GLOBAL SAI

STOCKTAKING REPORT 2020

INTOSAI
IDI
DEVELOPMENT INITIATIVE

GLOBAL SAI
STOCKTAKING
REPORT

CONTENTS

THE 2020 SAI STOCKTAKING REPORT PROVIDES DATA FROM SAIS RESPONSES TO THE INTOSAI GLOBAL SURVEY, ALONG WITH OTHER COMPARATIVE DATA, TO ANSWER QUESTIONS LIKE:

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?

TABLE OF FIGURES

ACRONYMS & ABBREVIATIONS

AFROSAI	African Organization of Supreme Audit Institutions
AFROSAI-E	African Organization of English speaking Supreme Audit Institutions
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASOSAI	Asian Organization of Supreme Audit Institutions
CA	Compliance audit
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CBC	Capacity Building Committee (INTOSAI)
CREFIAF	Organisation for Sub-Saharan Francophone Supreme Audit Institutions
EUROSAI	European Organization of Supreme Audit Institutions
FA	Financial audit
iCATs	ISSAI Compliance Assessment Tools
ICBF	Institutional Capacity Building Framework (AFROSAI-E)
IDI	INTOSAI Development Initiative
ISA	International Standards on Auditing
ISSAI	International Standards of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
KSC	Knowledge Sharing Committee (INTOSAI)
LI	Low Income Countries
LMI	Lower Middle Income Countries
OBI	Open Budget Index
OECD/DAC	Development Assistance Committee of the Organisation for Economic
OLACEFS	Co-operation and Development Organization of Latin American and Caribbean Supreme Audit Institutions
PA	Performance audit
PASAI	Pacific Association of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability Assessment
QA	Quality assurance
QC	Quality control
SDGs	Sustainable Development Goals
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institutions Performance Measurement Framework
UMI	Upper Middle Income Countries
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WGVBS	Working Group on the Value and Benefits of SAIs

EXECUTIVE SUMMARY

The fact that many SAIs (37%) face obstacles in recruiting their own staff, combined with many SAIs reporting shortcomings in their financial independence and access to financial resources create a risk to SAI's ability to delivery of mandate.

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.

26%

decrease in SAIs reporting that they have full access to information necessary to carry out their audit work

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.

92%

of SAIs have Strategic Plans and

79%

make them publicly available

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 PMF 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 meeting 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 democracy levels, and SAIs' ability to publish audits reports. Almost all SAIs who didn't publish reports are from countries from 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 (HI) 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 PEFA framework and the Open Budget Survey.

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 needs systems that enable them to use their resources in a way that creates most impact.

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 SAI 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.

Potentially, there may also be an opportunity to address gender imbalances through SAI leadership programmes.
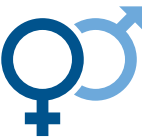
Level of capacity development support has stagnated

The average annual value of support for SAI capacity development has increased from US $32 million in 2010 to $88 million in 2020.

This represents an 173% increase. However, the volume of support has remained stable since 2016. The Global Stocktaking Report shows that 109 SAIs reported receiving technical and financial support from external partners during 2017-2019. Peer-to-peer support remains the preferred modality of support, although only a limited number of peer providers are willing or able to finance or lead capacity development projects to support SAI peers.

It's worth noting that, compared to organisational and professional capacity development, the provision of institutional capacity development support to SAIs has been lower than in the previous period. This correlates with results showing that SAIs from developing countries indicate most demand in developing the areas of 'strategic planning cycle' and 'audit quality and reporting', along with 'professional development and training' and 'organisational control environment'.

86%

of SAIs report that they have adopted ISSAI standards

SAIs that publish at least 80% of audit reports:

58%
2017

70%
2020

173%

increase in annual value of support for SAI capacity development between 2010 and 2020.
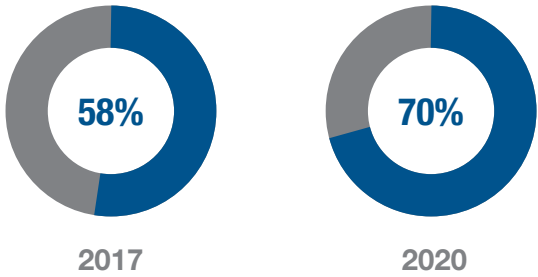
EMBRACING OPPORTUNITIES FOR DIGITALISATION

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 digitalization 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.

64%

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

INTOSAI REGIONS REMAIN RESPONSIVE TO SAI NEEDS

The Global Stocktaking Report suggests that although the INTOSAI regional bodies[1] 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.

The support offered in 2017-2019 was mainly focused on technical audit capacities and reflected the top five strategic priorities in their respective strategic plans. The staffing profiles of the regional Secretariats also reflect these priorities, with a predominance of auditors and accountants.

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.

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%.

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.

EXECUTIVE SUMMARY

ABOUT THE GLOBAL STOCKTAKING REPORT 2020

178

SAIs returned the INTOSAI Global Survey 2020

10 years

anniversary of the SAI Stocktaking Report

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 a broader context, by looking at how SAIs performs

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 being a part of the report, this annex could also be read on its own.

ABOUT THE REPORT

APPROACH

The Stocktake is based on analysis of responses from 178 SAIs who returned the INTOSAI Global Survey 2020.[2] 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[3], 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 aspect 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.

This main report is divided into six main chapters:

SAI WORLD
SAI INDEPENDENCE
SAI GOVERNANCE
SAI CORE AUDIT SERVICES
SAI CAPACITY DEVELOPMENT
REGION'S PERFORMANCE

2. The response rate was 85% and all respondents were members of INTOSAI and or INTOSAI regions.
3. https://www.eiu.com/n/campaigns/democracy-index-2020/

01

SAI WORLD

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

Trends that weaken democracy, accountability and transparency also transcend to budget and oversight processes.

1.1 GLOBAL CONTEXT OF THE SAI PERFORMANCE

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 (8.4%) 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.

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 systems with checks and balances and government systems characterised by transparency and accountability.

This demise continues a trend observed over the last 12 years. The downturn is particularly visible for civil liberties. The Freedom House Index[4] concluded 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.

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.[5] 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.[6]

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[7] 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.[8]

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. Legislature budgetary oversight covers budget formulation, approval, implementation, and review. Performance is overall better at budget approval than formulation, implementation, and review.

34

countries have adequate legislative oversight according to OBS 2019

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.

4. Freedom in the World 2021. Freedom House. freedomhouse.org
5. Corruption Perception Index 2020. Transparency International. www.transparency.org/cpi
6. https://www.transparency.org/en/news/tackling-crisis-of-democracy-promoting-rule-of-law-and-fighting-corruption
7. 2020 Global Report on Public Financial Management (if it takes up space use abbreviation PFM. https://www.pefa.org/global-report-2020/
8. Exploring the Determinants of Budget Credibility. De Renzio & Cho (2020). IBP.

SAI WORLD

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.[9] In addition, North American countries are grouped together.[10]

195
INTOSAI members

FIGURE 1: THE INTOSAI REGIONAL MEMBERSHIP
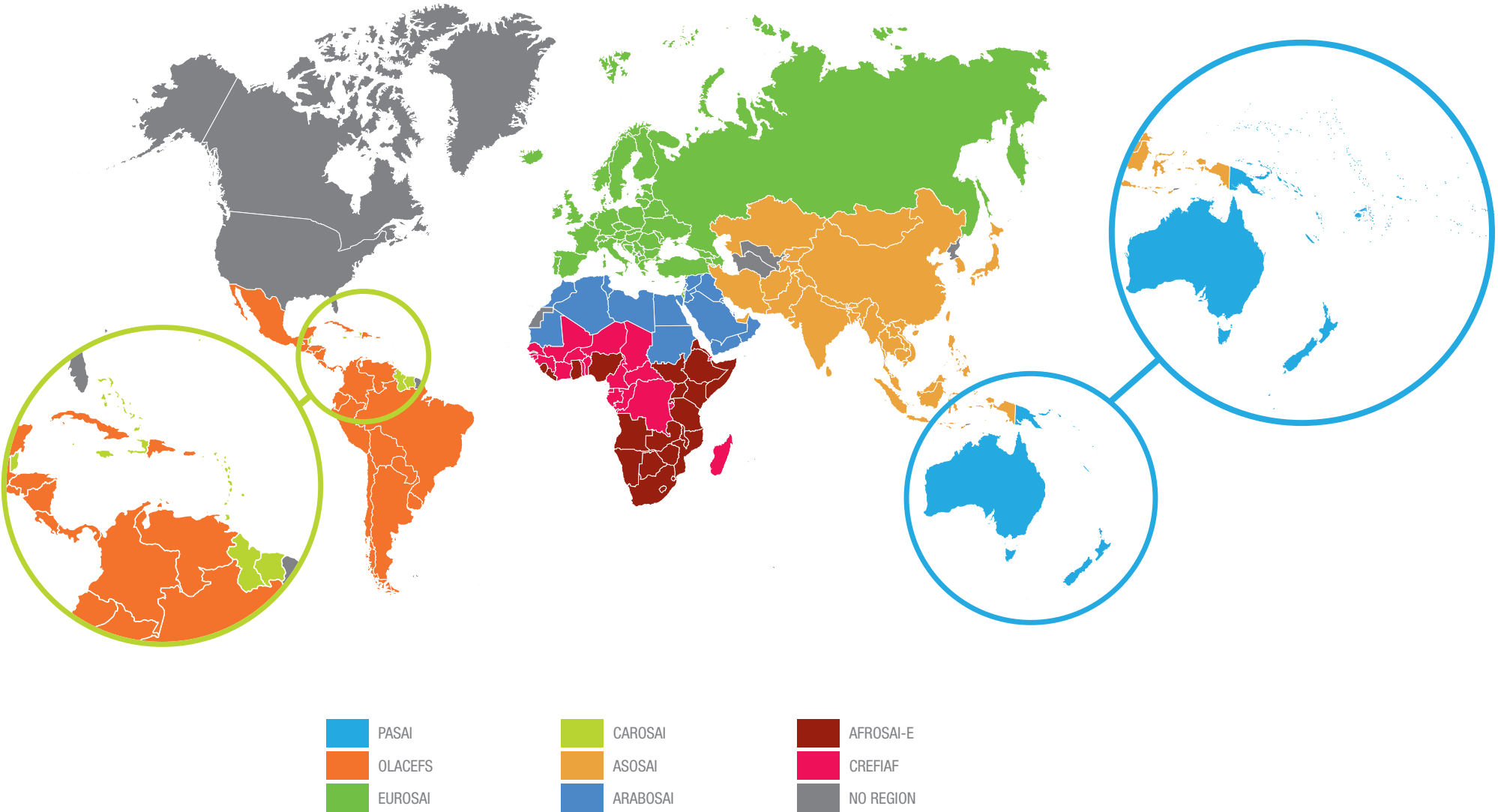
1.3 INSTITUTIONAL PROFILE OF SAIS

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.[11] 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 (Auditor General). 18% of SAIs follow the jurisdictional model, while 11% of SAIs are part of the Executive Branch.

Figure 2 shows that the various models exist across all INTOSAI regions. However, some differences can be observed. The single-headed parliamentary/ legislative model is more prevalent in AFROSAI-E, CAROSAI and ARABOSAI. The jurisdictional model is prominent in CREFIAF, while a higher proportion of SAIs in EUROSAI operate under the leadership of a Board.

FIGURE 2: INSTITUTIONAL MODELS OF SAIS BY INTOSAI REGIONS

Legend (map):
- PASAI
- OLACEFS
- EUROSAI
- CAROSAI
- ASOSAI
- ARABOSAI
- AFROSAI-E
- CREFIAF
- NO REGION

Legend (figure 2):
- Jurisdictional – Board (n=11)
- Jurisdictional – Single head (n=20)
- Legislature – Board (n=30)
- Legislature – Single head (n=90)
- Part of Executive branch (n=21)
- Other (n=6)

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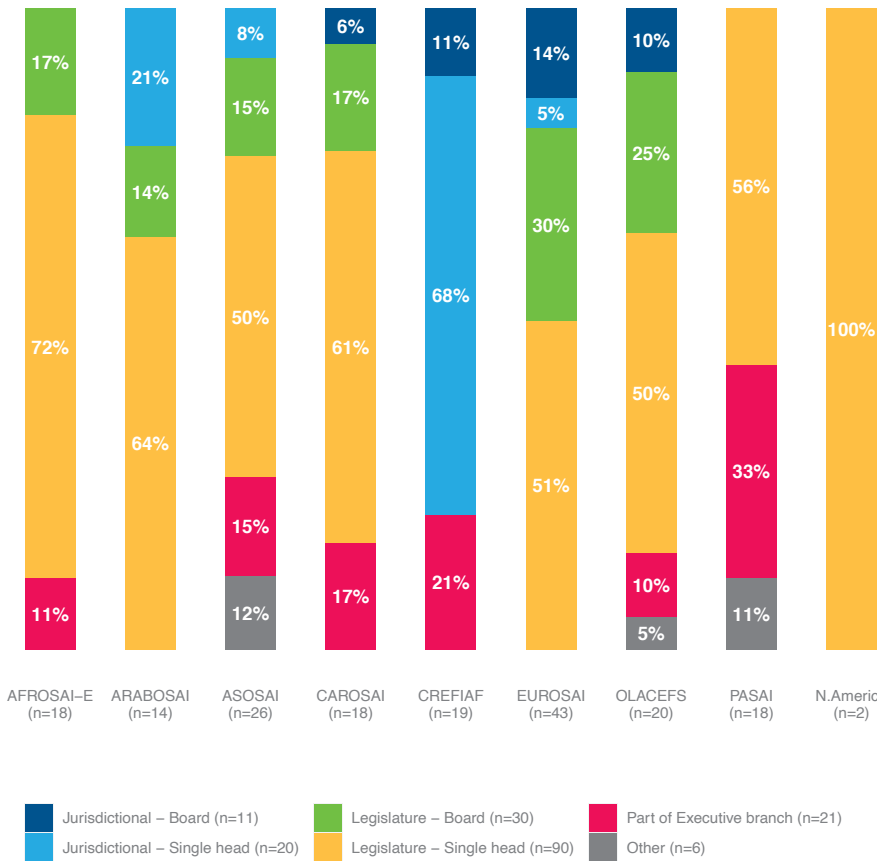
8. ASEANSAI is surveyed under the regional survey.
9. SAIs of the United States and Canada, who are not members of a INTOSAI region.

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 PER CAPITAL

Budget vs. population

Budget per capita vs. population

Population (2019)

- Low income
- Lower middle income
- Upper middle income
- High income
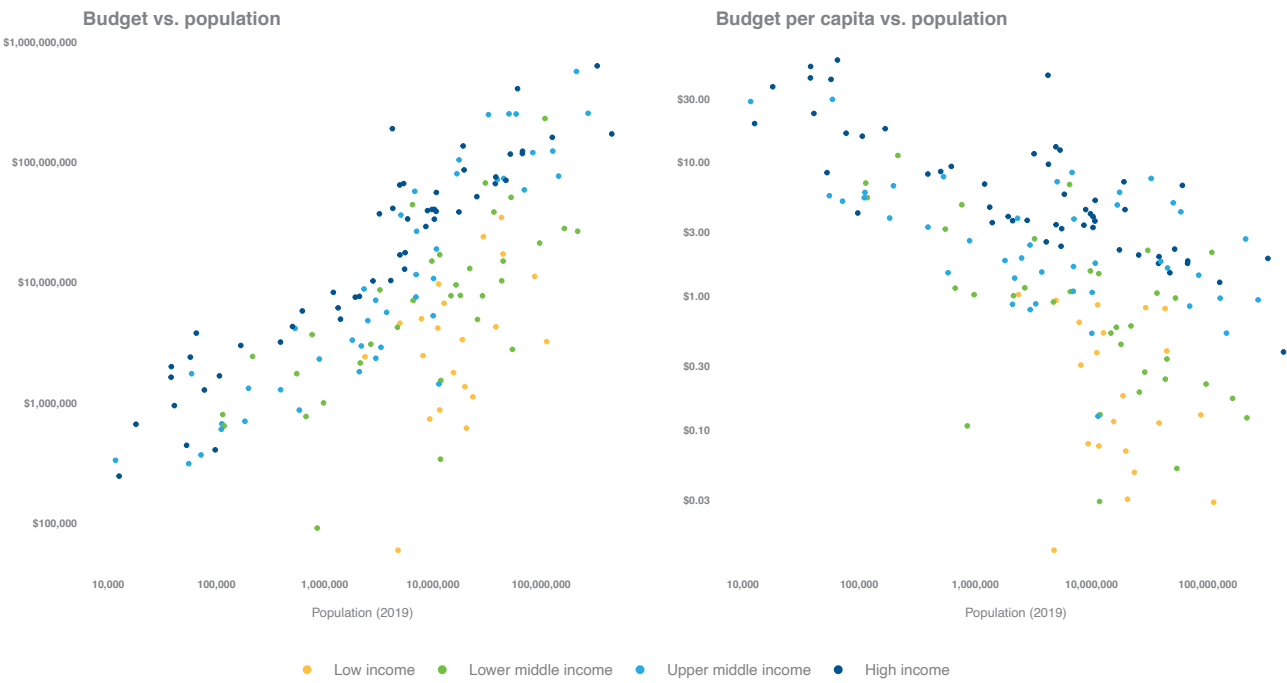
Source: INTOSAI Global Survey 2020

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 EUROSAI, 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.

52%

of SAIs worldwide report that they have sufficient financial resources

THE SAI WORLD

FIGURES 5 AND 6 SUFFICIENCY OF FINANCIAL RESOURCES BY COUNTRY INCOME STATUS AND INTOSAI REGIONS
(Percent answering 'yes').
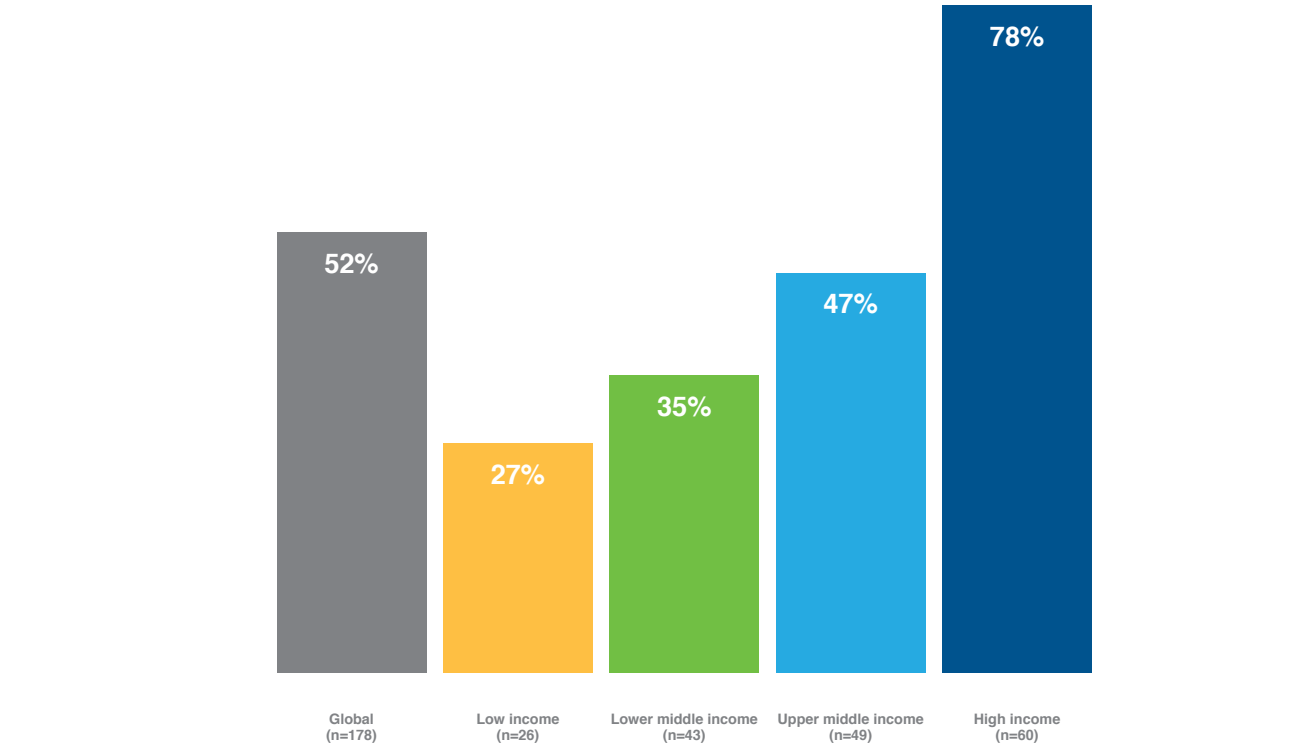
52%	27%	35%	47%	78%
Global (n=178)	Low income (n=26)	Lower middle income (n=43)	Upper middle income (n=49)	High income (n=60)

Source: INTOSAI Global Survey 2020

100%	84%	73%	52%	44%	39%	36%	35%	28%	16%
N.America (n=2)	EUROSAI (n=43)	ASOSAI (n=26)	Global (n=178)	CAROSAI (n=18)	PASAI (n=18)	ARABOSAI (n=14)	OLACEFS (n=20)	AFROSAI–E (n=18)	CREFIAF (n=19)

Source: INTOSAI Global Survey 2020

02
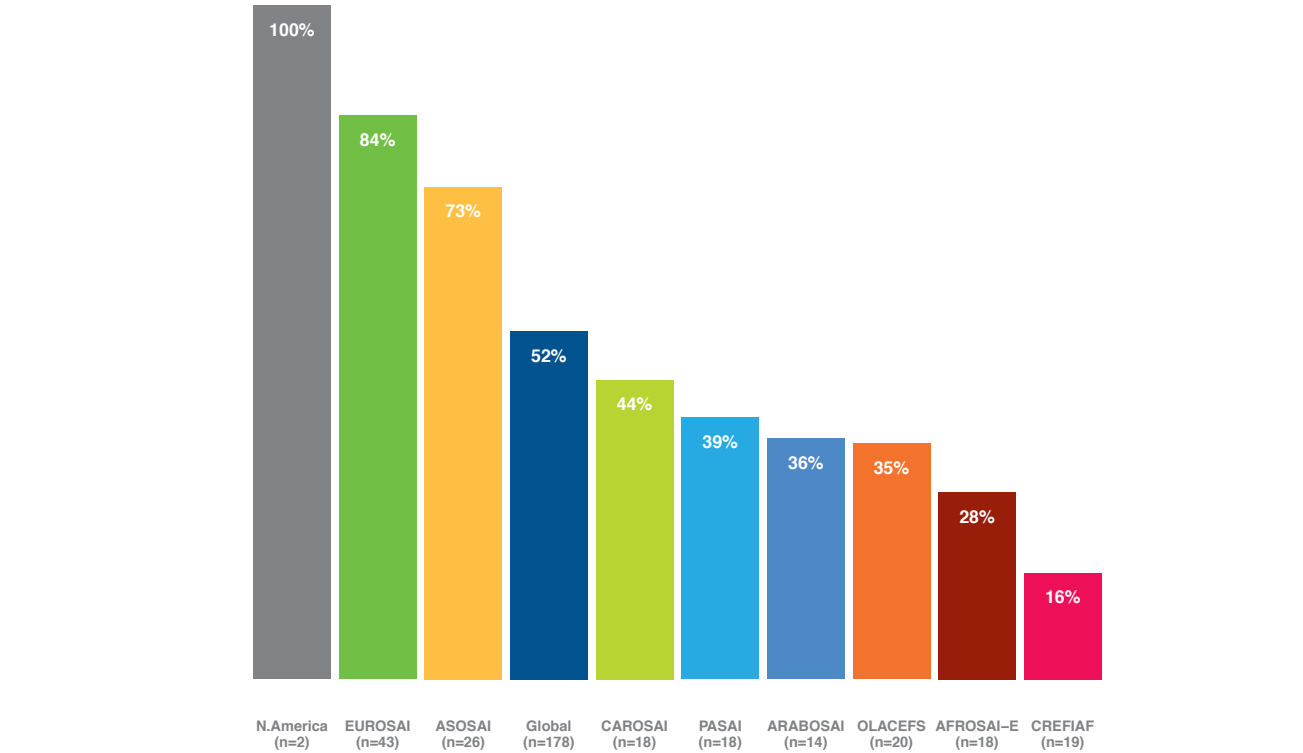
SAI INDEPENDENCE
SAI independence remains at risk

20%

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

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, SAI's 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.

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.[12] 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

	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8
2017	82	85	88	88	83	83	81	66
2020	68	85	84	77	80	80	65	64
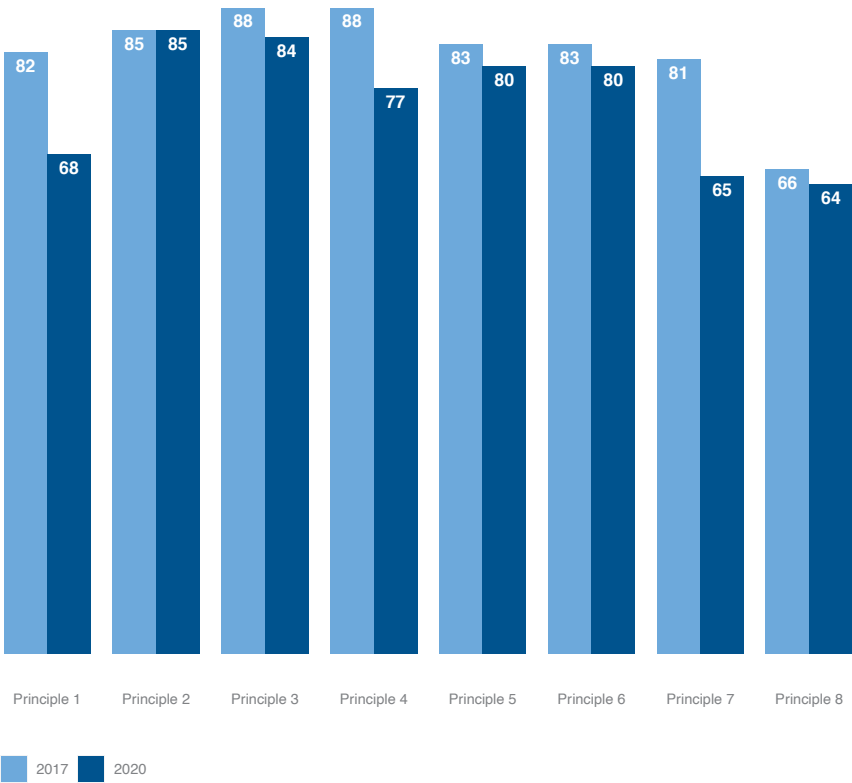
Source: INTOSAI Global Survey 2020

The global trend shows a slight decline across seven of the eight principles since 2017.[13] 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'.[14] Regionally, it can be

concluded that SAI independence levels are above the global average in three regions: EUROSAI, ASOSAI and North America. The SAIs of ARABOSAI and CREFIAF appear to have least independence.

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.

12. To read the Mexico Declaration in full – click here.
13. Adequate legal framework (1), access to information (4) and follow-up (7) are the indicators with most significant drops.
14. 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.

FIGURE 8: INDEPENDENCE INDEX PER REGION[15]

N.America (n=2)	EUROSAI (n=43)	ASOSAI (n=26)	Global (n=178)	OLACEFS (n=20)	PASAI (n=18)	AFROSAI–E (n=18)	CAROSAI (n=18)	ARABOSAI (n=14)	CREFIAF (n=19)
91	85	79	75	73	73	73	70	61	60
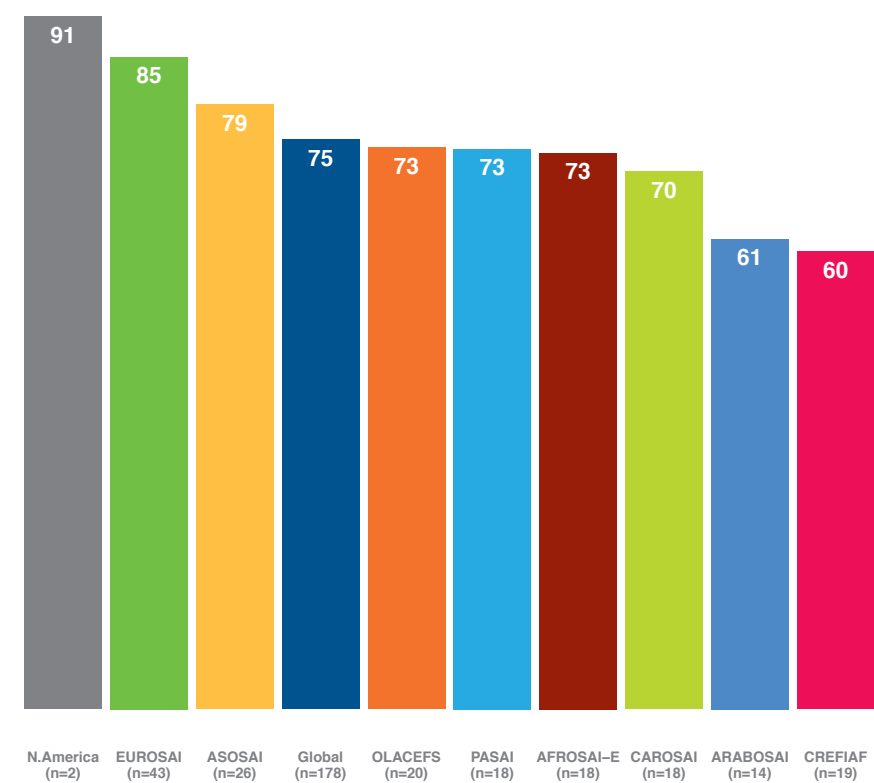
Source: INTOSAI Global Survey 2020

2.2 INADEQUACY OF LEGAL FRAMEWORK MAKES LOW-INCOME COUNTRIES MORE VULNERABLE TO INTERFERENCE

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.

FIGURES 9 AND 10 HEAD OF SAI APPOINTMENT AND DISMISSAL ACCORDING TO COUNTRY INCOME CLASS

Appointment

Global (n=178)	Low income (n=26)	Lower middle income (n=43)	Upper middle income (n=49)	High income (n=60)
90	73	93	92	95

Termination

Global (n=178)	Low income (n=26)	Lower middle income (n=43)	Upper middle income (n=49)	High income (n=60)
80	65	86	84	80
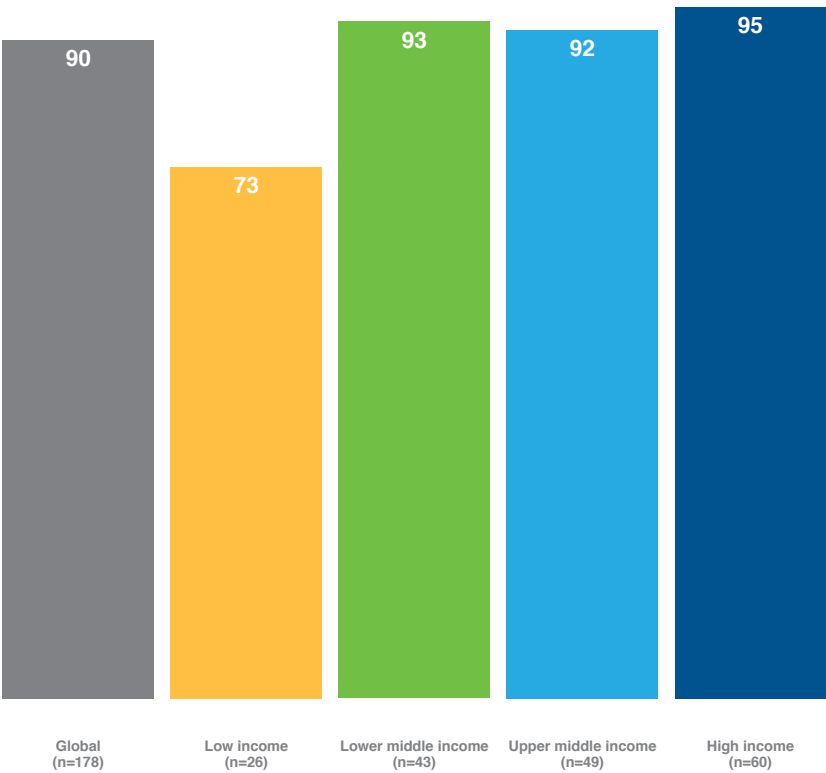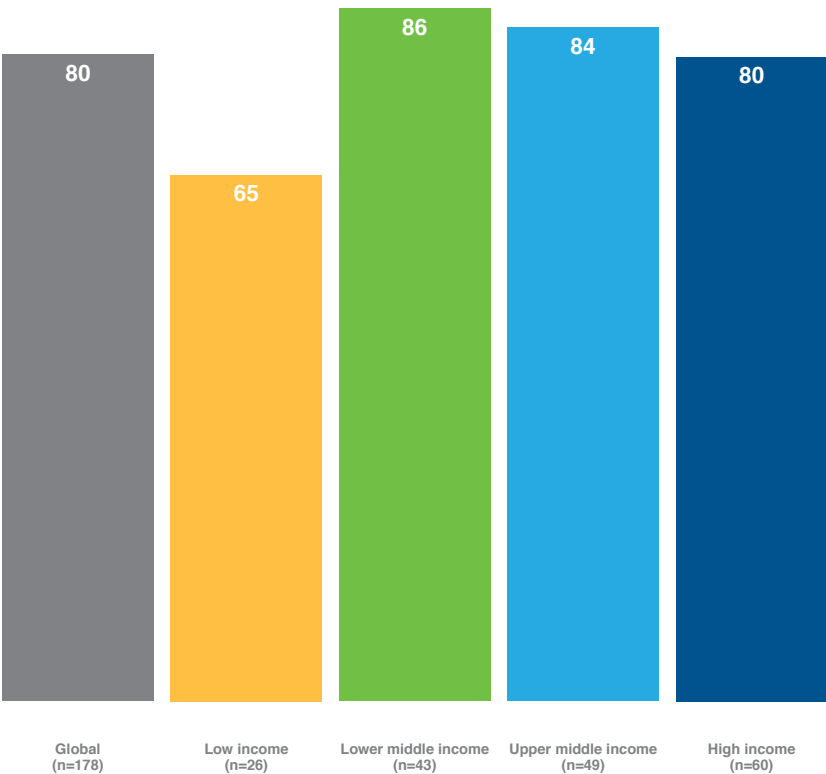
Source: INTOSAI Global Survey 2020

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
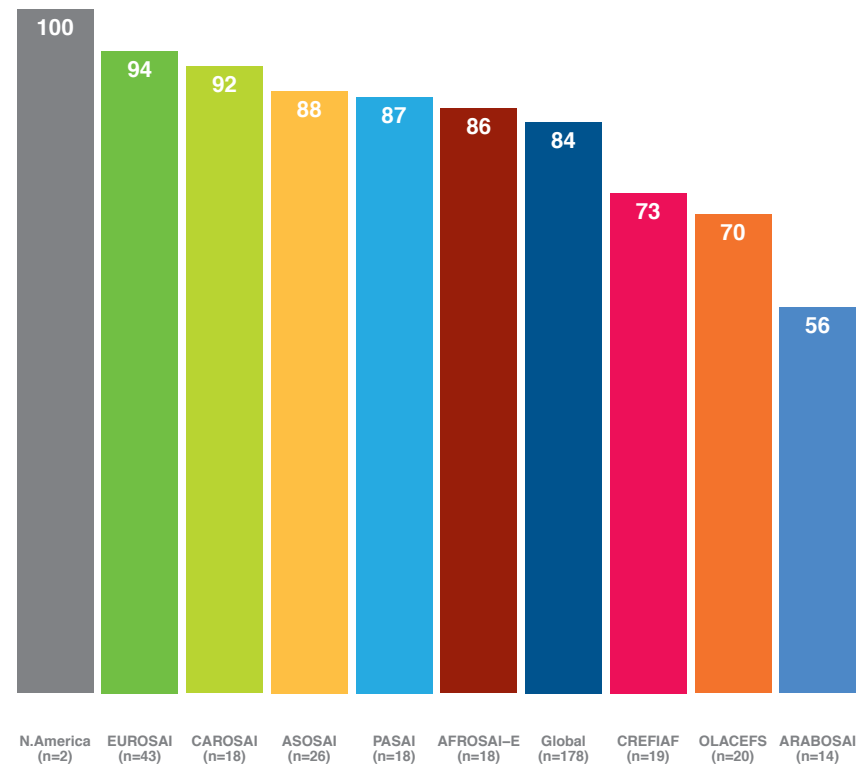
Source: INTOSAI Global Survey 2020

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.

SAI INDEPENDENCE

FIGURE 12 FREEDOM OF INTERFERENCE IN SELECTION OF AUDIT PROGRAMME ACCORDING TO LEVELS OF FUNCTIONING OF GOVERNMENT
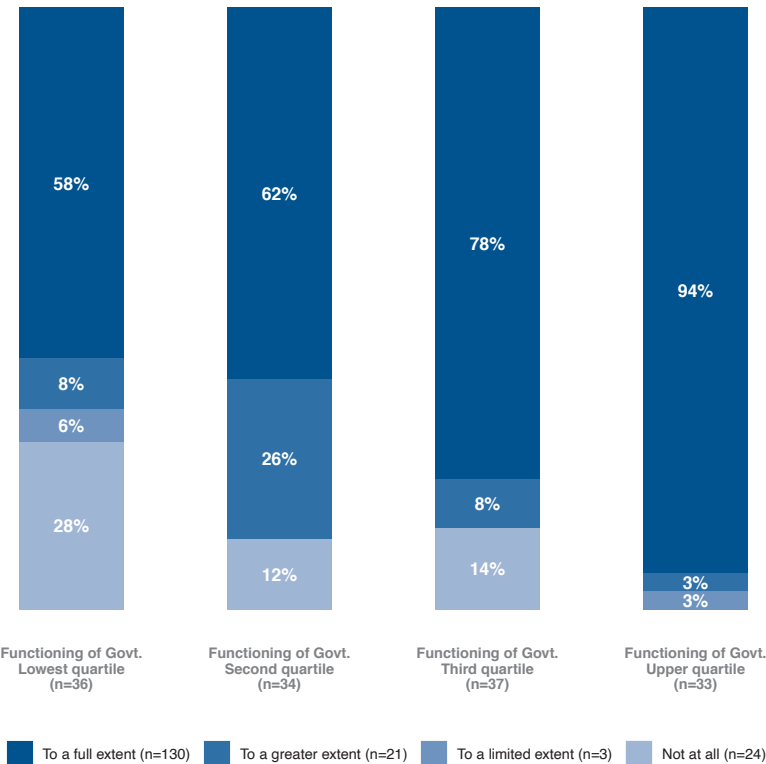
Source: INTOSAI Global Survey 2020

2.3 REDUCED ACCESS TO INFORMATION AND WEAKER FOLLOW-UP

Even when the SAI considers the legal conditions to be sufficiently independent, it can still face de facto challenges in exercising their independence, from collecting audit evidence to reporting. For instance, a majority of SAIs report that they are mostly free from direction and interference in carrying out audits, yet a review of the process against Principles 4 and 7 shows a more nuanced picture.

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.

44%

of SAIs said that they fully experienced timely, unconstrained, and free access to all necessary documents and information

FIGURE 13 PERFORMANCE ON PRINCIPLE 4 PER INTOSAI REGIONS
Principle 4: Unrestricted access to information

N.America (n=2)	EUROSAI (n=43)	ASOSAI (n=26)	CREFIAF (n=19)	Global (n=178)	CAROSAI (n=18)	AFROSAI-E (n=18)	PASAI (n=18)	ARABOSAI (n=14)	OLACEFS (n=20)
90	83	81	80	77	77	76	76	66	65
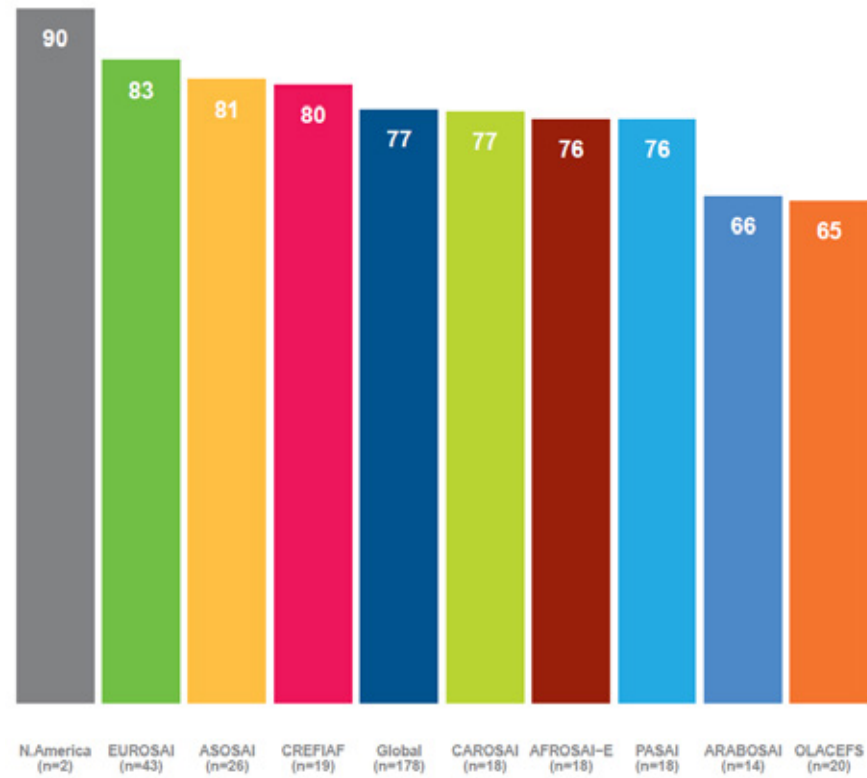
FIGURE 14 PERFORMANCE ON PRINCIPLE 4 PER LEVELS OF DEMOCRACY
Principle 4: Unrestricted access to information

Legend: To a full extent (n=78), To a greater extent (n=70), To a limited extent (n=15), Not at all (n=15)

SAI INDEPENDENCE
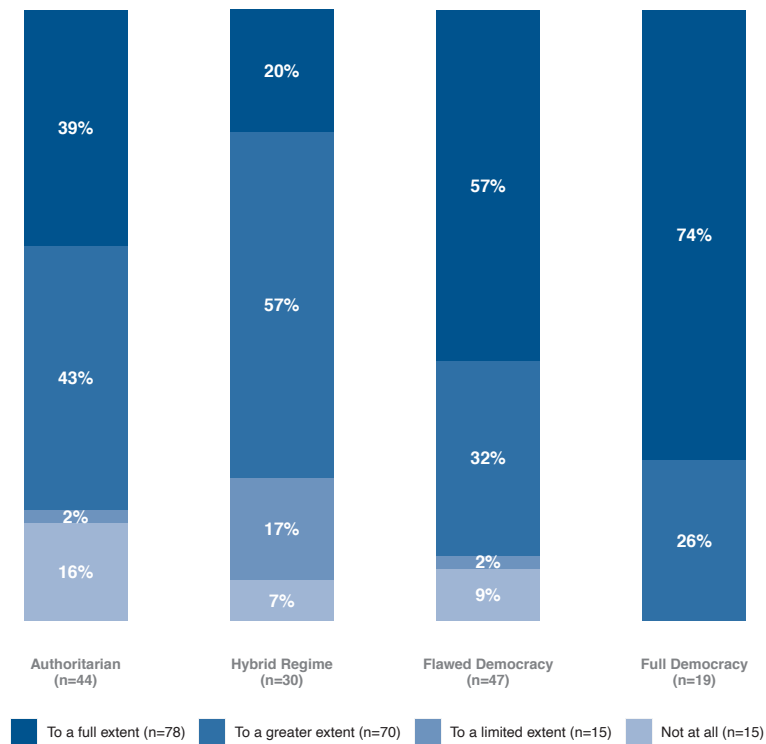
The right and obligation to report on their work (Principle 5), and the freedom to decide the content and timing of audit reports and to publish and disseminate them (Principle 6) are both critical for SAIs to promote the transparency and accountability of governments. Overall, there's been a slight 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.

FIGURE 15 PERFORMANCE ON PRINCIPLES 5 AND 6 – REPORTING AND PUBLICATION
The right and obligation to report on their work, and the freedom to decide the content and timing of audit reports, and to publish and disseminate them.

Global (n=178)	Low income (n=26)	Lower middle income (n=43)	Upper middle income (n=49)	High income (n=60)
80	70	69	86	88
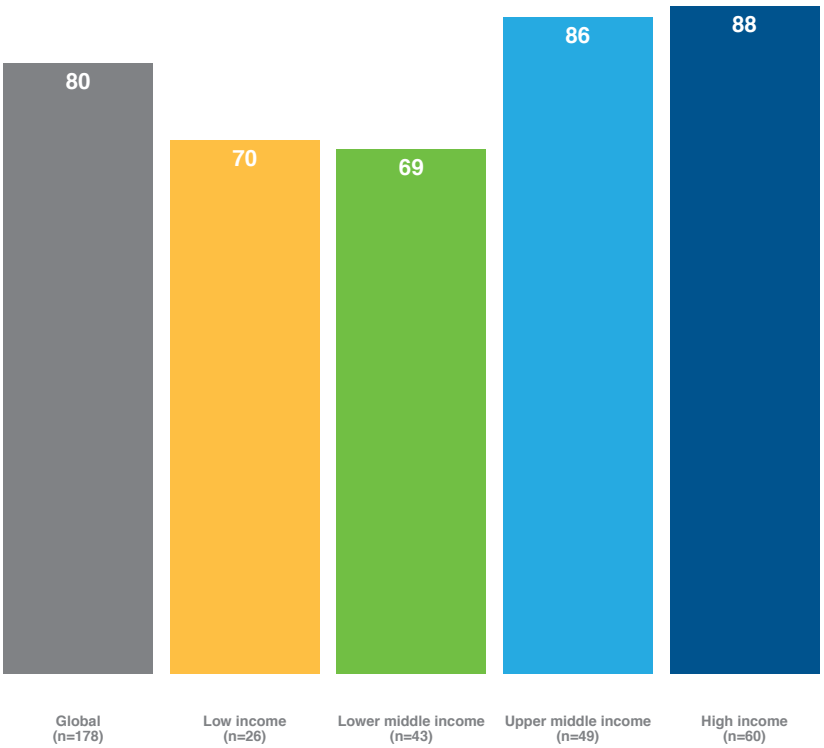
To ensure that the audited entities properly address and implement the SAI's observations and recommendations, SAIs should have a follow-up system to track the implementation of their own recommendations as well as those made by the Legislature, one of its commissions, or the auditee's governing board. 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 also is a decrease in the share of SAIs that involve Legislature regularly.

65%

of SAIs have a follow-up system in place

FIGURE 16 PERFORMANCE ON PRINCIPLE 7 – AUDIT FOLLOW-UP ACCORDING TO REGIONS
The existence of effective follow–up mechanisms on SAI recommendations

EUROSAI (n=43)	ASOSAI (n=26)	ARABOSAI (n=14)	OLACEFS (n=20)	N.America (n=2)	Global (n=178)	AFROSAI–E (n=18)	PASAI (n=18)	CREFIAF (n=19)	CAROSAI (n=18)
77	76	75	73	67	65	65	59	39	35
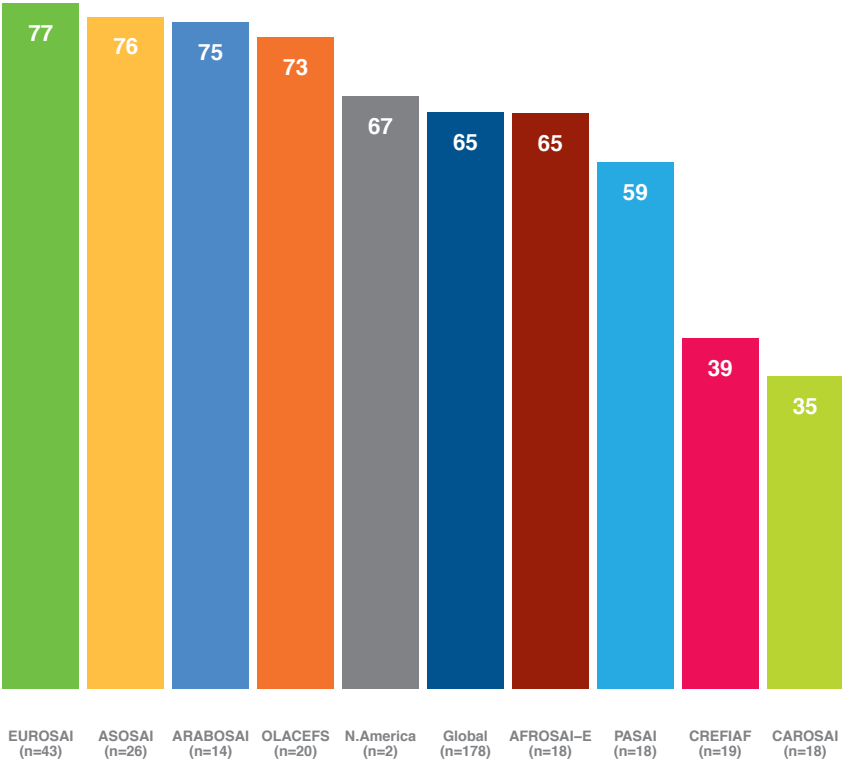
Source: INTOSAI Global Survey 2020

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 CREFIAF 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.

40%

of SAIs experienced major interferences in the execution of their budgets

FIGURE 17 PERFORMANCE ON PRINCIPLE 8 – FINANCIAL AND ADMINISTRATIVE AUTONOMY ACCORDING TO REGIONS

Independence in budget formulation

Source: INTOSAI Global Survey 2020

Having control over the administrative and organisational management of our office
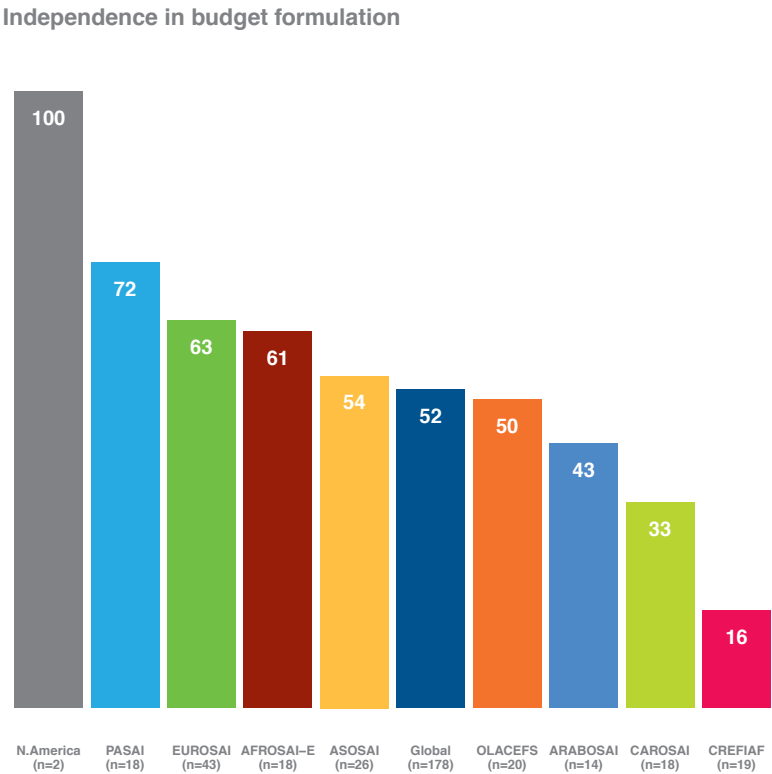
Source: INTOSAI Global Survey 2020

Independence from Executive interference in budget execution
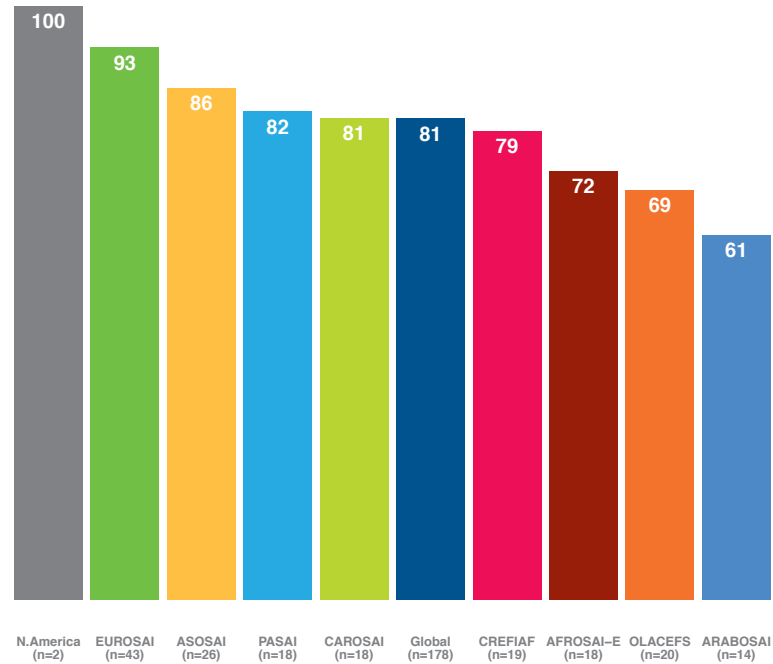
Source: INTOSAI Global Survey 2020

FIGURE 18 SAI ADMINISTRATIVE AUTHORITIES RELATED TO HR
% of all 178 SAIs indicating they have full control for each option
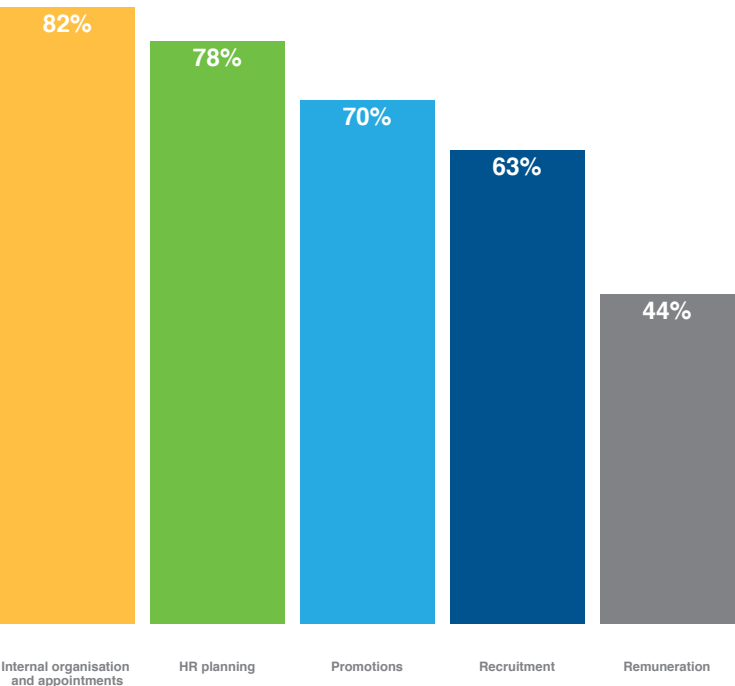
As Figure 18 suggests, of the administrative authorities related to human resource management measured, full control over internal organisation and appointments is the highest (82%). Full control of SAIs is reported to be lowest for recruitment (63%) and remuneration (44%).

63%

of SAI have full control of recruitement of staff.

Source: INTOSAI Global Survey 2020

03

SAI GOVERNANCE

SAIs governance and transparency should be enhanced

49%

of all SAIs have a
digitalisation strategy.

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.

SAI GOVERNANCE

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%).

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

	SAIs with Operational Plans	SAIs with Strategic Plans
2010	77%	73%
2014	94%	92%
2017	86%	91%
2020	88%	92%
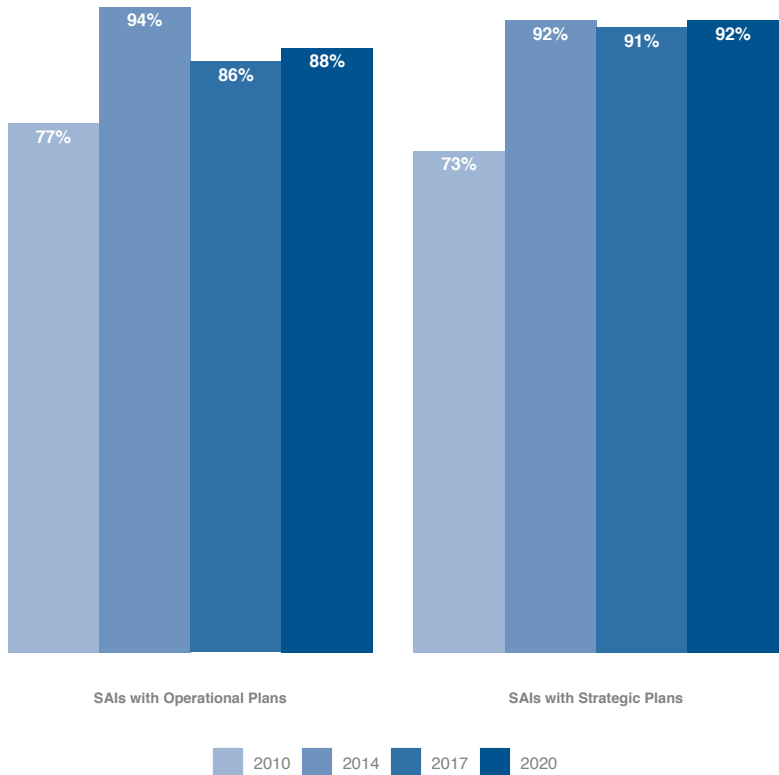
Although strategic planning has become a common and sustainable practice among SAIs worldwide, SAI PMF data shows that only 43% of the sampled SAIs had a high-quality strategic planning document that met the SAI PMF benchmark[16].

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.

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.[17] Both can be relevant to enhancing gender equality and diversity in the organisation, 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

AFROSAI–E (n=18)	N.America (n=2)	CREFIAF (n=19)	ARABOSAI (n=14)	ASOSAI (n=26)	Global (n=178)	OLACEFS (n=20)	EUROSAI (n=43)	PASAI (n=18)	CAROSAI (n=18)
52%	50%	35%	33%	31%	26%	22%	21%	19%	
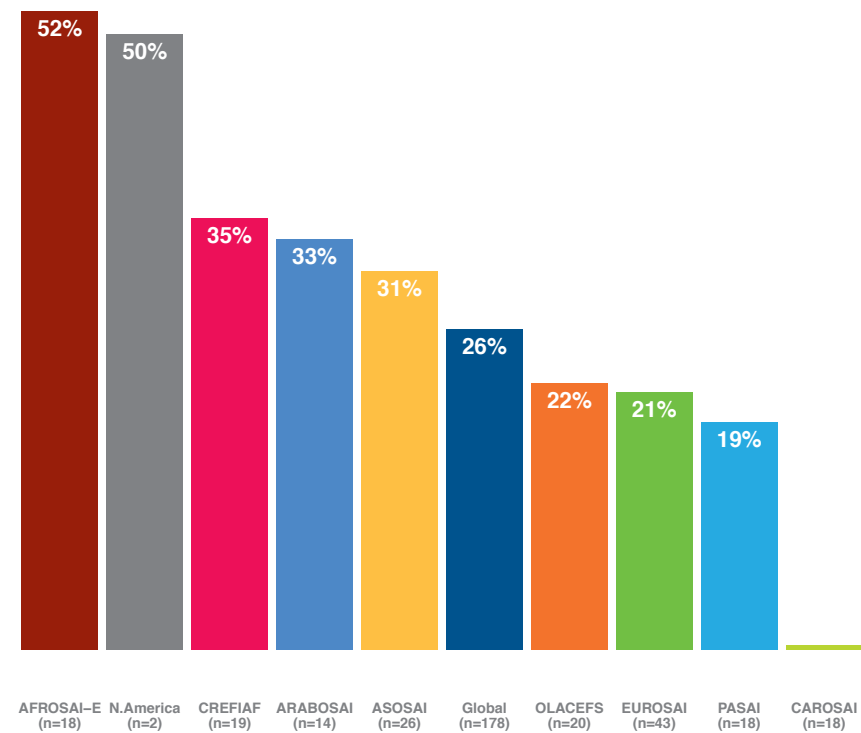
Source: INTOSAI Global Survey 2020

58%
of SAIs carried out performance assessments in 2017-2019

SAI GOVERNANCE

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.[18] SAI PMF is the preferred tool for assessing performance, with 82 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

Global (n=178)	Low income (n=26)	Lower middle income (n=43)	Upper middle income (n=49)	High income (n=60)
58%	46%	70%	61%	52%
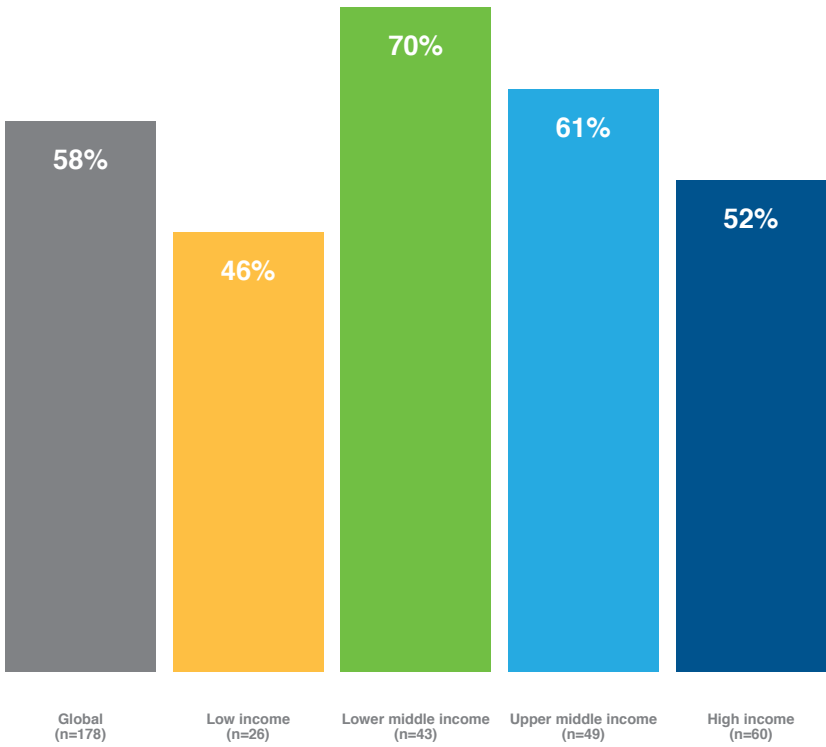
Source: INTOSAI Global Survey 2020

16. Achieving scores 3 and 4 on the first dimension of SAI PMF indicator SAI-3.
17. A gender policy is defined in the survey as a set of rules or guiding principles on gender equality made by the SAI. A gender strategy is a comprehensive plan, made to accomplish the SAI's objectives on gender equality.
18. Linked to the roll-out of the IDI Strategy, Performance, Measurement and Reporting (SPMR) Initiative.

73%

of SAIs who produce financial statements have them audited by external auditors

FIGURE 22 SAIS SHARING RESULTS OF SAI PMF REPORTS EXTERNALLY

Percentage of SAIs indicating each option

- 18% — Yes, the full report has been published (n=21)
- 22% — The full report has been shared with a limited number of external parties (n=26)
- 4% — Parts of the report have been shared externally (n=4)
- 8% — A summary has been shared (n=11)
- 48% — No, the results have not been shared externally (n=57)

Source: INTOSAI Global Survey 2020
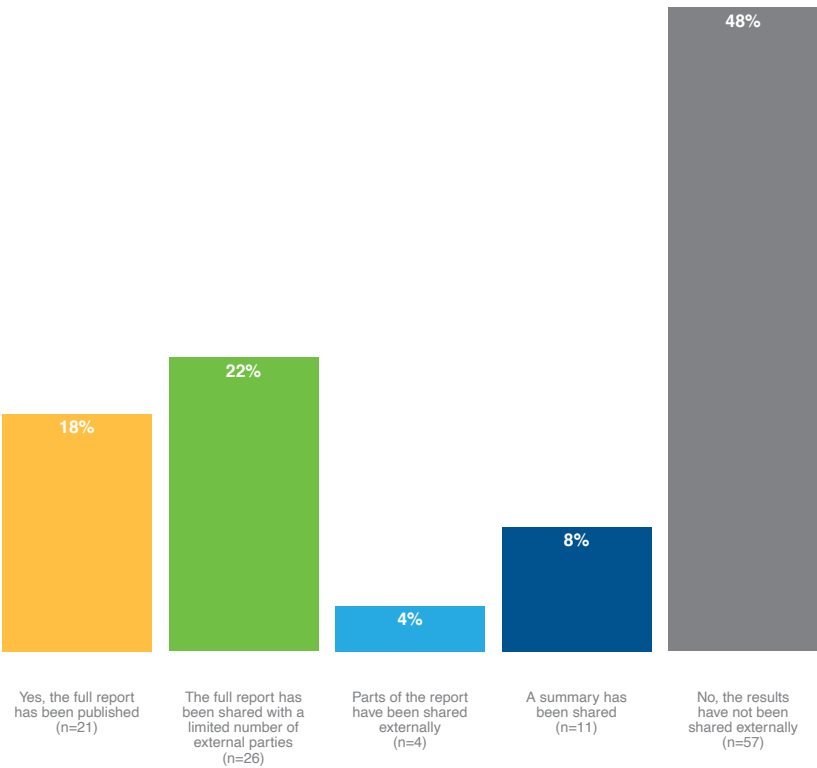
Transparency and accountability issues are also identified in SAIs' reporting on financial accountability. A basic requirement for financial accountability is to prepare a set of financial statements by the end of the fiscal year and to have them audited by an independent auditor. The Global Survey 2020 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.

SAI GOVERNANCE

FIGURE 23 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
- 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)
- Our external auditor issues an opinion on our SAI's financial statements
- Our financial statements and external audit opinion are published
- The work of our external auditor also includes elements of compliance and/or performance audit

Source: INTOSAI Global Survey 2020

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 24 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
- 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)
- Our external auditor issues an opinion on our SAI's financial statements
- Our financial statements and external audit opinion are published
- The work of our external auditor also includes elements of compliance and/or performance audit

Source: INTOSAI Global Survey 2020

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

2010	2014	2017	2020
77%	77%	80%	94%

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.
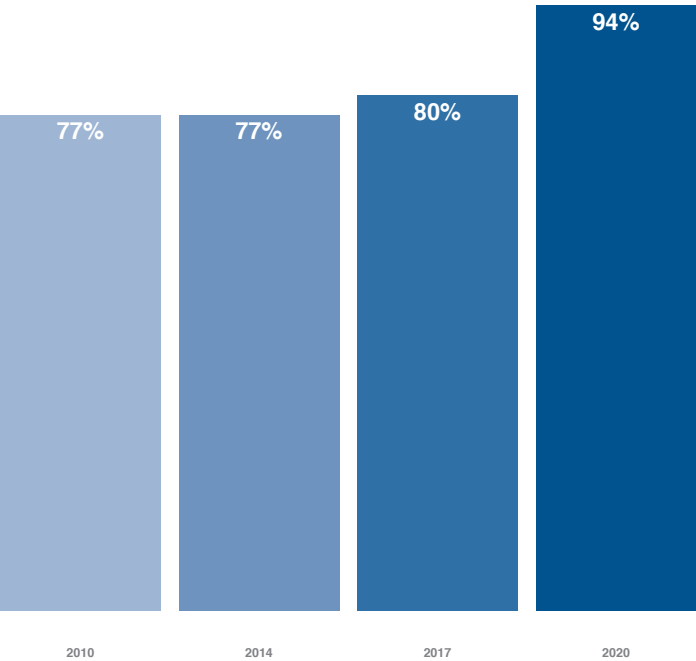
Figure 26 shows that full implementation of the Code of Ethics is challenging. Findings are correlated with the country income status. SAIs' implementation of measures to deal fully with non-compliance increases in higher income countries. More than half of SAIs globally (56%) include gender equality 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
Percent of all SAIs indicating each of the following

Our SAI ensures that staff are acquainted with the Code of Ethics: 61%, 30%, 8%, 1%

Our SAI monitors the application of the Code of Ethics: 42%, 36%, 18%, 4%

There are measures in place in our SAI to deal with no –compliance with the Code of Ethics and we implement them: 43%, 32%, 19%, 5%

To a full extent   To a greater extent   To a limited extent   Not at all

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% 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% 15% of SAIs consider that the inadequacy is linked to the competence of its staff.[19]

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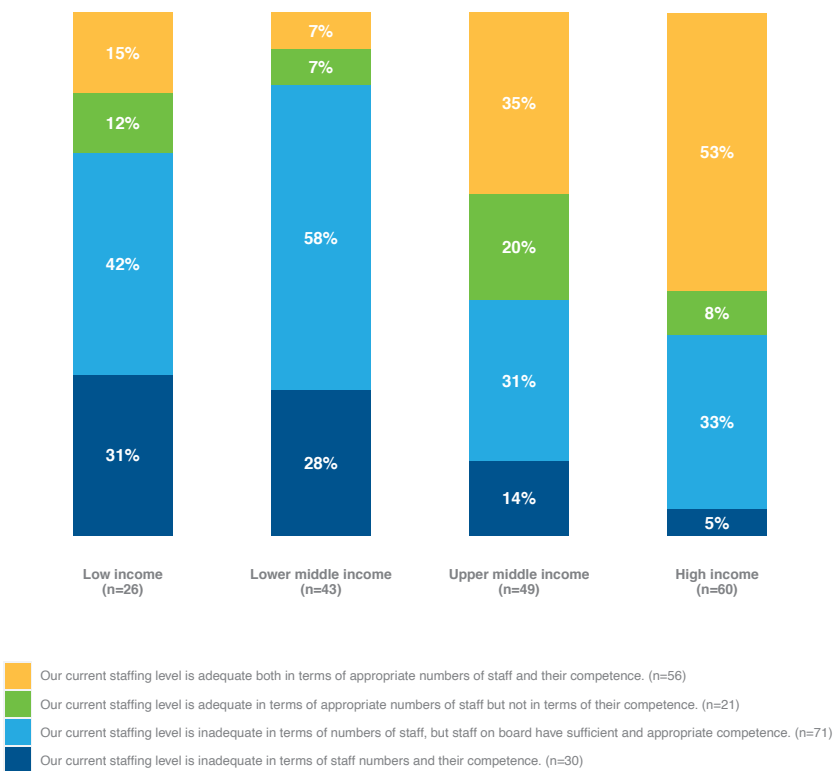
SAIs perception on the adequacy on staffing is closely correlated with the country income level and SAIs with better access to resources perceive themselves as being more adequately staffed. See figure 27.

Legend:
- Our current staffing level is adequate both in terms of appropriate numbers of staff and their competence. (n=56)
- Our current staffing level is adequate in terms of appropriate numbers of staff but not in terms of their competence. (n=21)
- Our current staffing level is inadequate in terms of numbers of staff, but staff on board have sufficient and appropriate competence. (n=71)
- Our current staffing level is inadequate in terms of staff numbers and their competence. (n=30)

Source: INTOSAI Global Survey 2020

SAI GOVERNANCE

FIGURE 28 SAI STRATEGIC HR MANAGEMENT
Percent of SAIs indicating that they have each of the following

Yes | Only partially | Not at all | N/A
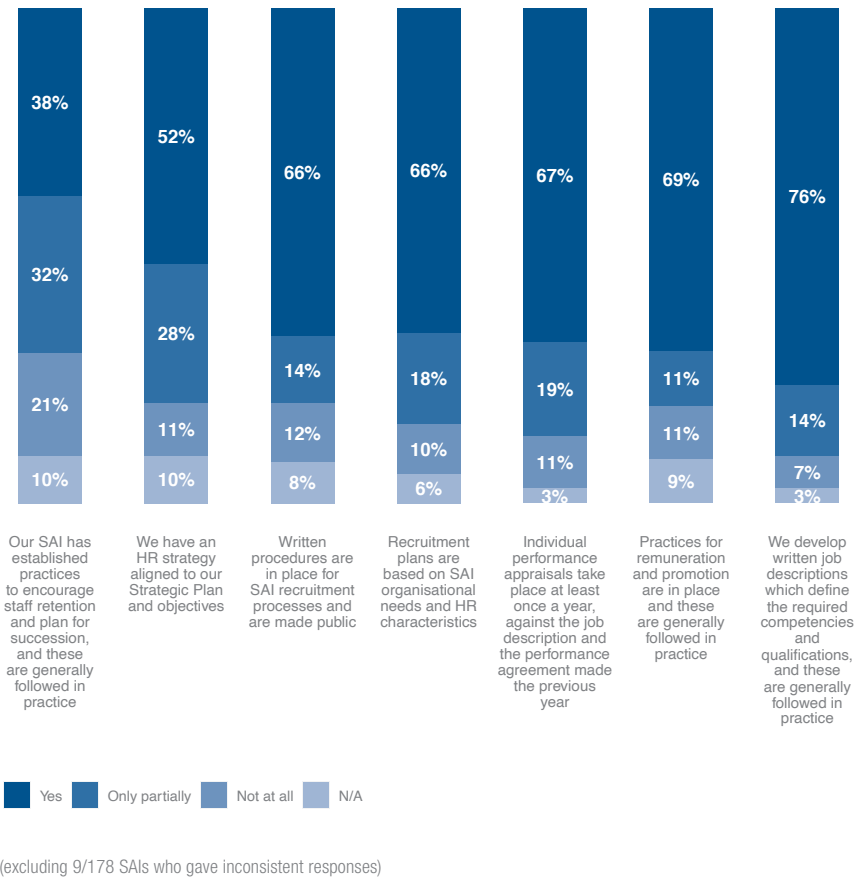
(excluding 9/178 SAIs who gave inconsistent responses)

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 reorganize and advance staff according to government set 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 OLACEFS 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 respond 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

FIGURE 29 DELIVERY OF PROFESSIONAL DEVELOPMENT BY SAIS ACROSS AUDIT STREAMS
Bars show the percentage of all SAIs who indicated the relevant options

Legend:
- We have developed our own in-house professional development programme
- We have identified relevant professional accountancy qualifications and built our auditor pathways around these (plus internal programmes to cater for SAI–specific needs)
- We have identified other relevant external programmes (e.g. university programmes) and built our auditor pathways around these (plus internal programmes to cater for SAI–specific needs)
- We have built our auditor pathways around programmes developed and delivered by our INTOSAI regional body (plus internal programmes to cater for SAI–specific needs)

Source: INTOSAI Global Survey 2020

FIGURE 30A LEADERSHIP DEVELOPMENT IN SAIS
Percentage of SAIs indicating that they have each of the following

Source: INTOSAI Global Survey 2020

SAI GOVERNANCE
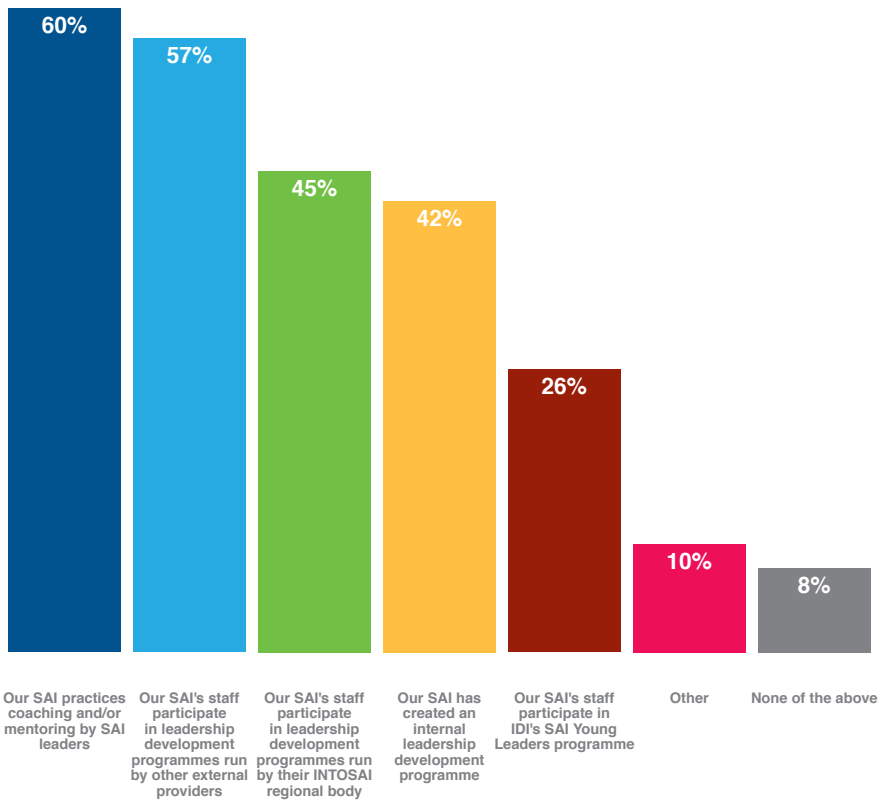
3.3.3 SAIS CAN DO MORE TO PROMOTE FEMALE LEADERS

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%.

FIGURE 30B LEADERSHIP DEVELOPMENT IN SAIS
Percentage of SAI senior management who are female

Region	%
CAROSAI (n=16)	66%
N.America (n=1)	53%
PASAI (n=16)	49%
EUROSAI (n=42)	46%
Global (n=166)	39%
OLACEFS (n=20)	39%
AFROSAI–E (n=18)	29%
ASOSAI (n=24)	27%
ARABOSAI (n=10)	26%
CREFIAF (n=19)	26%

29% SAI heads who are female in 2020

39% SAI senior management who are female in 2020
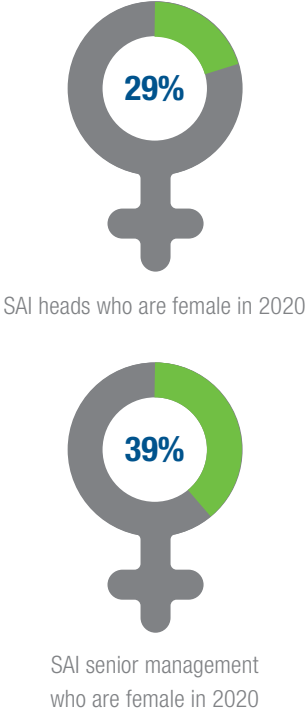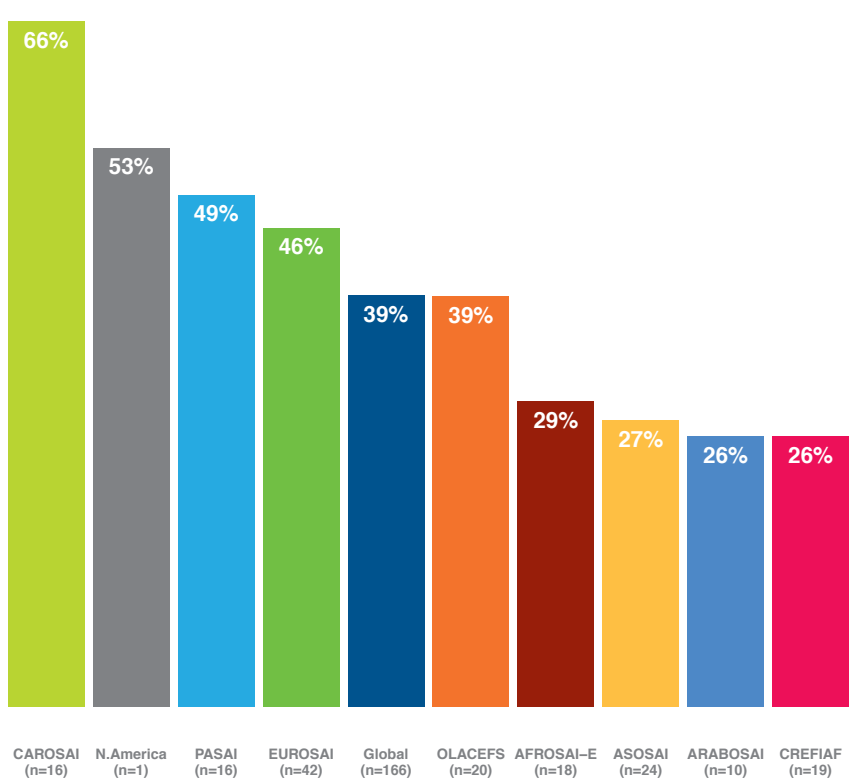
The gender imbalances seen among top management could be a reflection of the low emphasis on gender in strategic plans, as seen in 3.1. When it comes to addressing any gender imbalances for Heads of SAI, senior management, professional auditing staff and support staff, the Global Survey shows that only 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.

SAI GOVERNANCE

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.

53% have an emergency preparedness and continuity plans globally

DURING THE COVID-19 PANDEMIC, OUR SAI HAS…

87% …facilitated working from home for staff

70% …revised our audit plan

66% …undertaken audits of COVID-19 -related government funds

39% …closed the office for staff

15% …received support from our INTOSAI regional body

6% …been unable to audit COVID-19 funds due to them being held off budget and beyond our SAI's mandate

5% …experienced interference with our right to scrutinise COVID-19 related funds

3% None of the above

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.

SAI CORE AUDIT SERVICES

04

Need for a more holistic approach to improve audit impact

74%

of SAIs are familiar with the transition from the ISSAI framework to the INTOSAI Framework of Professsional Pronouncements (IFPP)

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.

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The majority of SAIs have now adopted the ISSAIs - or national standards in line with the ISSAIs – which is an improvement from 2017. Audit practices that are in compliance with the ISSAIs, however, remain a challenge for many SAIs. Audit coverage has dropped for financial and performance audits since 2014, and the data indicates a shift towards SAIs undertaking more compliance audit. Compliance audit, however, is the audit discipline where SAIs currently lag behind the most in terms of ISSAI compliant audit practices. Many SAIs still prefer to carry out combined audits covering the three types, and jurisdictional controls are often combined with other audit objectives.

The timelines and publication of audit reports seems to have improved since the last Stocktake but many SAIs are facing institutional challenges. The rate of Executives' implementation of audit recommendations is perceived by SAIs to be highest for jurisdictional control.

Overall, one-third of SAIs report not having internal systems for monitoring the implementation of observations and recommendations. The lack of follow-up and limited focus on stakeholder management and communication with the public suggests that this an area of improvement which could be better integrated in the audit process, and that a more holistic approach to the audit approach could help improve audit impact.

4.1 ADOPTION AND IMPLEMENTATION OF ISSAIS ARE SLOWLY INCREASING

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

FIGURE 31 ADOPTION OF FINANCIAL, PERFORMANCE AND COMPLIANCE AUDIT STANDARDS (ISSAIS)
Percentage of all SAIs with the relevant mandates endorsing each statement

	We adopted the ISSAIs as our authoritative standards	We adopted our own national standards based on the ISSAIs	We adopted national standards consistent with the ISSAIs	We adopted national standards that are not based on or consistent with the ISSAIs	We have not adopted standards covering this type of audit
Compliance Audit	46%	21%	23%	3%	4%
Financial Audit	44%	21%	24%	3%	7%
Performance Audit	46%	20%	20%	2%	8%

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 report to have adopted INTOSAI Principles (INTOSAI Ps) (covering fundamental and organisational principles).

Source: INTOSAI Global Survey 2020

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.

86%

of SAIs report that they have adopted the ISSAIs for financial, performance and compliance audit

FIGURE 32 ADOPTION OF JURISDICTIONAL CONTROL STANDARDS
Percent of SAIs selecting each option from those who indicated that they have a mandate to conduct jurisdictional control activities

28% Yes*

61% Yes**

11% No***
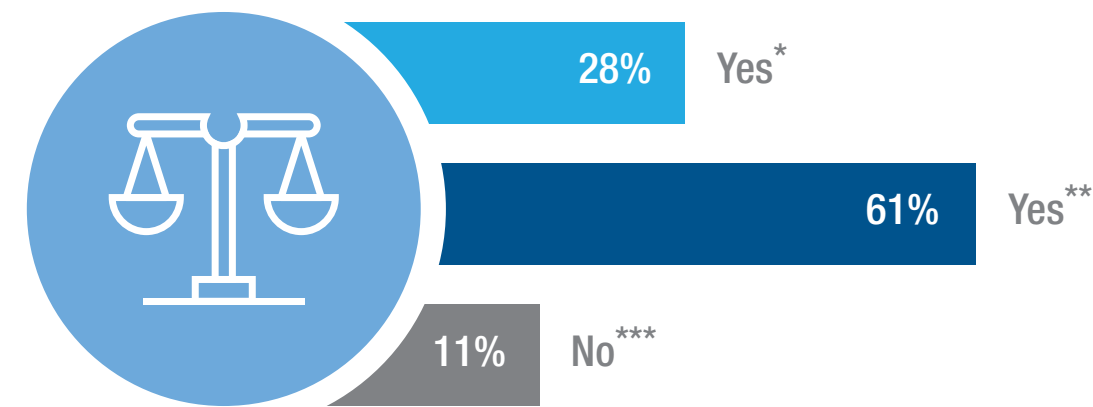
* THESE ARE CONSISTENT WITH INTOSAI P—50 PRINCIPLES OF JURISDICTIONAL ACTIVITIES OF SAIS.(N=10)
** BUT WE HAVE NOT CHECKED OUR STANDARDS FOR CONSISTENCY WITH INTOSAI P—50 YET. (N=22)
*** (N=4)

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.

21. iCAT refers to the ISSAI Compliance Assessment tool a mapping exercise of SAI practices against ISSAIs.

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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 ISSAIs 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.[21] 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.

While the self-reported Global Survey data suggests that 68% of SAIs report to comply "mostly" with the ISSAIs, the SAI PMF sample shows similar results in terms of ISSAI-compliant SAI audit manuals and standards, but significantly lower scores for ISSAI-compliant audit processes.

FIGURE 33 SAIS MEETING SAI PMF BENCHMARKS ON ISSAI COMPLIANT STANDARDS AND MANUALS
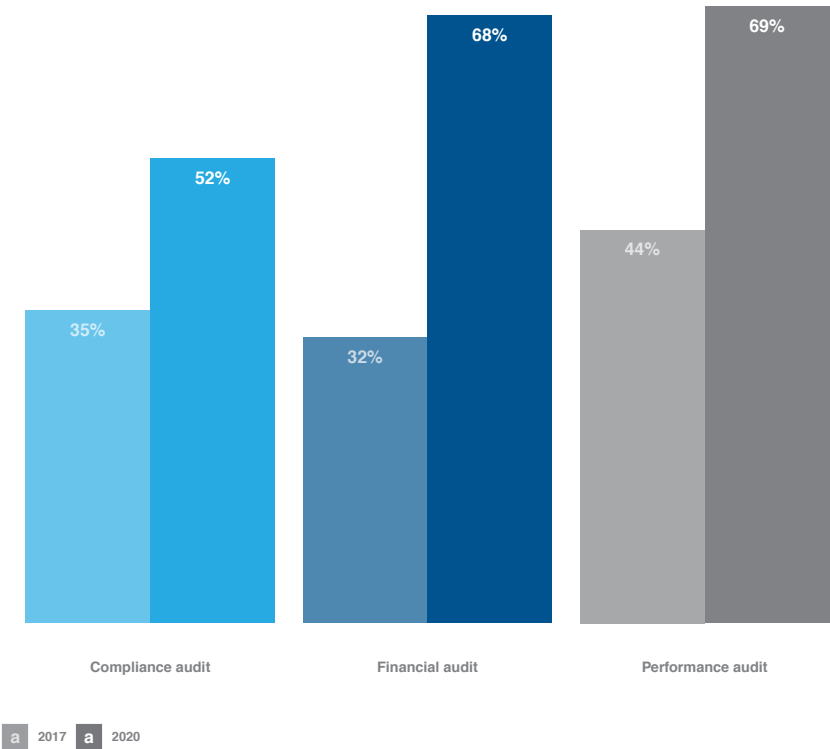
a 2017   a 2020

For audit manuals/standards, performance audit ranks highest with 69% of SAIs meeting SAI PMF benchmarks.[22]
For financial audit it is 68%, and 52% for compliance audit. This is a positive development compared to the last Stocktake.

22. A score of 3 or more means that the SAI's manual and guidelines have in place most elements according to the relevant ISSAI standard.

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.[23] 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.

4.1.3 FACTORS THAT HAMPER ISSAI IMPLEMENTATION

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 reports, 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.

FIGURE 34 SAIS MEETING SAI PMF BENCHMARKS ON THE AUDIT PROCESS

Compliance audit | Financial audit | Performance audit

Source: INTOSAI Global Survey 2020

FIGURE 35 RANKING OF REASONS OF NON-COMPLIANCE WITH ISSAIS

Source: INTOSAI Global Survey 2020

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.

23. Anecdotal evidence from SAI PMF assessors also indicates that if critical aspects are missing in the planning process, this is also reflected in the implementation.

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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
Percentage of all SAIs indicating each option

| 35% | 40% | 36% | 22% | 48% | 39% | 51% |
| Engagements have financial audit objectives only | Engagements have performance audit objectives only | Engagements have compliance audit objectives only | Engagements have financial and performance audit objectives | Engagements have financial and compliance audit objectives | Engagements have performance and compliance audit objectives | Engagements have financial, performance and compliance audit objectives |
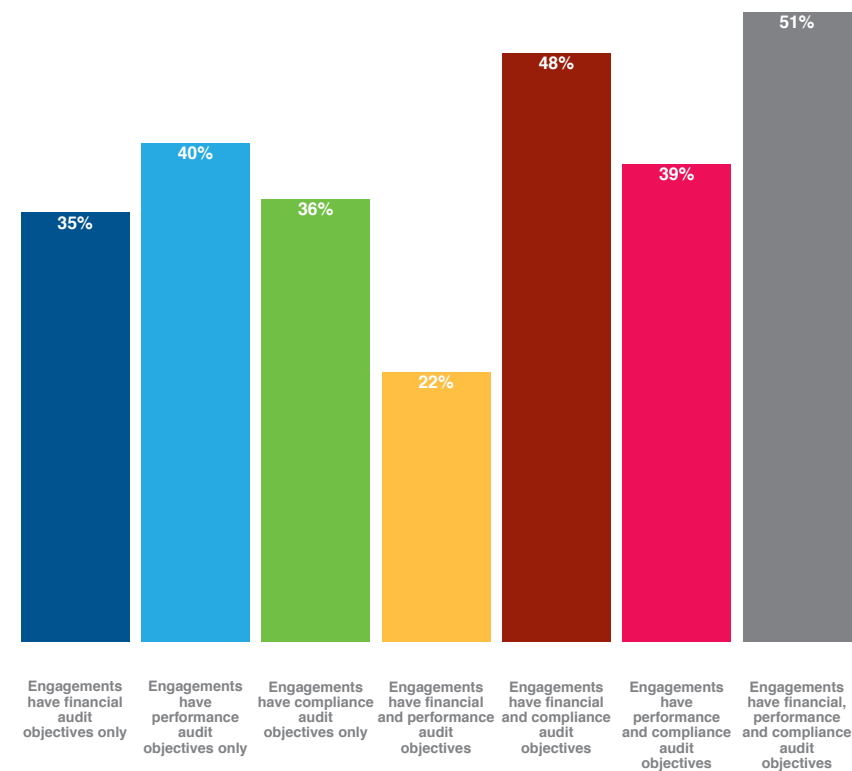
In case of jurisdictional control mandates, the practice of combining jurisdictional control with other types of audits is less frequent. In 61% of SAIs with such a mandate, jurisdic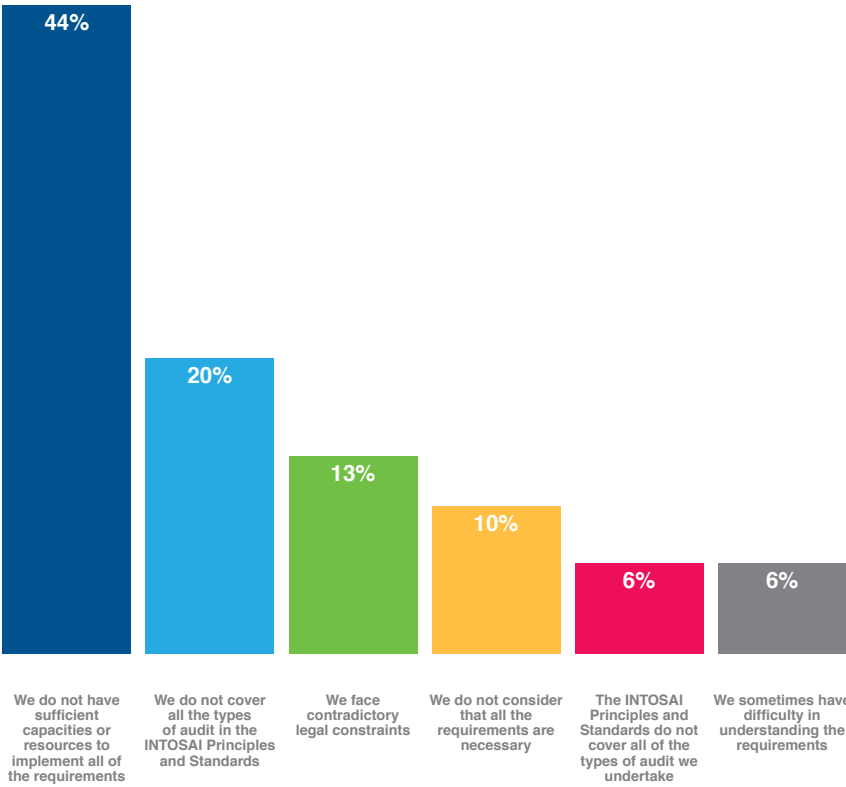tional control engagements are conducted separately to other audit engagements. Except for those SAIs who report to combine jurisdictional control with other objectives, these SAIs do not report on organising their work according to the objectives of financial, compliance and performance audits. However, it is necessary to note that there is not a correlation between these SAIs and SAIs that report not to cover the audit types.

FIGURE 37 COMBINATION OF ENGAGEMENT OBJECTIVES FOR JURISDICTIONAL CONTROL
Percentage of SAIs with a mandate for jurisdictional control indicating each option

| 61% | 22% | 3% | 28% | 33% |
| Jurisdictional control engagements are conducted separately to other audit engagements | Jurisdictional control engagements are combined with financial audit objectives | Jurisdictional control engagements are combined with performance audit objectives | Jurisdictional control engagements are combined with compliance audit objectives | Jurisdictional control engagements are combined with more than one of the audit objectives mentioned above |
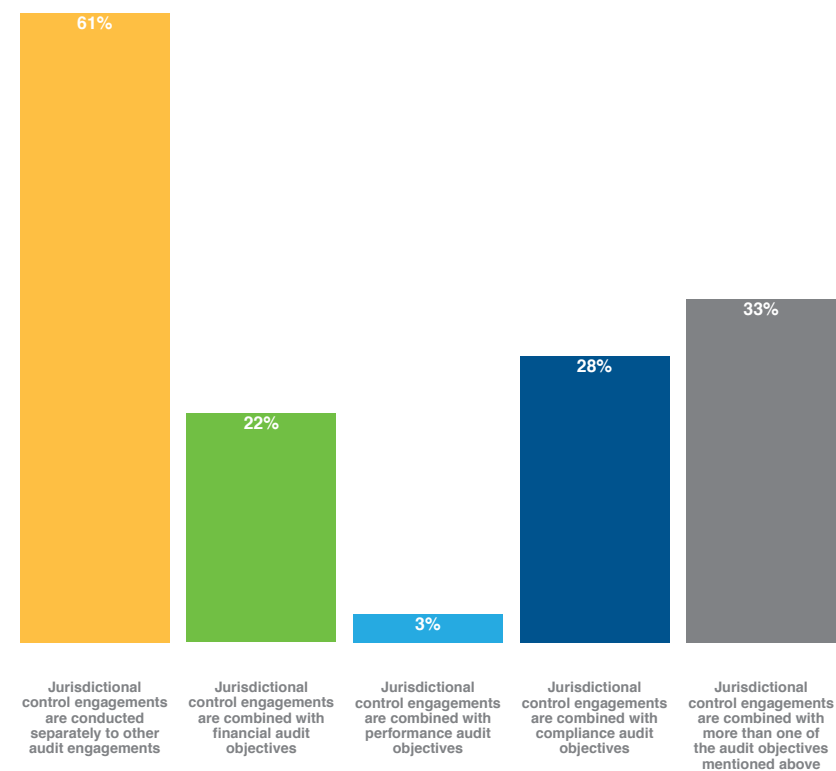
Finally, robust and strong SAI quality management systems can help promote ISSAI-compliant audit practices. The Global Survey data shows that, globally, one-quarter of SAIs do not have in place any of the features considered to make up a robust quality management system. At the audit engagement level, 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.

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FIGURE 38 QUALITY MANAGEMENT – SAIS RESPONDING 'NOT IN PLACE' FOR ANY OF THE ASPECTS OF QUALITY MANAGEMENT BY REGIONS
Average percentage of SAIs who reported 'not in place for any' across the eight features listed earlier

	CREFIAF (n=19)	CAROSAI (n=18)	OLACEFS (n=20)	ARABOSAI (n=14)	Global (n=178)	PASAI (n=18)	EUROSAI (n=43)	ASOSAI (n=26)	AFROSAI–E (n=18)	N.America (n=2)
	41%	40%	36%	27%	24%	20%	17%	15%	14%	

Quality management by SAIs

	Financial Audit	Compliance Audit	Performance Audit	Jurisdictional Audit	Not in place for any
Policies and procedures which define how to ensure high quality in process and products	82%	80%	80%	69%	20%
Delegated authority to personnel for managing quality control	75%	72%	68%	36%	10%
Clear ethical requirements for all parties carrying out work	88%	90%	84%	69%	6%
System for compliance with the ethical requirements	74%	78%	71%	69%	19%
System for assessments of risk to quality	63%	60%	60%	33%	33%
Ongoing engagement quality control reviews	71%	73%	69%	50%	21%
A monitoring system for quality assurance	59%	55%	52%	28%	37%
Issuance of conclusions on quality control system by monitoring entity	48%	44%	43%	28%	49%

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Source: INTOSAI Global Survey 2020

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.

FIGURE 39 GLOBAL SAI PERFORMANCE AGAINST SAI PMF QUALITY MANAGEMENT CRITERIA

Quality assurance system	Quality control system	Quality control in Compliance audit engagement	Quality control in Financial audit engagement	Quality control in Performance audit engagement
31%	45%	31%	53%	46%
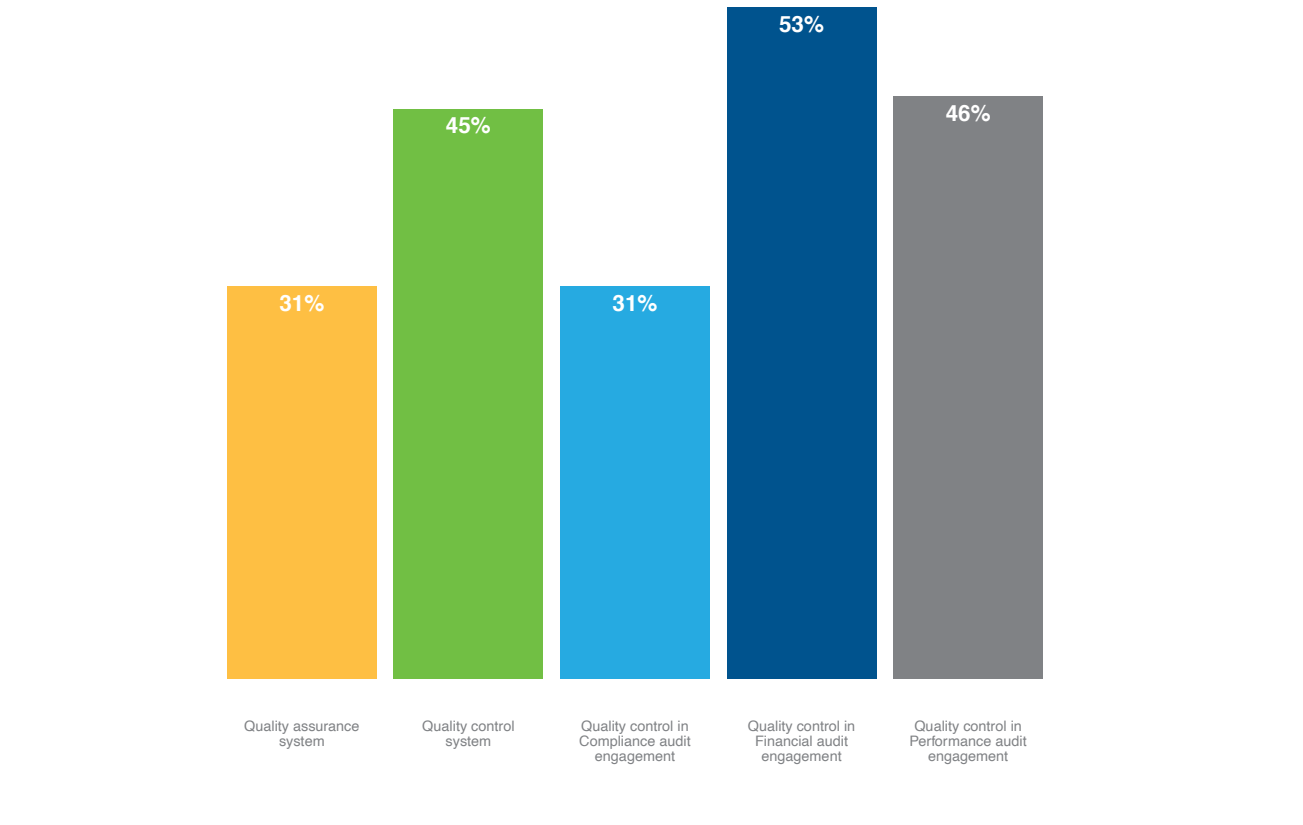
Source: INTOSAI Global Survey 2020

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 it 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
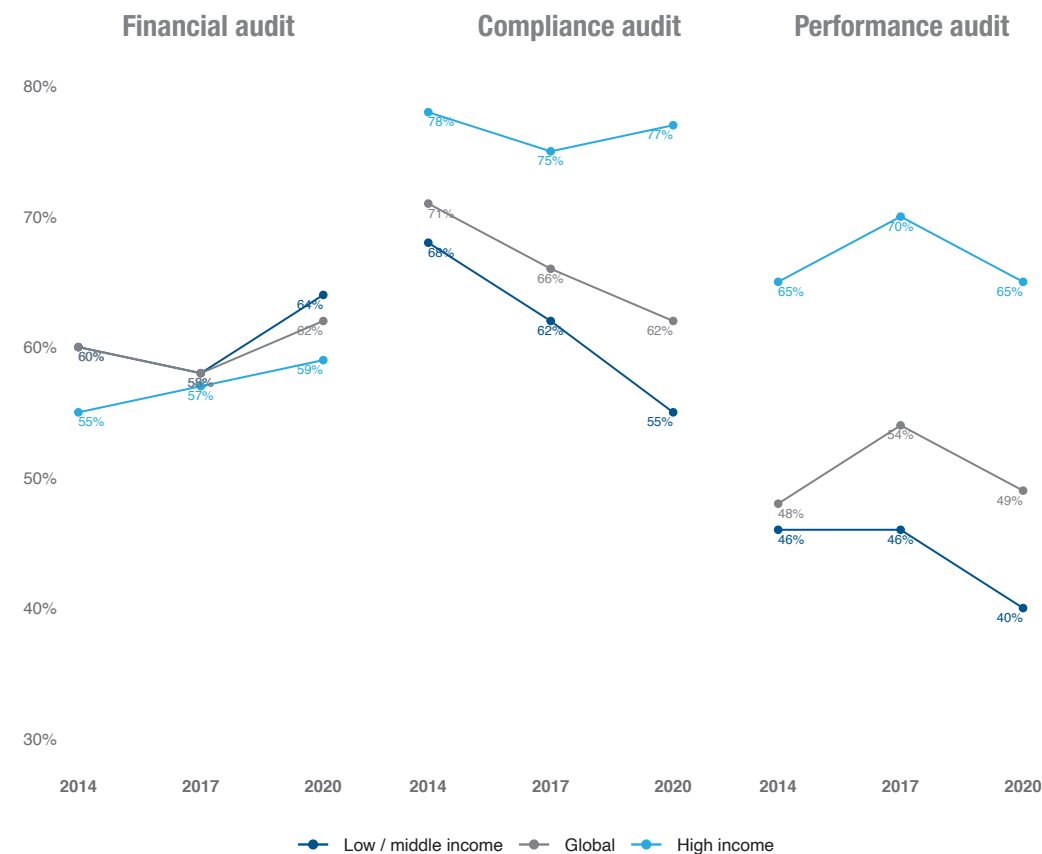
Benchmark Levels for Financial, Compliance and Performance Audit
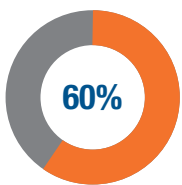
Financial audit
Our SAI applies a documented risk basis for selecting audits, and at least 60% (by value) of the audited entities within our mandate were subject to a compliance audit in the last audit year
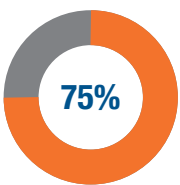
Compliance audit
Our SAI audited at least 75% of the financial statements we received
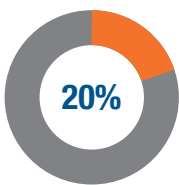
Performance audit
Our SAI has issued at least 10 performance audits per year and/or 20% of our SAI's audit resources have been used for performance auditing

SAI CORE AUDIT SERVICES

Source: INTOSAI Global Survey 2020

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.

Financial audit coverage 62%

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%)

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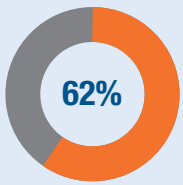
For **compliance audit coverage**, 62% of SAIs globally meet the benchmark, an increase from the 58% reported in 2017. 64% of SAIs from developing countries indicate that they meet the benchmark which is a 6 % increase from 2017. SAIs in CAROSAI (35%), CREFIAF (42%) and PASAI (22%) most frequently fell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

Performance audit coverage 49%
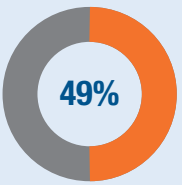
For **performance audit coverage**, globally 49% report meeting the benchmark, which is slightly lower than in 2017. 40% of SAIs from developing countries respond that they had met the benchmark, 6% lower than in 2017.

Meeting the benchmark for performance auditing appear more challenging for SAIs in most regions than for financial and compliance audits. The average in AFROSAI-E (28%), CAROSAI (24%), CREFIAF (16%), OLACEFS (35%) and PASAI (44%) is below the global average.

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.

Mandates of SAIs differ in the degree to which they cover regional and local levels of government, in addition to the central or federal government which is covered by the mandate of all (100%) SAIs. It can be observed that the mandate of SAIs in HI countries is more likely to be limited to central government while more developing country SAIs also are mandated to audit regional and municipal levels of government. This could be related to a higher degree of fiscal decentralisation in many HI countries.

Nearly all SAIs (95%) are mandated to audit State-Owned Enterprises (SOEs), tax administrations and Ministries of Defence. This hardly varies across INTOSAI regions.

More variation is observed in the mandate to audit entities that are not part of government, such as political parties and Non-Government Organisations (NGOs). This variation does not seem to have a regional basis, but appears to be linked to the level of democracy. In countries that score highly on the democracy index, the SAI is less likely to be involved in the audit of political parties.

Another variation in mandate relates to the audit of donor funds. This is most commonly undertaken in middle income countries and may reflect a combination of higher-capacity SAIs and the presence of donor-funded projects.

95%

are mandated to audit State-Owned Enterprises (SOEs), tax administrations and Ministries of Defence

FIGURE 41 SAIS MANDATE TO AUDIT POLITICAL PARTIES ACCORDING LEVELS OF DEMOCRACY
Political parties

47%	56%	50%	47%	28%
Global (n=117)	Authoritarian (n=32)	Hybrid Regime (n=24)	Flawed Democracy (n=43)	Full Democracy (n=18)
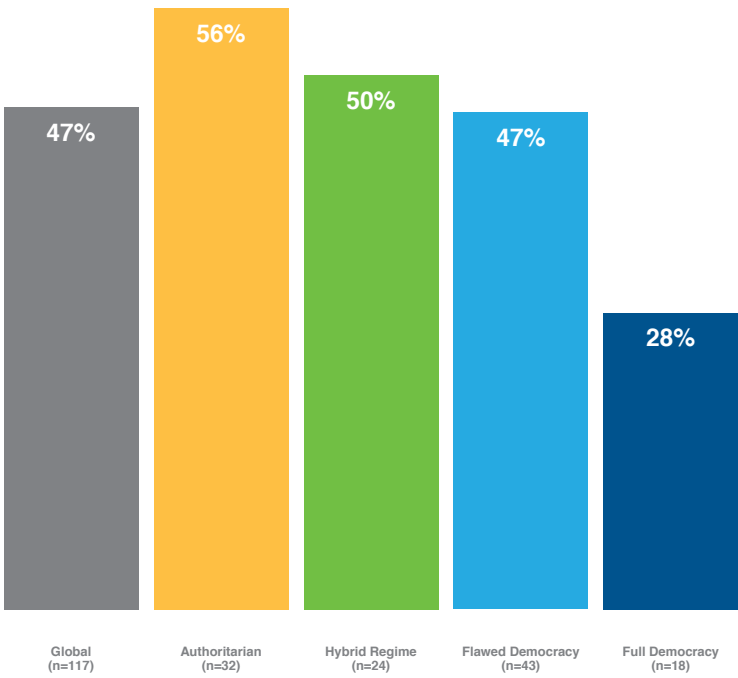
Source: INTOSAI Global Survey 2020

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

76%	71%	82%	86%	60%
Global (n=148)	Low income (n=21)	Lower middle income (n=40)	Upper middle income (n=44)	High income (n=43)
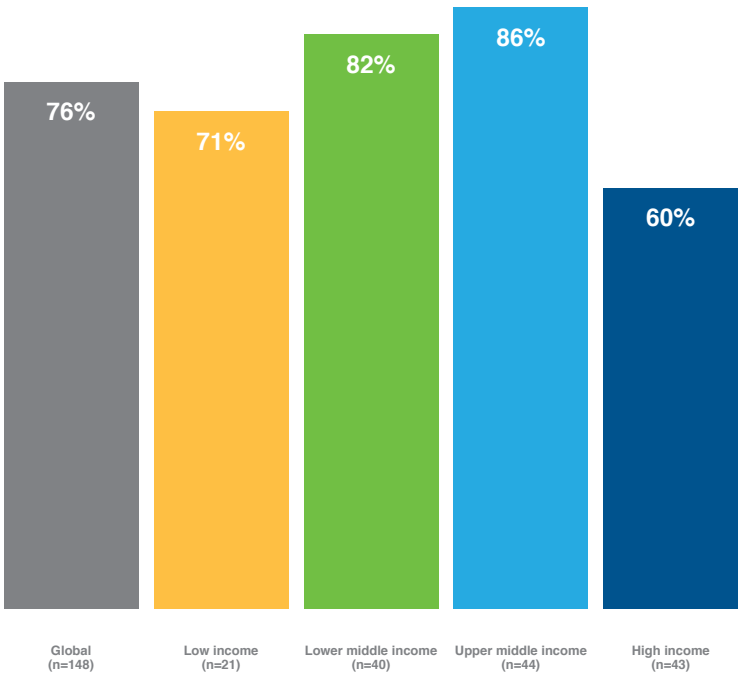
Source: INTOSAI Global Survey 2020

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.

60%
have the mandate to investigate corruption and fraud issues by themselves.

FIGURE 43 SAIS MANDATE TO FIGHT CORRUPTION ACCORDING TO REGIONS
Percent of SAIs indicating that they have each of the following mandates

AFROSAI-E (n=18)	ARABOSAI (n=14)	ASOSAI (n=26)	CAROSAI (n=18)	CREFIAF (n=19)	EUROSAI (n=43)	OLACEFS (n=20)	PASAI (n=18)	N.America (n=2)

■ Share info with anti–corruption institutions
■ Refer results to legal powers
■ Investigate corruption and fraud
■ Make binding remedial action
■ Discharge public managers
■ Oversee national fraud/corruption institutions

Source: INTOSAI Global Survey 2020

SAI CORE AUDIT SERVICES
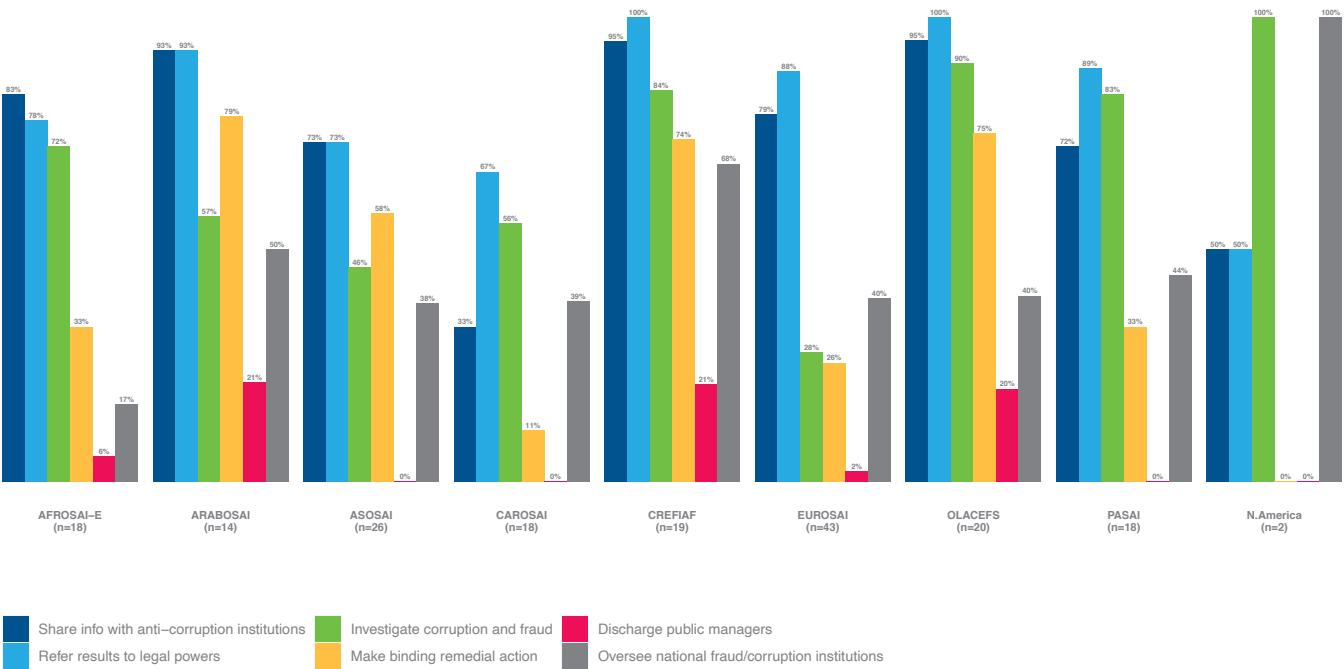
The mandate to fight corruption correlates with country income status and democracy levels. Figure 44 shows that SAIs' mandate to investigate corruption and fraud is stronger in countries with lower levels of democracy. In full democracies, the SAIs are less likely to be mandated to issue binding remedial actions.

FIGURE 44 MANDATE TO ADDRESS CORRUPTION LINKED TO LEVEL OF DEMOCRACY
Percent of SAIs indicating that they have each of the following mandates

Legend:
- Share info with anti–corruption institutions
- Refer results to legal powers
- Investigate corruption and fraud
- Make binding remedial action
- Discharge public managers
- Oversee national fraud/corruption institutions
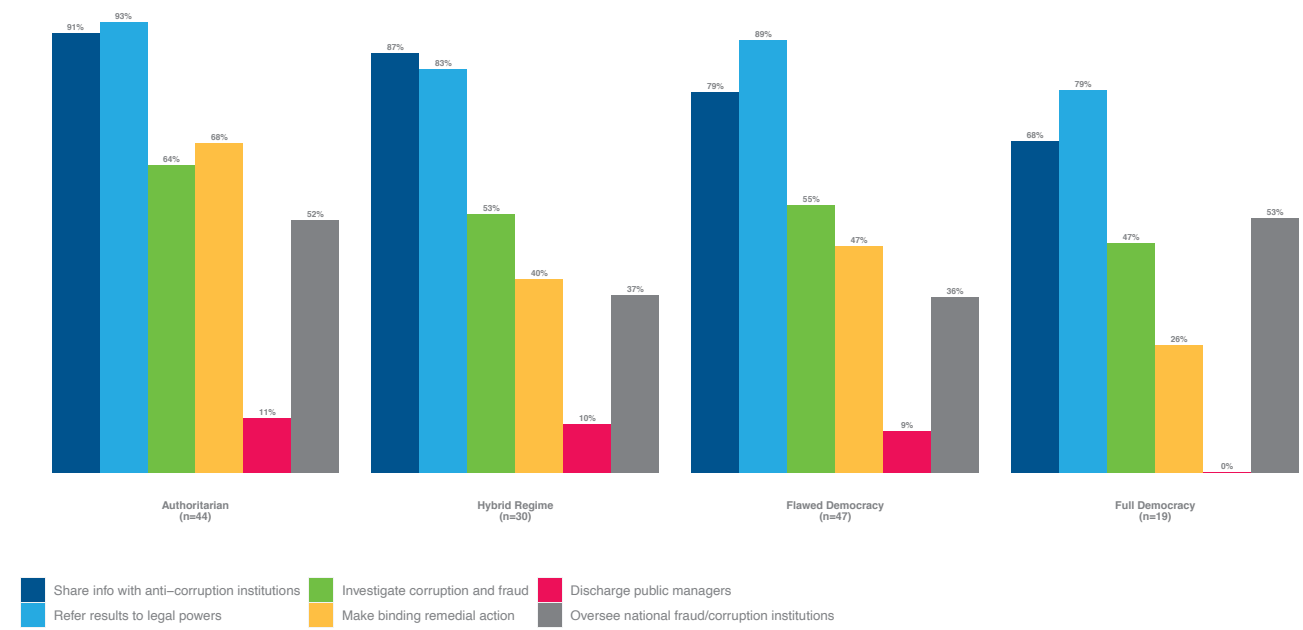
Source: INTOSAI Global Survey 2020

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.

SAI CORE AUDIT SERVICES

FIGURE 45 THEMATIC AUDITS ON GENDER
Percent of SAIs undertaking this type of audit over 2017–2019

N.America (n=2)	OLACEFS (n=20)	AFROSAI-E (n=18)	EUROSAI (n=43)	Global (n=178)	CREFIAF (n=19)	ARABOSAI (n=14)	ASOSAI (n=26)	PASAI (n=18)	CAROSAI (n=18)
100%	65%	28%	26%	24%	21%	14%	12%	11%	6%
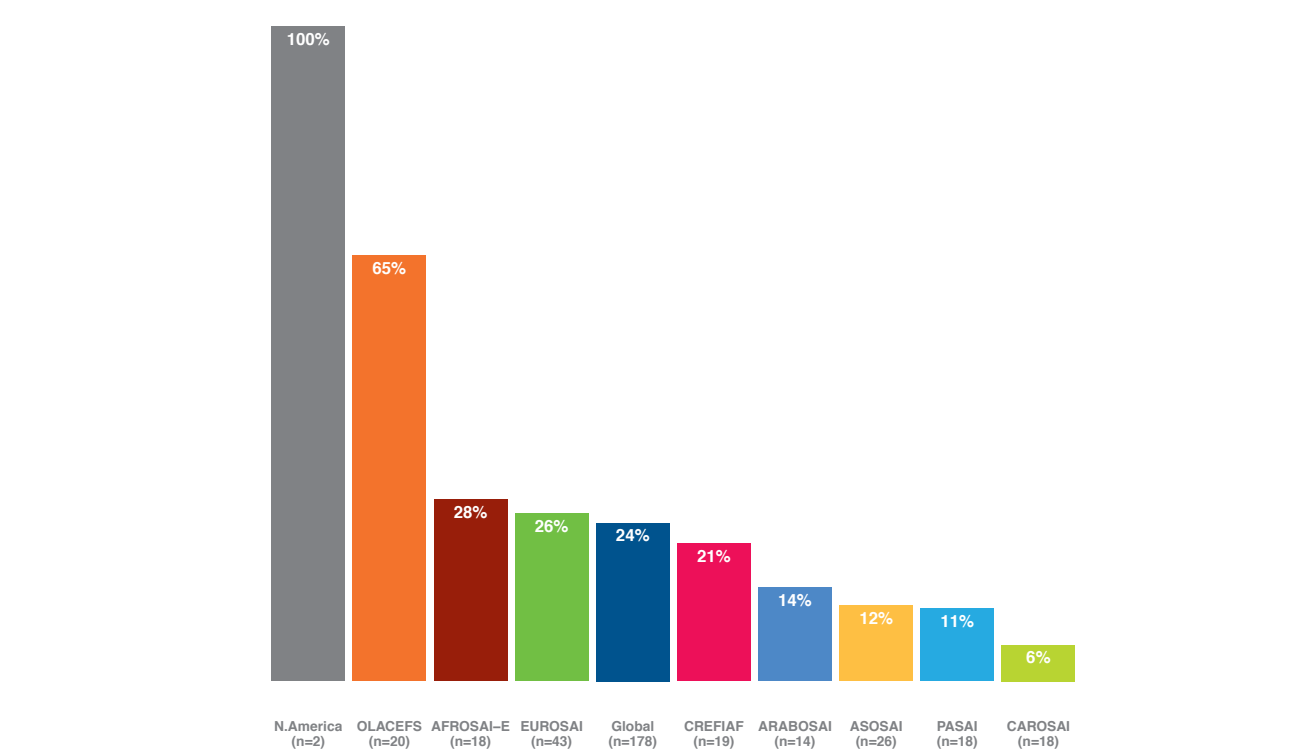
Source: INTOSAI Global Survey 2020

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.

61%
of SAIs have submitted their consolidated annual audit report to legislature within the time stipulated.

FIGURE 46 TIMELY SUBMISSION OF CONSOLIDATED ANNUAL AUDIT REPORT BY SAIS
Percentage of all SAIs indicating each option

- 61% — Within the stipulated legal time limit (n=109)
- 10% — Within six months after stipulated legal time limit (n=17)
- 8% — Within one year after stipulated legal time limit (n=14)
- 7% — More than one year after stipulated legal time limit (n=12)
- 15% — For our SAI, there is no time stipulation for issuing the consolidated annual audit report (n=26)
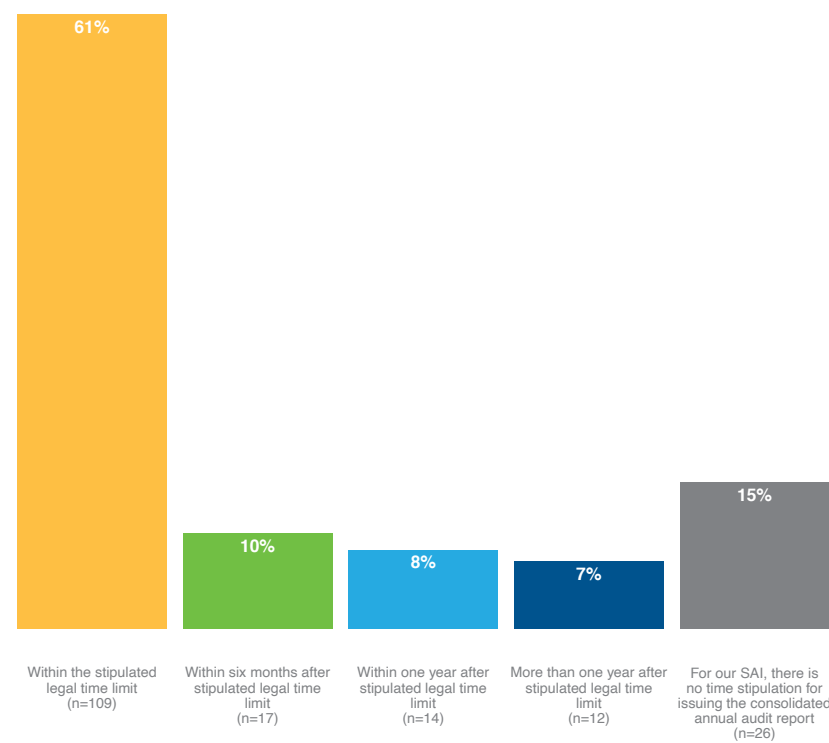
The SAI PMF sample corroborates results on timeliness. The results clearly shows that timely submission of the consolidated annual audit report by SAIs appears to be strongly correlated with the country income status, suggesting the link with the resources available to SAIs.

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

Timely submission of results: Compliance audit 53%, Financial audit 59%, Performance audit 54%
Timely publication of results: Compliance audit 47%, Financial audit 55%, Performance audit 62%

Legend: Compliance audit | Financial audit | Performance audit

Source: INTOSAI Global Survey 2020
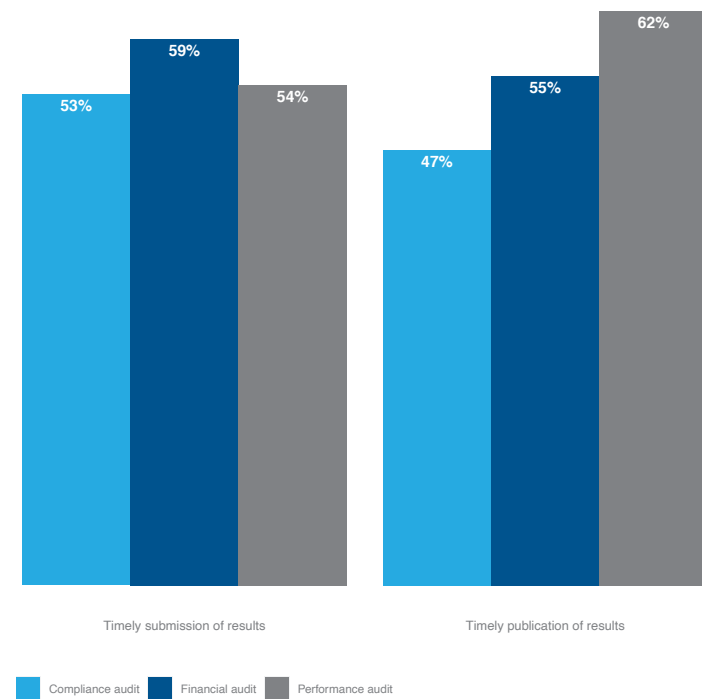
4.6 SAIS PUBLISH MORE AUDIT REPORTS

SAI 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 58% 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 CREFIAF has 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).

Publishes at least 80% of reports: 69%, 58%, 70%
Publishes no reports: 15%, 15%, 12%

Legend: 2014 | 2017 | 2020
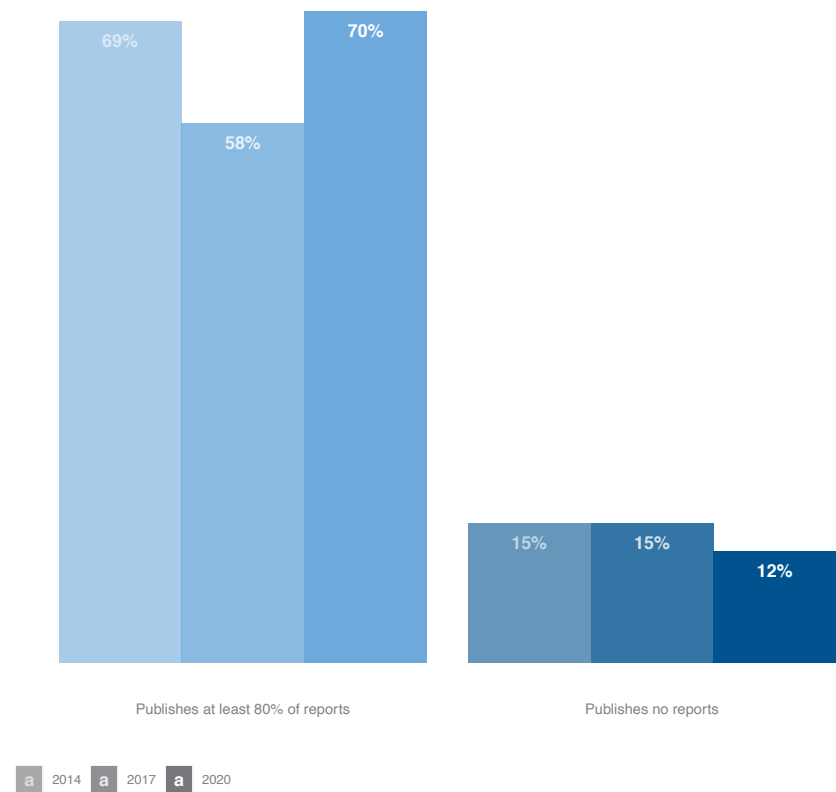
Source: INTOSAI Global Survey 2020

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%.

FIGURE 49 SAIS PUBLISHING AT LEAST 80% OF JUDGEMENTS/SANCTIONS OR NONE

	Publishes at least 80% of judgements/sanctions	Publishes no judgements/sanctions
2017	65%	24%
2020	50%	18%

a 2017   a 2020
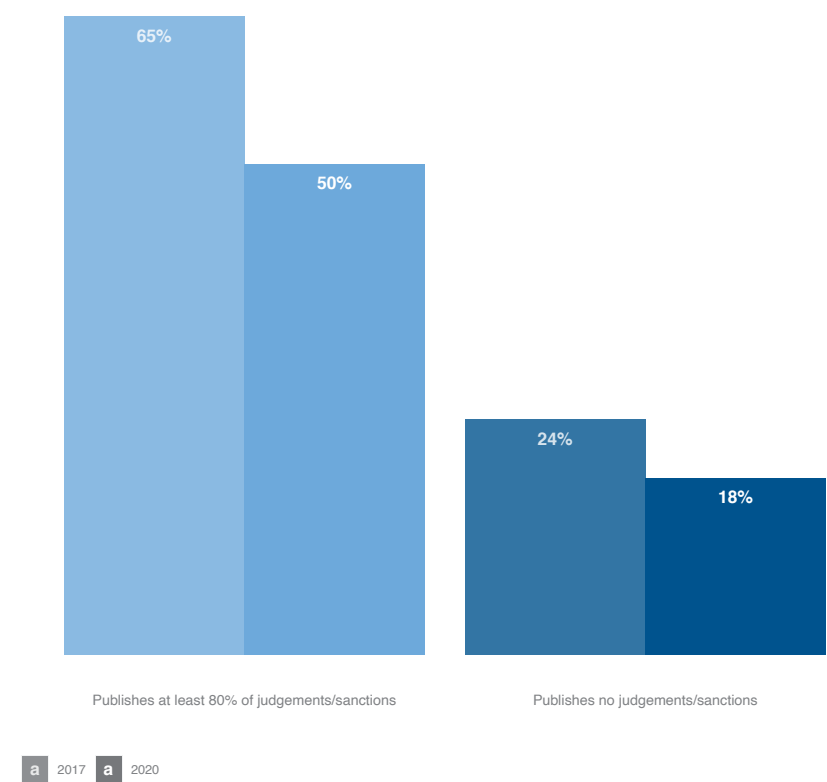
Except for the publication of judgements/judicial decisions, the Global Survey 2020 results show that the number of SAIs that publish audit reports is increasing across all regions (see Figure 50) with a particularly high increase in ARABOSAI.

FIGURE 50 PUBLICATION OF AUDIT REPORTS ACROSS INTOSAI REGIONS

	Global	AFROSAI–E	ARABOSAI	ASOSAI	CAROSAI	CREFIAF	EUROSAI	OLACEFS	PASAI	N.America
2017	64%	77%	23%	59%	67%	38%	78%	83%	65%	100%
2020	69%	72%	69%	84%	67%	41%	91%	85%	75%	100%

a 2017   a 2020

SAI CORE AUDIT SERVICES

Source: INTOSAI Global Survey 2020
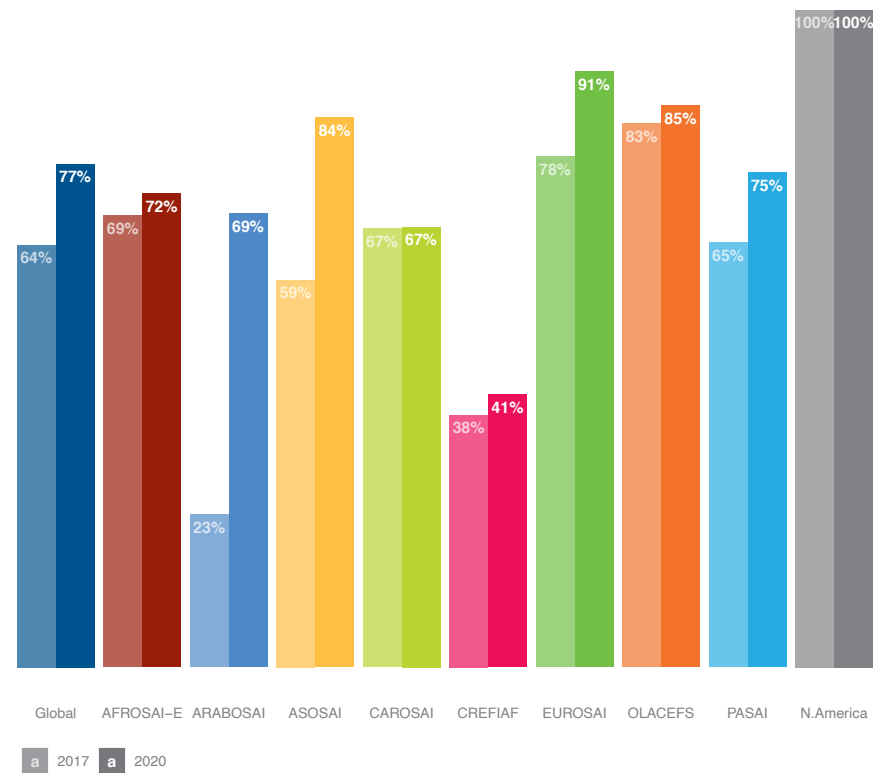
It's possible that access to resources and structural limitations can explain some of the variation in the publication of audit reports. Firstly, it is seen that for SAIs in lesser democratic countries, publication of reports is less frequent, suggesting that some SAIs could be limited in their ability to report to the public, given the political environment.

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 (60%) 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.

67%

of SAIs have formulated a communication strategy globally
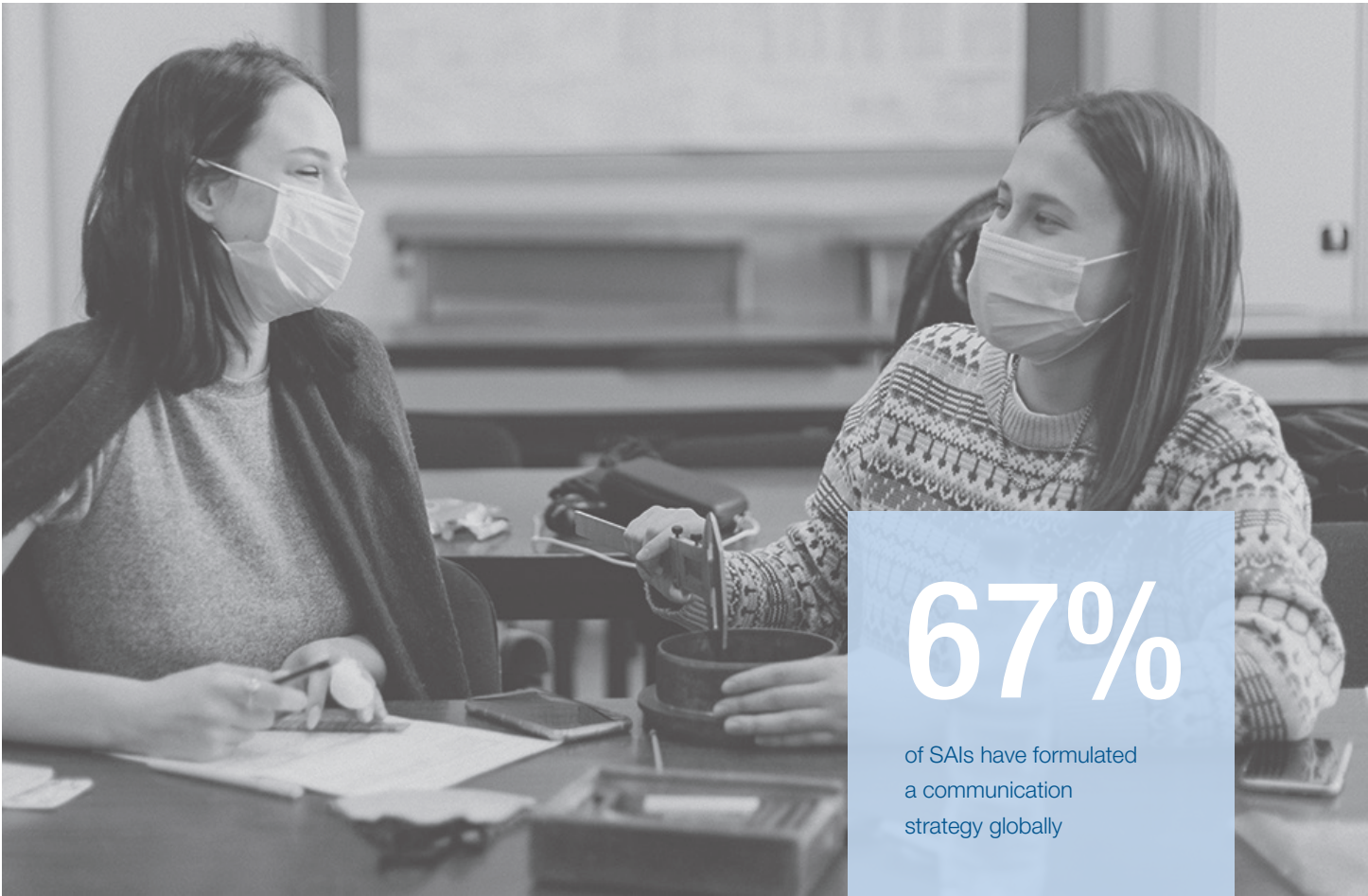
4.7 LESS SYSTEMATIC FOLLOW-UP AND STAKEHOLDER MANAGEMENT COULD RESULT IN LOWER AUDIT IMPACT

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.

2017
86%
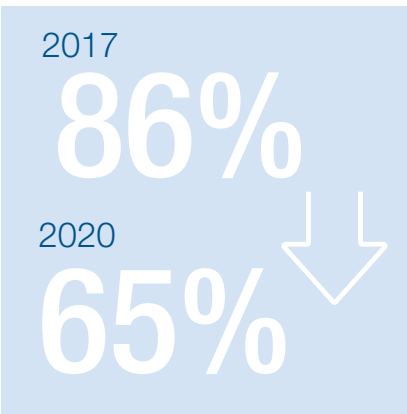
2020
65%

FIGURE 51 SAIS WITH AN INTERNAL SYSTEM TO FOLLOW-UP ON AUDIT RECOMMENDATIONS

Source: INTOSAI Global Survey 2020

FIGURE 52 FOLLOW-UP SYSTEMS BY AUDIT TYPE AND INTOSAI REGIONS

■ Compliance audit   ■ Financial audit   ■ Performance audit
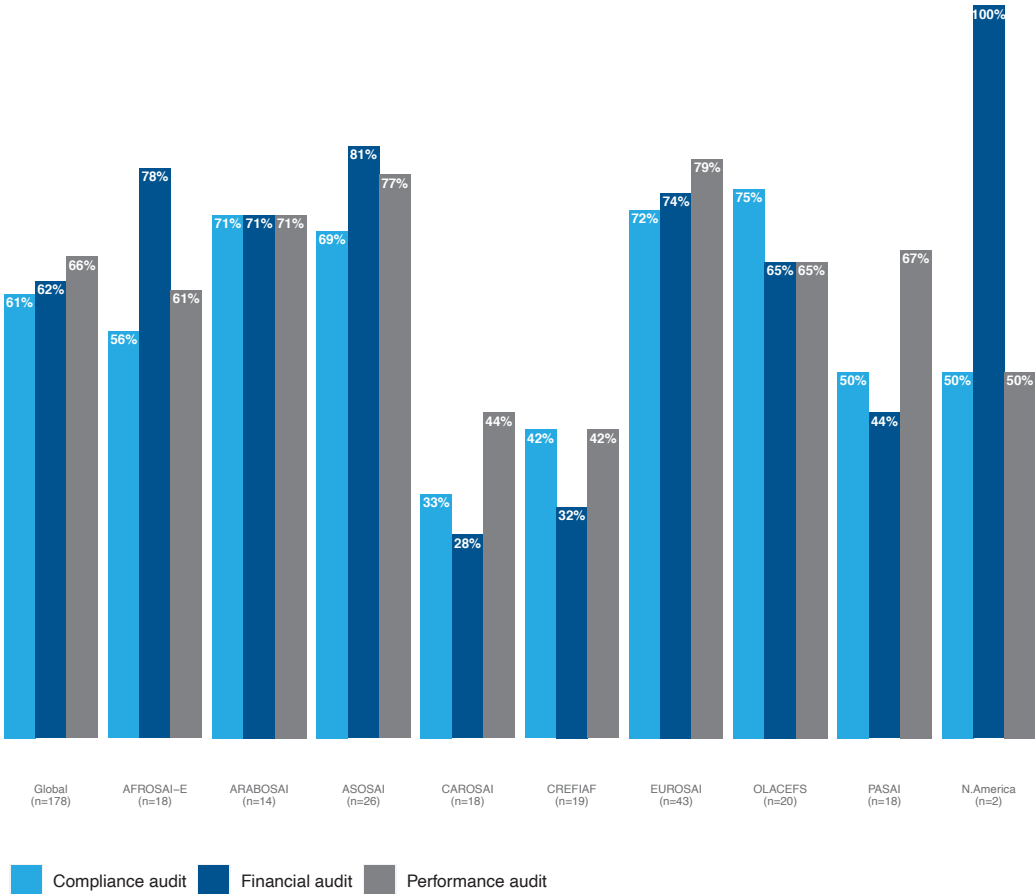
Source: INTOSAI Global Survey 2020

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.

SAI CORE AUDIT SERVICES

FIGURE 53 FOLLOW-UP OF DECISIONS RESULTING FROM JURISDICTIONAL CONTROL

Percentage the 36 SAIs with a mandate for jurisdictional control indicating each option

31%	25%	14%	11%
We have a system to monitor and verify implementation of decisions resulting from jurisdictional control activities	We prepare a follow-up report on implementation of decisions resulting from jurisdictional control activities	We publish a follow-up report on implementation of decisions resulting from jurisdictional control activities	None of the above

FIGURE 54 THE EXTENT TO WHICH AUDITED ENTITIES IMPLEMENT THE SAI'S 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

Legend:
- To a full extent (2%)
- To a greater extent (47%)
- To a limited extent (44%)
- Not at all (6%)

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 submits 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 implemented recommendations. 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 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 of 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.

<40%

of SAIs submit follow up reports to Legislature or Judiciary

24. CAROSAI, PASAI and ARABOSAI.

SAI CORE AUDIT SERVICES

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 SAI 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.
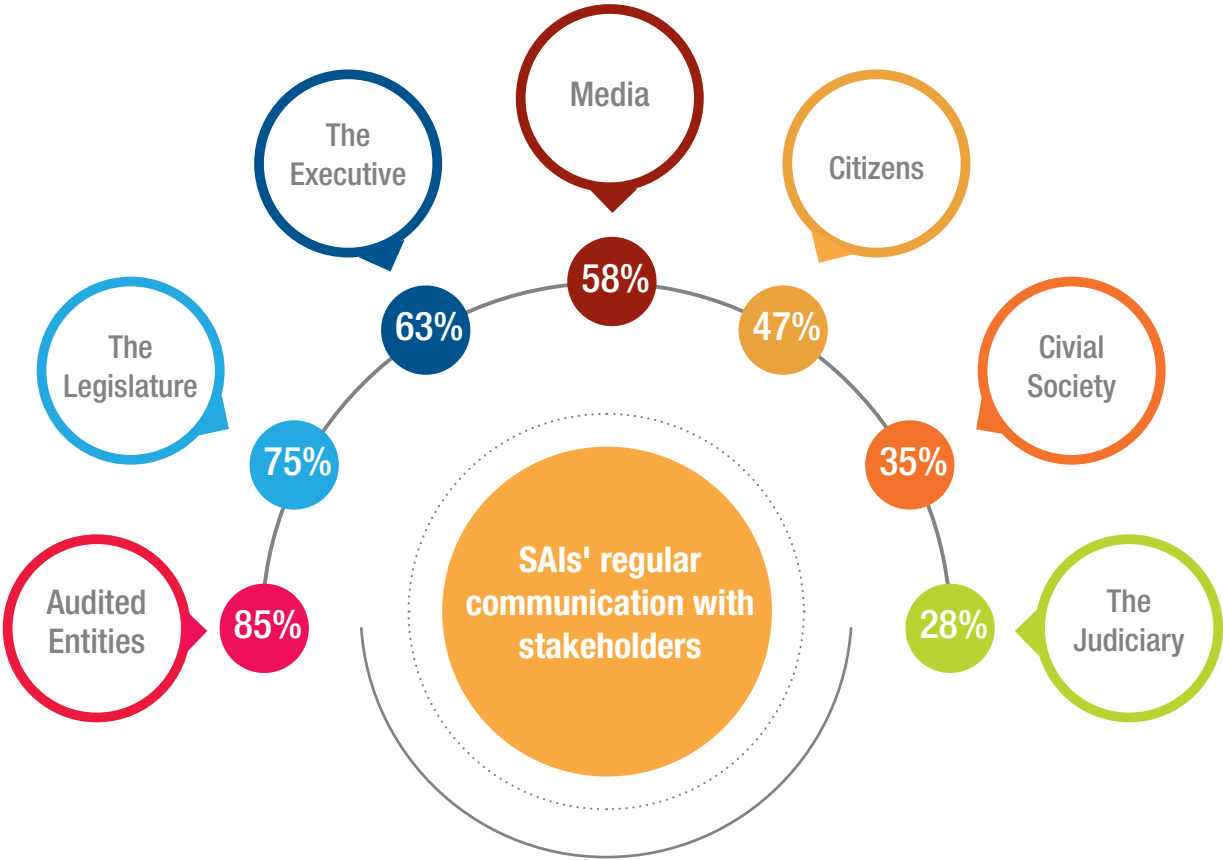
MOST IMPORTANT OBSTACLES TO DELIVERING AUDIT IMPACT
Percent of SAIs selecting each answer

Executive response	79%
Legislative follow-up	58%
Our SAI's powers	56%
Legislative/Judicial oversight	47%
Culture and rule of law	42%
Civil society engagement	34%
Media engagement	31%
Ability to publish reports	28%
Other	11%
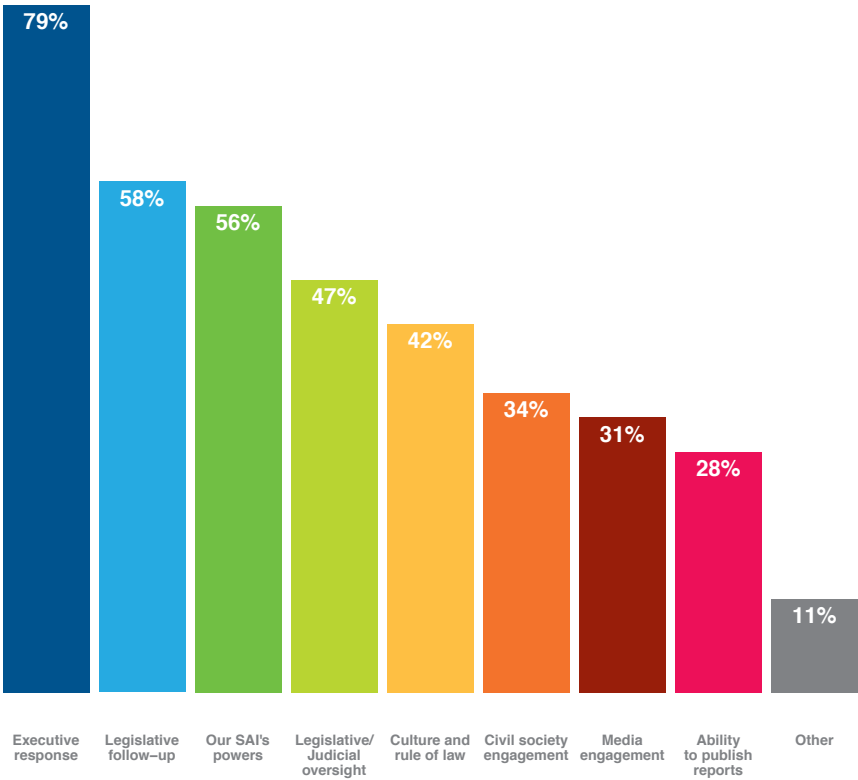
Source: INTOSAI Global Survey 2020

This is a decrease since the last Stocktake. CREFIAF stands out, with 53% reporting that they never involve the legislature, and only 5% of respondents stating that they involve legislatures regularly. It should also be noted that reporting on obstacles to creating audit impact suggests that the second largest obstacle is seen as legislative oversight, with 44% reporting it to be one of the main obstacles. The "All Hands on Deck" report presents a fairly weak score on legislative oversight, but also suggests that legislative oversight is impaired by capacity constraints, for example in terms of skills of committee members, as well as to studies pointing at lack of legal powers and lack of political support for oversight. It's also observed that a lack of communication with legislature is correlated with lower levels of democracy.

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 Judiciary 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.

Stakeholders in SAIs' regular communication

- Media: 58%
- The Executive: 63%
- Citizens: 47%
- The Legislature: 75%
- Civial Society: 35%
- Audited Entities: 85%
- The Judiciary: 28%

SAIs' regular communication with stakeholders

Source: INTOSAI Global Survey 2020

Regular involvement of Stakeholders in follow-up

- Auditees: 78%
- Legislature: 47%
- Executive: 43%
- Judiciary: 12%

05 SAI CAPACITY DEVELOPMENT

Opportunities for more peer-to-peer support

$88m

The value of capacity development support to SAIs globally has remained steady at around $88 million for the past seven years

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.

FIGURE 55 GLOBAL VOLUME OF FINANCIAL SUPPORT TO SAIS[26]
In millions of US dollars

Year	Value
2010	$32M
2011	$47M
2012	$65M
2013	$78M
2014	$88M
2015	$90M
2016	$91M
2017	$87M
2018	$88M
2019	$89M
2020	$88M
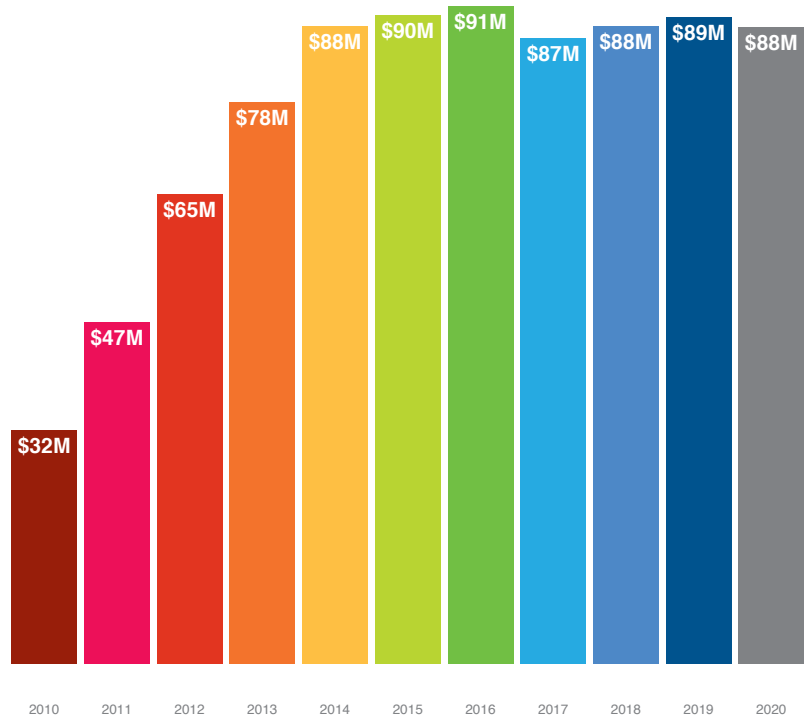
At a time when global development spending has been rising, the Stocktake figures represent a real-term fall in support for SAIs.

26. Figure based on data extracted from the SAI Capacity Development Database

FIGURE 56 TRENDS IN VALUE OF EXTERNAL SUPPORT TO SAIS, BY INCOME CLASSIFICATION[27]

The figure shows an income–level split of the share of financial support (in dollars) that went to individual SAIs (as opposed to regional/global support)

Low income — 49%, 43%, 50%, 50%
Lower middle income — 30%, 27%, 26%, 34%
Upper middle income — 20%, 22%, 21%, 16%
High income — 1%, 9%, 3%, 0%

Legend: 2010–2012, 2013–2015, 2016–2018, 2019–2021

Over time, some notable observations can be made on the regional distribution of support. Across the period 2010-2020, SAIs from AFROSAI-E consistently received most support, by value, while francophone SAIs of CREFIAF received considerably less support. Support to SAIs in ARABOSAI has decreased over time, while increasing to SAIs in ASOSAI. There has also been a steady increase in spending through global initiatives, largely run by IDI.

FIGURE 57 TRENDS IN VALUE OF EXTERNAL SUPPORT TO SAIS, BY REGION[28]

The figure shows a region–level split of the share of financial support (in dollars) that went to individual SAIs and SAI regions, along with the share of support for global–scale work

Legend: 2010–2012, 2013–2015, 2016–2018, 2019–2021
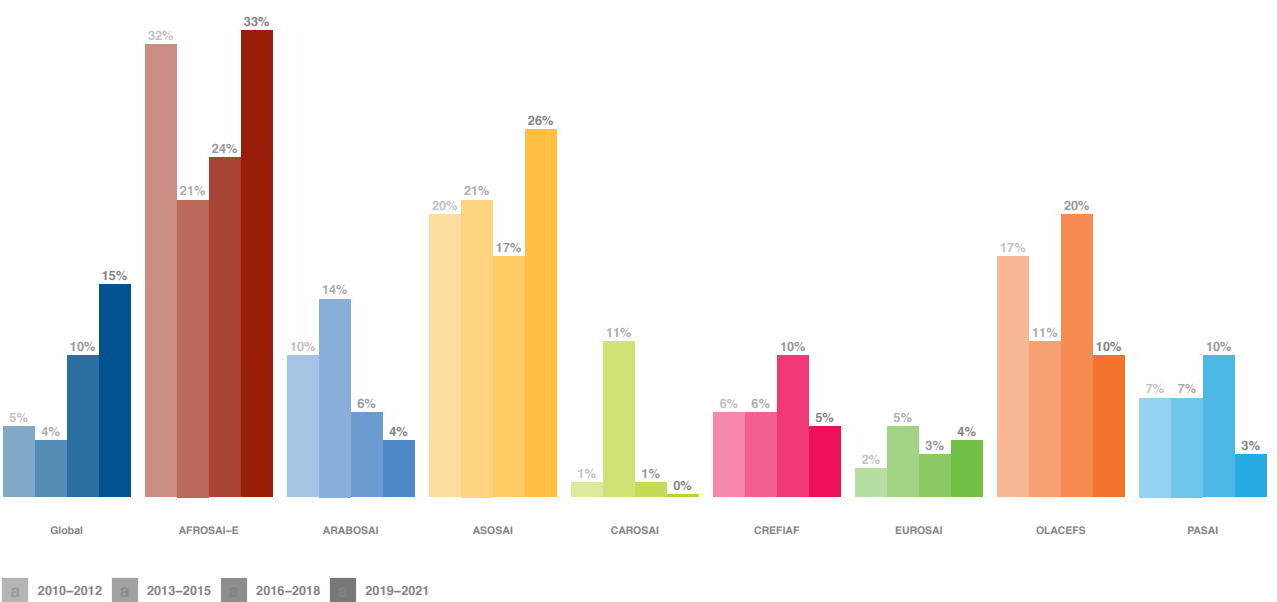
Source: INTOSAI Global Survey 2020

27. Figure based on data extracted from the SAI Capacity Development Database
28. Figure based on data extracted from the SAI Capacity Development Database

SAI CAPACITY DEVELOPMENT

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

FIGURE 58A AND B SAIS RECEIVING AND NOT RECEIVING EXTERNAL SUPPORT BY INTOSAI REGION AND EIU DEMOCRACY CLASSIFICATION

Percentage of non–high income SAIs in each region who report receiving capacity development support (The regional count shows the total number of non–high income SAIs per region)

Percentage of non–high income SAIs who report receiving no capacity development support (The group count shows the total number of non–high income SAIs per group)

PASAI (n=11) — 91%
CREFIAF (n=19) — 84%
AFROSAI-E (n=18) — 83%
ASOSAI (n=23) — 83%
OLACEFS (n=16) — 81%
Global (n=118) — 80%
EUROSAI (n=12) — 75%
CAROSAI (n=9) — 67%
ARABOSAI (n=10) — 60%
N.America (n=0)

Global (n=98) — 20%
Authoritarian (n=39) — 33%
Hybrid Regime (n=30) — 10%
Flawed Democracy (n=28) — 14%
Full Democracy (n=1)
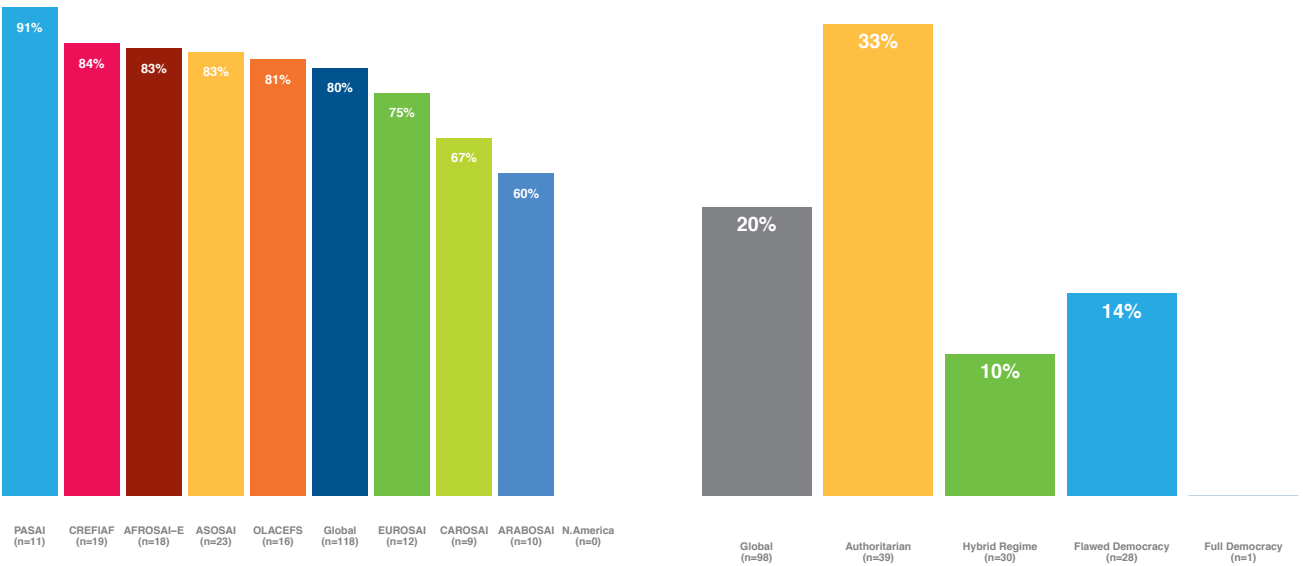
Source: INTOSAI Global Survey 2020

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.[29] There appears to be fewer long-term support projects at the SAI level, fitting with the increased focus on global programmes.

29. SAI capacity development database, percentage of developing countries which, in the year in question, have benefitted from a significant capacity development initiative (i.e. exceeds $0.3 million for the SAI, and/or 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

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 ARABOSAI.

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 PMF, 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 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'

- Getting financial support from a development partner where our SAI is the implementer
- Getting financial support from a development partner and technical support implemented by another body
- Getting financial and technical support provided by and implemented by the same development partner

FIGURE 60 SUPPORT AREAS RECEIVED 2017-19 AND PLANNED FOR DEVELOPMENT 2020-22: INSTITUTIONAL AND ORGANISATIONAL DEVELOPMENT

- ⓐ 2017–2019   ⓐ 2020–2022
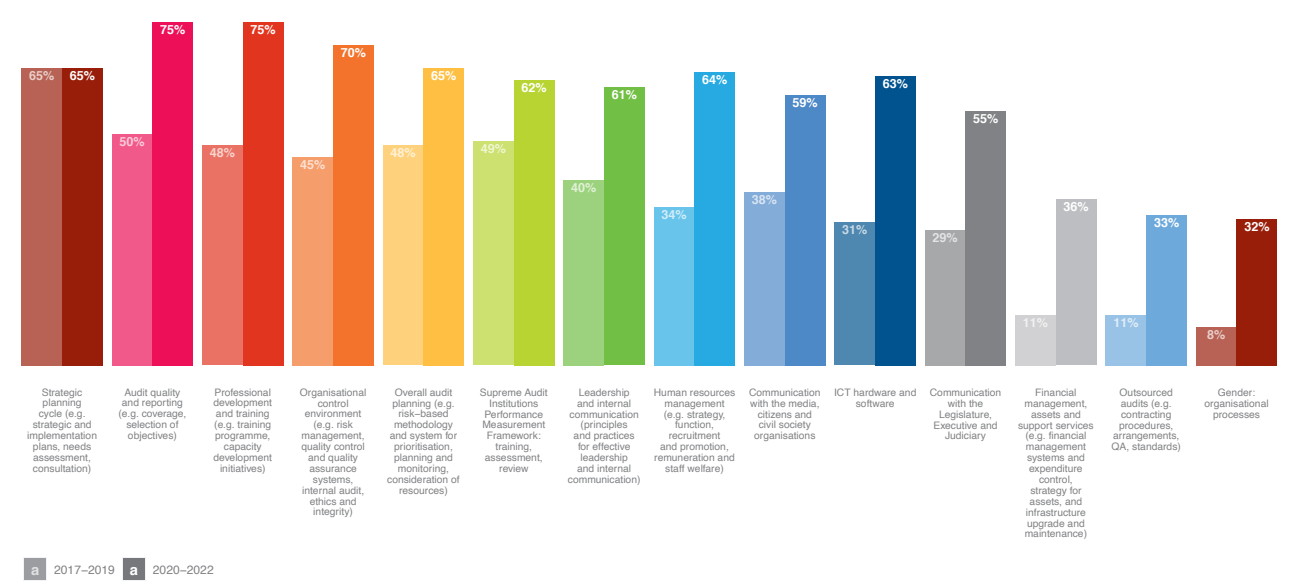
Regarding audit streams and topics, as expected the three core audit streams dominate in recent and planned support. Specific topics of greatest focus are SDG audits, environmental auditing, IT and Information Systems (IS) audits, and environmental audits. Looking to the future, an increasing number of SAIs plan to enhance IT and IS audits, and public debt audits, which are both increasing priority and risk areas due to the COVID-19 pandemic.

SAI CAPACITY DEVELOPMENT

FIGURE 61 SUPPORT AREAS RECEIVED 2017-19 AND PLANNED FOR DEVELOPMENT 2020-22: AUDIT DISCIPLINES AND TOPICS

2017–2019   2020–2022
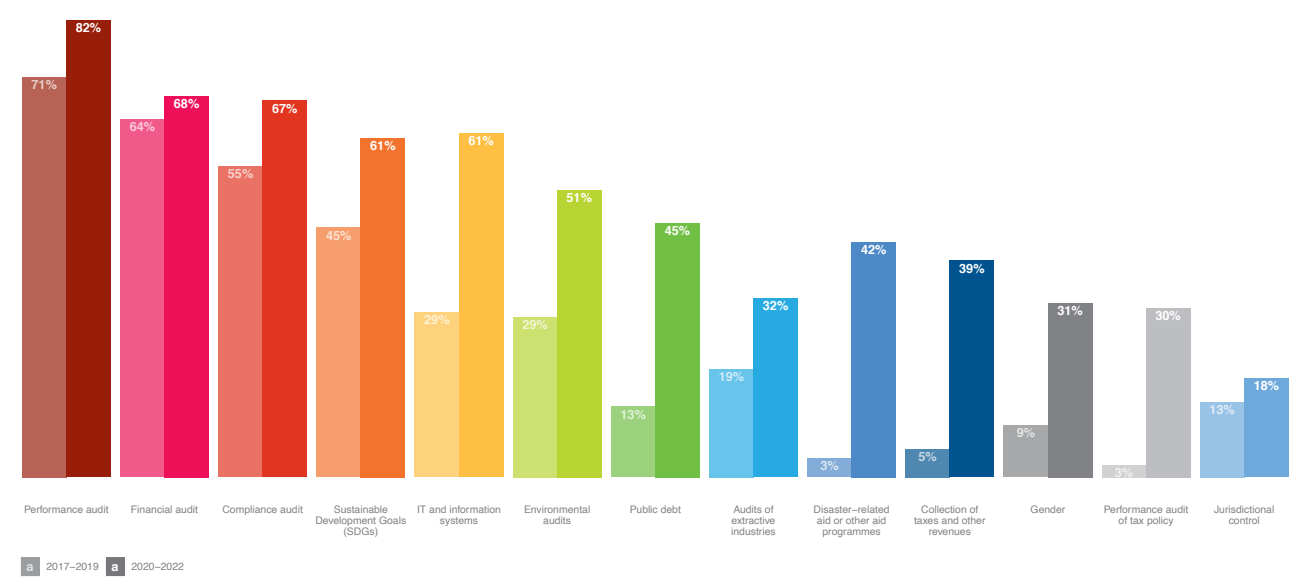
Source: INTOSAI Global Survey 2020

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 on gender 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.

5.2 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 the 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.

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

Technical support   Financial support
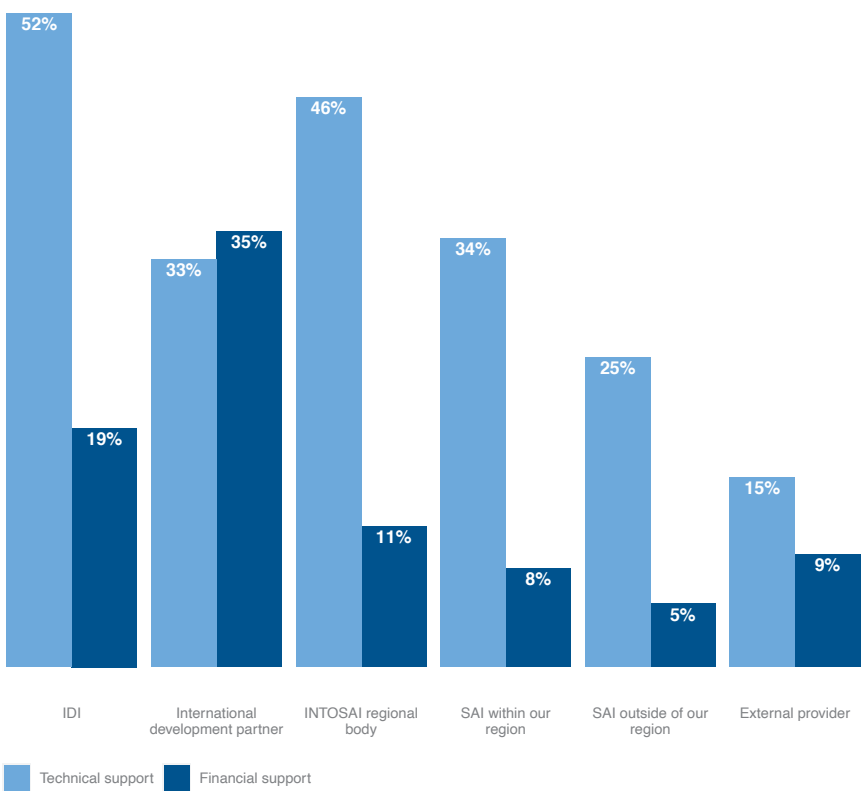
Source: INTOSAI Global Survey 2020

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

FIGURE 63 & 64 SAIS PROVIDER-RECIPIENT BILATERAL RELATIONS ACCORDING TO RECIPIENTS
Width of bar depicts the number of provider–recipient relations per category; data are according to recipients

Source: INTOSAI Global Survey 2020

FIGURE 65 NUMBER OF SAIS WILLING TO PROVIDE PEER-SUPPORT
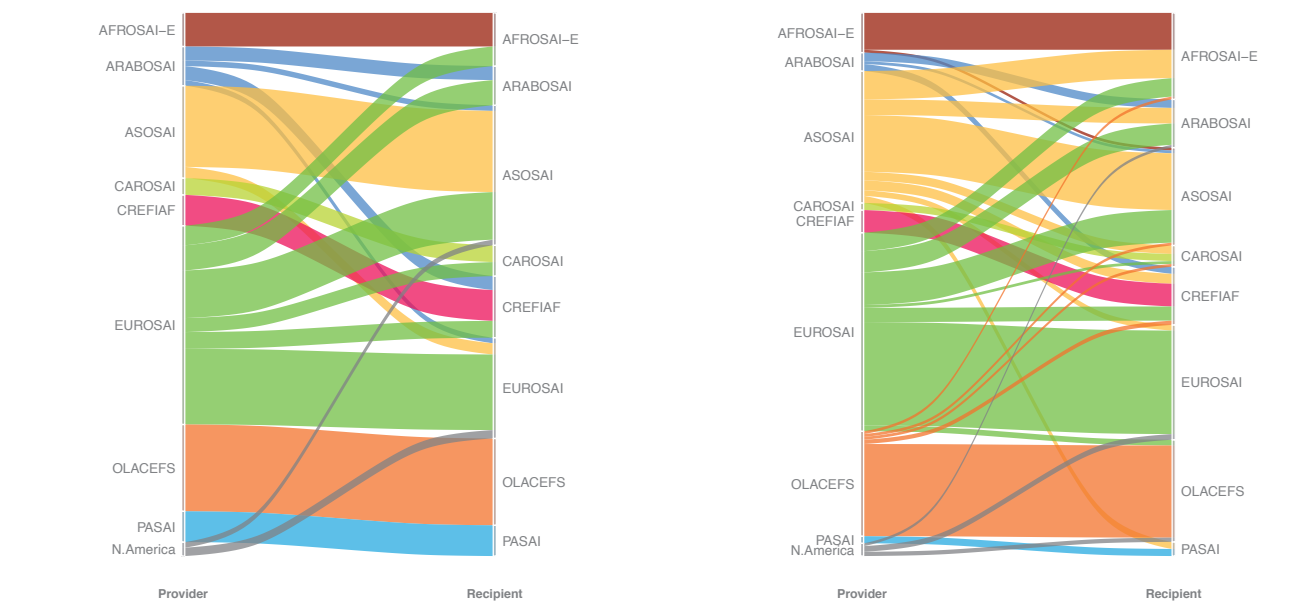
Source: INTOSAI Global Survey 2020

Significant support flows between SAIs in the same region in AFROSAI-E, ASOSAI, CREFIAF, EUROSAI, OLACEFS and PASAI. SAIs in EUROSAI are most prominent in cross-regional support. Analysing the same data by income group shows that while support flows mainly from HI and UMI countries, there is also significant support provided between LMI countries.

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 arms-length capacity development bodies.
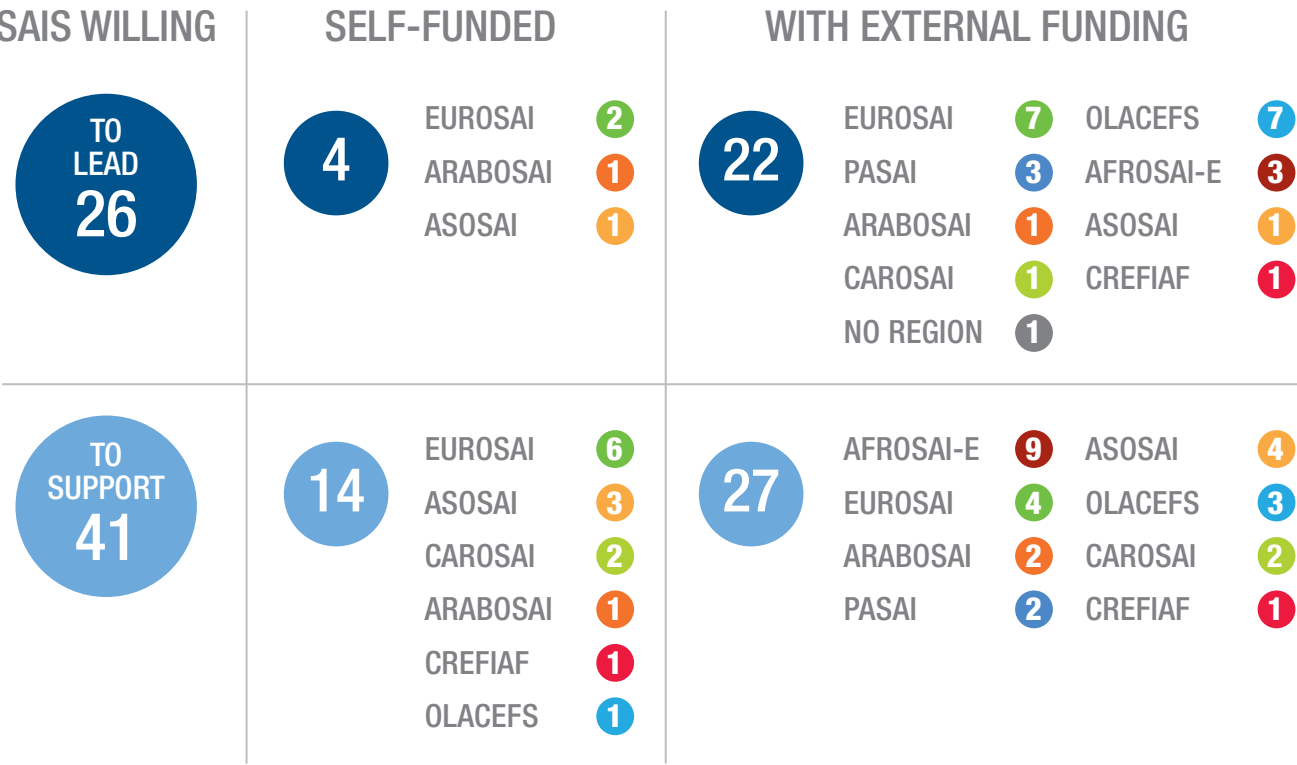
SAI CAPACITY DEVELOPMENT

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.

Only six SAI providers receive a dedicated budget from the legislature to fund development activities, whilst many others use a proportion of their core funding for such purposes. Over half of SAIs can only provide support if it is fully funded by an external partner. Despite the prevalence of potential providers of support, experience also shows that there are challenges in

matching SAIs, with many peer SAIs focusing on support within their own region or language group. Further, with a reluctance among the donor community to fund support for SAIs in countries on the lower end of the democracy index, and few peer SAIs able to fund such support, there is a risk of these SAIs being left behind.

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 CREFIAF facing similar or greater needs.

FIGURE 65B FACTORS CONSIDERED BY SAIS IN DECIDING WHICH PEER SAIS TO SUPPORT

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

TOP FIVE FACTORS

210% Capacity development area of support needed/requested

160% Availability of external funding to provide this support

150% Area of support needed matches recipient SAI's expertise

130% SAI working language

120% Similarity of recipient SAI's model to ours

Source: INTOSAI Global Survey 2020

Once the country focus of peer support has been decided, most peer SAIs follow good practices in delivering their 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 EUROSAI – 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.

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

Legend: Most of the time | Sometimes | Almost never | N/A

Source: INTOSAI Global Survey 2020

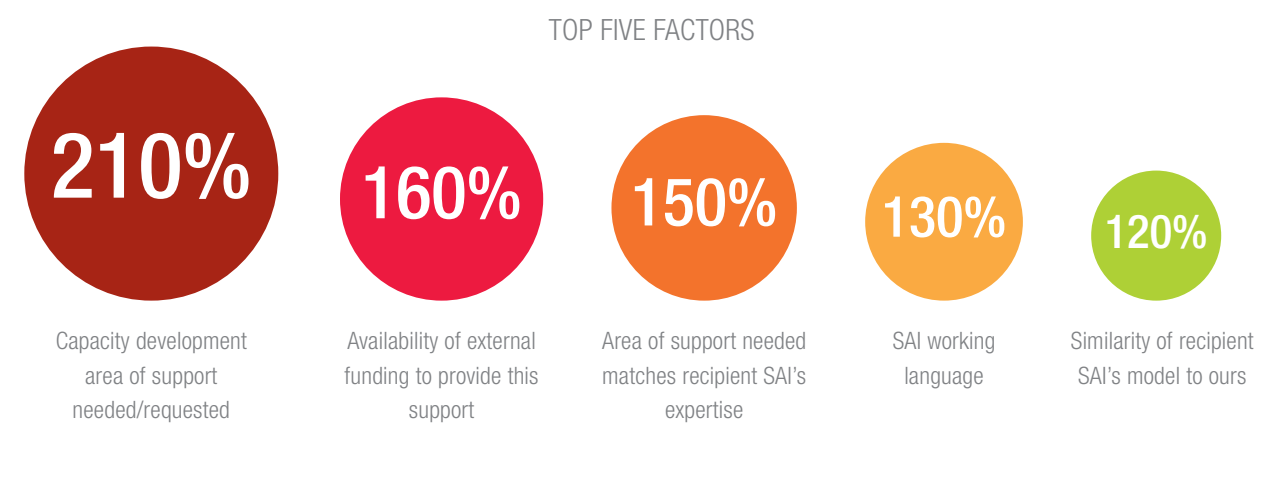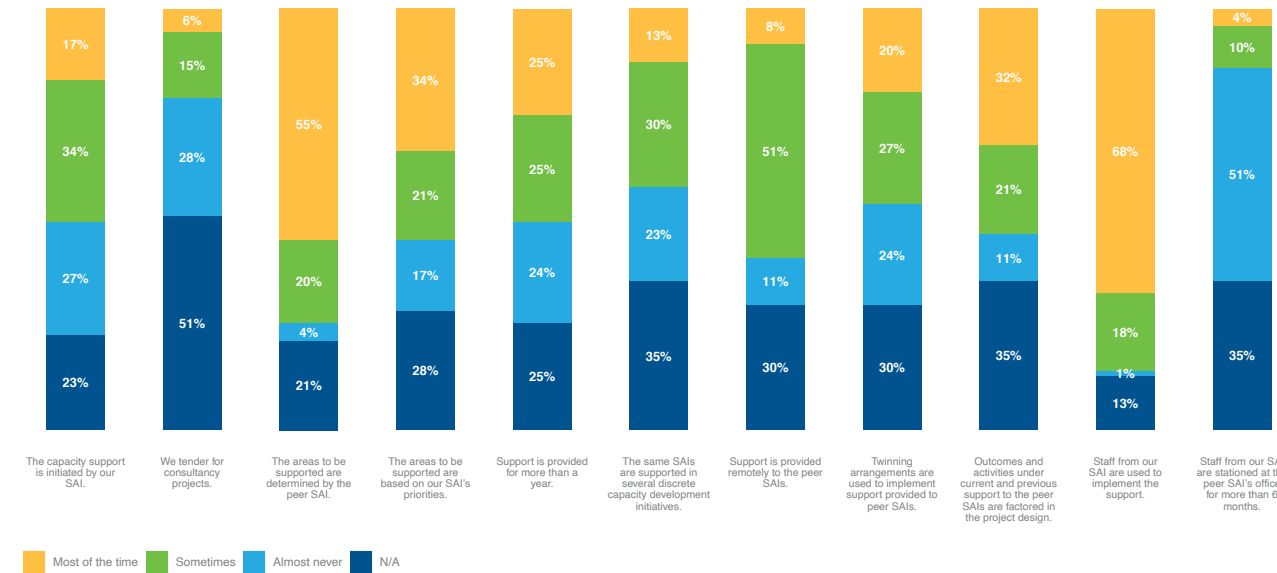## 5.3.3 FACTORS DRIVING PEER-TO-PEER SUPPORT

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5.4 SUPPORT THROUGH COOPERATIVE AUDITS AND DISSEMINATION OF GLOBAL PUBLIC GOODS

In addition to financial and technical assistance, and peer-to-peer support, significant capacity development occurs through cooperative audits[32] 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 (98), INTOSAI regional bodies (91), IDI (90) and peer

SAIs (80). 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 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 audi

Legend: Not effective at all | Somewhat effective | Very effective
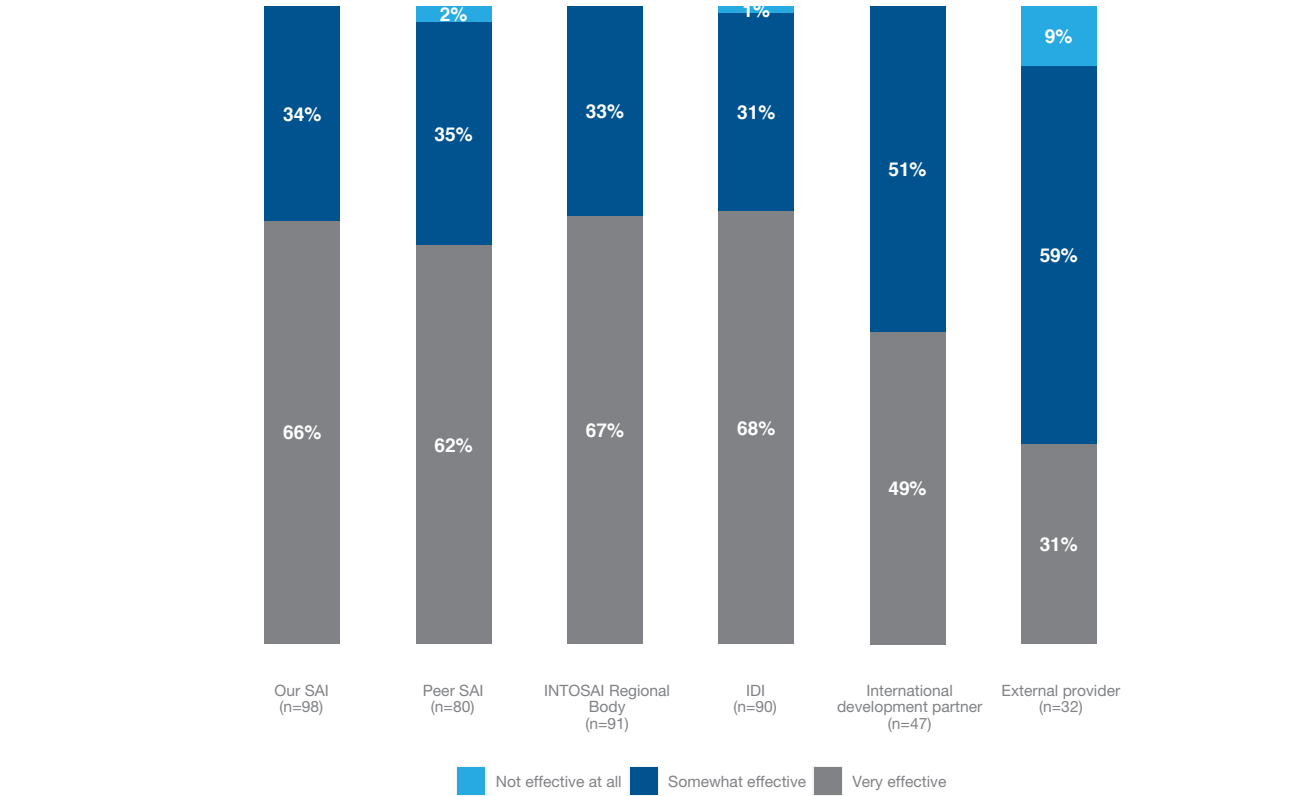
32. Cooperative audits are those where several SAIs work on the same or similar audits at the same time, often under guidance from another entity, with mutual sharing of knowledge and experiences built into the process.

Source: INTOSAI Global Survey 2020

Many bodies from across the INTOSAI community have a long history of developing and disseminating Global Public Goods to facilitate capacity development. SAIs were asked about whether GPGs from various INTOSAI bodies were used and found useful by their SAIs since 2017.

At the global level, the most used GPGs are the INTOSAI Code of Ethics, the Mexico and Lima Declarations and SAI PMF, closely followed by IDI handbooks on the Code of Ethics, performance audit and compliance audit. Products developed by INTOSAI regional bodies are heavily used within those regions but are also used to some extent in other regions. Further analysis of the use of GPGs can be found in the Annex.

FIGURE 68 MOST USED INTOSAI GLOBAL PUBLIC GOODS

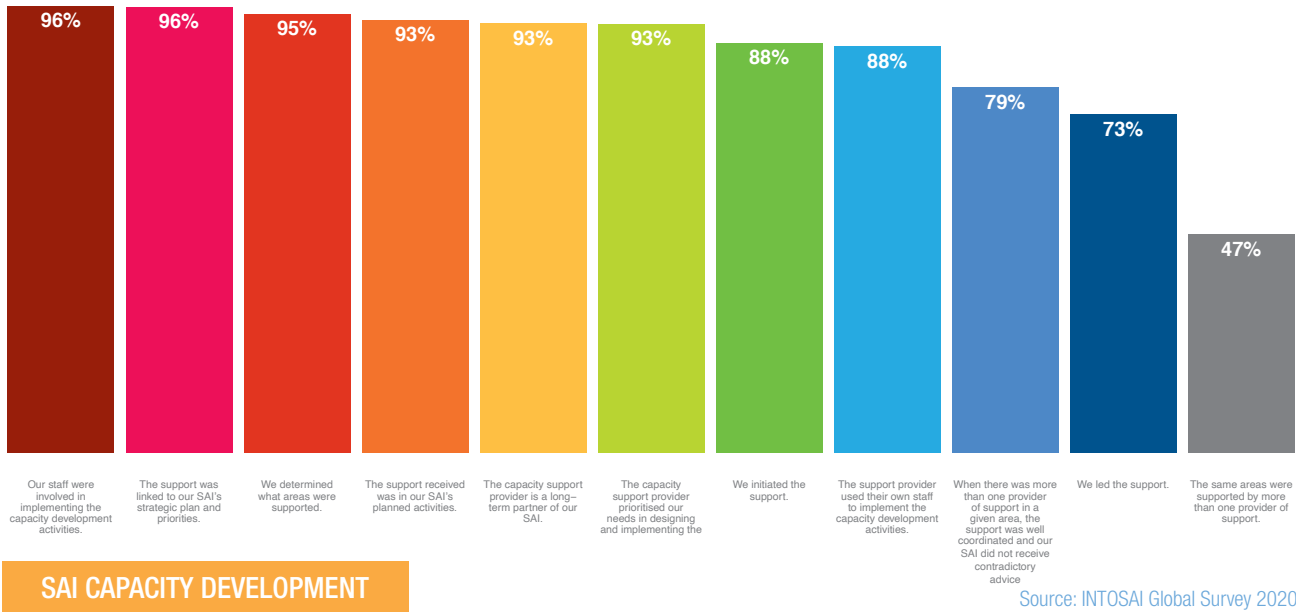| INTOSAI Body	Number of GPGs	MOST USED GLOBAL PUBLIC GOODS
INTOSAI Development Initiative	15	Guidance on Implementation of ISSAI 30 Code of Ethics Performance Audit ISSAI Implementation Handbook Compliance Audit ISSAI Implementation Handbook
INTOSAI Professional Standards Committee	16	ISSAI 130 Code of Ethics Mexico Declaration on SAI Independence Lima Declaration
INTOSAI Capacity Building Committee	18	SAI PMF IntoSAINT Tool GUID 1900 – Peer Review Guidelines
INTOSAI Knowledge Sharing Committee	31	GUID 5100 – Guidelines on IT Audit GUID 5202 – Sustainable Development – The Role of SAIs GUID 5201 – Environmental Audit and Regularity Auditing
EUROSAI	4	EUROSAI Guidelines on auditing ethics in the public sector, to Implement ISSAI 30 EUROSAI Guideline on the social utilization and transparency of public sector audits EUROSAI Innovations series
AFROSAI-E	14	AFROSAI-E Financial Audit Manual AFROSAI-E Performance Audit Manual AFROSAI-E Compliance Audit Manual
PASAI	9	PASAI Financial Audit Manual PASAI Performance Audit Manual PASAI Quality Assurance Manual
AFROSAI	1	AFROSAI Gender and Development Strategy

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 implementing the support and aligning support to the SAI strategic plan. However, it is notable 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 69 APPLICATION OF GOOD PRACTICE PRINCIPLES ACCORDING TO RECIPIENTS OF CAPACITY DEVELOPMENT SUPPORT
Recipients' views of the application of good practice in capacity development

96%	96%	95%	93%	93%	93%	88%	88%	79%	73%	47%
Our staff were involved in implementing the capacity development activities.	The support was linked to our SAI's strategic plan and priorities.	We determined what areas were supported.	The support received was in our SAI's planned activities.	The capacity support provider is a long-term partner of our SAI.	The capacity support provider prioritised our needs in designing and implementing the	We initiated the support.	The support provider used their own staff to implement the capacity development activities.	When there was more than one provider of support in a given area, the support was well coordinated and our SAI did not receive contradictory advice	We led the support.	The same areas were supported by more than one provider of support.

SAI CAPACITY DEVELOPMENT

Source: INTOSAI Global Survey 2020

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%)

140%	130%	130%	130%	120%	120%	110%
Ensuring project is linked to our SAI's strategic priorities	Clear project objectives	Effective communication	Inclusion of our SAI's staff	Good project design	Subject matter knowledge	Good project management

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%)

190%	150%	130%	120%	120%	110%
Insufficient or restricted funding	Human resource constraints	Lack of knowledge of the country context and procedures	Inflexible procedures	Poor coordination and communication	Prioritising own needs

Source: INTOSAI Global Survey 2020

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.

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%)

Commitment from SAI leadership 160% · Subject matter knowledge 160% · Effective communication 150% · Knowledge of SAI's context 130% · Full commitment and participation of recipient staff in support activities 110% · Good project design 100% · Good project management 100% · Sufficient staff time allocated l recipient SAI 100%
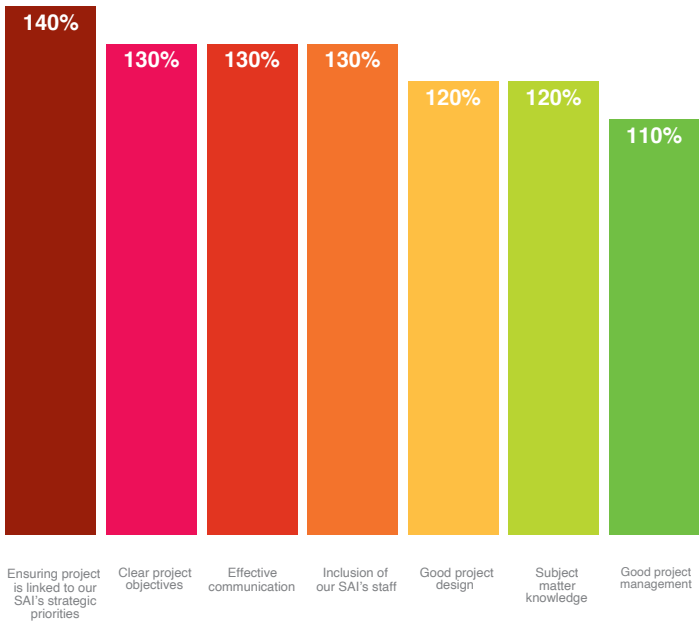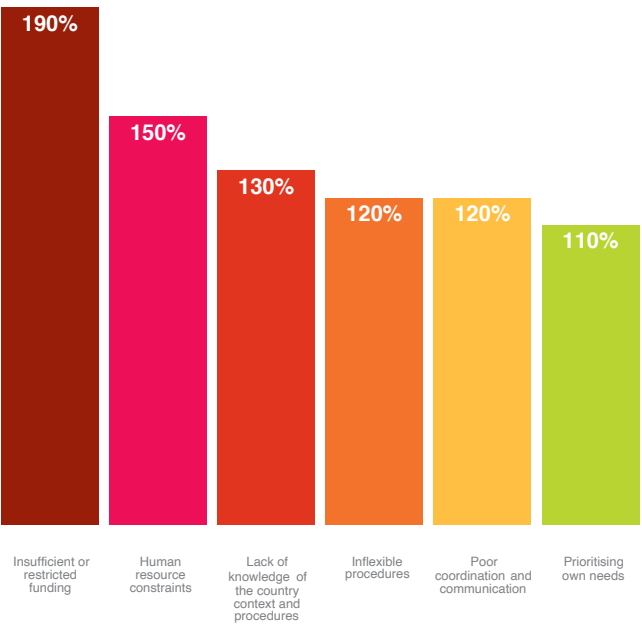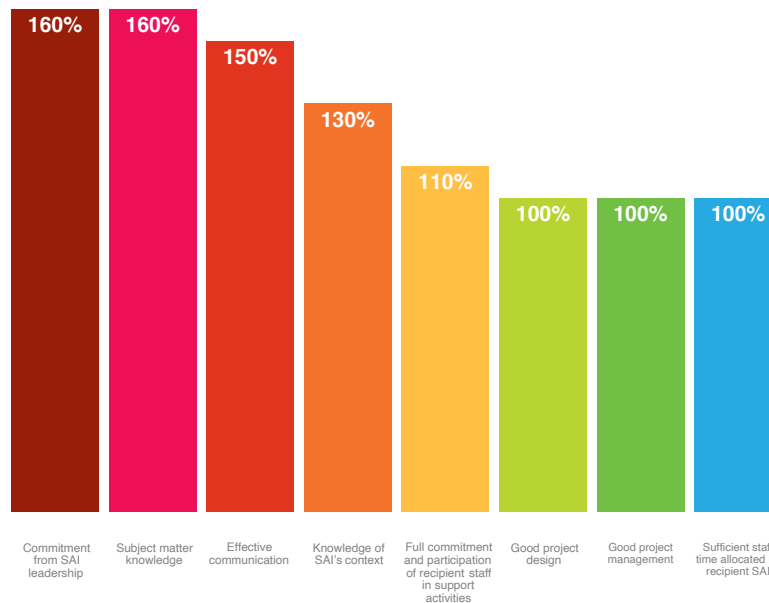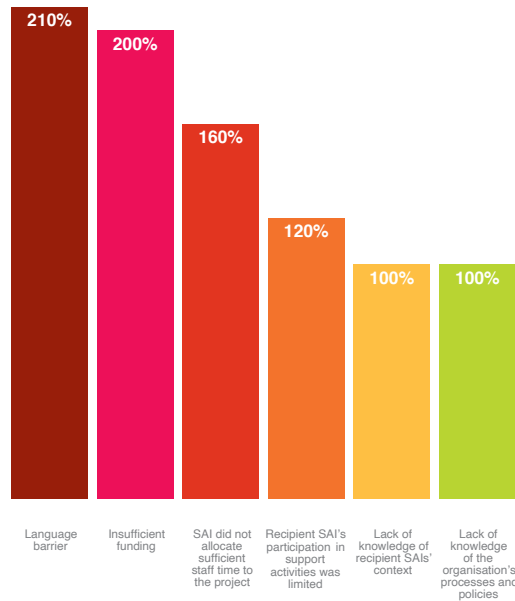
FIGURE 73 FACTORS CONTRIBUTING TO SUPPORT FAILURE ACCORDING TO SAI PROVIDERS

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%)

Language barrier 210% · Insufficient funding 200% · SAI did not allocate sufficient staff time to the project 160% · Recipient SAI's participation in support activities was limited 120% · Lack of knowledge of recipient SAIs' context 100% · Lack of knowledge of the organisation's processes and policies 100%

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 CREFIAF, 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 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%)

Regular meeting with key stakeholders 170% · Understanding of the country context 150% · SAI leadership commitment 140% · SAI is included in the country's public financial management discussions 130% · SAI's capacity development is included in the donors' assistance strategy for the country 130% · Developing a strong and sustained relationship with strategic development partner(s) 120% · Other 120% · Knowledge of the SAI's context 110% · Harmonising advocacy views on key SAI issues 90% · Maintaining an up-to-date strategic development plan 90% · Separate coordination/ discussion (policy dialogue) forum focused on audit (or accountability) 80% · Supports the SAI in policy discussions with key stakeholders 80% · Joint strategy for SAI support 70% · Maintaining a comprehensive mapping of support projects 70% · Single SAI focal point 70% · Single donor focal point 50% · Harmonisation of reporting or review requirements 30%

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%)

Lack of knowledge of the SAI's context 210% · Donors are focused on their own priorities 190% · No understanding of the country context 130% · Different advocacy views on key SAI issues 100% · Limited or no communication with key stakeholders 100% · No separate coordination/ discussion (policy dialogue) forum focused on audit (or accountability) 100% · SAI's capacity development is not included in the donors' assistance strategy for the country 100% · SAI is not included in the country's public financial management discussions 80% · Individual donor strategies for SAI support 70% · No or multiple SAI focal point 70% · SAI does not have updated strategic development plans 70% · SAI leadership is not committed 40% · SAI is not transparent about support being received 30%

Source: INTOSAI Global Survey 2020

06 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, ASOSAI, CAROSAI, CREFIAF, EUROSAI, OLACEFS and PASAI.[33] 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.
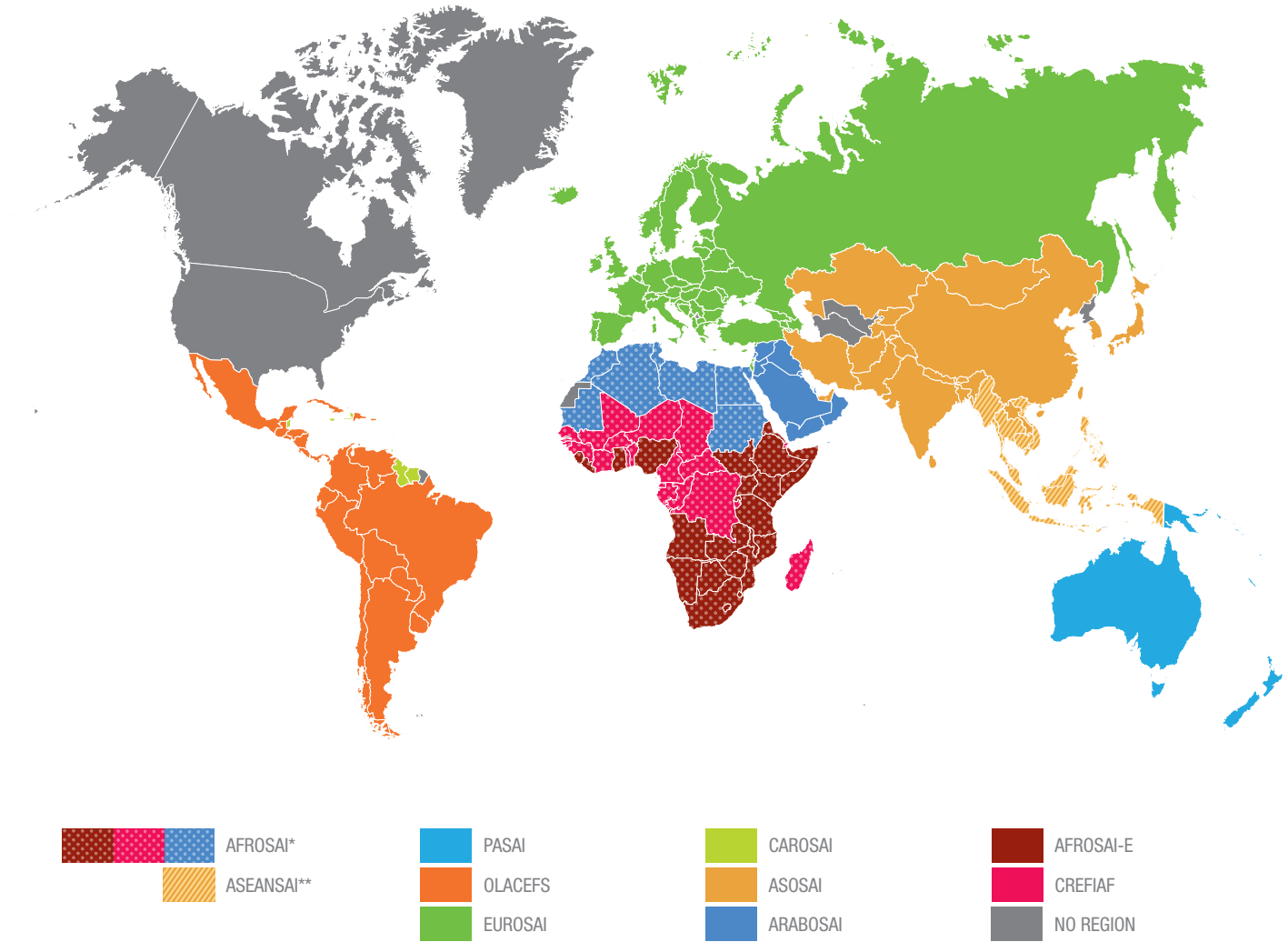
All INTOSAI regions have Strategic Plans, and across the regions, main strategic priorities include professionalisation of auditors and improving audit practices. Similarly, the technical support offered by regions to their members aligns with these strategic priorities and is focused on developing audit 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.

4 of 10 regions

had an increase in external funding since 2017

6 regions

report to rely greatly on in-kind support.

FIGURE 76 MAP WITH REGIONS

AFROSAI*	PASAI	CAROSAI	AFROSAI-E	
ASEANSAI**	OLACEFS	ASOSAI	CREFIAF	
	EUROSAI	ARABOSAI	NO REGION	

* AFROSAI covers the whole African continent
** ASEANSAI is a sub-group and members are also members of ASOSAI

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

REGIONS' PERFORMANCE

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

STRUCTURE	AFROSAI	AFROSAI-E	ARABOSAI	ASEANSAI	ASOSAI	CAROSAI	CREFIAF	EUROSAI	OLACEFS	PASAI
Executive Secretariat	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
General Assembly	✔		✔	✔	✔		✔	✔	✔	
Governing Board	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Knowledge Sharing Committee	✔			✔						
Capacity Building Committee	✔	✔	✔	✔	✔				✔	
Working Groups					✔			✔	✔	
Gender Focal Point	✔	✔							✔	
Technical Support Function		✔	✔							✔

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.

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.

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FIGURE 78 BUDGET OF REGIONAL BODIES 2014-2019
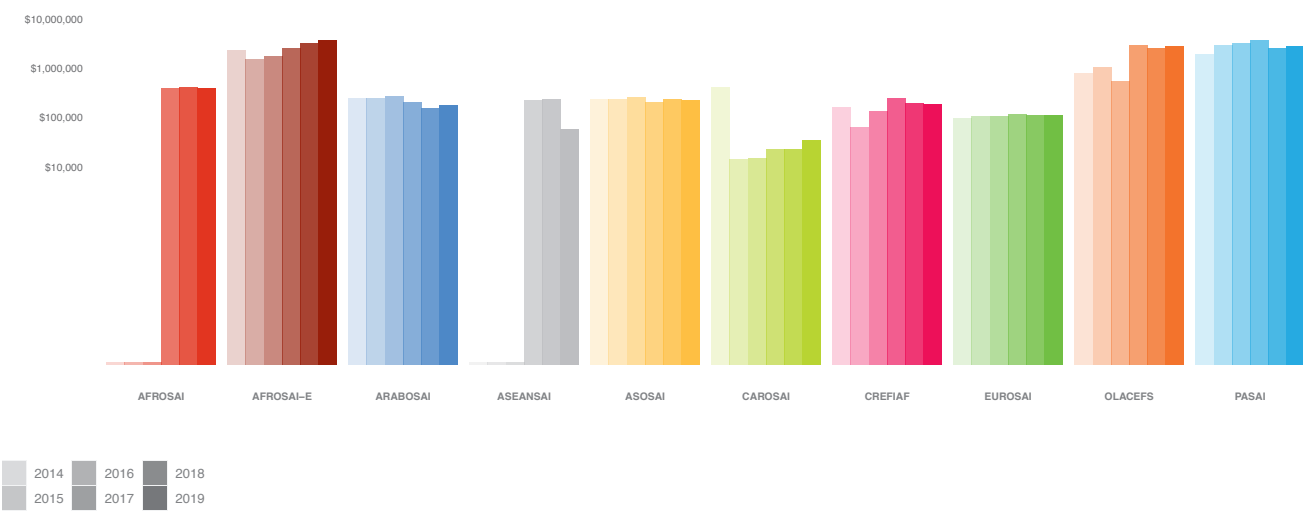
Source: INTOSAI Global Survey 2020

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.

3-5
is average full-time staff for regions.

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.

FIGURE 79 STAFFING COMPOSITION OF REGIONAL ORGANISATIONS COMPARING 2017 AND 2020

Labels show the percentage of female staff in each year as well as the fraction

AFROSAI · AFROSAI–E · ARABOSAI · ASEANSAI · ASOSAI · CAROSAI · CREFIAF · EUROSAI · OLACEFS · PASAI

a 2017 a 2020
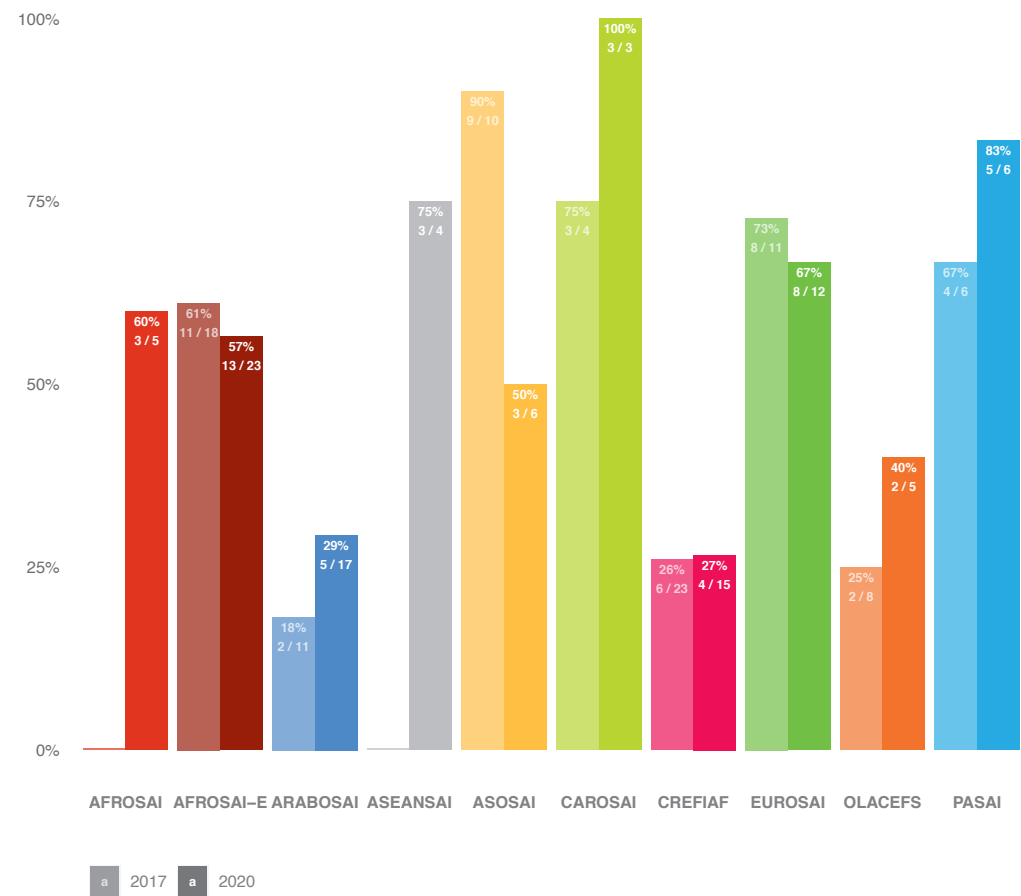
Source: INTOSAI Global Survey 2020

FIGURE 80 COMPETENCY PROFILE OF REGIONAL BODIES' STAFF 2017 AND 2020

Labels show how many of the eight (2017) or ten (2020) SAI regional bodies reported each competency

Accountants · Certified auditor · Certified HR · Certified information systems · Certified leadership · Event management · IDI Training Specialists · ISSAI Facilitators · IT staff · Lawyers · Public Financial Management

a 2017 a 2020
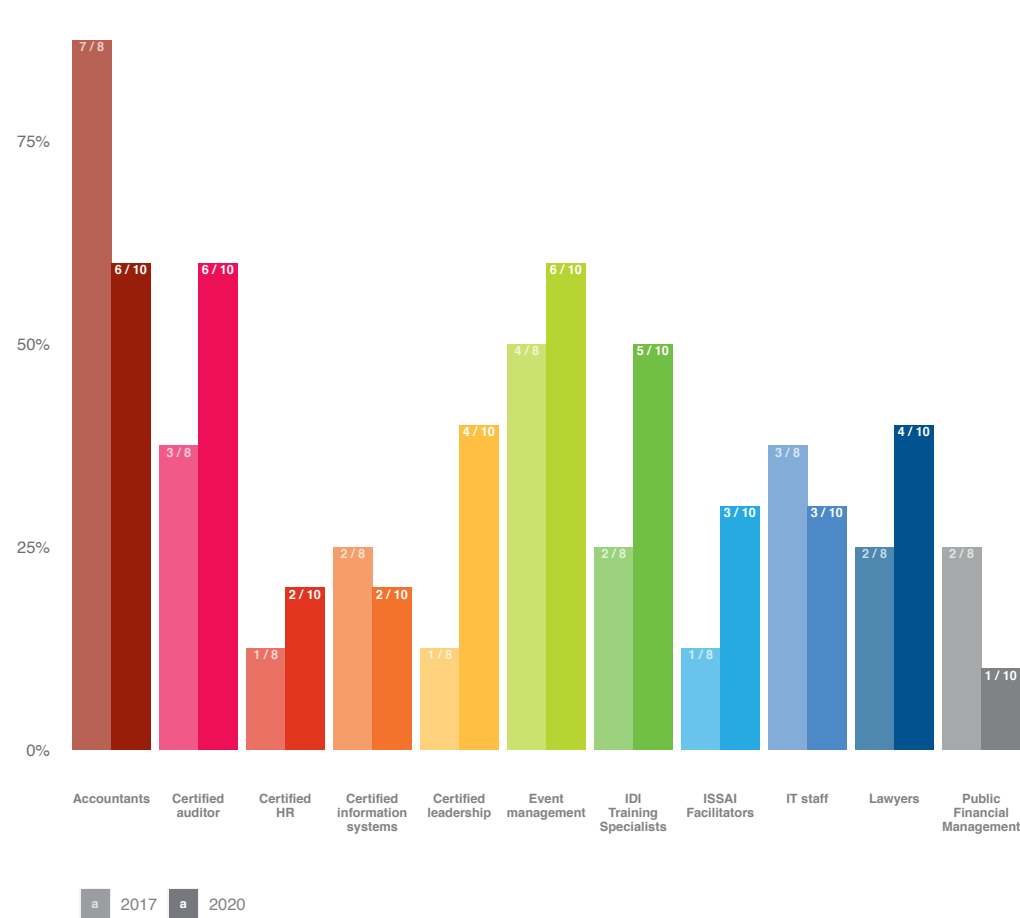
Source: INTOSAI Global Survey 2020

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

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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 information into related processes, and making existing knowledge useful in various projects.

50%

of the regions indicate that gender is a strategic priority. In their response

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 interest 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.

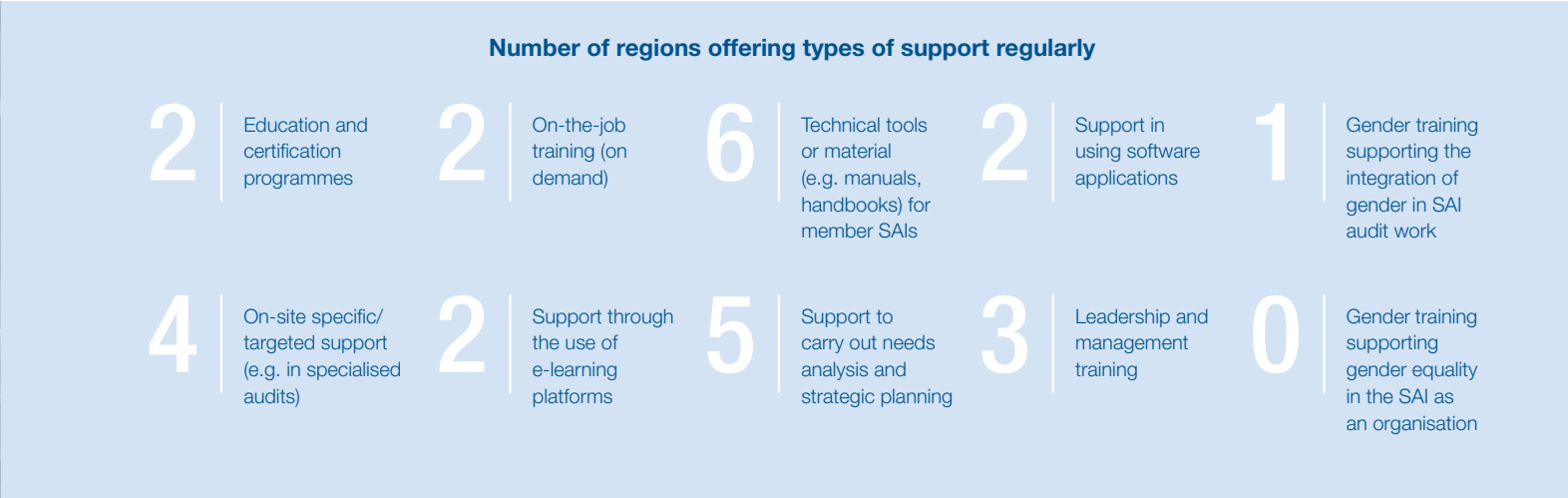They also use social media for this purpose. Only three regions have dedicated staff responsible for communication, and only two has a system to monitor media coverage for the region as well as member SAIs.

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

Number of regions offering types of support regularly

2 Education and certification programmes	**2** On-the-job training (on demand)	**6** Technical tools or material (e.g. manuals, handbooks) for member SAIs	**2** Support in using software applications	**1** Gender training supporting the integration of gender in SAI audit work	
4 On-site specific/ targeted support (e.g. in specialised audits)	**2** Support through the use of e-learning platforms	**5** Support to carry out needs analysis and strategic planning	**3** Leadership and management training	**0** Gender training supporting gender equality in the SAI as an organisation	

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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.[34] 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 a necessity to establish more regular direct support to members. Three out of ten regions regularly provide leadership training, however, none in collaboration with INTOSAI

global 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 SAI's request to apply to 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.

7 of 10

For audit professionalisation, the majority of regional organisations take on 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 SAIs' 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.

34. Regions were asked whether they collaborated with an INTOSAI body, but was not asked to indicate which one.

REGIONS' PERFORMANCE

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**

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