

Supreme Audit Institutions Performance Measurement Framework

QUALITY ASSURANCE CHECKLIST FOR TERMS OF REFERENCE Draft version 1.1

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**INTOSAI-Donor Secretariat
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Quality Assurance Checklist for Terms of Reference, Draft Version 1.1

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1. Introduction

Quality assurance (QA) is crucial for objectivity and credibility of assessments. If done well, it enables a single assessment to meet different stakeholder needs. It also supports monitoring progress over time by repeat assessments.

Ensuring the quality and objectivity of assessments is fundamental to producing a SAI Performance Report (SAI-PR) which adds value to the development efforts of the SAI. QA entails that the assessment is reviewed by someone who was not directly involved in the detailed assessment work, with the aim of ensuring that it is of sufficient quality. QA should be ensured throughout the SAI PMF process, particularly at the planning stage (through QA of the terms of reference (ToRs) for the assessment) as well as draft and final report stage. This checklist is designed to support QA reviewers in undertaking a thorough review of SAI PMF ToRs.

2. Quality Assurance Good Practices

The QA review at the ToR stage contributes to the following QA good practices, by ensuring the QA process is designed appropriately at the outset:

- i. SAI Leadership selects the quality assurance reviewer(s), to meet the assessment purpose
- ii. Design of the quality assurance process is included in the Terms of Reference
- iii. The Terms of Reference are designed to ensure quality¹ and are independently reviewed prior to approval and commencement of the assessment
- iv. Quality assurance is carried out independently of those responsible for preparing the report
- v. Quality assurance process includes review by someone familiar with the country and the SAI, who is able to ensure Quality Assurance objective (a) is met (I.e. Is the report factually correct?)
- vi. Quality assurance review includes someone with appropriate knowledge and experience of SAI PMF², who is able to ensure Quality Assurance objective (b) is met (I.e. Has the SAI PMF methodology been adhered to?)
- vii. Quality assurance process and results are transparently disclosed in the SAI PMF assessment report

¹ E.g. Through designing a SAI PMF approach relevant to the SAI, selecting a team with the appropriate knowledge and experience of SAIs and SAI PMF, and ensuring appropriate consultation with stakeholders

² E.g. Someone who has attended SAI PMF training and taken part in a SAI PMF assessment



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3. IDI's Offer on Quality Assurance

The INTOSAI-Donor Secretariat (Secretariat) within the IDI endeavours to assist in quality assurance of SAI PMF assessments, through provision of the following support:

- Quality assurance of ToRs
- Quality assurance of draft reports
- Quality assurance of final reports

Some QA support will be provided directly by IDI, other support will be coordinated by IDI and delivered by experienced SAI PMF assessors and QA reviewers. A global network of SAI PMF experts is being established for this purpose.

4. Quality Assurance Checklist for SAI PMF Terms of Reference

The following checklist is designed to assist assessment teams in preparing ToRs, and act as a basis for undertaking a desk-based QA review of ToRs.

Terms of Reference Good Practice	Met (Yes/No)	Comments
A. Ownership		
1. The ToRs confirm the decision of the Head of the SAI to undertake a SAI PMF assessment.		
2. The ToRs identify the nominated assessment owner from within the SAI.		
3. The ToRs demonstrate that sufficient, appropriate staff from within the SAI have/will receive SAI PMF training or awareness-raising.		
B. Purpose		
4. The ToRs make clear the primary and other purpose(s) of the assessment.		
5. The ToRs demonstrate that a suitable assessment approach (self, peer, external, hybrid) has been selected by the Head of the SAI to meet the assessment purpose(s).		
C. Background		
6. The ToRs provide brief, relevant information on the country context and country governance system.		
7. The ToRs identify the key internal and external stakeholders for the assessment.		
8. The ToRs provide background information on the SAI PMF, including which version will be used.		



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Terms of Reference Good Practice	Met (Yes/No)	Comments
D. Understanding the SAI		
9. The ToRs identify the type of SAI to be assessed (e.g. Parliamentary model, Judicial Model etc.)		
10. The ToRs identify the SAI's location within the country governance structure and the body to which it reports.		
11. The ToRs clarify the mandate of the SAI in relation to the structure of Government in the country.		
12. The ToRs clarify the mandate of the SAI in relation to the role of other auditors (e.g. sub-national audit institutions, private sector auditors).		
13. The ToRs identify the main audit types conducted by the SAI (e.g. financial, compliance, performance audit, other) and how these are combined in audit engagements.		
14. The ToRs clarify whether the SAI outsources audit work (e.g. to private sector auditors), and if so, what type of audit work, the significant of this in relation to the work done by the SAI, and whether the same quality control and quality assurance procedures are followed.		
15. The ToRs explain the structure of the SAI (especially the existence of sub-national and regional offices, and the responsibilities of different audit departments).		
16. Any unusual responsibilities included in the SAI's mandate and operations are identified, and the ToRs make clear whether and how this will be addressed in the assessment (e.g. pre-audit/control tasks, responsibility for financial statement preparation).		
E. Scope of the Assessment		
17. The ToRs establish which entities, offices and departments are to be assessed, consistent with the assessment purpose(s).		
18. The ToRs identify whether performance deviations are expected between different entities, offices and departments, and establishes the scope of the assessment accordingly.		
19. Where some indicators are planned to be excluded from the assessment, this is noted in the ToRs and the rationale explained.		
20. Where local indicators are to be added to the assessment (e.g. to measure performance in areas such as pre-audit work), the ToRs clarify the responsibilities for development of such indicators.		



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21. The ToRs clarify the period being reviewed, including the source of evidence for assessment of financial, compliance and performance audit indicators.		
22. The ToRs consider reviewing and relying on the SAI's own QA reports as a source of evidence.		
23. The ToRs address key issues in selecting the sample of audits to provide evidence for assessment of financial, compliance and performance audit indicators (e.g. sample sizes, necessity to stratify the sample based on anticipated performance deviations and outsourcing, responsibility for sample selection).		
24. The ToRs ensure selection of the sample of audits is independent of those responsible for these audits.		
25. Overall, the approach to collection of evidence is expected to lead to an objective assessment of the performance of the SAI.		
26. Where there are expected performance deviations (e.g. across entities, offices and departments) within an indicator, the ToRs clarify whether indicator scores will be reported separately and/or in aggregate, and how any aggregation will be done.		
F. Timing of the Assessment		
27. The ToRs identify the planned timing of the assessment.		
28. The ToRs include a detailed timetable setting out key milestones for the different phases of the assessment, which appears realistic.		
29. The ToRs demonstrate that the planned timing of the assessment takes into consideration workloads resulting from the SAI's annual audit cycle, and other activities.		
30. The planned timing of the assessment is appropriate in relation to the stated purpose(s) of the assessment (e.g. milestones are consistent with other related timetables such as the SAI's strategic planning cycle).		
G. Team Composition, Skills and Responsibilities		
31. The ToRs clearly assign the role of the team leader.		
32. The ToRs demonstrate that the team leader has appropriate skills, experience and knowledge of SAI PMF, the type of SAI being assessed, and use of similar assessment tools.		
33. The ToRs demonstrate that the team leader has sufficient time for planning, implementing and reporting on the SAI PMF assessment.		



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Terms of Reference Good Practice	Met (Yes/No)	Comments
34. The ToRs demonstrate that the team, collectively, has sufficient knowledge of SAI PMF, the type of SAI being assessed, and the types of audit conducted by the SAI.		
35. The ToRs demonstrate that the team has the appropriate language skills to conduct the assessment, and appropriate translation and interpretation arrangements are in place where necessary.		
36. The ToRs identify the responsibilities of different team members for scoring each indicator and drafting each section of the SAI performance report.		
H. Quality Control		
37. The ToRs clarify the quality control arrangements within the assessment team.		
38. The ToRs clarify quality control arrangements between the team, the SAI and any provider of financial support.		
39. The ToRs are clear on the process for commenting on, and providing quality control of, the draft assessment report, prior to QA (particularly whether different stakeholders are involved sequentially or simultaneously).		
I. Quality Assurance		
40. The ToRs demonstrate that the choice and design of the QA process was selected by the SAI, to meet the purpose(s) of the assessment?		
41. The design of the QA process is detailed in the ToRs.		
42. The ToRs are sent for QA review prior to their finalisation and commencing the assessment.		
43. The ToRs demonstrate that the QA process is designed to be independent from the conduct of the assessment.		
44. The QA process is designed to include someone familiar with the country and SAI, able to provide assurance that the report is factually correct.		
45. The QA process is designed to include someone with appropriate knowledge and experience of SAI PMF (e.g. someone trained on SAI PMF with practical experience of applying the SAI PMF), able to provide assurance that the SAI PMF methodology has been adhered to.		
46. The QA process is designed to cover both the draft and final SAI PMF report.		
47. The ToRs clarify whether the QA review is limited to review of the assessment report, or whether it covers the team's working papers.		



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Terms of Reference Good Practice	Met (Yes/No)	Comments
48. The ToRs clarify whether the QA review includes a sample review of the audit files on which the evidence was based, and whether a field visit is required as part of the QA review.		
49. The overall design of the QA review is appropriate and cost effective, based on the assessment purpose.		
J. Planned Use of the Assessment Results		
50. The ToRs make clear how the SAI and other stakeholders plan to use the assessment results, consistent with the assessment purpose.		
51. The ToRs make clear that the final SAI Performance Report is owned by the SAI, and that the Head of the SAI has responsibility for decisions on sharing and any publication of the assessment.		
52. For assessments using the SAI PMF pilot version: the ToRs confirm how feedback from the assessment will be provided to the SAI PMF task team (e.g. suggestions to improve SAI PMF, and copies of reports and indicator scores provided in confidence to IDI).		
K. Support to the SAI PMF Assessment		
53. The ToRs clarify what financial and in-kind support is being provided to the assessment from different stakeholders, and any conditions on which support is provided.		
54. The ToRs are clear on the responsibilities of the different stakeholders supporting the assessment.		
55. The ToRs identify any support being requested from IDI (e.g. quality assurance, ad hoc response to queries, provision of training and guidance materials).		
L. Logistics		
56. The ToRs identify the working language(s) of the SAI, and the language(s) of the SAI performance report.		
57. The ToRs are clear on who, within the SAI, will assist the assessment team with securing access to documentation and setting up interviews.		
58. The ToRs include contact details for key contacts related to the assessment.		
59. The ToRs identify any relevant confidentiality issues (e.g. regarding access to audit files) and ensure appropriate arrangements are put in place.		