strategic Plan, while all regions rely on the Secretariat to provide logistic and administrative support.

All regions have an entity equivalent of a Governing Board that is the decision-making entity which is the executive organ of the region. Almost all regions report to their members in a General Assembly.

Comparing funding over the last six years (2014-2019), the responses suggest that some regions have had a real increase in budget, while others have stayed at the same budget levels, with some fluctuations on a year-to-year basis. The fluctuations could be a result of factors such as the length of contracts with development partners and deadlines for submission of members fees. Comparison of the average of the budget for 2014-2016 and 2017-2019, suggests a marked increase for AFROSAI-E, CREFIAF and OLACEFS, with a smaller increase for PASAI, but a more than 20% decrease in total budget for ARABOSAI, ASOSAI and CAROSAI. For the latter it seems that the decrease is particularly linked to project funds no longer figuring in the 2017-2019 budgets.

It’s also worth noting that four regional Secretariats report that they need to fund the secretariat costs separately from the regional budget and obtain the main part of the budget for their activities themselves. Six regions also say they rely on in-kind support to a great extent to implement their planned activities. Half of the regions report that insufficient human and or financial resources is a challenge to implementation of their Strategic Plans.

6.1.1 BUDGETS DEPEND ON CORE FUNDING

Regions reported an overall increase in total budgets in seven out of ten regions since 2017. Reporting also suggests that only for four regions there was an increase in external funding that came from development partners or partner institutions, while six regions had increased their self-funded budgets. Reported budgets suggest variation in the composition of funding. Most funding is core funding (such as membership fees and budget shares covered by host SAI). In the period 2017-2019 there has been an increase in the proportion of earmarked funding from development partners, particularly for AFROSAI-E, PASAI and CREFIAF.

6.1.2 STAFF COMPETENCY PROFILE FOCUSED ON AUDITING

Reporting on staff numbers suggests that regional Secretariats remain fairly small entities, with up to 20 staff. With the exception of AFROSAI-E where all staff work full time, the number of full-time staff is equivalent to, on average, 3-5 people. In terms of gender composition, there have been minimal changes since the last Stocktake. CAROSAI, EUROSAI and PASAI are the regions with highest female representation among Secretariat staff.
Regional Secretariats provide numerous services to their members, including facilitating capacity development support, advocacy and support to the organisation of regional events. Reported numbers from the regions suggest that the most Secretariat staff are accountants and/or certified auditors or event managers. It’s notable that competencies related to IT, HR and law are least represented, but this also seems to be reflected in the activities of the regions, as can be seen below.

6.2 STRATEGIC MANAGEMENT PRACTICES OF REGIONS

Results of the regional survey confirm that all regions have a Strategic Plan, and that Operational Plans are developed and used to implement the Strategic Plans. The majority also report to monitor the implementation of its strategic plan.

TOP 5 REPORTED ABOUT STRATEGIC PRIORITIES FOR THE REGIONS

1. Support for professional development of auditors
2. Support for ISSAI compliant audit practices
3. Support for performance audit operations
4. Support for auditing Sustainable Development Goals
5. Support for stakeholder engagement and communications
It should also be noted that a large majority of regions indicate support for SAI independence and strategic management as strategic priorities. Only half of the regions indicate that gender is a strategic priority. In their response, EUROSAI also state that rather than identifying specific priorities, their strategic goals are defined in a broader manner which covers both professional development and supporting institutional capacity development.

Almost all regions report that they have carried out needs assessments of members’ needs, surveying members and holding discussions to inform the development of Strategic Plans.

In CAROSAI and PASAI they don’t only use member’s input to inform their plan, but also to a greater extent link the plan to their member SAIs’ Strategic Plans. Almost all regions report to have carried out needs assessment of members’ needs, surveying members and holding discussions to inform the development of Strategic Plans. Half of the regions also indicate that they have used SAI members’ own performance data to inform the planning.

Only three regions, CAROSAI, CREFIAF and PASAI, used gender analyses to inform their Strategic Plan.

When it comes to monitoring and reporting, there is more variation, but the tendency is that regions are focusing more on these aspects for internal reporting purposes. Nine out of ten regions report having mechanisms to monitor the Strategic Plan as well as the Operational Plans, but two regions also point out the need for monitoring and evaluation resources to better monitor performance against the Strategic Plan.

PASAI is the region reporting to have practices most in line with the principles identified by the CBC professional regions framework. PASAI reports that it has fully carried out resource planning for both human and financial resources for all activities, having projected and monitored costs for its strategy and using a cost-monitoring system that allows for reporting to stakeholders, in addition to comply largely with good practices in reporting. Overall, regions use information systems for their performance data to a limited extent, and only two regions have established a risk register. For evaluating and reporting, practices are varied and there seems to be potential for more transparency. Regions report using internal assessments, surveys to and dialogue with members to inform the implementation of their strategic and annual plan. Eight of the ten regions who responded say that they have conducted a formal assessment of their performance, and consistent with the evaluation approach, only three regions used external assessors to evaluate their plan.

While almost all regions report to have published some type of financial and accountability report annually, only one has developed a performance report that integrates those of all operational entities of the region. Only one region, PASAI, publishes results from peer-reviews and independent external assessments.

Low use and dissemination of performance information not only affects the strategic management of the regions, but more specifically limits the potential for good knowledge management, feeding existing limits the potential for good knowledge management, feeding existing information into related processes, and making existing knowledge useful in various projects.

6.3 COMMUNICATION AND ADVOCACY VARY ACROSS REGIONS

It’s important for regional bodies both to communicate with their members, and to represent their members’ interests by communicating more broadly with multiple stakeholders. There isn’t a clear trend when it comes to communication and practices and general outreach varies across regions, both in form and frequency. Six regions report having a communications strategy which covers outreach to stakeholders, and which identifies objectives, stakeholders and key messages. Five of these six also state that the communications strategy is aligned with the strategic plan.

However, only EUROSAI and CREFIAF monitor the implementation of the communication strategy regularly, and only CREFIAF seeks feedback from stakeholders as a part of the monitoring.

All regions use websites to communicate with members SAIs as well as the general public.

They also use social media for this purpose. Only three regions have dedicated staff responsible for communication, and only two has a system to monitor media coverage for the region as well as member SAIs. Based on the survey responses, a majority of regions have been active in promoting the role of SAIs in external regional fora and advocating for institutional strengthening of members SAIs. A majority also report being active in establishing partnerships on behalf of both the region and member SAIs.

6.4 CAPACITY DEVELOPMENT SUPPORT

6.4.1 PARTNERING WITH INTOSAI BODIES AND DONORS IS NECESSARY TO PROVIDE BILATERAL SUPPORT

Eight regions state that they are direct providers of capacity development support to their members. Six also report to have provided additional support to members due to the COVID-19 pandemics, however, it is not specified which support this is. In the following, support provided in the period 2017-2019 is presented.

FIGURE 81 CHOICE OF MODALITIES AND PARTNERING FOR BILATERAL SUPPORT

<table>
<thead>
<tr>
<th>Number of regions offering types of support regularly</th>
<th>Education and certification programmes</th>
<th>On-the-job training (on demand)</th>
<th>Technical tools or material (e.g. manuals, handbooks) for member SAIs</th>
<th>Support in using software applications</th>
<th>Gender training supporting the integration of gender in SAI audit work</th>
<th>Leadership and management training</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
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<tr>
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<td>2</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
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<tr>
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<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>
Global SAI Stocktaking Report 2020

Responses from the survey show that the most common type of support provided by regions is technical tools and materials. Half of regions say they regularly provide support on needs assessment and strategic planning.

Partnering with other global INTOSAI bodies seem to be important to facilitate the delivery of capacity development support. This can include working with IDI with targeted support or using technical experts from INTOSAI committees (such as PSC and its sub-committees) and can add value to work on relevant audit disciplines.

The survey shows that of only two regions who indicate to regularly provide on-the-job training, both indicate to do so in collaboration with an INTOSAI body. Four regions regularly provide on-site specific support, three of them in collaboration with an INTOSAI body. This is not the case for those providing occasional support, suggesting that partnering is necessary to establish more regular direct support to members. Three out of ten regions regularly provide leadership training, however, none in collaboration with INTOSAI bodies, reflecting the lack of focus on leadership training within INTOSAI, which was also seen for SAIs responding to the SAI survey.

When it comes to factors leading to success of the intervention, most regions refer to good project management as the key.

This is closely followed by ensuring that the project is linked to the region’s strategic priorities and having clear project objectives. Regions also indicate that it helps to have a good link between the region’s own priorities and donor priorities, echoing the need for external collaboration to provide regular support to members. Amongst the reasons provided on factors leading to failures, the most common factor for failure indicated is lack of human resources. This experience also resonates with the small staff numbers in regions, together with most regions’ dependency on in-kind support.

When it comes to the regional organisations’ role as supporters for SAIs in obtaining bilateral financial and technical support, only two regions report that they regularly support development of proposals for support, while three regions regularly broker solutions in response to a SAIs request to apply for support.

It’s noteworthy that almost no regions provide support through e-learning or provide support on software application (2/10 on both). This suggests that electronic modalities for capacity development support are still lagging behind. This could be explained by the fact that few regional bodies have staff with specific ICT competencies, as suggested by staff reporting in section 1. Also, support on gender training either directed at the organisational level or for integration in audit work is very irregular.

For audit professionalisation, the majority of regional organisations take a role of providing support on application of ISSAIs.

6.4.2 SUPPORT FOCUSED ON AUDIT PROFESSIONALISATION

For audit professionalisation, the majority of regional organisations take on a role of providing support on application of ISSAIs (7 of 10) and support that is adapted to the region (8 of 10). They also provide technical updates (7 of 10) and respond to technical queries (7 of 10).

While six out of ten regions say they have established collaboration with standard-setters, less than half state they added to INTOSAI competency framework or provided input to INTOSAI development of methodology, conducted research and only two have established advisory boards with members outside INTOSAI, such as academia.

This reporting aligns well with the responses on topical areas where regions have offered support during 2017-2019. The majority of regional bodies have provided support in the three main audit disciplines, Performance, Compliance and Financial Audit, as well as methodology for quality management.

Six regions offered support on SDGs, and five on digital governance. Again, support to gender audit was only offered by one region.

Regions were also asked to indicate which activities they have carried out to support institutional strengthening and professionalisation and methodology in SAIs. For supporting institutional strengthening, regions seem to be playing a role of initiator, coordinator and promoter. Seven out of ten regional organisations helped implement mechanisms to identify SAI needs, such as SAI PMF, and similarly coordinated sharing of resources based on SAI’s needs. Six regions report to have promoted the principles of ethics and integrity within SAIs. Only two have supported strategic planning.

Four regions report to have supported or advised on strengthening of legal frameworks and independence.

Support on communications with external stakeholders was reported as a top five strategic priority across regional bodies. Still, only five of ten has offered capacity development on communications in the last three years.

While support to human resources and leadership isn’t extensively covered in the CBC framework, it is usually considered as a part of organisational strengthening. When asked about topics offered pertaining to organisational capacities such as human resources and leadership skills, this was less often supported through regional initiatives.
Thanks to all our SAIs for contributing to this important survey and report.

The Global Stocktaking Report was compiled by IDI’s Global Foundations Unit.

For more details, including annexes, please visit: www.idi.no