**Terms of Reference (ToR)[[1]](#footnote-1)**

# Supreme Audit Institution Performance Measurement Framework (SAI PMF) Assessment in [SAI], [year]

## Background and Context

* *Confirmation of decision to undertake SAI PMF assessment*
* *Identification of the assessment owner*
* *Brief background about the SAI and the country context (SAI type and reporting lines, mandate (mandatory and non-mandatory tasks), audit types performed, structure of the SAI, brief description of country governance, public financial management and public sector audit arrangements)*

## Purpose of the Assessment

* *Purpose of assessment*
* *Choice of assessment approach (linked to purpose)*
* *Planned use of the assessment results by the SAI and if relevant other stakeholders (like donors or regions)*

## Scope of the Assessment

* *Time period to be covered by the assessment (e.g. one given fiscal year)*
* *What audit types the SAI conducts (e.g. financial, compliance, performance audit, jurisdictional control), how these are combined in audit engagements (where relevant), and which audit indicators in SAI PMF will be used to assess the different audit types.[[2]](#footnote-2)*
* *Whether the SAI outsources audit work*
* *Which of the SAI’s offices/departments and regional offices will be covered by the assessment*
* *Any unusual responsibilities of the SAI, and whether and how these will be addressed in the assessment (e.g. pre-audit/control tasks, responsibility for financial statement preparation)*
* *Justification for any other exclusions of indicators or dimensions from the assessment (including whether or not the jurisdictional control indicators will be applied)*

## Methodology and Reporting

* *Confirmation that the assessment will follow the SAI PMF methodology as described in the SAI PMF document*
* *Confirmation that this will be an objective and evidence based assessment*
* *Main sources of evidence, and methods for collecting this, including whether there are recent quality assurance reviews that may be relied on for evidence*
* *Description of the size of and methodology for sampling audit files for review (independent decision by assessment team, random sample, stratification, etc.)*
* *Any confidentiality issues and arrangements*
* *Language of the report and any arrangements to handle any language barriers*

## The Assessment Team and Involvement of Stakeholders in the Assessment

* *Identification of the team leader, and confirmation that the team leader has the necessary skills*
* *Experience and qualifications of the members of the assessment team (demonstrate that the team collectively has sufficient knowledge of SAI PMF and the types of audit performed by the SAI as well as knowledge of the ISSAIs)*
* *Description of the resources available to the assessment team (approximate no. of days, full time/part time work)*
* *Identification of key stakeholders for the assessment and what input is requested from them, including interviews with external stakeholders as part of the assessment*
* *Identification of focal point in SAI, responsible for facilitating data collection and process (regardless if there is an internal assessment team)*

## Responsibilities and Tasks of the Assessment Team

*Division of responsibilities between the assessment team members, for example using the following table, that may be adapted as required:*

|  |  |  |
| --- | --- | --- |
| **Task** | **Lead [name]** | **Support [name]** |
| Team leader |  |  |
| ToRs and planning |  |  |
| Dialogue with SAI |  |  |
| Quality control of draft report |  |  |
|  |  |  |
| SAI Performance Report |  |  |
| Foreword |  |  |
| a) Executive summary |  |  |
| b) Independent review statement | IDI | - |
| c) Observations on the SAI’s performance and impact |  |  |
| d) SAI management use of assessment results | SAI | - |
| 1 Introduction |  |  |
| 2 Methodology |  |  |
| 3 Country and SAI background information |  |  |
| 3.1 Description of country governance arrangements… |  |  |
| 3.2 Description of public sector budgetary environment… |  |  |
| 3.3 Description of the SAI’s legal framework, org. structure etc. |  |  |
| 5 SAI capacity development process |  |  |
| 4 Assessment of the SAI’s environment, capability and performance [indicator report] |  |  |
| 4.1 Domain A: Independence and legal framework (SAI-1, SAI-2) |  |  |
| 4.2 Domain B: Internal governance and ethics (SAI-3, SAI-4, SAI-5, SAI-6, SAI-7) |  |  |
| 4.3 Domain C: Audit Quality and Reporting |  |  |
| *Financial audit indicators (SAI-8 (i), SAI-10, SAI-11, SAI-12)* |  |  |
| *Performance audit indicators (SAI-8 (ii), SAI-12, SAI-13, SAI-14)* |  |  |
| *Compliance audit indicators (SAI-8 (iii), SAI-15, SAI-16, SAI-17)* |  |  |
| *Jurisdictional control indicators (SAI-8 (iv), SAI-18, SAI-19, SAI-20)* |  |  |
| 4.4 Domain D: Management and support structures (SAI-21) |  |  |
| 4.5 Domain E: Human resources and training (SAI-22, SAI-23) |  |  |
| 4.6 Domain F: Communication and stakeholder management (SAI-24, SAI-25) |  |  |

## Key Steps in the Assessment Process

* *Time period for the assessment*
* *Timeline (see below)[[3]](#footnote-3)*

**Planning phase:**

|  |  |  |
| --- | --- | --- |
| When | What | Who |
|  | Approval for conduct of SAI PMF assessment |  |
|  | Identification of assessment owner |  |
|  | Identification of assessment team |  |
|  | Prepare draft ToRs and share with IDI for independent review |  |
|  | Prepare background document request and interview schedule |  |
|  | Revise ToRs after comments from independent review |  |
|  | Discussion and agreement on ToR with SAI/assessment owner |  |
|  | Background documents received |  |
|  | Information sessions and other information activities for SAI management and staff who are not involved in the assessment |  |
|  | Interviews with SAI staff set up |  |
|  | … |  |
|  | … |  |

**Implementation phase**

|  |  |  |
| --- | --- | --- |
| When | What | Who |
|  | Preliminary review of background documentation |  |
|  | Sampling of audit files for review |  |
|  | Field work (interviews, document analysis, review of sample of audit files) |  |
|  | Discussion with SAI leadership on assessment progress and preliminary findings (exit conference) |  |
|  | Write-up and drafting of chapter 4 |  |
|  | Documentation of evidence collected in the assessment |  |

Note – a detailed time for the in-country field work and requested interview schedule should be developed separately to guide the assessment team in the decided period of assesssment

**Reporting phase**

|  |  |  |
| --- | --- | --- |
| When | What | Who |
|  | Drafting of report sections |  |
|  | Drafting of section (iii) Observations on the SAI’s Performance and Impact and Executive summary |  |
|  | Quality control within team (of draft report sections) |  |
|  | Prepare full draft report |  |
|  | Draft report sent to SAI for quality control of facts |  |
|  | Quality control of facts by SAI |  |
|  | If relevant review of report by other stakeholders (donors etc) |  |
|  | Revisions to draft report based on comments from quality control in SAI |  |
|  | Draft report sent to IDI for independent review |  |
|  | Revisions to draft report based on comments from independent review |  |
|  | SAI performance report to SAI |  |
|  | SAI write section (ii) SAI Management Use of Assessment Results |  |
|  | Report sent to IDI for final independent review and issuance of Independent Review Statement |  |
|  | Report finalized and shared with the SAI |  |

## Quality Control and Independent Review

* *Choice and design of quality control*
* *Description of independent review processes*
* *Timelines and responsibilities of different stakeholders in those processes, including the involvement of providers of financial support to the assessment, where relevant (se also table above)*

## Use of the Assessment Results

* *How the SAI (and other stakeholders where relevant) plan to make use of the assessment results*
* *Ownership of the assessment report (the Head of the SAI should have responsibility for decisions on sharing and any publication of the assessment)*

## Key Contacts

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Organisation | E-mail | Phone |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. Please note that this is a template only – the contents must be adapted to the circumstances of each individual assessment. Furthermore, the Terms of Reference apply to the whole assessment and can be regarded as a plan for the assessment. It is relevant for all assessments, including self-assessments. If the assessment is carried out as an external assessment, it may be necessary to prepare additional Terms of Reference for a consultancy assignment, but those two documents are not the same and do not serve the same purpose. [↑](#footnote-ref-1)
2. Experience shows that it is very important to define this early on in the process. As the audits SAIs carry out do not always correspond completely with the ISSAIs (in labeling or in nature), the assessment team must consider the main objective of the various types of audit that the SAI carries out and decide whether it in fact carries out financial, compliance or performance audit as they are defined in the ISSAIs. Then the ToRs should make note of which types of the SAI’s audit it is that will be examined when assessing the financial, compliance and performance audit indicators, respectively. [↑](#footnote-ref-2)
3. Provided as examples only - to be adapted to the circumstances of each individual assessment. [↑](#footnote-ref-3)