



Professional and Regulatory Standards Committee

Peer Review Quality Guide



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About the guide

Peer review collaboration is the preferred method for capacity development for the majority of SAIs. Peer review partnerships between SAIs are built on shared expertise, mission, identity, and trust. The role and importance of peer review as one of the most important tools for knowledge exchange and capacity building has been emphasized within the key strategies of the INTOSAI Plan. The importance of peer review has been emphasized within the activities of Strategic Objectives 2- Professional Capacity Building Committee (PCBC) and 3- Knowledge Sharing and Knowledge Services Committee (KSC). The PCBC promotes best practices and quality assurance through voluntary peer reviews, while the Knowledge Sharing and Services Committee (KSC) is based on the fundamental characteristics of openness, participation, and collaboration, which have been the hallmarks of INTOSAI organizations over the years. This objective serves as the focal point for INTOSAI organizations' efforts to provide greater support for the professionalism and continuous improvement of SAIs, and to encourage cooperation and coordination through knowledge development, knowledge sharing, and knowledge services. Key strategies for achieving this objective include working with the Capacity Building Committee, the INTOSAI Development Initiative, and other INTOSAI entities, and facilitating SAIs' continuous improvement by sharing knowledge on comprehensive lessons learned from peer review outcomes and the SAI's Performance Measurement Framework.

In this context, this guide has been prepared to establish a general framework for the purpose and nature of peer review, taking into account the significant differences in activities, content, and mandates granted to supreme audit institutions (SAIs), and to define the principles that can be followed by the reviewed SAI and the peer review team.

This guide is an extension of the efforts of the Arab Organization of Supreme Audit Institutions (ARABOSAI) to establish INTOSAI standards and support the professionalism of member institutions in the ARABOSAI region in this regard.

Professional reference

The project "Preparing a Guide for Peer Review of Quality" was developed based on the Standards Committee's work plan for the period 2020-2022, which was prepared within the framework of the 14th meeting of the Professional and Auditing Standards Committee of the Arab Organization of Supreme Audit Institutions in Doha from 3 to 6 February 2020, and as stated in Item 8 of the meeting minutes, as part of the proposed projects for implementing sub-priority (4.3 - Supporting member bodies in establishing quality assurance mechanisms).

Information about the guide

The guide includes general frameworks for peer review processes, including strategic considerations and the stages of the review process. Appendices include various self-assessment tools that can provide structure for the topics that can be covered in a peer review, in addition to a glossary of terms used in the guide.

This guide provides supporting guidance related to other guidelines that are based on the INTOSAI framework of professional guidelines and publications, especially (GUID 1900 - Peer Review Guide), INTOSAI-P 12 - Value and Benefits of Supreme Audit Institutions - Making a Difference in the Lives of Citizens, INTOSAI-P 20 - Principles of Transparency and Accountability, ISSAI 130 - Code of Professional Conduct, ISSAI 140 - Quality Audit for Supreme Audit Institutions, ISSAI 100 - Core Principles of Public Sector Auditing, and INTOSAI Development Initiative Products - SAI Performance Measurement Framework (SIA-PMF)

This guide was prepared mainly based on what was stated in (GUID 1900 – Peer Review Guide) in addition to including models of the Voluntary Peer Review Guide prepared by members of the Third Subcommittee of the Capacity Building Committee, as it forms part of the set of professional standards and best practice guidelines that have been officially adopted by INTOSAI.

Target beneficiaries

This guide provides general frameworks, backgrounds, and guidance on peer review for the benefit of the Supreme Audit Institutions (SAIs) that are members of the Arab Organization of Supreme Audit Institutions (ARABOSAI).

Why this guide was prepared (guide objectives)

This guide has been prepared to serve as a source of good practice and guidance for Supreme Audit Institutions (SAIs) on the planning, implementation, and evaluation of peer reviews, and to be an important document that includes the latest developments and examples of good practice in this field.

Given the differences in the mandates granted to Supreme Audit Institutions (SAIs), this guide aims to establish a common understanding of the purpose and nature of peer review, in particular the principles involved and the options that can be followed by the audited SAI and the peer review team.

Use the guide

We suggest that the supreme audit institutions use this guide depending on the nature of the peer review that will be conducted, as the guide, through its various chapters, helps the audit institutions in determining the strategic considerations for the review, including the objective and scope of the review process and the evaluation tool that will be used, and what are the main stages of the review process, which are specified in chapters (3) to (9), in addition to identifying some of the evaluation tools that have been included in the appendices of this guide.

Guide sections

The guide includes 9 main sections as shown below:

chapter one: frameworks and concepts related to quality control and quality assurance
chapter two: information on peer review
chapter three: strategic considerations
chapter four: pre-audit activities
chapter five: planning
chapter six: fieldwork
chapter seven: report preparation
chapter eight: implementation of results and follow-up
chapter nine: audit topics in peer review



In addition to the appendices related to the guide

Chapter One

Frameworks, concepts, and requirements related to quality control and quality assurance

Contents

1-1 the introduction

1-2 Key concepts

1-3 Quality control elements

1-4 Quality Assurance Reviews

1-1 the introduction

This chapter explains the main concepts related to quality, quality control, and quality assurance, the main elements of quality control, and the reviews that are conducted within the framework of quality assurance processes.

1-2 Key concepts

Quality is defined as (**Quality**)It is the extent to which a path or its outcome adheres to a set of pre-established conditions that are believed to be necessary for the final value provided by the path or the outcome.

While quality control is defined as (**Quality Control**)It is a set of policies and procedures established to obtain reasonable assurance regarding the compliance of the Supreme Audit Institution and its employees with professional standards and applicable legal and regulatory requirements, and that the reports issued are appropriate and suitable in the circumstances.

While quality assurance means (**Quality Assurance** following Scientific methods used to evaluate the quality of work in various institutions and at all stages of work, thus contributing to providing the highest levels of quality in the various products and services provided.

Within the framework of the work of supreme audit institutions, quality assurance includes studying and evaluating the institution's quality control system, including periodic inspections of a selected set of audit tasks that have been carried out. They are designed to provide the SAI with reasonable assurance that its quality control system is appropriately designed. It operates effectively, and the audit reports are appropriate under the circumstances.

As such, quality assuranceAn evaluation process that primarily focuses on evaluating the quality control system, its processes and outputs, and ensuring that reports and control processes meet the required standards and international good practices.

1-3 Quality control elements

The International Standard of Supreme Audit Institutions (ISSAI) is used. ISSAI 140 - Quality Control for Supreme Audit Institutions (ISSAI 140) The elements of the quality control framework defined by the International Standard on Quality Control (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB) and prepared by the International Federation of Accountants (IFAC), adapted to the public sector environment. Each element of the quality control framework within ISSAI 140 includes the following:

- The main principle as stated in the international standard for quality control.
- The main principle adopted by the supreme financial and accounting audit bodies.
- Application Guidelines for Supreme Audit Institutions.

The elements of the quality control framework are: ISSAI 140) as follows:

Element 1: Leadership responsibilities related to quality within the supreme audit and accounting institutions.

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
Each supreme audit institution shall formulate policies and procedures designed to foster an internal culture that considers quality to be fundamental to the performance of all its work. Such policies and procedures shall be established by the head of the institution, who shall have overall responsibility for the quality control system.	The Company should establish policies designed to promote an internal culture that quality is an essential element of operational performance, and such policies and procedures should require the Company's Chief Executive Officer (or equivalent) or, if appropriate, the Company's Board of Directors (or equivalent) to have ultimate responsibility for the Company's quality control system.

Element 2: Relevant ethical behavior requirements

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
Each supreme audit institution shall formulate policies and procedures designed to provide reasonable assurance that the institution, all its employees, and any parties contracted to perform	The company should establish policies and procedures designed to provide reasonable assurance that the company and its employees comply with relevant ethical behavior requirements.

work for it comply with relevant ethical conduct requirements..	
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The third element: acceptance and continuity

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
Each supreme audit institution shall formulate policies and procedures designed to provide it with reasonable assurance that it will perform its audit and other functions only if the institution: a- Qualified to do the job and has the capabilities, including time and resources, to do so.. b- Able to comply with relevant ethical behavior requirements. c- The integrity of the audited entity has been taken into account and how to deal with quality risks that may arise.. Policies and procedures should reflect the scope of work undertaken by each supreme audit institution. Often, supreme audit institutions (SAIs) have little choice about the work they undertake, as they operate within three broad categories: the work required of them under their legal mandate.	The company should establish policies and procedures for accepting and continuing customer relationships and specific operations, designed to provide reasonable assurance that it will only enter into or continue relationships and operations when the company: - Qualified to perform the operation and have the capabilities, including the time and resources to do so. - Able to comply with ethical behavior requirements. - You have considered the client's integrity and do not have information that might lead you to conclude that the client lacks integrity.

The fourth element: human resources.

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
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Each supreme audit institution shall establish policies and procedures designed to provide reasonable assurance that it has sufficient resources (staff where appropriate, and contracted parties to carry out work for the institution), competence, capacity and adherence to the principles of ethical conduct necessary to: - a- Carry out its duties in accordance with relevant standards and applicable legal and regulatory requirements. - b- Enable the SAI to issue reports appropriate to the circumstances.	The Company should establish policies and procedures designed to provide reasonable assurance that it has a sufficient number of employees who have the competence, capabilities and commitment to the ethical principles necessary to: - Perform operations in accordance with professional standards and applicable legal and regulatory requirements, and - Enable the company or process partners to issue appropriate reports under the circumstances.
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Element Five: Performing supervisory and other duties.

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
Each supreme audit institution shall formulate policies and procedures designed to provide assurance that it performs its duties in accordance with relevant standards and applicable legal and regulatory requirements, and that it issues reports appropriate to the circumstances. Such policies and procedures shall include the following: - a-Consultation matters to enhance consistency in the quality of audit assignments. - b-Supervisory responsibilities. - c-Auditor responsibilities.	The company should establish policies and procedures designed to provide reasonable assurance that operations are performed in accordance with professional standards and applicable legal and regulatory requirements, and that the company or the operation partner issues appropriate reports in the circumstances. Such policies and procedures should include the following: - Issues related to enhancing consistency in process performance quality. - Supervisory responsibilities. - Review responsibilities

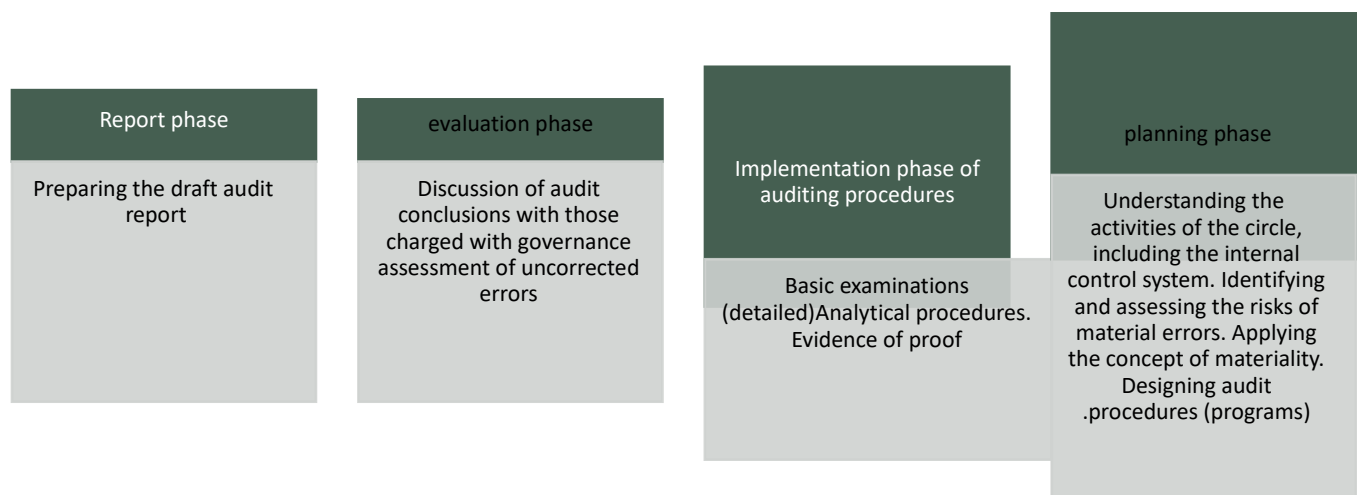
Element 6: Monitoring/or follow-up (monitoring).

Revised main principle of supreme audit institutions.	The main principle of the International Standard for Quality Control (1)
Each supreme audit institution (SAI) must establish a monitoring process designed to provide reasonable assurance that the policies and procedures relating to the quality control system are relevant, adequate, and operating effectively. The monitoring process must: a-To include an ongoing study and evaluation of the entity's quality control system, including a review of a sample of tasks completed across the SAI's workload. b-To require assigning responsibility for the monitoring process to an individual or individuals with appropriate and sufficient experience and authority in the SAI to assume this responsibility. c-Require that those conducting the review are independent (not having been involved in the engagement or in any quality control review of the engagement).	The company should establish a monitoring process designed to provide reasonable assurance that the policies and procedures relating to the quality control system are appropriate, appropriate and operating effectively. This process should: - It includes a continuous consideration and evaluation of the company's quality control system, including a periodic inspection of at least one completed process for each process partner. - It requires delegating the responsibility of the monitoring process to another partner or partners who have the experience and authority in the company to bear that responsibility. - Requires that those performing the process or reviewing the quality control of the processes are not involved.

In addition to the above elements, International Standard on Quality Control (1) notes the need to document the company's policies and procedures and communicate them to employees.

Elements of the quality control system at the control task level:

sets the standard (ISSAI 140 provides a framework for quality control at the level of the supreme audit institution (SAI), while ISSAI 2220 – Quality Control for the Conduct of Financial Statement Audits sets standards for quality control of the work of audit engagement teams. It addresses specific responsibilities of the auditor with regard to quality control procedures in the audit of financial statements. This standard also addresses, where applicable, the responsibilities of the engagement quality assurance auditor. Within the scope of the audit process, the responsibility of the quality assurance auditor is directly related to the extent of compliance with the audit methodology approved by the SAI and prepared based on professional standards, which includes the stages of the audit process shown in the diagram below:



The main elements of the quality control system at the control task level include:

- 1- **Leadership responsibilities for the quality of audit assignments**The head of the audit mission is responsible for the overall quality of each audit mission assigned to him, and he may rely on the quality system approved by the SAI to carry out this mission.
- 2- **Relevant ethical behavior requirements**The head of the audit engagement must ensure that the audit engagement team members adhere to relevant ethical requirements.
- 3- **Acceptance of relationships with regulated entities and the continuity of implementation of regulatory tasks**The head of the audit engagement should ensure that adequate and appropriate audit procedures are designed to reduce the risks involved in performing audit work.
- 4- **Appointment of supervisory task forces (human resources)**,The head of the audit mission should appoint an audit team with the appropriate professional capabilities and competencies and sufficient

time to perform the audit mission to ensure that a report is issued appropriately under the circumstances.

- 5- **Performing supervisory tasks**, the head of the audit mission is responsible for managing, supervising and performing the audit mission in accordance with professional standards and applicable legal and regulatory requirements.
- 6- **Follow-up or monitoring (Monitoring)** The head of the audit engagement should consider the results of quality assurance reviews to determine whether the specific issues identified will impact the audit engagement.
- 7- **Documentation**, the head of the audit mission must document all matters related to the implementation of the audit mission.

1-4 Quality Assurance Reviews

The quality assurance review is the culmination of the quality assurance process. At this stage, the auditor conducts an examination to obtain reasonable assurance regarding:

- That the quality control system adopted by the Authority is appropriately designed and operates effectively, HIS supervisory work is always characterised by high quality.
- Compliance of the Supreme Audit Institution and its employees with professional standards and applicable legal and regulatory requirements.
- That the reports issued are appropriate and suitable in the circumstances.

Quality assurance reviews are performed at two levels:

1. At the level of the supreme audit institution.
2. At the level of control tasks (financial control, performance control, compliance control).

The importance of quality assurance review

Quality assurance is an evaluation process that primarily concerns the design of a quality control system, its processes, and its outputs (reports). This evaluation is conducted by individuals independent of the system or the audit function under review. The purpose of quality assurance is not to criticize specific audit systems or processes, but rather to help ensure that audit products (reports) and control processes meet international standards and good practices.

The advantages that can be achieved through an effective quality assurance function are as follows:

- Enhancing the credibility and standing of the Authority by documenting that recognized standards are adopted when conducting audit work and issuing reports.
- Improving regulatory performance and its results.
- Improve the efficiency and cost effectiveness of regulatory work, which may lead to savings in time and cost.
- Increase SAI capabilities.
- Demonstrate the integrity, competence, and commitment to accountability of the SAI, and demonstrate that these qualities also apply to the SAI's employees.
- Assess training needs and provide relevant inputs to training and development programs.
- Motivate employees by demonstrating quality work and providing job opportunities.
- Measuring SAI performance.
- Avoid the possibility of legal disputes and objections to the operation of the SAI.

Types of Quality Assurance Reviews

Quality assurance reviews can be classified according to whether the reviewers are internal or external to the SAI, or whether the review is at the SAI level or at the audit function level.

Quality assurance reviews at the audit process level can also be classified into two types depending on whether the review process takes place before or after the issuance of the audit report.

□ Internal and external audit

An internal audit is an audit conducted by one or more individuals within the organization. This audit can be conducted through various mechanisms, such as a quality assurance unit established for this purpose.

External review is conducted by specialized and independent entities outside SAI, such as a peer SAI, private SAI, consulting firm, or expert in the field, at the SAI's request.

□ Quality assurance reviews at the SAI level and at the Audit engagement level

A quality assurance review at the SAI level involves evaluating the SAI's overall systems and practices in the field of quality control and their implementation. This review can be comprehensive, addressing all elements of the quality control system, or it can focus on examining selected elements of that framework and assessing their adherence and effective operation at the field and application levels.

Issues to consider when conducting a quality assurance review at the SAI level include:

- Ensure that the legal frameworkFor the SAI to respond to what is stated in (INTOSAI-P 1 - Lima Declaration) and INTOSAI-P 10 - Mexico Declaration on Autonomy) in terms of autonomy and mandate (or competencies).
- Ensure that the Authority has implemented policies that ensure compliance with appropriate requirements for ethical conduct and independence.
- Assessing the extent to which the Authority's leadership is committed to a culture of quality and its implementation of systems and practices that reinforce the critical importance of quality.
- Evaluate existing human resources systems to determine whether the organization has sufficient human resources with appropriate competence and skills and adheres to ethical principles.
- Evaluate the audit methodology and practices of the SAI to ensure that they are based on international and INTOSAI standards and are consistent with international good practices.
- Identify ways to enhance internal management and support services.
- Assess whether the SAI is effectively addressing existing and emerging issues and taking advantage of opportunities.

The review at the SAI level focuses on assessing:

- Policies The SAI and its procedures.
- The Authority's practices in the field of quality assurance and the extent to which these policies and procedures are implemented on the ground.

Considering the first consideration, the quality assurance reviewer compares the SAI's certified framework with an approved standard, such as (ISSAI 140 - Quality Control for Supreme Audit InstitutionsThe auditor concludes whether each element is compliant. Where the auditor finds any deficiencies or weaknesses, he recommends appropriate improvement.

With regard to the second consideration, the auditor examines the evidence to determine whether the policy, procedure, or practice is operating as designed.

Quality assurance review at the level of audit tasks (financial audit, performance audit, compliance audit) consists of examining the documents related to the individual audit process (in whole or in part) to determine whether the audit team has implemented the SAI audit methodology, policies, and procedures, collected sufficient and appropriate audit evidence, and complied with relevant laws, professional standards, and ethical requirements.

Issues to consider when conducting a quality assurance review at the audit level include:

- That the systemsThe necessary quality control procedures at the audit process level have been established.
- That the control systems in place at the audit level are being properly implemented.

- Evaluating the quality of control practices used during the audit work and ensuring that the audit report is appropriate and supported by appropriate and sufficient evidence, while identifying ways to strengthen and improve control systems and practices where necessary.
- The extent to which there is adequate documentation of control procedures at the audit process level.
- Whether the audit process was properly planned and whether risks were identified and addressed with appropriate care.
- Ensure that there is appropriate and sufficient evidence documented in the audit file to support the opinion contained in the audit reports.
- Ensure that conclusions are interpreted correctly and supported by working papers.
- Whether the audit opinions are fully supported and documented in the working papers.
- Ensure that the financial statements are presented in accordance with governmental accounting and other appropriate laws and standards, and that the audit report issued is appropriate.

□ **Pre-release and post-release quality assurance reviews**

Pre-release quality assurance review. This review is conducted before the audit report is completed and issued to ensure that the audit conforms to the approved methodology, practices and any other legal and regulatory requirements, and that the report is appropriate to the circumstances.

While pre-issuance quality assurance can be performed on all audits, it is often only performed for sensitive or high-risk audits.

Post-release quality assurance review. This review is conducted after the issuance of audit reports by the Authority. It is usually conducted on a sample of completed audits.

A post-issuance quality assurance review can be conducted by a qualified auditor from within or outside the SAI, while a pre-issuance quality assurance review is usually conducted by SAI personnel not associated with the audit process.

Quality Assurance Review Path

The stages of the review process do not differ at the level of the SAI or at the level of the audit engagements, as in both cases they include the stages of planning, implementation, reporting (reporting), and then follow-up. The diagram below shows the course of the review process:



The following is a statement of the stages related to the quality assurance review process:

☐ **PHASE 1: PLANNING THE QUALITY ASSURANCE REVIEW**

The quality assurance review planning process includes:

- ☐ Preparing an annual operational plan
- ☐ Preparing a review plan.

Annual Operational Plan

Annual operational plans are developed for quality assurance audits. They include objectives, activities, and audit programs at the institutional level and at the level of audit engagements to be implemented within a specific timeframe. This plan is approved by the appropriate administrative level within the SAI.

The objectives that the quality assurance function is responsible for setting and implementing vary based on the priorities of the supreme audit institution and the objectives it intends to achieve. At the institutional level (the institution), the general scope of quality assurance reviews includes all elements of the quality control system. As for the level of audit tasks, the work plan (operational) is developed to ensure sufficient coverage of individual audits to ensure compliance with the institution's policy in the field of quality assurance. The timing of quality assurance reviews and the areas selected at this level may depend on the following aspects:

- Established priorities, including policies related to periodic selection.
- risk assessment,
- Relative importance considerations.
- Quality Assurance Policy Requirements.
- Available resources, including staff with sufficient expertise and authority to conduct such reviews.

Audit process review plan:

A plan is prepared for each audit process, where the components of the audit plan at the institutional level include (the institutional element addressed by the audit process, risk assessment, audit objectives, scope of the audit, necessary resources, timing, reference persons, and the form and content of the final report, including its approval process). At the level of audit tasks, the components of the plan include: (The framework of the audit mission, risk assessment, audit objectives, scope of the audit, resource needs, those charged with the audit mission, and the form and content of the final report, including its approval process).

☐ PHASE 2: IMPLEMENTING THE QUALITY ASSURANCE REVIEW

The quality assurance review must be conducted in accordance with the approved plan. The quality assurance review is conducted using checklists designed for this purpose, as follows:

- Institutional Quality Assurance Checklist.
- Quality Assurance Checklist at the Audit Task Level (Financial Audit, Performance Audit, Compliance Audit)

The institutional-level review list includes the main topics related to all administrative practices at the SAI level, as shown in the table below:

Notes and comments	Evaluation			Management practices
	Incompatible	Partially compatible	Compatible	

While the checklist at the level of audit tasks includes all requirements related to audit practices, starting from the pre-planning stage and ending with the reporting stage, as shown in the figure below:

Notes and comments	Evaluation			Regulatory practices
	Incompatible	Partially compatible	Compatible	

The checklist aims to assist the quality assurance auditor, when measuring and analyzing quality assurance standards and indicators, in improving professional and administrative practices at the institutional level, ensuring the quality of audit work and its compliance with standards, and identifying areas in which the SAI needs to take action to address cases of non-compliance at the level of audit functions.

Like all checklists, this checklist is intended as a guide to assist the auditor in their professional due diligence and should be used by an experienced auditor. The quality assurance auditor should include the following items in the notes section:

- A brief presentation of the reasons for the auditor's judgment that the requirement has been met or not met, with reference to the audit engagement file, or to the audit file where necessary,
- Statement on the risks of non-compliance,
- Reasons given by the audit team for non-compliance.

■ **STAGE 3: REPORTING (REPORT)**

For each quality assurance review, the review team:

- Analyze and summarize the detailed findings and observations contained in the checklist.
- Preparing a report on the overall results of the review.

Once the results and observations have been analyzed, summarized, and linked to the appropriate and sufficient supporting evidence included in the working papers, a report is prepared based on the results of the work program or checklist, taking into consideration the following before issuing the report:

- Review the conclusions with the supervisory authority responsible for the field, or with the head and members of the supervisory mission.
- Summarize comments and other evidence arising from the discussion.
- Analysis of the evidence in light of the clarifications received,
- Discuss and agree on the amendments and conclusions to be included in the report with the responsible manager in the Quality Assurance or Quality Assurance Directorate.

The final review report highlights the most important results of the quality assurance review. The report's elements at the institutional level consist of:

- Executive summary, consisting of (introduction, methodology used, notes, general conclusion).
- Management response

While the report elements at the level of audit tasks consist of:

- the introduction.
- The methodology used.
- Observations and conclusions.

- Key recommendations.
- Management response.

STAGE FOUR: FOLLOW-UP

Quality assurance review reports cannot achieve the desired objectives unless the necessary follow-up actions are taken. Review follow-up may be conducted by quality assurance units or internal committees established for this purpose. When conducting follow-up, it is important to ensure that the actions implemented have addressed the conclusion or observation that led to the recommendation.

Appropriate follow-up actions are necessary to ensure that the agreed action plan is implemented or that appropriate steps are being taken to implement it.

Finally, supreme audit institutions can refer to the "Quality Assurance Guide for Supreme Audit Institutions" and the "Regional Team Quality Assurance Review Practice Guide" to review and benefit from the applications contained in these guides regarding quality assurance review processes.

Chapter Two

Information about peer review

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2-2 Definition

2-3 The purpose of peer review

2-4 Stages of the peer review process

2-1 THE INTRODUCTION

Given the significant development of peer review processes within the INTOSAI group, there has been an urgent need to develop some guidance on how to establish a peer review mechanism, which is what this guide includes.

Supreme Audit Institutions (SAIs) may engage in peer reviews for various reasons and objectives, including improving their work processes and audit outcomes. SAIs may also wish to provide evidence that their policies and procedures adhere to and apply international standards for SAIs, or to assess the status quo (where we stand), among many other reasons for conducting a peer review. However, if the peer review process is

conducted within the framework of applying the standards specific to some SAIs, which may include guidance on the nature and content of the review, and these standards differ from or conflict with the contents of this guide, then priority remains with the standards specific to SAIs.

2-2 Definition

The term “peer review” refers to an external and independent review of one or more elements of an entity and/or a process of a Supreme Audit Institution (SAI) by a team of professional colleagues from one or more SAIs.

A “peer review” also means an examination by a SAI of one or more similar bodies, whether conducting or undergoing such a review. This means that the two bodies have not committed themselves or any external parties to the review process.

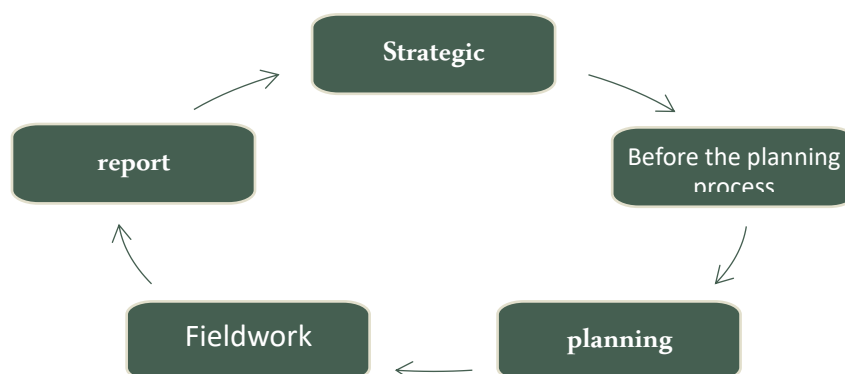
A peer review may cover audit activities and/or regulatory aspects within the supreme audit institution. It may also be limited to a single activity within the institution related to a single aspect of its audit functions, such as financial audit, compliance audit, performance audit, etc.

2-3 The purpose of peer review

The main purpose of peer review is to assist supreme audit institutions (SAIs) in ensuring the application of applicable international standards, as well as the policies and procedures that have been developed and adopted, and the rules governing audit work.

2-4 Stages of the peer review process

The peer review process consists of the stages shown in the diagram below:



The following chapters of the guide will discuss these stages in detail.

Chapter Three

Strategic considerations

Contents:

3-1 the introduction.

3-2 the goal.

3-3 Focus and scope.

3-4 Self-assessment.

3-1 the introduction

This chapter provides a clear vision for SAIs planning to conduct a peer review and seeking to achieve meaningful outcomes on the objective of the proposed peer review process, including the expected outcomes and benefits, the scope of the peer review process and the issues to be focused on, and the metrics and criteria to be applied.

3-2 the goal

Peer reviews aim to assist the audited SAIs in establishing and implementing international standards and complying with applicable legal and regulatory requirements, thereby improving and developing their regulatory frameworks, work procedures, and audit outcomes. This is achieved by identifying what these SAIs needs to achieve their desired objectives and realize the expected benefits of the audit process.

Peer review can also achieve other related objectives, including the following:

- Assisting the Supreme Audit Institution in identifying areas and functions in which its capabilities need to be strengthened.
- Assisting the Supreme Audit Institution in making decisions based on objective assessments and reviews on how to improve its activities, achieve effectiveness in its tasks, and achieve conformity with or take into account international best practices.
- Enabling supreme audit institutions to have an independent opinion on the design and operation of the quality management system within the institutions.
- Providing assurance on the adequacy of the Supreme Audit Institution's practices, reports and staff activity.

- Measuring the actual performance of the SAI compared to international standards of supreme audit institutions ((ISSAIs), to take a step towards commitment to implementing these standards.
- Gain donor trust.
- Developing the work of the Supreme Audit Institution by identifying gaps and working to set priorities to fill these gaps.
- Assist in developing a strategic plan for the Supreme Audit Institution that takes into account the current situation and contributes to developing the necessary tools for achieving improvement in the future.

In this context, the objectives of the audit must be clearly documented in formal written agreements between the supreme audit institutions participating in the audit process before the decision is made to initiate it.

Defining objectives is also critical to the content and procedures of the audit. Participating audit bodies must also be able to verify, during and at the end of the audit, whether and to what extent the initial objectives set in advance have been achieved.

In a related context, the objective and framework of peer review vary based on the legal, professional, and regulatory context of the supreme audit institution, as well as the circumstances in which it operates. The objectives and scope of each peer review are determined based on the institution's strategic needs, priorities, and legal and regulatory requirements.

When the Supreme Audit Institution considers submitting to the peer review process, it must consider the following:

- ☐ Conduct an initial assessment of the objective and risks.
- ☐ Expected benefits of the review process.
- ☐ Determine the reasons for conducting the review.
- ☐ The extent to which this process is consistent with its overall strategy and stakeholder expectations.

In this context, the SAI may use the peer review process for the following matters:

- Obtaining assurance regarding the limits to which it must adhere in applying International Auditing Standards.
- Obtaining an opinion on the concept and/or process of one or more aspects of the SAI's practices and systems.
- Assist the organization in making decisions on ways to enhance or improve the efficiency and effectiveness of different areas of operations.

- Receive ideas on ways to enhance specific audit methods, methodologies and tools.
- Identify ways to improve the productivity and quality of the SAI's work.
- Benchmarking core internal practices against international best practices.
- Continue to develop the way it works.
- Evaluating the Authority's operations and making recommendations to enhance and improve them, including improving or ensuring the quality of work and organisation, and improving the quality of audit reports.
- Develop various control procedures, and enhance or improve specific procedures.
- Monitoring good practices used by audited and audited supreme audit institutions that can be leveraged and disseminated more widely.
- Identify weaknesses and the need for training and professional development.
- Ensure that policies and procedures are in line with international standards of supreme audit institutions and international best practices.
- Enhancing the credibility of the Supreme Audit Institution towards all relevant parties.

The SAI may choose to include a "gap analysis" or "where we are" as a key element of the peer review, and the results of the review process can be used as a basis for developing the SAI's overall strategic development plan and setting priorities.

The Supreme Audit Institution should conduct adequate discussions, studies and dialogues and agree on the objective and expected benefits of the audit, and the evaluation mechanism under which the audit will be conducted. Detailed planning should be undertaken and a decision should be made on the specific scope of the audit, the bodies involved, the timing, and the form of the report, and consider internal and external expectations and the value gained that can be achieved from the audit.

3-3 Focus and Scope

When deciding whether to conduct a peer review, the Supreme Audit Institution should:

- Determine the reasons that prompted the review process.
- Determine the areas to focus on and the expected benefits.
- Consider the resources available to fund and support the review process.

Supreme Audit Institutions must clearly define what is to be reviewed, the scope of the review process, and the limits of the practices to be undertaken. The following are areas or topics that can be included in a peer review:

- ▢ Strategy and programming.
- ▢ Processes, rules, manuals, and internal processes related to international standards.
- ▢ Approach, system, design and implementation of quality control in quality control processes.
- ▢ Methods and means of preparing the report.
- ▢ Relationships with stakeholders.
- ▢ Human Resources Management.
- ▢ Communication and media activities.
- ▢ Managing administrative and support tasks.

When determining the scope of a peer review, key elements that define the mandate and activities of SAIs should be taken into account, such as local laws and standards, local accounting, public sector regulations, internal policies and rules, and international standards.

3-4 Self-assessment

The self-assessment process is a useful tool to help the Supreme Audit Institution identify areas to focus on when deciding to conduct a peer review. The audit institution can conduct a self-assessment and take corrective actions. The review process can then include an assessment of the adequacy of the corrective actions taken following the self-assessment.

Below are the various self-assessment tools available that can be used as a basis for peer review processes:

📌 Capacity Building Committee Guide for Audit institutions

The guide was developed by the Subcommittee of the former Capacity Building Committee and provides supreme audit institutions with information on specific and more general assessment models. It also covers ways to maximize the benefits of external assessment and the key considerations when assessing capacity.

Back to www.intosai.chc.org

📌 Guide to measuring the performance of supreme audit institutions (SAI – PMF

The SAI Measurement Framework was developed by the INTOSAI Working Group on the Value and Benefits of Supreme Audit Institutions (WGVS). It provides the basis for a comprehensive assessment of the SAI's performance against INTOSAI's good practices:

- INTOSAI Framework for Professional Guidelines and Publications (IFPP).
- Other INTOSAI guidance materials.

The framework for measuring the performance of supreme audit institutions includes: The SAI-PMF is a combination of objective measures and qualitative assessment methods, and aims to evaluate the performance of Supreme Audit Institutions (SAIs) in the areas of audit, organizational processes, service support, independence, and legal framework, in addition to assessing the value and benefits of SAIs to society. The SAI-PMF can be implemented as a self-assessment, peer review, or external assessment.

View www.idi.no

📌 IT Self-Assessment (ITSA)

The IT Self-Assessment Tool (developed by the EUROSAT Working Group) aims to:

- Contribute to the work of supreme audit institutions by ensuring the quality and performance of information technology in the supreme audit institutions' IT environment, and by raising awareness of IT governance.
- Developing the capabilities of supreme audit institutions to achieve their strategic objectives through the use of information technology (e.g., in relation to internal management, through more effective audit processes and developing staff skills).

View www.Eurosai-it.org

📌 IT Audit Self-Assessment (ITASA)

The IT Audit Self-Assessment was developed by the EUROSAT Working Group and aims to assess the current and future development of the IT audit function in a workshop format. The IT Audit Self-Assessment is not a performance evaluation, although it provides an effective assessment of the current and desired state of IT auditing as perceived by the participants.

View www.Eurosai-it.org

🕒 Tool for assessing compliance with the International Standards of Supreme Audit Institutions (ICAT)

The ISSAI Compliance Assessment Tool (developed by the INTOSAI Development Initiative) is a tool to assist SAs in planning their current audit practices in accordance with the requirements of the ISSAIs on Financial and Accounting Auditing, so that they can identify their needs for implementing these standards.

View www.idi.ng

🕒 Institutional Capacity Building Framework Survey

The questionnaire was developed by AFROSAI (for English-speaking member states) to facilitate self-assessment processes in relation to the institutional capacity building framework. The framework includes five areas of institutional development, namely:

- Legal framework and independence.
- Organization and management.
- Human resources.
- Audit methodology and standards.
- Communications and stakeholder management.

Vie www.Afrosai-e.org.za

🕒 Pacific Organization of Supreme Audit Institutions Capacity Building Model

The Pacific Capacity Building Model for Supreme Audit Institutions focuses on high-priority improvement actions that are likely to have the greatest positive impact. The model includes six levels and addresses the supporting characteristics of each level. Each previous level is considered the "foundation layer" upon which change efforts can be placed, thus enabling gradual improvement and change.

View www.pasai.org

📍 Self-assessment of integrity (INTOSAINT)

An integrity self-assessment tool (developed by the Dutch Supreme Audit Institution) that analyses the integrity risks of Supreme Audit Institutions (SAIs) and, at the same time, raises integrity awareness among SAI staff.

View www.rekenkamer.nl

Chapter Four

Pre-review process

Contents:

4-1 the introduction

4-2 Partners and Resources

4-3 Memorandum of Understanding

4-1 the introduction

This chapter includes information on the qualifications and expertise required for peer reviewers, the availability of sufficient resources to fund a successful peer review, and the topics that can be covered in a memorandum of understanding within the peer review process.

4-2 Partners and Resources

The success of a peer review depends largely on the knowledge, experience and professional competence of the review team, and the availability of reasonable assurances that the entity likely to conduct the review can actually achieve the desired objectives. The selection of partners (review team members) from the entity or supreme audit institutions depends on certain considerations such as the objectives and scope of the review, the expected benefits, the type of entity being reviewed, the work procedures adopted under its legal mandate, and the language.

Before considering inviting potential partners to conduct the review process, important criteria must be taken into account, including:

- Relevant experience in the areas to be covered by the peer review.
- Previous experience in peer review.

- Any elements that may affect the independence of the Supreme Audit Institution, or conflict of interest.
- Experience and professional background of auditors.
- Has sufficient quantitative and qualitative resources to conduct the proposed peer review.
- Language and communication skills of the review team.
- The audit team has organizational structures similar to those of the SAI, or has the flexibility to understand and contribute to the audit of SAIs with a different organizational structure.
- Having an appropriate geographical distance for the audit team to avoid increased costs and organizational complexities.
- He has experience in review quality control.

It should be noted that when more than one supreme audit institution (SAI) is involved in the review process, a key leader should be appointed to lead and coordinate the process. The selection of the leader may be left to the audited SAI, or the review team may decide this.

The peer review process requires a significant investment in human resources. Considerations that can be noted in this regard include the following:

- Investments in human and financial resources in both the SAI and the audit team should be carefully planned to ensure the effectiveness and efficiency of the process.
- Determine the number, duties, and characteristics of auditors. When selecting members of the audit team, the entity being audited must ensure that the team has the appropriate technical and linguistic expertise and skills.
- The Supreme Audit Institution shall form an internal team for the purposes of coordination, communication, contact, support and documentation.

Considering costs, several options are available, such as each participating supreme audit institution bearing its own costs, the entity being reviewed bearing direct or indirect costs, or the process being supported by donors and international organizations in accordance with INTOSAI's principles of independence. In all cases, the method of financing the peer review process and the costs shared between the institution and the review team must be determined.

Consideration should be given to avoiding a mutual peer review where each SAI reviews the practices of the other SAI in turn, as this is likely to affect the objectivity and independence of the peer review team as well as the results.

4-3 Memorandum of Understanding

Peer reviews can vary in focus and scope, and may range from an assessment of one or more audit engagements, to a review of specific functions, activities or organisational arrangements, or at the SAI level.

For each peer review, once the SAIs conducting the review and the SAI being reviewed have reached a basic agreement on conducting the peer review, a written agreement may be concluded that includes the objective, timing and criteria of the review, as well as the approach, terms of reference and coverage to be applied, through a memorandum of understanding.

The following are indicators of the topics that may be covered in a peer review memorandum of understanding and are provided as a guide only. They may be more comprehensive or less detailed, depending on the circumstances governing the review process:

☐ **Why - Peer Review Scope and Expected Benefits:**

- What are the reasons for conducting a peer review?
- What role does the peer review process play in the overall strategy of the entity being reviewed?
- What are the expected benefits of the review process?

☐ **What - Objectives, Focus, Scope, Criteria, and Metrics of Peer Review:**

- What will be reviewed.
- Are there any specific restrictions on the scope?
- What are the main and sub-questions of peer review?
- What is the potential relationship with any self-assessment conducted by the audited entity?
- What are the standards and criteria that will be applied?
- Are there any restrictions on access to information from the peer review focus and scope?

☐ **When - Schedule:**

- When does the peer review process begin?
- What are the important landmarks?
- When should the draft and final audit reports be submitted for peer review?

☐ **From - Human Resources Issues:**

- Which supreme audit institutions will be involved in providing members to the supreme audit institution team?
- Which SAI has been given the lead role in the peer review?

- What are the specific skills and experience required of a peer review team?
- Does it require external experts?
- ☐ **How - Roles and Responsibilities:**
 - What are the roles and responsibilities of the reviewed supreme audit institution and the peer review team?
 - What are the confidentiality rules applied?
 - What are the specific legal requirements of the audited SAI and the audited SAIs that should be brought to the attention of all parties?
 - What are the rules and document requirements of the audited SAI regarding access, use, and archiving of documents?
 - Are there any conditions that place restrictions on the peer review team's rights to access specific information?
 - What support will the reviewed SAI provide to the peer review team, such as communication with external stakeholders?
 - How and how often will the review team (principal reviewer) communicate with the reviewed SAI about the progress of the peer review.
- ☐ **How much - costs involved:**
 - How many days is each peer review team member expected to commit to the peer review process?
 - Who will cover travel, accommodation and other incidental costs?
 - Is there a general upper limit on travel costs or a maximum number of travel days that must be adhered to?
 - What are the procedures for reimbursing expenses incurred during the peer review process?
 - What other costs will be incurred?
- ☐ **Outputs - Peer Review Report:**
 - What language will the report be written in, and will it be translated into other languages?
 - What are the expected revision and amendment procedures?
 - What arrangements are in place to ensure the high quality of any translation required for the final report, as well as its clarity, readability and accuracy?
 - Is there a requirement that the original text of the report be used if there are any differences between the original text and the translated version of the final report?

- Will the final report or part of it be published, and if so, how?
- Will the recommendations be prioritized and timed?

Given the potential for changes or unforeseen events during the course of the work, peer review partners should consider the possibility of revisiting, reviewing, and amending the MOU in the same manner as the original document.

Below is an example of the data typically included in a MOU and related best practices:

Definitions	1-
The Memorandum of Understanding should include definitions of key terms used in the review process to ensure that partner SAIs have the same understanding of the key aspects of the peer review, as well as the terms of reference for the peer review, including the form, objectives, and reporting arrangements of the review.(reporting) as well as the local or international professional and ethical principles or standards to which the auditors agree to adhere (such as integrity, independence and objectivity, competence, professional conduct, confidentiality, and transparency). The memorandum of understanding may stipulate the application of the Code of Professional Conduct (ISSAI 130).	
☐ The review team will adhere to the rules of professional conduct as set out inISSAI 130 or standards... ☐ In order to evaluate the performance of the Supreme Audit Institution, the review team will rely on the following criteria:(...) ::	Example of best practices

goal or purpose	2-
The memorandum of understanding may provide the reasons why the SAI has decided to undergo a peer review. For example, this process may be part of a regular review process, the preparation process for a new system, or a comprehensive strategic review and development process. The purpose of the peer review process should be clearly stated to better explain the scope of the objectives to be achieved.	
☐ To carry out its assigned tasks, and in accordance with the strategic plan, the audited entity has established a quality assurance system, and the peer review process carried out by other audit bodies is one of the quality control tools. ☐ A significant part of public confidence in democratic institutions lies in the belief that public funds are spent efficiently and effectively. Members of parliament and the public expect the audited SAI to provide them with independent, objective, and	Example of best practices

reliable information to evaluate and hold government accountable for its performance. To maintain the confidence of members of parliament and the public, it is essential that the SAI operates in harmony with the legislature and adheres to established standards of professional practice. Therefore, the SAI engages an international team of audit institutions to assess the quality and effectiveness of its work and identify areas or aspects that could benefit from improvement.	
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Timeline	3-
The start and end dates of the audit, as well as the key milestones of the project, should be established. This enables the SAI(s) conducting the audit to make staffing decisions, assists the audited SAI in obtaining information on the progress of the work, and enables it to anticipate when the report on the findings will be ready. When developing the timeline, due consideration should be given to the time required to interpret, translate, and submit documents and minutes. Furthermore, all partners can reasonably agree on the resources needed to complete the audit. The timeline should allow sufficient time to address any unforeseen events. All SAIs, both audited and audited, need to ensure that adequate capacity and authority are available. A suitable timeline may be agreed upon to enable SAIs to incorporate the peer review process into their work programs.	
☐ The peer review will begin in (month and year) and is expected to take approximately (duration). ☐ Fieldwork will be completed from (month and year) to (month and year). The final report is expected to be submitted on (date). ☐ The peer review team will submit a draft report to the peer SAI on (date). ☐ The counterpart will make its comments on (date). ☐ The final report will be presented and submitted to the Authority on (date).	Example of best practices

the language	4-
The reviewed or audited SAIs should agree on the language to be used in the work.	
☐ The language (...) will be used in the review process and in preparing the report.	Example of best practices

Staff appointment	5-
An approximate estimate of the number, roles, and qualifications of staff required by the SAIs participating in the review should be made. This will help in arriving at a better decision regarding the detailed staff selection and in estimating potential costs. It may be agreed to retain previously assigned staff as much as possible to facilitate the review process more expeditiously. SAIs may also wish to establish specific arrangements for replacing staff assigned to the review, at the request of the audited entity. It is important that staff maintain their independence, maintain an impartial position, be accurate and objective, and maintain confidentiality throughout the review process. When selecting review team members, supreme audit institutions (SAIs) need to assess and evaluate the specific skills required for the peer review process. The team leader will need to ensure that the necessary skills are available to conduct the review, such as the agreed-upon language and IT audit skills, before finalizing the proposed staffing structure. Where the team leader notices gaps in the expertise of the proposed staff, it may be appropriate for the review team leader and the audited entity to rely on external experts at certain stages during the peer review process.	
☐ The peer review team will consist of observers from Supreme Audit Institutions (SAIs) from (countries). The SAI (of one country) will coordinate and lead the team's management. ☐ The review team leader is the supreme audit institution (SAI) from one country. SAIs from (countries) will contribute to the peer review team. ☐ The peer review team will provide information about the individuals reviewing the audit files and that they have experience and skills at an equivalent level. (...). ☐ The members of the review team will respect the confidentiality of matters relating to audit.	Example of best practices

Scope and Contents of Peer Review	6-
Peer review may be limited to the audit aspect of the SAI and/or its regulatory aspects in general, or it may be limited to specific issues. In this case, explicit language should be provided regarding matters excluded from review to ensure that reviewing staff adhere to these limits. Excluded matters may include politically sensitive matters, confidential procedures or topics, as well as areas that are likely to lead to unknown or undesirable consequences when submitted to an external study.	

Supreme Audit Institutions may focus on matters requiring specific expertise and on those that, for other reasons, should be subject to a comprehensive and general examination. Peer review may extend to additional areas if requested by the audited entity.

Peer review may include the following topics:

- Legal, administrative and financial independence of the Supreme Audit Institution.
- Staff (number, recruitment, initial and ongoing training, recruitment and motivation of staff).
- Organizational structure and regulatory procedures.
- Planning and implementing audit tasks, audit results, preparing reports, and follow-up.
- Quality control of audit work.
- Public relations, the impact of audit processes and the reputation of the Supreme Audit Institution.
- Compliance with professional, internal and/or ethical standards.

☐ The primary focus of a peer review is to assess whether the performance audit practice of the audited entity provides independent and objective information about the government's performance. ☐ The purpose of a peer review is to evaluate the following areas within the entity being reviewed.	Example of best practices
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Files and other documents	7-
Partner SAIs should explicitly specify how and to what extent staff of the SAI conducting the audit have access to records held by the audited entity. Reviewers should respect the confidentiality of information provided to them during the review process. The reviewed entity may express a desire for confidentiality regarding the contents of files and other records, as well as interviews conducted as part of the peer review process. These entities may also determine, subject to applicable standards or country-specific laws, whether the final review report will be published in full or in part on the INTOSAI website or elsewhere. The reviewed entity may also decide not to publish the final report at all and for it to be used internally only.	
☐ The representative of the entity under review will facilitate the team's access to required files, documents, and individuals during the review. ☐ Review team members will respect the confidentiality of all observations and conclusions until they are fully verified, discussed with the entity under review, and approved for release.	Example of best practices

☐ The audited entity will provide adequately secured workplaces to protect the information and data obtained.	
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Administrative aspects	8-
All procedural aspects can be defined in advance in the memorandum of understanding to ensure the smooth completion of the peer review. These aspects may include the following: • Peer review may require the auditing bodies to understand and comply with the legal, accounting and regulatory rules to which the audited entity is subject. • It is useful, as part of the consultation process, for the SAI under review to assign specific groups or individuals to deal with the various issues raised. • The memorandum of understanding should include a reference to the decision regarding the possibility of interviews with officials of the audited entity by representatives of the entity conducting the audit, as well as with other relevant centers within the entity, in a free and open framework. • Participants may find it necessary to emphasize procedures for consulting with local external experts. Aspects to consider include: who the experts will be appointed, confidentiality and cost considerations, and whether the consultation will take place directly between the reviewing bodies and the experts, or through the reviewed SAI. • Documents that may be transferred to the headquarters of the audited institutions must be identified, for example (original documents, copies, and confidential documents). Arrangements for ensuring the transfer of information between the participating SAIs should be agreed upon in advance, particularly with regard to confidential documents that may need to be transmitted via the Internet upon completion of work in the countries to which the SAIs belong. • The MOU should include a mechanism for clarifying the facts..	
☐ The audited supreme audit institution shall appoint persons responsible for coordination within and outside the institution, particularly within ministries and in Parliament, upon request by the audit team. ☐ Documents submitted by the Supreme Audit Institution will be examined at its premises, as well as at the premises of the Supreme Audit Institutions.	Example of best practices

Timing of contact and discussions	9-
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The Supreme Audit Institutions participating in the review process may wish to discuss how the peer review process will be conducted, discuss the preliminary findings achieved, and discuss preliminary observations. The memorandum of understanding may clearly state the appropriate dates, timeframes, issues to be discussed, and the reason for discussing them.	
☐ Best practices During the peer review process, the review team will inform the audited SAI, within specified limits and at sufficient intervals, of the current status of the project, which will be determined in advance with a timetable and according to the available circumstances.	Example of best practices

Documents	10-
Participating SAIs should determine how the peer review findings will be documented. Required documentation may include the overall strategy and review plan, the completeness of records and audit evidence, the timing of communication to the reviewed entity, and their final destination. The memorandum of understanding may specify whether, what, and for how long the auditors will retain data. It may also specify what data the reviewed entities should not retain upon completion of the peer review. Partner SAIs may wish to avoid over-requesting documentation, as this could make the entire process cumbersome. It is better to prioritize the reliability of the findings. Given that the documents requested by counterparts are written in the language of the SAI being reviewed, it is important to include translation requirements in the memorandum of understanding. Partner SAIs should agree on which documents should be translated, who will undertake the translation, and how it will be financed.	
☐ The audited SAI will provide translations of all relevant documents, in paper and/or electronic form. Both the peer review team and the SAI subject to the review will provide documents that need to be translated.	Example of best practices

Final Report	11-
The Supreme Audit Institutions participating in the peer review may agree in advance on the nature and scope of the final report, for example, that it should be short, setting out only the main findings, or detailed, presenting all the findings, or that two reports should be prepared, one in a short form for general use and the other in a detailed form for internal use.	

Partner SAIs may also wish to determine the process to be undertaken to prepare the final report. To this end, SAIs participating in the peer review may make arrangements for a preliminary meeting, such as establishing a storage team.

The decision regarding the timing of implementation of recommendations rests with the reviewed SAI. Both reviewing and reviewed bodies may agree to divide the recommendations into two parts. The first includes short-term recommendations (up to one year) and the second includes long-term recommendations (up to three years for implementation). Suggestions regarding the implementation of recommendations may be helpful if implementation of a specific recommendation is a prerequisite for implementation of subsequent recommendations.

The report remains the property of the audited entity. If the entity intends to send the report to other parties, this may have an impact on the way the report is drafted, particularly if there is a need to explain audit concepts and terminology within the report. Therefore, it is advisable to address the following topics within the memorandum of understanding: To whom will the report be sent? In most cases, only the audited SAI? Who will draft the report—the SAI team leading the review, or all participating SAIs? In addition, the parties may wish to clarify who, in addition to the audited SAI, the report will be addressed to, and in what form. Will it be the parliament of the country to which the audited SAI belongs, or the general public? This decision is usually up to the audited SAI and should be made during the memorandum of understanding preparation stage.

The INTOSAI Group remains keen to receive reports on voluntary peer reviews in line with the principle that “shared experience and knowledge benefit all.”

● The peer review team will submit a report to the head of the reviewed supreme audit institution outlining the objectives of the peer review. The report will also identify best practices and include suggestions for improvement. ● The audited SAI may publish the report on the INTOSAI website and, at its discretion, submit it to national institutions. ● The audited SAI plans to publish the report. ● The peer review report will be the property of the reviewed SAI. ● The SAIs conducting the audit may, in agreement with the SAI being audited, use the report to exchange information for internal purposes or with any party within INTOSAI or regional organizations.	Example of best practices
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Cost	12-
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Participating SAIs must agree on who will bear the costs of conducting the peer review (including drafting and translation), which can be substantial. Alternatively, each SAI may bear its own costs, or a partner may receive a lump sum for its review services. The donor community may also support and fund the peer review program, while respecting INTOSAI's principles of independence. Supreme Audit Institutions should also agree in advance on procedural and administrative aspects related to accommodation and travel costs. To reduce costs, it is preferable for the delegation to consist of staff directly involved in the audit and to be limited to the minimum staff required to carry out the audit.	
☐ The reviewed SAI will cover all travel and hotel costs for the preparation and completion of the peer review. ☐ The audited SAI will pay all reasonable travel costs for members of the audit team to complete the work.	Example of best practices

Peer review support	13-
The reviewed SAI may provide support for the peer review in several ways: for example, by sending documentation on legal principles and the audit environment to the review staff, giving introductory presentations to familiarize them with these requirements before arriving in the country, providing rooms equipped with telephones and information and communications technology for the review staff, providing the necessary means to secure and protect the information obtained, appointing contact persons within the reviewed SAI, and providing hospitality for the review staff. All of this may be documented in a memorandum of understanding.	
☐ The audited supreme audit institution will provide appropriate offices and equipment for the work of the audit team. ☐ The audited SAI will designate contact persons to support the audit team in all matters, and will provide appropriate offices, IT facilities and mobile phones to enable the audit team to carry out its work. ☐ A person will be assigned to the audited SAI to assist the team in accessing the required files, as well as coordinating and organizing interviews and other logistical matters. ☐ The audited entity will fully cooperate with partner SAIs during the audit by providing the necessary documents and information for the audit. It will also provide timely contact with appropriate staff and coordinate meetings with relevant individuals. Others as necessary.	Example of best practices

Chapter Five

Planning

Contents:

5-1 the introduction

5-2 Detailed plan

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5-4 Planning questions

5-1 Introduction

This chapter provides information about the detailed plan and the issues it addresses, identifies good practices for the planning process, and what questions should be addressed during this phase.

5-2 Detailed plan

After signing the memorandum of understanding, the peer review team must prepare a detailed plan outlining the approach and steps to be followed during the review process, based on the agreement reached with the entity being reviewed. The plan must document the following:

- Key decisions and assumptions.
- The envisioned schedule of activities and tasks to be completed.
- Timing of visits to the audited SAI and dates of key meetings, for example (start and end of fieldwork and completion of report).
- Significant achievements to be made.
- The human and monetary resources required for each business.
- Expected outputs for each stage.
- Potential critical risks and measures being taken to mitigate them.
- The criteria by which the audited supreme audit institution will be evaluated.
- Any follow-up to the results of a previous peer review process, if any.

When planning a peer review, the reviewed SAIs may wish to include in their schedule the possibility of holding a meeting after the fieldwork to discuss the findings and conclusions and to consider the structure and content of the peer review report.

The details contained in the detailed plan depend on the complexity of the assignment, the needs of the SAI being reviewed, and the peer review team.

5-3 Good Planning Practices

When planning a peer review, it can be beneficial to use appropriate tools and techniques for planning task sequencing, assigning work, and managing the team (e.g., Gantt charts). Good practices include:

- Identify and plan the critical path of the task (e.g., earliest start date, expected duration, other connected tasks).
- Put safeguards in place in the planning process to avoid any potential delays.
- Setting the seven smart goals (SMART Goals are considered one of the most effective tools for achieving specific goals and facilitating the comprehensive monitoring process and making appropriate adjustments.
- Track progress made by senior management.
- Prepare and monitor budgets to ensure costs and other resources remain within estimated levels.

Once the plan is completed, it should be approved by all members of the peer review team, and the Supreme Audit Institution being reviewed should be informed of the information and decisions contained in the plan well in advance of the start of fieldwork.

The plan should also be kept up to date as a dynamic and continuous process throughout the review phases in order to ensure efficient and effective project management and monitoring of progress. The plan can also help

facilitate communication among the peer review team by providing the basis upon which coordination processes and management of activities and changes are built.

5-4 Planning Questions

The peer review plan should aim to address the following questions about the organization, implementation, and management of the assignment (what, how, when, by whom, and how much) that will provide additional detailed information about the considerations set out in the MOU as follows:

- ❑ **(what)** It suggests the precise definition of all areas that need to be covered and the division of tasks and activities to be undertaken.
- ❑ **(how)** This depends in particular on how the peer review team plans its work and what resources are available when preparing for the peer review process.
- ❑ **(when)** It involves setting appropriate timelines for each step of the peer review process, ensuring that all planned tasks are properly scheduled and included in the process, and monitoring the timeliness of planned work.
- ❑ **(from)** It requires completing a list of the people who will be involved in the different stages of the peer review process and defining their responsibilities. The review team must be carefully selected and adequately prepared to carry out their tasks (what and how). The staff of the audited SAI must be aware of the arrangements necessary to conduct the audit work, and how the methods chosen by the peer review team should be covered.

In this context, it should be noted that the methods chosen by the peer review team cover (how). This can usually include the following set of procedures: (desk reviews, focus groups, observations, surveys, and questionnaires). The selection of the method will depend on what will be covered in the peer review, what is expected from this process, when the task is expected to be completed, what resources are allocated to the peer review, who will participate from the Supreme Audit Institution and its stakeholders, in addition to the working method and structure of the Supreme Audit Institution being audited.

- ❑ **(how much)** It indicates the total estimated cost of the audit process, the method of financing each engagement, task, and funding source. The main principles must be set out in the memorandum of understanding, and the costs due and committed to in the budgets of each of the relevant audit bodies.

In addition to the questions above, both parties should carefully evaluate whether there is:

- Anything that might hinder or prevent the achievement of the objectives of the peer review, for example, the inability to access all the information necessary to conduct the review, or the lack of the necessary expertise and skills on the part of the review team to conduct the review.

- There is a need to develop plans for contingencies during the review process, particularly for risks that the peer review team believes are likely to occur and could have an impact on the review process.

During the planning phase, attention should be paid to developing the outline and general framework for the peer review report. In this regard, it is recommended that the review team:

- The actual formulation of the structure and outline of the report content.
- Create links to link planned review questions and tasks.

This helps ensure that all key aspects of the audit are adequately covered during the fieldwork, and will also facilitate the detailed drafting of the audit report upon completion of the fieldwork..

As a result, planning the peer review process is a means of ensuring that the focus remains on important and substantive issues, that the review topic is clearly and specifically defined, that sufficient resources are available, that the work is completed on time and within the expected budget, and that the final report is complete, clear, accurate, convincing, precise, and relevant to the purpose of the review.

Chapter Six

field work

Contents:

6-1 the introduction

6-2 Before starting field work

6-3 field work

6-4 End of fieldwork

6-1 Introduction

This chapter provides information about the fieldwork phases of the peer review process, what to do during fieldwork preparation, the work procedures to follow during fieldwork, and the series of meetings to be held at the end of fieldwork.

6-2 Before starting field work

Before commencing fieldwork, it is important to ensure that team members clearly understand their responsibilities and the roles they are expected to play. This is important given the potentially specialized and

complex nature of the peer review process, and also given that review team members may not have worked together before. Therefore, it is important that each task is adequately explained and that members are properly and clearly assigned their responsibilities.

In addition, given that the objectives of peer reviews are fundamentally different from audits, it is important to emphasize to all team members that they should not treat the engagement as an audit engagement or treat the reviewed SAI as the audited entity.

Often, a simple test is sufficient to understand processes, rather than detailed control tests. Information gathered from interviews does not need to be formally verified, although it is considered good practice to have the information documented and signed by both the interviewee and the interviewer. This is particularly important when the interview is the sole source of evidence and will be used as the basis for the observations in the final report.

When a peer review requires examination of specific control areas, this should be done on a sample basis, and the sampling method and the selected sample size should be documented.

There are several general audit steps and techniques that can be usefully applied in a peer review. For example, during fieldwork, the review team needs to:

- Gain a sufficient understanding of the audited SAI and its environment.
- Determine the procedures to be used to collect and analyze information and data.
- Gather facts and evaluate observations.
- To be open-minded and accepting of different points of view and arguments.
- Maintain an objective and unbiased position regarding the information provided.
- Exercise professional judgment to determine the sufficiency and validity of the evidence gathered to reach a conclusion on the issues studied and make useful and relevant recommendations.
- Consult with all key stakeholders.
- Use persuasive arguments as in a performance audit (to indicate a specific conclusion and resulting recommendations as opposed to a definitive “true/false” response).
- Maintain appropriate supporting documentation and analytical notes.
- Formulate and discuss findings and observations as a basis for the report.

Although there are similarities to auditing, the non-mandatory nature of peer reviews gives the audit team more flexibility and freedom to conduct its work and explore different ways in which the SAI can continue to develop and improve.

6-3 Fieldwork

The fieldwork phase of the peer review process includes:

- ☐ Gather primary evidence to support review observations.
- ☐ Analyze the results.

Fieldwork must follow the plan developed by the peer review team and approved by the audited SAI. This phase should also reflect any modifications made to the plan during the review process.

At the beginning of field work Formal preliminary discussions should be held between officials of the reviewed SAI and the peer review team. The purpose of this meeting could be to exchange information on:

- Agreed terms of reference, including focus and scope of peer review and any changes made.
- Any new developments and related matters.
- Schedule and work to be done.
- List of persons to be interviewed/target sample inside and outside the SAI under review.
- Issues related to access to documents, information systems, and employees.
- Translate or interpret requirements.
- Logistics coordination and communications.
- Expense and reimbursement laws.
- Timeframes and perceived milestones.
- Arrangements for reporting and refining important findings.

Peer review fieldwork is based on three main aspects:

1. **Collecting information:** This includes collecting data and documents from the audited SAI and stakeholders.
2. **Analytical work:** This includes any evaluation and analysis of data and case study assessment carried out by the peer review team on the topics examined.
3. **Continuous communications:** This is maintained throughout the various stages of the peer review process (particularly fieldwork and reporting), where various observations, findings, arguments and perspectives arising from the peer review are identified and shared.

For the purpose of continuous coordination during the fieldwork, the lead auditor of the peer review should maintain regular contact with the senior officials of the SAI being reviewed, keeping them appropriately

informed of progress. Any significant changes in scope and approach should be promptly discussed and agreed upon. Such developments or changes may lead to an update of the peer review and the draft report outline.

The list of voluntary peer review monitoring topics in Chapter 8 of this guide provides detailed questions on selected review areas. If appropriate, the answers to these questions can be based on a sample of review engagements.

Accordingly, it may also be useful to adopt the "Capacity Building in Supreme Audit Institutions" guide as the basis for the peer review process. This may help to emphasize the common ground between the guide and the draft peer review documents.

6-4 End of fieldwork

At the end of fieldwork, a formal final meeting or series of meetings of the peer review team should be held to inform the reviewed SAI of their observations, discuss outstanding issues and the timeframe for completing the review.

Chapter Seven

Report preparation

Contents:

7-1 the introduction

7-2 Report content outline

7-3 Report preparation criteria

7-4 Report recommendations.

7-5 Report elements

7-6 Draft report

7-7 Final version of the report

7-1 Introduction

This chapter provides information on the outline of the report's content, the added value of the Supreme Audit Institution, the criteria for preparing the report, the requirements for the report's recommendations, the main elements of the report, and the submission of a draft report for the purpose of receiving suggestions and opinions in preparation for the final version of the report.

7-2 Report Content Outline

The stages of preparing a peer review report include the following:

- ▢ Preparing the draft of the initial report.
- ▢ Sending the draft of the initial report to the SAI subject to review.
- ▢ Receive feedback from the SAI under review.
- ▢ Refine significant findings, conclusions, and recommendations with the audited SAI.
- ▢ Preparing the final report for peer review.

The peer review report is the main output of the review process, and its purpose is to add value to the supreme audit institution subject to review, including:

- a- Present the objectives, scope, nature, motivations and justifications of the work completed.
- b- Communicate key observations and conclusions from the peer review clearly and objectively.
- c- Providing practical and relevant recommendations in areas where further improvement can be made.
- d- It serves as a useful basis for measuring and monitoring improvements or changes made by the audited SAI in the future.

It is good practice to publish the peer review process, as this practice reflects the Supreme Audit Institution's commitment and willingness to be accountable and transparent about its operations and activities. However, the decision to publish or not remains the prerogative of the Supreme Audit Institution subject to review.

In general, the intended audience for a peer review report is the SAI being reviewed, key stakeholders, and interested parties (e.g., parliament, media, citizens, government, NGOs, and other SAIs).

7-3 Report Preparation Criteria

In order to produce a high-quality report, it is essential that the peer review team pays adequate attention to the following criteria (objective, conciseness, relevance, clarity, completeness, persuasiveness, accuracy, and constructiveness). The draft peer review report must be submitted to the reviewed SAI for its comments, preferably in writing.

7-4 Report Recommendations

Recommendations are often hypothetical during the fieldwork period and are finalized during the reporting phase.:

- Be based on results and conclusions.
- Focus on areas with high risk or potential improvement.
- Consistent as much as possible with recommendations from other peer reviews, or reviews of the SAI being reviewed.
- It is phrased positively with an emphasis on the results to be achieved.
- Be concise with enough detail to be understandable.
- Be persuasive, not mandatory.
- Be practical and useful.

The peer review team must put in place appropriate internal control checks and measures to ensure that the final report conforms to these standards. The primary auditor is often responsible for drafting the report. Planning for the report should begin during the overall planning phase of the peer review. Furthermore, the report drafting process should be iterative, with draft versions of the report being reviewed, modified, and improved in stages until the document is ready to be submitted to the reviewed SAI.

7-5 Report Elements

The final peer review report should present the most significant observations, conclusions, and recommendations in a clear and logical manner. The principles, guidelines, and best practices typically applied by supreme audit institutions (SAIs) should also be applied to peer review reports. The review report typically consists of the following elements:

- ☐ **Executive Summary**, It includes a brief, clear, and accurate presentation of the report's contents, focusing on the most important observations and conclusions.
- ☐ **Short introduction.**
- ☐ **Basic information** About (the objectives, scope, approach and criteria of the peer review on which the SAI review was based).
- ☐ **Notes** This is the main part of the report and can be presented in more than one chapter.

□ **Conclusions and recommendations** Providing clear answers/results to specific objectives of the peer review process, as well as practical recommendations relevant to improvement processes.

Other relevant information may be provided in appendices to emphasize the main points of the report. Carefully selected charts, graphs, data, and images can enhance readability and capture the reader's attention. The final presentation of a report may depend on other factors, such as the particular style typically used by the SAI acting as the lead reviewer, preferred local or regional approaches, and relevant controls or local standards.

7-6 Draft Report

The draft final report should be submitted to the internal team of the reviewed SAI for comments and suggestions. This part of the process typically concludes with one or more meetings for final revisions. It may also be agreed that the reviewed SAI will provide a written response to the observations and recommendations contained in the peer review report, with consideration given to publishing these responses.

7-7 Final version of the report

Significant milestones and indicative timelines for drafting and finalizing the peer review report are typically defined in the memorandum of understanding, and the report is often signed by the heads of each participating SAI. Typically, the peer review report includes the names and sometimes the signatures of the review team members. These practices can vary.

Once the final report is completed and published, the lead reviewer of the peer review process, based on prior agreement with the reviewed SAI, may send a copy of the report to INTOSAI.

Implementation and follow-up of results

Contents:

8-1 the introduction

8-2 Identify peer review recommendations

8-3 Recommendation implementation criteria

8-4 Implementing peer review recommendations

8-5 Peer review process evaluation

8-1 Introduction

This chapter provides information about the outline of the report's content, the added value of the Supreme Audit Institution, the criteria for preparing the report, what recommendations related to the report should include, the main elements of the report, and the submission of a draft report for the purpose of receiving suggestions and opinions in preparation for the final version of the report.

8-2 Determine peer review recommendations

The reviewed SAI decides which peer review recommendations will be followed up on and implemented. An action plan may also be included in the SAI's written response to the peer review team. Specific follow-up processes within well-thought-out working mechanisms help realize the full value of the review process by encouraging improvement and change.

8-3 Criteria for implementing recommendations

In order to assist in the process of implementing recommendations, it may be useful for the peer review team to rank and categorize them according to various criteria such as:

- The importance of the recommendation on the subject (from the perspective of the supreme audit institution subject to review).
- Expected timeframe for implementation (short, medium and long term).
- The extent to which the audited SAI can implement the recommendations directly, or whether their implementation requires legislative measures. This may occur if the recommendations aim to enhance the SAI's independence.

8-4 Implementing peer review recommendations

Accepted peer review recommendations can be implemented as a standalone project, or by assigning responsibilities to managers or employees responsible for the relevant activities or processes, according to the SAI's organizational structure. Specific procedures should include deadlines for completion. Progress can also be tracked through periodic reports to key SAI officials.

It is good practice for the reviewed SAI to provide regular reports (in its annual report or through other appropriate means) on progress made in implementing accepted peer review recommendations.

The reviewed SAI may request the original peer review team to verify the implementation of recommendations after an agreed period of time (for example, one, two, or three years), depending on the level of importance of the recommendation. Following verification, the team may prepare a further report on the implementation of the recommendations, as well as any updates to the original recommendations, particularly in cases where the initial results of the peer review have been published. Publishing the results of a follow-up peer review is a good practice for transparency and accountability.

8-5 Evaluation of the Peer Review Process

The peer review process evaluation must be conducted by the review team and the entity being reviewed. Supreme Audit Institutions are encouraged to evaluate peer reviews conducted to establish best practices and disseminate their experiences. Since peer review is a voluntary process, retrospective evaluation is also voluntary.

Chapter Nine

Peer review monitoring topics

Contents:

9-1 the introduction

9-2 Peer review monitoring topics

9-1 Introduction

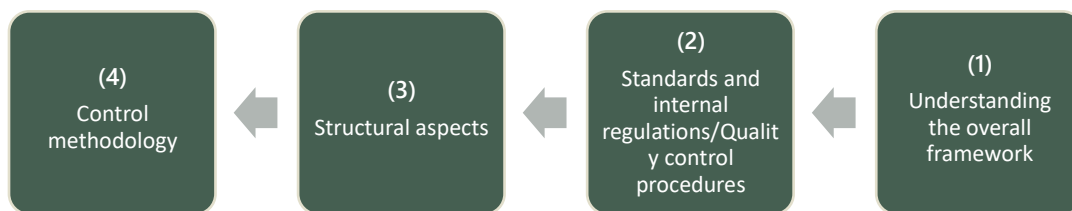
This chapter presents a list of audit topics for peer reviews. This list is structured in the form of questions, providing an indication of the issues that may be covered by a peer review. It is not mandatory nor is it exhaustive, as the review process may cover other topics not included in this list, given the multiplicity of audit mandates, duties, and legal and regulatory requirements applicable to supreme audit institutions (SAIs). However, this list can be used as a basis or reference for the review process. The primary function of this list is to ensure that the overall framework of the SAI's audit function can be comprehensively reviewed and to draw the attention of auditors to issues that deserve special attention. The checklist is also intended to serve as a tool for comparing the way auditing is conducted with professional standards. Accordingly, this list is based primarily on internationally recognized standards and gathers information, for example, through:

- ☐ INTOSAI-P 1 – Lima Declaration.
- ☐ INTOSAI-P 10 – Mexico Declaration on Independence.
- ☐ INTOSAI-P 20 - Principles of Transparency and Accountability.
- ☐ ISSAI 140 - Quality Control for Supreme Audit Institutions.

There is also international consensus on three main pillars regarding the legal basis for the quality of the audit work of supreme audit institutions, namely:

- Ensuring the independence of the supreme audit institution, preferably with a provision for this in the constitution of the country concerned.
- Clarity of audit powers in legislation and support for them with the necessary legal and regulatory powers to implement these powers.
- Ensuring that the Supreme Audit Institution carries out its audit work in accordance with international standards or other professional standards to which it is committed.

The figure below illustrates the general framework of control topics as follows:



9-2 Peer review monitoring topics

Below is a list of audit topics in a peer review, including the main components of each item on the list and the questions that each main component might include.

9-2-1 Understanding the general framework

It includes detailed questions about:

- Independence by law.
- Financial independence.
- Organizational independence.
- Supervisory powers.
- Control functions and methodology.
- Strategy.
- Internal governance.
- Transparency and accountability.
- Legal/administrative recommendations.

List of control topics related to understanding the general framework

Questions	Punctuation
1-1 Independence by law	

Do the supreme audit institutions provide Parliament with a report containing independent, objective and reliable information on the performance of the executive branch?	✎
How is the head of the Supreme Audit Institution appointed, and is this done according to a procedure that ensures his independence from the executive authority?	✎
How long is his appointment, and is it stipulated by law?	✎
1-2 Financial independence	
Is the financial independence of the Supreme Audit Institution guaranteed by law?	✎
Does the Supreme Audit Institution have the financial resources to enable it to carry out its mandate, including resources to finance the external consulting and support projects it requires, without executive control over how these resources are accessed or directed?	✎
Does the Supreme Audit Institution have the necessary resources to carry out the tasks assigned to it by the legislative authority or one of its committees?	
Does the Supreme Audit Institution submit its budget to Parliament directly or indirectly?	✎
Is the Supreme Audit Institution allowed to use the funds allocated to it within the framework of an independent budget in the manner it deems appropriate, or is the budget subject to intervention by the executive authority or parliament?	✎
1-3 Organizational independence	
Is the organizational structure of the audit SAI (court, general auditor, council system, etc.) defined in accordance with legal requirements or in some other officially approved manner aimed at achieving greater independence from the executive authority?	✎
Is the organizational structure appropriate for the Supreme Audit Institution to carry out its powers?	✎
1-4 Supervisory powers	
Are the powers and competencies of the Supreme Audit Institution stipulated in the Constitution and/or applicable legislation, and do these clearly define the tasks and responsibilities? This concerns, in particular, the Authority's right to freely make decisions regarding the selection, implementation, reporting and follow-up of audit tasks.	✎
Do the Authority's mandates stipulate procedures for preparing audit reports, in addition to the requirement for the audited entity to fully cooperate with auditors by enabling them to access all information and documents requested?	✎
1-5 Control Functions and Methodology	
Have the tasks of the Supreme Audit Institution been defined?	✎

Does the SAI have discretionary authority to exercise audit duties, or is it also required to perform mandatory audit duties?	↙
Do these tasks include only the central government level or do they extend to other levels such as state-owned enterprises or other bodies?	↙
Do the tasks also include private sector institutions if, for example, they benefit from public funding?	↙
Do the Supreme Audit Institution's audit functions cover all government operations and transactions that have a financial impact?	↙
Does the Constitution or other laws provide for the audit powers, basic duties, and reporting responsibilities of the SAI?	↙
Are there any laws or regulations in place to define the relationship with internal auditors in government agencies or private audit institutions that conduct audit operations in the public sector?	↙
Does the SAI have and implement risk-based control evidence and methodology?	↙
1-6 Strategy	
Has the Supreme Audit Institution been subject to a performance measurement standard, and have the results been used as a basis for developing the institution's comprehensive strategic development plan and setting priorities?	↙
Does the Supreme Audit Institution operate in accordance with international standards for supreme audit institutions?	↙
Has the SAI developed strategic objectives based on the standard to which it has committed itself, which govern the achievement of its goals?	↙
Do the staff of the Supreme Audit Institution participate in determining the strategic objectives of the institution?	↙
Does the Supreme Audit Institution's management communicate the strategy, vision and mission to its employees?	↙
Is there a SAI within the Supreme Audit Institution responsible for reviewing the strategy and monitoring its implementation?	
1-7 Internal Governance	
Has the SAI developed an ethical code that clarifies what is required of employees and formally defines procedures to avoid conflicts of interest and certain inappropriate actions?	↙

Does the Supreme Audit Institution effectively formalize and implement values related to ethics and integrity based on accepted principles based on its relevant documents within the INTOSAI framework?	↖
Is there a specific policy that monitors compliance with ethical requirements and independence?	↖
Does the Supreme Audit Institution regularly review audit methodologies and manuals?	↖
1-8 Transparency and Accountability	
Does the Supreme Audit Institution prepare reports for the public on the results and conclusions of the audit, and to which SAI are the reports submitted?	↖
Does the Supreme Audit Institution follow up on the recommendations contained in its audit reports?	↖
Is the Supreme Audit Institution subject to periodic review and/or audit? Is such audit ensured that it does not compromise the independence of the institution?	↖
Does the Supreme Audit Institution use independent external consultations to improve the quality and credibility of its work, and are the procedures for selecting external auditors transparent?	↖
Are the audit methodologies and tools used objective and transparent, consistent with the INTOSAI framework for professional guidelines and publications, and are these methodologies available within a mechanism that allows access to all relevant parties?	↖
Does the SAI regularly publish public reports on how it uses its resources and the results achieved?	↖
1-9 Legal/Administrative Recommendations	
Is the Supreme Audit Institution empowered to propose recommendations to amend draft laws when it is convinced of the necessity or when it believes that their objectives can be achieved more effectively?	↖
Is the Supreme Audit Institution authorized to issue recommendations regarding amending administrative procedures when it deems it necessary to develop them?	↖

9-2-2 Internal Standards and Regulations/Quality Control Procedures

It includes detailed questions about:

- ▢ Types of censorship
- ▢ Control standards

- ▢ Quality control
- ▢ Internal/External Audit
- ▢ Relations with other public bodies
- ▢ Confidentiality of information

List of control topics related to internal standards and regulations/quality control procedures

Questions	Punctuation
2-1 Types of control	
What types of audit does the Supreme Audit Institution carry out?	↙
How does the Authority balance different types of audit, such as financial audit, performance audit, compliance audit, and audit that combine these types?	↙
Financial Control and Compliance	2-1-1
Does the Supreme Audit Institution have the authority to monitor compliance with the rules for expenditure performance, revenue collection, and compliance with financial appropriations (allocations) in accordance with the references specified as standards, represented by rules, laws, regulations, budget decisions, policy, established rules, agreed-upon conditions, or general principles governing sound financial management of the government sector and the conduct of government employees?	↙
Does this authority include obtaining sufficient and appropriate evidence regarding the accuracy of the revenue and expense accounts and their placement in the related accounts, as well as compliance with applicable financial rules and principles?	↙
Does the Supreme Audit Institution have judicial jurisdiction? What procedures and penalties apply?	↙
Performance control	2-1-2
Are the audit tasks related to performance auditing that may be implemented during the year arranged and selected? A specific period through the strategic planning process of the Supreme Audit Institution?	↙
Are potential audit topics selected based on considerations, methods and criteria such as (potential audit impact, relative importance, risk analysis, importance of the programme to the activities of the audited entity, political sensitivity and national importance of the programme, the programme/activity not having recently been subject to an internal or external audit or review process) in addition to professional judgment to take into account	↙

the mandates of the Supreme Audit Institution and ensure that important and auditable topics have been selected?	
Does this audit include the effectiveness of public projects, including the extent to which agreed-upon objectives are achieved?	↙
Does performance auditing seek to provide new information, analysis, insights, and recommendations for improvement when appropriate?	↙
Does audit also include the need to evaluate program results? In principle, this evaluation should address the following points: - Evaluate the extent to which objectives have been achieved; - Evaluate results; - Performance evaluation (effectiveness of implementation and effectiveness of the program itself)? - Impact on the public (public opinion)?	↙
Exceptions and relative importance of results	2-1-3
Are there legal texts stating that the Supreme Audit Institution must not exclude, as far as possible, topics of importance in the field of audit, especially topics that involve significant financial risks?	↙
Real-time monitoring	2-1-4
Does the Supreme Audit Institution have the foundations and procedures that authorize it to conduct audits in the early stages of a project or program—for example, when the decision is made to conduct audits before expenditures are disbursed to avoid potential harm?	↙
2-2 Control standards	
Does the Supreme Audit Institution adopt and apply standards that clearly outline how audit tasks are prepared and implemented?	↙
Are these criteria consistent with audit mandates, INTOSAI framework of professional guidelines and publications, and other professional standards?	↙
If so, how does the Supreme Audit Institution ensure that these standards are applied?	↙
Does the Supreme Audit Institution carry out its duties according to its own standards?	↙
Does the Supreme Audit Institution update its standards on a regular basis?	↙
Are these criteria made easily accessible to observers?	↙

Are there procedures to ensure that these criteria are known to all observers?	✎
Are these standards published?	✎
Are standards adopted in a clear manner, and are employees of the Supreme Audit Institution required to apply them in their work?	✎
How are monitors encouraged to set these standards and use them widely?	✎
Has the Supreme Audit Institution, as a first step, defined and established appropriate standards and the required level of quality for its publications? Has it subsequently established comprehensive procedures to ensure this level of quality is achieved?	✎
Does the Supreme Audit Institution have a role in setting standards for accounting and auditing (public or governmental)?	✎
If not, what is the relationship between the Supreme Audit Institution and the SAI responsible for setting public (governmental) accounting standards?	✎
Does the Supreme Audit Institution contribute to legislation related to any audit procedures?	✎
2-3 Quality Control	
Do the established principles and procedures allow for quality assurance reviews?	✎
Are there systems and procedures for the following: - Ensure that comprehensive quality assurance procedures are operating satisfactorily. - Quality assurance of audit reports. - Ensure the development of audit work and avoid recurrence of weaknesses. - Apply elements (ISSAI 140 – Quality Control for Supreme Audit Institutions).	✎
Has the Supreme Audit Institution established a quality control system for the stages of implementing audit tasks (planning, implementation and reporting)?	✎
Do the principles and procedures allow for audit task forces to be reviewed by appropriately experienced staff members not involved in the performance of those tasks? Is this actually the case?	✎
Is there a guarantee that the supervisory tasks are performed by an employee other than the one authorized to perform them?	✎
Are there procedures for drawing lessons from quality reviews and disseminating them within the Supreme Audit Institution?	✎
Has the Supreme Audit Institution prepared a quality assurance manual?	✎
Does the guide specifically identify objectives and requirements related to the quality of auditing?	✎

Does the manual outline the responsibilities, processes, approaches and means of measuring the quality of the audit tasks carried out by the Supreme Audit Institution?	↙
Does the Supreme Audit Institution have a detailed plan for each audit it intends to carry out, clearly showing how this audit will be conducted?	↙
Does the audit team regularly report on the progress of the work on this task and its compliance with the plan?	↙
2-4 Internal/External Audit	
Has the Supreme Audit Institution established an internal audit function within a comprehensive charter to help it effectively manage its operations and maintain the quality of its performance?	↙
Does the internal audit function report directly to the head of the Supreme Audit Institution?	↙
Are there formal procedures to ensure the implementation of internal audit recommendations approved by the Supreme Audit Institution?	↙
Has the head of the Supreme Audit Institution formally delegated the responsibility for quality assurance audit to one or more persons with sufficient and appropriate expertise?	↙
Has the head of the SAI established a quality assurance function to carry out these tasks, ensuring that work is performed in a manner that complies with professional standards and legal and regulatory requirements, and that the audit reports issued are appropriate under the circumstances?	↙
Does the Supreme Audit Institution periodically evaluate its working methods, particularly through self-assessment tools, to ensure continuous improvement?	↙
Does the Supreme Audit Institution contract with an external party to conduct a periodic assessment of its working methods, for example through peer review?	↙
2-5 Relations with other public bodies	
Is the relationship of the Supreme Audit Institution with Parliament and the government clearly stipulated in the law, taking into account the independence of the institution?	↙
2-6 Confidentiality of information	
Does the Supreme Audit Institution have clear principles and procedures to ensure the confidentiality of information handling?	↙
Does the Supreme Audit Institution ensure that the confidential information obtained reaches only the intended recipient?	↙

Does the Supreme Audit Institution ensure that these principles and procedures are disseminated among auditors and are implemented?	↖
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9-2-3 Structural aspects

It includes detailed questions about:

- Official Rules
- Functional areas

List of control topics related to internal standards and regulations/quality control procedures

Questions	Punctuation
3-1 Official Rules	
Organization and responsibilities	3-1-1
Does the Supreme Audit Institution have an organizational structure that enables it to carry out its tasks in a good manner based on effectiveness, economy and efficiency?	↖
Are tasks and responsibilities clearly defined and transparent for all employees?	↖
Is there comprehensive coverage of all the tasks of the Supreme Audit Institution, including: - The Supreme Audit Institution's management communicates the strategy, vision, mission, laws, regulations, instructions and circulars to employees. - The Authority's leadership consults periodically on major issues related to the Authority. - Management uses appropriate tools for effective communication (internal reporting) e.g. (email). - There are regular interactions between the management of the Supreme Audit Institution and employees, for example, organizing periodic meetings. - The entities subject to audit are determined in accordance with the Authority's competencies. - Performance audit topics are determined according to importance and risks, and are within the authority's jurisdiction.?	↖
Does the Supreme Audit Institution have procedures in place to establish a quality control system for audit work? By formulating a set of policies and procedures that aim to achieve compliance with professional standards and applicable legal and regulatory requirements, in addition to ethical requirements, in the most complete or optimal manner.?	↖

Is there a commitment from the highest officials in the Supreme Audit Institution to develop and ensure quality control?	↖
Amendments to audit tasks	3-2-1
Does the Supreme Audit Institution have the capacity and flexibility to respond quickly to changes in its audit mandate, provided that they are permitted by law?	↖
3-2 Functional areas	
Control Tools - Structure and Documentation	3-2-1
Are the controls in place clearly structured? Are the roles of individuals clearly and transparently defined?	↖
Are there clear procedures for resolving differences of opinion? Before issuing the report?	↖
Are the control procedures used adequately documented and updated on a regular basis?	↖
Does the Supreme Audit Institution have broad powers to assess and make decisions on aspects necessary to perform its duties?	↖
Technical and administrative requirements	3-2-2
Does the Supreme Audit Institution have the necessary technical and communication means to carry out its tasks?	↖
Are the communication technology equipment adequate?	↖
Does the Supreme Audit Institution encourage and develop the use of communication technology, including the use of computer-based audit file management software?	↖
Have training courses been conducted on IT-assisted audit file management programs?	↖
Is there guidance on implementing audit tasks that rely on IT assistance?	↖
Does this include the electronic archive method that includes the Internet and intranet?	↖
Is there an administrative unit within the Supreme Audit Institution to provide technical support for audit work by providing secretarial support, proofreading, information technology, and publishing tasks?	↖
Economy, efficiency and effectiveness	3-2-3
Are there rules that ensure that the Supreme Audit Institution carries out its duties economically, efficiently and effectively?	↖
Does the SAI have benchmarks or indicators for comparison and measurement to track its performance? Is it addressing its weaknesses?	↖
Is there a SAI within the Supreme Audit Institution responsible for monitoring the implementation of the institution's activities against performance indicators?	↖

Are officials informed of the Supreme Audit Institution's performance weaknesses? Are appropriate actions taken accordingly?	↙
Human Resources	3-2-4
General strategy	3-2-4-1
Has the Supreme Audit Institution developed a clear strategy that provides sufficient guarantees that it will have sufficient human resources, both in terms of numbers and skills, to carry out its tasks?	↙
Are there clear policies and procedures covering issues related to human resource development and training, including capacity building, performance evaluation, compensation, and promotions?	↙
Does the Supreme Audit Institution have a policy for identifying human resources at all levels that possess the skills it currently needs?	↙
Does the Supreme Audit Institution have policies and procedures that ensure that employees and all contracting parties have a good understanding of the public sector environment in which the Institution operates and a good understanding of the work they are required to do?	↙
Does the Supreme Audit Institution preserve the expertise of departing employees by providing a path for transferring experience and knowledge to their successors?	↙
Does the Supreme Audit Institution attach the same importance to personal and social skills as it does to technical skills?	↙
Recruitment strategy	3-2-4-2
Has the Supreme Audit Institution developed a clear strategy for recruitment and selection of new staff?	↙
Does he seek excellence and pre-define his future needs in light of the work he aspires to do in the future?	↙
Is the recruitment strategy independent of the overall strategy?	↙
Does it include training objectives and programs, or are the objectives and programs set out in a separate document?	↙
Does the Supreme Audit Institution employ staff specialized in engineering, information technology, medical SAIs, etc.?	↙
Does the Supreme Audit Institution use appropriate recruitment methods? Does it have independence in selecting new employees?	↙

Does the Supreme Audit Institution ensure that its human resource needs are made public in order to make recruitment transparent and open to all candidates to ensure equal opportunities?	↖
Does the Supreme Audit Institution pay due attention to professional training and experience when hiring?	↖
Initial training for new employees	3-2-4-3
Does the Supreme Audit Institution provide initial training to assist new employees? Does it prefer to hire qualified and experienced employees, or should it hire academically distinguished employees and undertake their own training?	↖
Does the integration training include a probationary period and a fieldwork period?	↖
Technical and skills training	3-2-4-4
Does the Supreme Audit Institution provide a technical and professional training path that enables auditors to acquire the methodology and skills necessary to plan, implement and report on the various types of auditing (financial auditing, performance auditing and compliance auditing) required of them, with high efficiency and quality?	↖
Does the Supreme Audit Institution have a dedicated technical support unit to update technical documentation and provide support?	↖
Does the Supreme Audit Institution use experienced staff as assistants in the areas of knowledge and skills that are the subject of training?	↖
Are training needs identified?	↖
Are supervisors given the opportunity to benefit from internal and external training?	↖
Supervisory training	3-2-4-5
Is there training for supervisors of control teams?	↖
Does this ensure that facilitators possess the skills required to progress through the organization, such as practical and strategic planning, timetable and budgeting, results analysis, communication, and social skills?	↖
Is there a strategy for discovering and training new coaches?	↖
Continuous training	3-2-4-6
Is there a policy that ensures that supervisors receive ongoing training and qualifications to maintain and develop their professional capabilities?	↖
Does the Supreme Audit Institution have a long-term training commitment?	↖

Are there detailed training programs for weeks and months? Are training goals set for a year or longer?	↖
Is there a way to ensure that all observers benefit from the training?	↖
Do SAI staff have the opportunity to benefit from external training courses or participate in survey missions with other SAIs to develop their knowledge and help them cope with the growing diversity of tasks assigned to them?	↖
Do employees have the appropriate motivation to develop their professional skills?	↖
Evaluation	3-2-4-7
Is employee performance evaluated according to a specific policy and on a regular basis?	↖
Are the evaluation criteria widely known? Is the evaluation conducted objectively by specialized committees?	↖
Are the objectives of the evaluation and the use of its results defined?	↖
Employee reactions	3-2-4-8
Does the Supreme Audit Institution ensure that employees are treated fairly and equitably and receive employee feedback in this regard?	↖
Is there a way for employees to express their opinions confidentially and ensure that their suggestions are taken into consideration?	↖

9-2-4 Control methodology

It includes detailed questions about:

- Select censorship
- Control planning
- Activate censorship
- Reporting censorship
- Follow up and process the results of the Supreme Audit Institution

List of audit topics related to audit methodology

Questions	Punctuation
4-1 Selection of supervision	
General strategy	4-1-1
When the Supreme Audit Institution decides which areas will be subject to audit and when, does it give due attention to the following points:	↖

- Identify and assess the risks, importance, sensitivity and added value of control issues. - The financial and human resources required to carry out certain audit operations, including consideration of the availability of auditors with appropriate skills, competencies and experience. - Considering when the results of a particular monitoring may be useful. - The potential need to revisit control priorities in response to changing circumstances.	
Priority of audit tasks	4-1-2
Does the Supreme Audit Institution exercise due professional care to avoid excluding important topics when selecting audit tasks to be included in the audit plan?	✎
Does the Supreme Audit Institution use appropriate criteria to prioritize audit topics?	✎
How does the Supreme Audit Institution deal with materiality regarding potential audit topics?	✎
Are there indicators to measure financial weight, relative importance, and control risks in a scientific and reliable manner?	✎
Does the Supreme Audit Institution use sampling techniques?	✎
Does the Supreme Audit Institution have sufficient freedom not to address some accounts?	✎
Selection of regulated entities	4-1-3
Does the Supreme Audit Institution select audit topics taking into account the desire to obtain results that provide a general and comprehensive overview of the operations carried out by government agencies subject to the authority of the Supreme Audit Institution?	✎
Is there an annual plan to determine which areas will be subject to monitoring?	✎
Cost	4-1-4
When considering the cost of performing audit tasks, is priority given to audits that produce significant results based on past experience?	✎
4-2 Control Planning	
Resources	4-2-1
Does the Supreme Audit Institution have effective procedures by which it decides how to use its resources to achieve the best results?	✎
Are the resources used in audit operations allocated appropriately?	✎
Are audits completed on time?	✎

Does the Supreme Audit Institution use information collected during previous audits or comparisons to help it adequately estimate resource requirements and the timeframe for audits?	↖
Are there alternative plans to reduce delays caused by assigning some observers to other tasks or due to circumstances resulting from vacations, departures, or emergencies?	↖
Does the Supreme Audit Institution have a policy that takes into account the need for financial and human resources necessary to carry out audit tasks, particularly: - Number and skills of observers. - Resources needed to perform the audit, including external expertise when necessary. - What are the risks that could face censorship?	↖
Suitability	4-2-2
Does the Supreme Audit Institution understand the audited entity's environment, accounting, and key systems before initiating an audit?	↖
Are there procedures in place to ensure the quality of the audit procedures and approach likely to be used in the audit assignment?	↖
Are the results and recommendations of previous audit missions tracked?	↖
Does the Supreme Audit Institution ensure that audit tasks are carried out in accordance with its approved methodologies?	↖
4-3 Activating control	
Observers	4-3-1
Does the Supreme Audit Institution have a policy that ensures the following: • All participants in the audit engagement have a full understanding of the tasks assigned to each of them. • That all participants in the audit engagement have the skills required to complete the tasks assigned to them. • There is no overlap of interests or other factors that would hinder the audit team from carrying out its tasks in a professional and objective manner.	↖
Is there a documented lack of conflict of interest?	↖
Are all auditors given the opportunity to express their opinions on the tasks assigned to them and to contribute to the preparation of the audit mission plan before it is approved?	↖
Documentation	4-3-2

Are all stages of the audit process documented in an appropriate and transparent manner? Was the final audit file collection completed on time?	↖
Are control documents properly recorded to make them easy to find?	↖
Are there procedures designed to maintain the confidentiality, security, integrity, availability, and retrieval of audit documents from their storage location? Are the audit SAI's files the property of the SAI and should not be transferred outside the SAI unless in accordance with legal requirements or professional standards?	↖
Are audit engagement documents retained for a period sufficient to meet the SAI's needs or as required by law or regulatory requirements?	↖
Has sufficient audit documentation been prepared to enable an experienced auditor unfamiliar with the audit to understand the nature, timing and scope of the audit procedures performed, the results of the audit procedures, the significant matters that arose during the audit and the conclusions reached, in relation to those significant professional judgments made in reaching those conclusions?	↖
Are appropriate steps being taken in the following areas: - Maintain adequate control documentation that describes control tests, results, and references and can be easily linked to relevant and significant elements of the audit engagement plan and detailed audit programmes? - Explain the control scheme that must be followed to obtain working papers? - Obtain sufficient and appropriate evidence? - Properly follow procedures for obtaining evidence? - Establish safeguards to limit access to documents that form part of audit evidence? - Is the process of examining and evaluating the internal control system of the SAI adequately documented? - Proper attention to IT review? - Document the sampling method, analytical procedures, information collection, and information analysis techniques? - Do the working papers contain appropriate, reliable and sufficient evidence to support the findings, opinions, conclusions and recommendations?	↖

- Documenting the work of the auditors in a way that allows someone else to re-do the work and understand its nature, timing, and the work environment in which the audit was carried out? - Prepare a list of all documents required to ensure proper documentation of the work completed?	
Pre-fieldwork review	4-3-3
Does the lead auditor review the plan before commencing the actual fieldwork for auditing in order to complete it appropriately?	↙
Are all members of the audit team involved in this review to ensure that each understands the scheme as a whole and their role within the audit process?	↙
Is the scope of control and/or task plan modified if unforeseen problems arise? Are these modifications presented to the designated official for approval?	↙
Continuous documentation	4-3-4
Are the completion of individual tasks documented, reviewed, verified and approved by the immediate supervisor responsible for the monitoring?	↙
Are control working papers collected, reviewed, and maintained manually or automatically?	↙
Are modifications to the control plan documented, along with their reasons, especially if they significantly impact the audit methodology, timeline, or other resources required to complete it?	↙
Are these amendments reviewed and approved by the official who approved the initial plan?	↙
Supervision of control	4-3-5
Does the organizational structure include a specific SAI responsible for the supervision process, or is the supervisor a member of the supervision team?	↙
Does the lead auditor supervise the work of auditors to ensure that audit tasks are being carried out appropriately?	↙
Review of control implementation	4-3-6
In order to identify necessary modifications and improvements for future audits, does the lead auditor and supervisors review all aspects of the audit tasks performed, including detailed tests performed, results, and working papers? Are these modifications documented?	↙
Does the audit team examine the causes and consequences of deficiencies recorded during the audit?	↙
Resorting to external expertise	4-3-7

Does the Supreme Audit Institution seek the assistance of external experts when faced with unexpected problems or technical issues that require specialized skills not available within the team?	↙
Does the Supreme Audit Institution ensure that the documentation and evaluation of the work performed by the expert is carried out in an appropriate manner?	↙
Is there a glossary of technical terms used by outside experts to ensure understanding?	↙
Are the responsibilities, actions, and deliverables to be achieved by the external expert team defined?	↙
4-4 Reporting Censorship	
Methodology	4-4-1
Are the reported control issues adequately analyzed?	↙
Are all results evaluated for their significance, legality, and evidential validity? Are all significant results included?	↙
Are all the facts presented appropriately?	↙
Are sources of facts, figures, and quotes cited?	↙
Are significant audit events taken into account and documented by the auditor?	↙
Is there documented evidence to support all conclusions and opinions?	↙
Is there a clear description of the monitoring stages, results, conclusions and recommendations made by the lead monitor and his/her assistants?	↙
Are working documents linked together in an integrated manner?	↙
Are reports concise, clear, relevant, accurate, simple, objective, balanced, and constructive?	↙
Are the reports well understood by the audited entity and various relevant external parties?	↙
Are all findings and conclusions supported by sufficient and appropriate evidence and can be adopted in the audit working papers?	↙
Are the recommendations issued by the Supreme Audit Institution consistent with the best professional standards and best practices?	↙
Do reports also explicitly provide positive conclusions when necessary?	↙
If so, does the auditor ensure that there is sufficient evidence to support such positive conclusions?	↙
Is the audit schedule adhered to?	↙
Are significant violations and frauds identified during the audit considered, by obtaining sufficient appropriate evidence about the assessed risks of material misstatement due to	↙

fraud, and designing and implementing an appropriate response to the fraud or suspected fraud identified during the audit? In the context of dealing with fraud-related risks, have errors resulting from fraudulent financial reports and misuse of assets been responded to?	
Is the full methodology for the completed performance audit assignment adequately detailed in the reports to provide greater transparency and credibility to the results?	↙
Internal procedures	4-4-2
Who participates in editing the report?	↙
Is it ensured that the report contains all the results of the audit mission?	↙
Are reports reviewed for relevance, reliability, and readability by an experienced auditor or team of auditors independent of the audit team?	↙
Are draft audit reports usually prepared by the lead auditor in consultation with other team members? If so, is this review accompanied or followed by further reviews of the draft report at higher levels or other departments within the organization, particularly if the report covers sensitive topics or is unusually complex or technical?	↙
Is there any clear legal reference or internal regulations regarding who has the authority to approve and issue the audit report?	↙
Different Perspectives (Evaluation)	4-4-3
Are draft preliminary findings submitted to the audited entity for review and comment within a specified timeframe?	↙
Is a document prepared showing the preliminary findings of the report, the audited entity's response, and the final status of the violation?	↙
To what extent does the Supreme Audit Institution take into account comments received from the audited entity?	↙
Are these comments published in the report?	↙
How are real disputes resolved?	↙
Does the report include all significant conflicting evidence, along with an explanation of why it was not accepted or why it was not included in the report's conclusions?	↙
4-5 Follow-up and processing of the results of the Supreme Audit Institution	
Follow-up	4-5-1
Are audit engagement monitored?	↙

Are there appropriate and sufficient foundations and procedures to ensure that audit recommendations are followed up on in a timely manner?	↙
Is there a timeframe between the date of completion of the audit mission and the date of initiation of follow-up on recommendations?	↙
Is there a specific mechanism for implementing follow-up operations and when to start them?	↙
In the event that recommendations are not implemented or are not implemented in a timely manner, does the Supreme Audit Institution ensure that the non-implementation is documented and justified by the audited entity?	↙
If recommendations are not implemented without justification, are there specific procedures to be taken by the Supreme Audit Institution?	↙
The impact of performance audits carried out by the Supreme Audit Institution	4-5-2
Is the impact of the audit operations carried out by the supreme audit institutions on the performance of the audited entity evaluated?	↙
Are there appropriate indicators to measure the impact of control processes?	↙
Do the recommendations followed lead to improvement actions and performance development?	↙
The view of others and other stakeholders of the Supreme Audit Institution	4-5-3
Are there any indicators regarding how others and other stakeholders view the Supreme Audit Institution, its functions and professional competence?	↙
Is the Supreme Audit Institution highly regarded for the work it does?	↙
Is the Supreme Audit Institution viewed as an independent, professional and respected SAI by the public and by various stakeholders in particular, and one that has a positive impact on supporting reforms and improvements in the public sector and the development of public activities without compromising its independence?	↙
Is the view of others evaluated by the Supreme Audit Institution?	↙
How are the results of this assessment used?	↙
What methods and tools have been adopted by the Supreme Audit Institution to communicate its value, benefits, role and results to all relevant stakeholders?	↙
Media	4-5-4
If the law authorizes the Supreme Audit Institution to publish the results of its work, is this publication done in a way that is clear, understandable and accessible to users of the reports and to the public?	↙

In what form are reports distributed?	✎
Is the Supreme Audit Institution also allowed to publish on the Internet?	✎
What is the nature of the relationship between the Supreme Audit Institution and the media?	✎
Enterprise Risk Procedures	4-5-5
How does the Supreme Audit Institution deal with potential audit failures, such as those involving complex audits, which may involve topics of high public interest or political sensitivity that could affect its credibility?	✎
Have clear and adequate procedures been put in place to manage these risks? Risk responses may include: - A good understanding of the work to be done. - Allocate more staff with experience/higher management level than usual. - Conduct in-depth quality control reviews of the business prior to reporting.	✎
Are other factors such as the complexity of the audit, the costs and controversy associated with the aspects being audited, and the degree of cooperation or resistance of the audited entity taken into account?	
Foreign relations	4-5-6
Does the Supreme Audit Institution pay attention and allocate part of its time to strengthening relations with: - Parliament and its committees. - Government to develop public (or governmental) accounting and internal control units. - Ministries and public institutions to enable inspectors to perform their work efficiently and without interference or obstacles. - Media to inform the public about the main products of the Supreme Audit Institution and the actions taken. - Private sector auditors and relevant professional associations to exchange experiences that can enhance quality. - The academic community facilitates the use of its specialized expertise and the recruitment of highly qualified graduates. - The community of supreme audit institutions, including bilateral and multilateral cooperation, to facilitate benchmarking and the exchange of knowledge, expertise, techniques and information on best practices.	✎

Appendices

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Appendix No. (1)

Capacity Building Committee Guide for Audit Bodies

Introduction:

In light of the need for supreme audit institutions to operate with integrity, apply the best professional standards, and carry out their duties effectively in a changing work environment, this guide has been prepared to assist supreme audit institutions in building their institutional and professional capacities so that they can carry out their duties in a more efficient and effective manner.

The guide aims to help agencies face the challenges of evaluating and measuring the ways they carry out their responsibilities and ensuring that they conform to the best professional standards, and that their activities remain consistent with their work environment. It presents the procedures that the SAI can take to assess its

current level of development, and then determine the strategic steps required to build its capabilities in order to become more effective in performing its tasks..

The capacity building programme involves several supreme audit institutions building their capacities on an ongoing basis, through internal training and staff development plans, and goes further, as it includes:

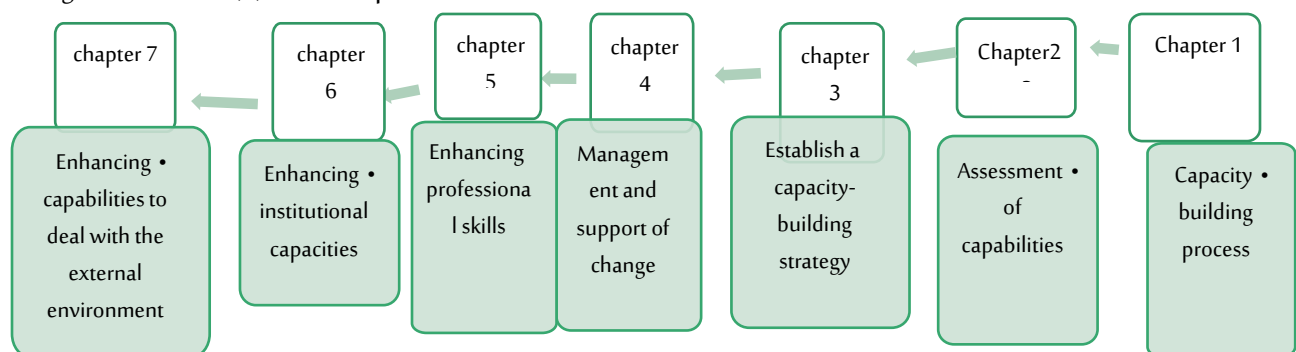
- Regular assessment of the current level of SAI capability, strengths and weaknesses.
- The SAI identifies the reasons that drive it to undertake capacity building and the burdens or obstacles it may face.
- Identify the additional capabilities the SAI needs to build, the resources required, and the results the SAI is expected to achieve.
- Develop a strategy for delivering these increased capabilities and related outputs without interfering with their feasibility assessment, and implement this strategy.
- Evaluate the impact of changes and the results achieved.
- Maintain these changes and develop a new strategy to develop what has been achieved.

Although there are many different models for Supreme Audit Institutions, this guide has been prepared to be applicable to all Supreme Audit Institutions.

Strengthening technical and professional audit skills is an important element of the capacity building strategy. However, the key element of this strategy is developing the skills of supreme audit institutions in managing their resources and staff and influencing external stakeholders.

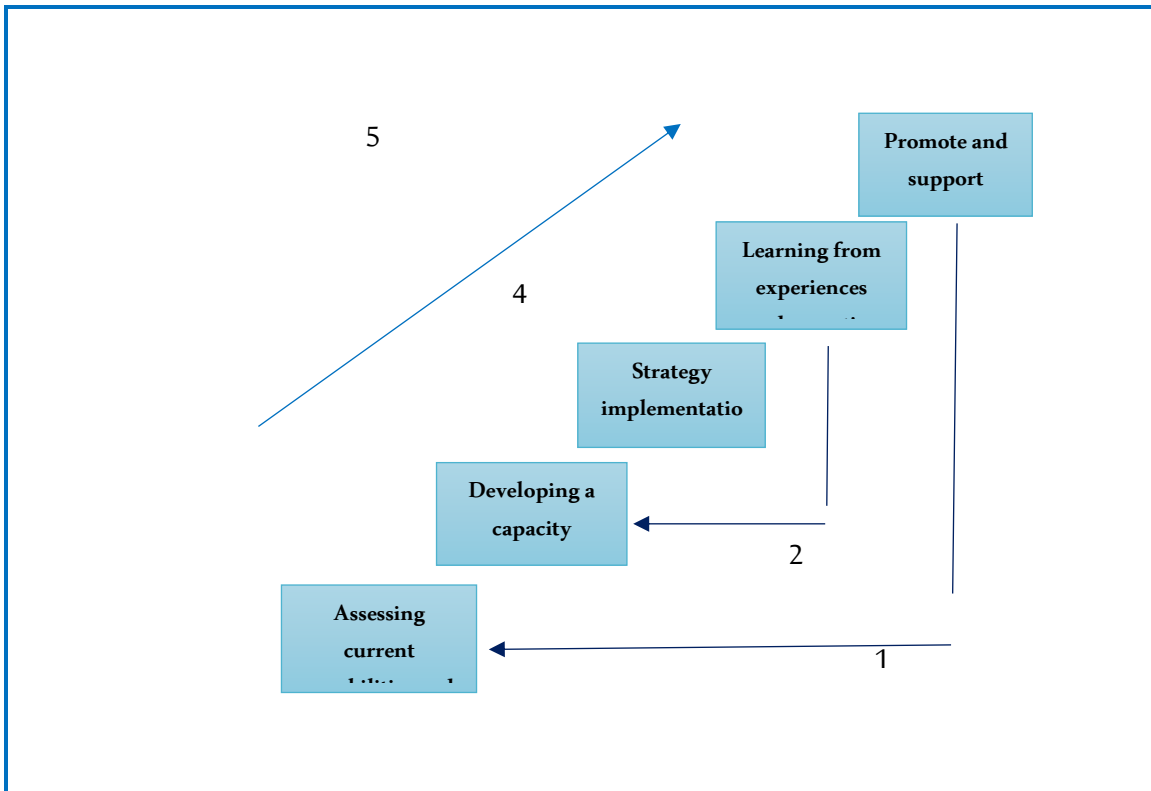
Directory structure

The guide includes (7) main chapters as follows:



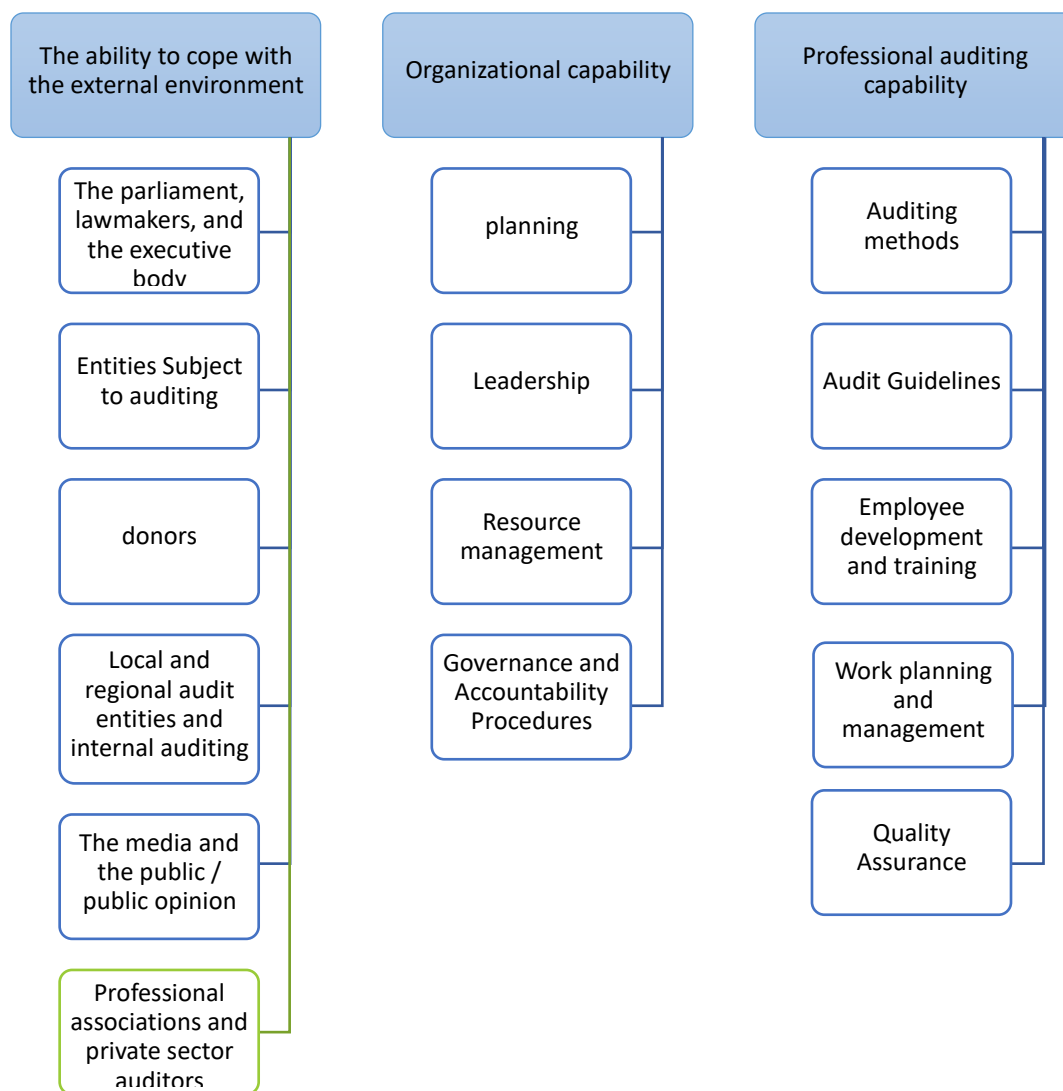
Chapter One: Capacity Building Process

Experience shows that capacity building can be most effective when integrated into a structured process that includes five basic steps, as illustrated in the figure below:



ESSENTIAL ELEMENTS OF CAPACITY BUILDING

The figure below illustrates the key elements of the capacity building process:



Chapter Two: Capacity Assessment

The main factors that influence how the Supreme Audit Institution operates include the powers and duties delegated by the legislator, the organizational structure, the management style, the inputs, the resources available, and the processes adopted by the Supreme Audit Institution to carry out its work, as shown in the figure below:



Before embarking on a capacity building program, the SAI must objectively measure the quality of its work by identifying its strengths, weaknesses, gaps, and potential constraints. These constraints may include scarce resources, a lack of staff skills, or limited independence. At the state level, these constraints may also include underdeveloped public financial management systems, such as inadequate accounting systems, limited financial data, weak or absent internal audit and internal auditing, and a lack of awareness of international auditing and accounting standards.

When the SAI diagnoses these challenges, it becomes easier for it to develop an appropriate strategy to develop its capabilities: a strategy based on building on strengths and addressing weaknesses, gaps, and constraints that hinder the SAI's effectiveness.

Capacity assessment models for supreme audit institutions

The agencies have developed two models that can be used to assess the capabilities of any supreme audit institution and as models for capacity development:

- **SAI Capability Model:** Which was developed by the African Organization of Supreme Audit Institutions of English-speaking countries in cooperation with the Swedish National Audit Office.
- **SAI Maturity Model :** It was developed by the UK National Audit Office as part of its partnership work with developing and emerging countries. The Dutch Court of Audit has adapted this model.

These models have been used to assess the capabilities of a range of supreme audit institutions, in developed, developing and emerging countries.

Comprehensive Evaluation Models

There are a number of comprehensive models for self-assessment of institutional capabilities that can add value to the organization. Some of these models have been developed by schools of economics and used in both the commercial and non-commercial sectors. Perhaps the most famous of these is the analysis of (SWOT) While others have been developed by international development agencies, particularly public finance

management (PFM) institutions. In addition, international development agencies have developed models based on assessing a country's PFM systems before granting development loans and aid, in order to determine whether donors can rely on the SAI's audit process for donor-provided development funds.

Chapter Three: Developing a Capacity Building Strategy

Develop a capacity building strategy

After the organization assesses its capabilities and identifies the obstacles, gaps, and weaknesses it faces, it can develop and implement a strategy that builds on its strengths and enhances its required capabilities.

Strategy development

text (INTOSAI-P 1 - Lima Declaration) through INCOSAI of 1977 states that "Supreme Audit Institutions can discharge their functions objectively and effectively if they are independent of the entity they audit and protected against external influence."

The declaration identifies several key features of independence: the SAI's independence from the executive authority and the entities subject to its audit; the immunity of SAI members from arbitrary dismissal or exclusion; and the provision of financial resources to enable the SAI to carry out its duties. The statement anticipates that this independence will be enshrined in the constitution or relevant legislation.

Things to consider when developing a strategy:

Independence

- ☉ What is the constitutional and legal framework within which the SAI operates, and is this framework consistent with the Lima Declaration and the INTOSAI Guide?

The adequacy of the laws governing the SAI is essential to ensuring that it has the strength and authority to carry out its expected and mandated work. A strong legal framework for the SAI is one that:

- Ensures its independence and accountability.
- Clearly defines its role, mandate and methodology.
- Grants full access to information.
- Defines reporting requirements.
- Defines responsibilities towards employees.
- Distributes cooperation tasks with other relevant institutions.

External audit must have apparent and real independence from the entities subject to its audit, as well as from the executive authority. Accordingly, every country must have a supreme audit and accountability SAI whose independence is guaranteed by law. When assessing the degree of independence of the SAI, the SAI must consider the following:

- Does the SAI perform its executive functions?
- Is there transparency in appointing its president?
- Are the head of the SAI and/or its members protected against unfair dismissal?
- Can the SAI choose audit topics?
- Can he prepare reports for the public without restrictions?
- Can he hire, reward, promote or fire his employees?
- Are the audit staff of the Authority affiliated with the entity being audited?
- Is the SAI provided with the financial resources required to accomplish its mission?
- What is the work environment like and are there any reforms underway at the state level?

Change program content and understanding

- Is the organization clear about the key elements of the change program and how these elements can be implemented? The key factors often relate to some or all of the points mentioned in Part Two of this guide.
- Is the SAI clear about how the program links to any more comprehensive reforms in the state's public financial management?
- Is the SAI clear about the priorities of the change program?
- Is the organization clear about the requirements of the change program and the extent of the changes that can be achieved within the specified timeline and budget? The organization should be careful not to overestimate the number of activities that must be undertaken.

time frame

- What is a realistic timeframe for change? The level of investment required to evolve a SAI from baseline to effective performance (through the application of the SAI maturity model) is significant and may take 10 years or more for the change to become effective.

Resource needs and availability

- What financial, human, and leadership resources are required for this change program?
- What financial, human and leadership resources are available in the SAI?
- What external resources/aid are available?

- How can the gaps between required and available resources be filled?

Change Program Management

- What is the potential impact of the program to bring the SAI to the basic transformation?
- How much support/opposition is there inside and outside the apparatus for these changes?
- Does the organization's organizational structure and/or culture need to change to support the program?
- Does the organization have project management systems and the skills to manage a complex change program?
- Have any measures been taken to coordinate the work through which the capacity building project is carried out within the SAI using different working teams?

sustainable change

- How can strategy help build capacity from within to achieve sustainable development?
- Can the strategy lead to balanced development of the organization's capabilities? That is, has this been clarified through a comprehensive understanding of the interrelationship between the various components of capabilities and the development of plans for each component separately?

Partners to support the implementation of capacity building operations

To achieve sustainable and positive improvements, it is important that reform originate within the SAI. Many SAIs may need to seek external support for their work to maximize the benefits of leveraging the expertise of others, in keeping with INTOSAI's motto, "Shared expertise benefits all." INTOSAI has done much to encourage and support collaboration and knowledge transfer among SAIs through its meetings, working groups, seminars, publications, joint audits, and training programs.

There is a group of partners with whom cooperation can be made to support the development of the capabilities of regulatory bodies:

- ◀ INTOSAI: which gives SAIs access to a network of audit institutions that can provide support and advice to support capacity development.
- ◀ INTOSAI regional organizations
- ◀ INTOSAI Development Initiative (IDI) It has established training networks worldwide, with professional regional groups of trainers, and seeks to develop and meet basic needs by offering cooperation and sustainable development programmes for agencies in developing countries, as part of its vision to become an international leader in strengthening the capabilities of supreme audit institutions.

- ◀ Joint collaboration between two SAIs: There are many SAIs that are linked to long-term technical collaborations with partner SAIs to achieve mutual benefit.
- ◀ Professional bodies and private sector consultants with experience in capacity building and change management.

Questions to consider when requesting external support

Choosing a partner

- What is the partner institution's previous experience and expertise in building the capacity of supreme audit institutions?
- What is the extent and reputation of the partner's experience?
- If the key personnel are not available, does the partner have the right to provide replacement employees with the same skills and experience?
- Does the partner understand the specific environment of the regulatory SAI and will they be flexible in their approach?
- Will the partner be able and willing to provide long-term support and consulting after the formal project is completed?

Formulating an Effective Case for External Financing

- Are the suggestions clear, with measurable results?
- Is the budget realistic and transparent?
- Are proposals developed in a manner consistent with the funding SAI's funding guidelines and practices?
- Has the SAI provided evidence that the use of funds will be carefully monitored and independently audited?

Determine whether or not to accept donor funds

- Is the donor ready for a long-term commitment to the SAI?
- Will the donor involve the SAI in setting the general terms and selecting appropriate partners?
- Does the donor ensure that the amounts donated complement the amounts of other donors, in line with the Paris Declaration on Aid Effectiveness?
- Will the donor be flexible during the project process?
- Will the donor directly fund the SAI, thus ensuring its independence?

Chapter Four: Managing and Supporting Change

Monitoring, Influencing, and Keeping Up with Change

The SAI must be realistic in determining what it can achieve and what it seeks to achieve. This realism must be based on an understanding of which elements of change the SAI can control and which elements it seeks to influence or interact with.

Working with partners to support independence

The independence of the SAI is essential to its effectiveness and objectivity. Some agencies may fail to achieve the required independence stipulated in the Lima Declaration, and this lack of independence can pose an obstacle to capacity building. To overcome this obstacle, the SAI needs to develop and implement a realistic strategy for working with the legislature, the Ministry of Finance, civil society organizations, and the executive, including the media, to convince them of the benefits of an effective, well-funded, and independent SAI.

Planning, monitoring and coordinating changes

Capacity building is a complex process of organizational change, which can take several years and requires careful planning, coordination, and active management with a willingness to adapt as experience dictates.

Aspects to consider when planning for change

☐ Does the project include? The plan is as follows:

- Implementation phases timeline with formal review phases.
- Clear, measurable, and achievable goals, as well as standard criteria by which achievements can be evaluated.
- Establishing a realistic sequence of changes, which is done through a comprehensive understanding of the impact of changes on the various elements of the SAI.
- Accurate and actual cost And comprehensive for each element.
- Taking into account the maximum working capacity of the SAI.
- Some flexibility to add other processes and needs that may arise along the way.
- Consider trends in the system and other factors that may hinder or support the achievement of objectives.
- Distributing responsibilities for carrying out activities.
- Identify and assess risks, Entering risks individually into the risk register to address them or reduce their impact.

Guidance, leadership and engagement

Experience has shown that the success of a capacity-building program depends on the full support and commitment of the SAI's senior management. The program's purpose, objectives, and key components must be clearly communicated and understood by all levels of management, the audit SAI's staff, and key stakeholders.

Aspects to consider regarding guidance, leadership and engagement

- ☐ Does the SAI have:
 - A clear and precise view of what it aims to achieve?
 - Leading clear and accountable decision makers and a program management team committed to change?
 - Allocate adequate and appropriate human resources to the program implementation team and provide them with appropriate information or training.
 - Clearly and explicitly link objectives to expected impacts and program progress to enhance employee engagement?
 - Identify relevant program stakeholders (e.g., members of the legislature) and communicate to them the program objectives and progress to gain their understanding and future participation.

Leadership and Management of Implementation

It is essential to designate a specific department or team within the organization to monitor and follow up on the implementation of the capacity building program, as this leads to effective control of the program and directs it on the right path when unexpected events arise.

Topics to consider when monitoring implementation:

- Is senior management informed of program developments? Is it actively involved in key phases?
- Are there special arrangements for preparing periodic reports to the programme management team on the development of outputs, objectives and baselines, indicating the corrective actions taken and amendments thereto when necessary?
- Are employees and key stakeholders informed about program development?
- Is the budget tracked regularly? For large projects, is there a periodic review or evaluation?
- Are formal reviews conducted at high levels in accordance with the strategy and program on a sequential basis so that they can be corrected when necessary?

- Are senior management reviews conducted at key stages? Is the program strategy adjusted as needed?
- Are program risks reviewed at regular intervals and the risk register reviewed if necessary?
- Are program reviews and evaluation reports prepared on an ongoing basis?

Where does partnership come into play?

The capacity building program for agencies, especially in developing countries, may involve working with a partner audit SAI and/or other external organisations to benefit from their experience and expertise. This process may take several forms, as follows:

- High-level financing programs, such as “twinning,” where the supporting SAI provides full-time staff to the receiving SAI, as well as a significant amount of short-term expertise.
- Workshops are held jointly with other regulatory bodies to share expertise and exchange knowledge and experiences.
- Participate in field training and program exchange.
- Purchase specific training and support programs from local private sector consultants, e.g., “New IT System Implementation.”
- Special bilateral arrangements between SAIs.

Learn from past experiences and evaluate results.

Capacity building processes should be dynamic, iterative, and supported by expertise. It is important at key stages for the SAI to review how its strategy is being implemented, learn from its experiences, and make adjustments to its plan as necessary. However, the SAI should not rely solely on formal reviews; it must also be proactive and ready to respond, address problems, and capitalize on opportunities.

Aspects to consider when evaluating results

- Are there mechanisms in place to monitor the program experience and provide senior management with suggestions and ideas on lessons learned?
- In addition to formal reviews, are suggestions collected and evaluated at all employee levels?
- Does the capacity building plan identify measurable expected impacts of the program to assist in post-project evaluation? Examples of impacts might include: (change in staff behavior, measured by

a survey, lower cost of assigned outputs, improved work quality documented by quality assurance reviews).

sustainable developments

A capacity building program will not be effective unless it is continuously developed and implemented within the work methods and outputs of agencies. Therefore, the goal of each SAI should be to sustain building throughout the development process. To help achieve this, each SAI's goal should be to spread and promote a culture that values development within the SAI and among employees.

Aspects to be taken into consideration regarding achieving sustainable developments

- Does the capacity building strategy outline how the SAI will achieve sustainable development? How will it retain and train its staff? What funding is available to cover the new capacity level?
- Are staff members encouraged to suggest improvements? Is the work of participants (contributors) in development processes recognized? If appropriate, are they rewarded?
- When capacity building is linked to working with partners, does the beneficiary SAI own the project?

Chapter Five: Enhancing Professional Capacities

Develop appropriate auditing methods

The SAI needs methods that suit its role and mandates, the resources available to it, including the skills of employees, the environment in which it operates, and in particular (the level of public financial management PFM, the accounting standards used, and the suitability of internal control and internal auditing), in addition to the desire of the agencies to conduct audits in accordance with professional standards.

The three main models of the Supreme Audit Institution:

Model - Parliamentary

- The work of the SAI is closely linked to the parliamentary accountability system, with reports submitted by the SAI to the Parliamentary Finance Committee.
- The SAI is usually called a "national audit bureau" or "national audit office", and has one head (the auditor general) who may be an employee of the legislature.
- The work focuses on financial control, performance control and compliance control.

- The staff includes professional financial references – accountants, auditors and any other specialized positions.

Model - Judicial

- The SAI is an integral part of the judicial system and operates independently of the executive and legislative authorities.
- Usually, the SAI is known as the Court of Accounts or Audit.
- Its members are judges and are usually appointed for an indefinite term, until retirement, with one of the members chosen to be the head of the SAI.
- The work focuses on financial and performance control, with the primary focus until recently being the legality of transactions.
- Employees have a legal or diverse background.
- There is usually no parliamentary committee to which the court submits its reports. The court itself holds officials accountable and can impose sanctions on officials subject to its audit.

Model - Council or Executive entity

Main Specifications

- The Authority has a number of members who form its Board of Directors, or its Executive entity, and decisions are made jointly.
- Members of the board of directors, or executive entity, are usually appointed for a fixed term by Parliament.
- The SAI is usually part of the parliamentary accountability system and submits its reports to Parliament for consideration.
- The work focuses on financial, performance, and compliance audit. The SAI has no judicial functions.
- Professional qualifications required for employees include a financial background in lawyers, economists, and engineers.

Financial and regulatory audit:

International Standards on Auditing support a comprehensive, risk-based approach to formulating a professional opinion on the reliability of the financial reports or statements submitted by the audited entities to ensure that they are free from any material misstatement and have the appropriate parliamentary approval.

Aspects to consider when developing financial and regulatory audit methods:

Did the SAI do the following:

- Refer to INTOSAI's Code of Ethics and Auditing Standards, guidelines issued by INTOSAI's regional organizations, guidelines on specific methods, as well as other relevant standards and guidelines (such as those issued by the International Federation of Accountants). The websites of Supreme Audit Institutions (SAIs) contain guidelines on sampling systems, identifying and assessing risks, auditing using computerized systems, and handling potential fraud cases. These institutions have gained experience in these areas.
- Identify the methods considered necessary to achieve the audit objectives stated in the mandate granted to the SAI?
- Consider establishing a central support and advisory team with expertise in financial audit techniques capable of providing technical advice?
- Include in your training plan and IT strategy the needs arising from any changes in audit methods. If audit methods change and there is insufficient staff training or a lack of IT, the changes are likely to be unsuccessful.
- Establish methods or a system to measure the cost and time spent on audit work and assignments?

Performance control

Performance audit (VFM) is the examination of the economy, efficiency and effectiveness of the use of resources by the government to achieve desired outcomes.

Aspects to be considered in building capacity for performance monitoring.

Is the SAI:

- Does he have authorization to conduct such tests? If he doesn't, he will likely need to obtain one.
- Does the government have a representative in the legislature, the Ministry of Finance, or elsewhere who can support these types of audit processes? If not, it should consider how best to obtain the necessary support.
- Do you want to create standalone performance monitoring reports or will they be part of the periodic performance monitoring reports?
- Knows the resources he estimates and is willing to allocate to performance audit reports in the preparatory phase and after about five years?
- Does the organization have specialized staff interested in this type of audit, or have prior experience and training? If not, it will need to hire staff with diverse skills to create a multi-skilled team.

- Does the organization have support from senior management to conduct performance monitoring?
If it does not have this support, the organization should consider how best to obtain it.
- Does the organization have resources allocated for this type of audit in its annual plan and budget?
If necessary, these should include travel costs and external consulting services.

Preparing control guides

Audit manuals provide auditors with guidance that promotes improvement in audit work, adherence to relevant standards, and effective working methods. The SAI can benefit from developing manuals for each major area of audit work it performs under its legal mandate, such as financial audit, compliance audit, and performance audit.

Aspects to be considered regarding the content and form of audit evidence

To be most useful, evidence should:

Ease of access:

- Can employees who need these manuals obtain them? Previously, manuals were issued in paper booklets, but with the spread of modern technologies, these manuals can be provided in electronic format, which is more efficient and less costly, and published on the SAI's official website.

Accuracy:

- Has the content of each guide been reviewed for accuracy by experts within the SAI?
- Has the Authority considered the use of external experts or peer review of its audit evidence?

Clarity:

- Are the guide materials presented and written in a concise, easy-to-understand manner and in simple, clear language?
- Does each guide include maps, charts and illustrations to make it easier to read and understand?

Related to the topic:

- Is each piece of evidence relevant to the SAI's practices and culture?
- If the SAI wishes to use a manual developed by another organization: Has the SAI modified this manual to ensure its relevance to the SAI's mandates and working methods?
- Has a survey been conducted for each guide to obtain opinions on these aspects from the relevant staff in the SAI?

Improve planning and management in professional work.

A high-performance system enables good audit planning and motivates audit teams to complete high-quality work on time and on budget.

Things to consider about employee resource planning.

- Has the SAI identified the information it needs to develop an effective plan for tracking the results of its audit work? This will depend on the type of work the SAI undertakes and its assessment of the costs and benefits of gathering information. At a minimum, the SAI should know what resources it will use to conduct its audits upon completion and how this compares to the budget and plan.
- Has the SAI established appropriate processes and systems to collect, analyze, and report information accurately and timely to management? Appropriate systems depend on the nature and scale of the work being performed.
- Have the staff who manage and perform audits been evaluated and/or received appropriate training in leading and motivating teams, and in project management?
- Are auditors effectively trained within the team?
- Does the organization have effective systems for rewarding individual and collective performance? These systems may include financial rewards based on performance evaluations that exceed the audited standard. They may also take the form of financial rewards or recognition awards for outstanding performance in a specific area of work.

Establish a quality assurance system:

Strengthening procedures for reviewing the quality of control is an important issue in the following areas:

- Ensure that the SAI correctly applies audit standards, methodology, and guidelines.
- Ensure that a consistent approach is applied at all levels by all auditors.
- Training needs and skills required by the SAI.
- Improving standards and developing audit guidelines

Aspects to consider regarding quality assurance:

Did the SAI do the following:

- Define quality standards and implement quality assurance procedures to ensure compliance with these standards. Standards should be set forth in audit manuals and instructions issued by the SAI. Procedures should ideally include the use of checklists, standardized methods for documenting work, and work requirements requiring review and approval at specific points.

- Verify that quality assurance procedures are implemented effectively and identify ways to improve their effectiveness. Quality assurance procedures can be reviewed by expert auditors from within the SAI who are considered independent of the subject under audit, by the SAI's internal audit, or by external experts to provide a fresh perspective. There are two types of reviews:
 - Rapid review: This takes place during key stages of the audit, for example, at the end of planning and completion of fieldwork, and before the findings are presented. When the review occurs before the start of fieldwork, it provides an opportunity to make improvements to the audit/fieldwork plan and, if necessary, abandon the project.
 - The quiet review or post-control phase: This phase aims to enable lessons learned and apply them to future projects. These reviews can be conducted on a selected sample of financial/regulatory audit assignments annually and can be applied to all performance audit assignments.
- Establishing a corporate culture in which high quality is a core value, manifested in the leadership of administrative competencies within the SAI and in its relationships with other institutions. It may be useful for the SAI to share with auditors the results of quality procedure reviews and any weaknesses identified in the current approach. It should also be clear that the purpose of all this is learning.

Implementing the training strategy:

Human resources are a key resource for the SAI. One of the most effective ways to enhance its capabilities is to develop the professional competence of employees through training and the development of a pool of trainers and instructors to disseminate skills and knowledge and foster a culture of continuous improvement. Training can also help sustain capacity building.

Key steps for training development:



■ Analysis phase

- ▣ Needs analysis
- ▣ Task and activity analysis
- ▣ Evaluation strategy

▣ Design phase

- ▣ Educational objectives
- ▣ Teaching methods
- ▣ Motivation

▣ Development stage

- ▣ Methods and media
- ▣ Case studies
- ▣ The role being played
- ▣ Training program materials

▣ Application stage

- ▣ Presentation skills
- ▣ Discussion skills
- ▣ Working within an effective group

▣ Evaluation

- ▣ Measuring reactions
- ▣ learning
- ▣ conversion
- ▣ Impact

The SAI must have a clear vision of its direction, good planning, and leadership to achieve its mission. It must also plan and manage its human resources, knowledge, communications, and finances effectively. Developing professional and technical skills is important, but it is not sufficient and forms only part of the capacity building program. Leadership, sound budgeting, and effective resource and personnel management are vital for the SAI to make the best use of its resources and achieve its desired results. In each of these areas, the SAI has the ability to perform basic audit.

Joint Strategy and Planning

A confident organization must have a clear vision of the goal it is working towards and have both short and long-term planning to achieve this vision.

Establish mission, vision, and values.

Develop a strategic plan:

The strategic plan is the link between the SAI's mission and its daily work, through planning what it wants to achieve in the medium term, i.e., over the next three to five years, the resources it needs, and how they will be used.

Things to consider when developing a strategic plan

Is the strategic plan:

□ Combined with other plans?

- Was it developed in collaboration with the heads of all core units within the SAI, and did it receive approval from senior management?
- Has it been included in the SAI's capacity building strategy and linked to the SAI's plans in the fields of human resources, information technology, communications, and other key areas and functions?
- Is it integrated with lower-level unit plans within the SAI and with the SAI's annual operational plan?
- Is it considered a "continuous plan" that is updated annually, even though the strategic plan covers a period ranging between three and five years? This can be achieved by the SAI setting up a formal annual planning mechanism (cycle) to update this plan.

□ Realistic?

- Does the plan clearly define the costs of specific activities and how they will be financed?
- Is reliable information provided to the plan?

- Has the SAI's senior management agreed on the main objectives, so that it can focus on priorities if its funding exceeds the allocated amount?
- **Reliable?**
 - Does the organization have an effective budget and information systems that provide information on work costs and volume?
 - Has this information been quality checked and verified?
- **Measurable?**
 - Have the expected outcomes and outputs been measured? Examples include the number of accounts to be audited, the performance audit reports to be issued each year, and their expected cost. Some agencies have found it useful to set targets regarding the financial impact of their work.
 - Are unit heads responsible for delivering specific outputs within specific budgets?
- **Notified or disclosed?**
 - Have the staff been informed of the plan?
 - Have relevant external parties been informed about the plan, if appropriate?

Strengthening leadership and management

To achieve the success of its capacity building strategy, the SAI needs leaders and managers committed to the strategy and with the skills and motivation to lead and persuade others to support the necessary changes. To develop its capabilities, the SAI needs to expand and strengthen its leadership and management skills.

Things to consider about leadership and management

Did the SAI do the following:

- Identify the leadership and management skills and competencies you seek to develop?
- Ensure that recruitment, training, and assessment systems are geared toward identifying, developing, and rewarding those with the appropriate skills. For example, some organizations have "talent-focused" systems that identify employees with leadership potential early and provide them with the experience and support to enable them to assume leadership roles early.
- Are authority and responsibilities delegated to those with appropriate skills?
- Establish clear accountability systems, so that managers are aware of their responsibilities?
- Create a culture where all employees are accountable for their actions and the tasks assigned to them?

- Implementing systems to quickly and effectively deal with weak management? Incompetent managers negatively impact the reform process and undermine employee morale. In this regard, some managers may need support and training.

Resource development and management.

A high-performing SAI requires adequate and appropriate resources and their effective use. Some agencies may face constraints, such as budget overruns and over-authorization to hire, reward, and fire employees. In these cases, the SAI may need to address these issues through dialogue with the legislature and the Ministry of Finance as part of its capacity building strategy. With available funds, the SAI needs to develop and implement strategies for human resources, information systems, and information management that contribute to its overall capacity building strategy.

Develop and implement an information and communication strategy

Information is a vital resource, so its management must be based on planning and implementation in the most appropriate manner to achieve SAI's business objectives. The SAI will need to communicate and share information internally to support its audit work. It will also need to communicate with external parties that may wish to access its information. SAI also needs a strategy and policies for managing and communicating information.

Develop and implement IT strategy.

Information technology can play a significant role in improving the efficiency of the SAI's work, as it can integrate data to add value to information sharing (through an approved formal network at work), contribute to increasing the effectiveness of auditing (for example, through information extraction and sampling), and automate office operations and internal and external communication.

An IT strategy is essential for helping meet business needs, as well as for implementing standards that enable future development. This strategy likely covers a timeframe of three to five years, linked to the shared plan, and is updated regularly, including annually in the case of a large audit organization.

Establish better governance and accountability procedures.

The way senior management manages SAI affects the way the entire organization is managed. It is important to adopt procedures based on corporate governance and are based on high standards. This includes defining the SAI's direction, clearly defining responsibilities, and establishing systems for tracking workflow and

ensuring that the results are used for decision-making. Good governance is not simply practiced; it must also be demonstrated to others. Many agencies have robust procedures for reporting on workflow internally through audit reports and externally through annual reports and presentations to parliaments and legislative bodies.

Governance matters to consider

proceduresGovernance.

- Are responsibilities clearly distributed?
- Are governance and decision-making procedures within the organization clearly defined and operational? If a board of directors exists, does it meet regularly? Are minutes of meetings and lists of actions taken prepared? Are employees informed of key issues discussed by the board? Is this process organized sequentially within the organization?

Budgeting and financial management.

- Does the SAI recognize the cost of all major activities?
- Does the SAI have a suitable resource management system?
- Do employees record their hours for different jobs?
- Does SAI have a method for preparing a solid budget based on plans that prioritize costs?
- Are budget plans properly audited and tested before implementation?
- Does SAI have a formal procedure for following up on the plan and quickly reporting errors?
- Does the SAI monitor delivery time errors and cost discrepancies?
- Are best financial management practices adopted by the Authority?
- Are the financial statements up to date or updated?
- Are correspondences clearly agreed upon and used?
- Does SAI have access to internal audits?
- Is the SAI externally audited annually?
- Does the SAI respond directly to audit report recommendations?
- Are purchasing guidelines followed?

consent

- Do employees sign a code of ethics and fully disclose any conflicts of interest?
- Is there a gift and hospitality register?
- Are staff rotated between audit areas at appropriate intervals?

Transparency

- Does the SAI take appropriate steps to prepare reports on its performance to Parliament/Legislature/etc.?
- Does SAI issue an annual report, and is this report available for free on the SAI's website?

Effects.

- Does the SAI follow up on the implementation of its previous observations for the purpose of monitoring and reporting on their impact?
- Can the claims be proven true?

Chapter Seven - Enhancing Capacities to Deal with the External Environment

Some agencies have found it useful to establish specialized communications and create a communications unit to strengthen relationships with relevant external parties, thus enhancing the work and role of the SAI.

Things to consider when establishing a public relations and communications unit

- Have appropriate resources been identified for the unit?
- Is it staffed with specialists in communications and dealing with the press?
- Do you have the budget to help enhance the work and role of the SAI?
- Does the SAI have the right to use a high-quality publishing medium to ensure it produces high-quality publications tailored to the needs of different stakeholders?

Parliament and legislative authority.

For agencies that follow parliamentary and council models, both legislators and parliaments play an important role in using the SAI's audit findings to hold the executive accountable. However, the legislative committee that reviews the SAI's work itself does not have the capacity or consistent understanding of public financial management. Like all relationships, this relationship between the SAI and parliament/legislature requires work.

Things to consider regarding the relationship with Parliament/Legislature.

- Is the relationship between the parliament/legislature and/or the committee responsible for overseeing budget expenditures stipulated in a law or other framework, for example, in a protocol

or memorandum of understanding? Some public accounting bodies and committees have found it useful to have written descriptions of their roles and how they will work together.

- Is there a clear procedure for submitting the SAI's reports to parliament/legislature and examining their outcomes? Many agencies submit a comprehensive annual report on their audit work.
- What scope is available for timely submission of reports to Parliament/Legislature, and are they discussed as soon as possible after they are issued?
- What scope does the SAI have to second staff to committees, and to provide summary reports to members prior to public hearings, to assist in drafting committee reports?
- What right does the SAI have to provide the press with the results of its audit? While it is important to make these results public, have the various roles of the SAI and the committee in disseminating the results been examined to ensure maximum appropriate media coverage?
- After each hearing, are appropriate records kept and a report of the recommendations issued? In some jurisdictions, committee hearings are recorded, and the committee assists the SAI in preparing a set of recommendations to the government regarding the development they seek.
- What processes exist for following up on committee and SAI reports? Most SAIs need to establish formal procedures to demonstrate that recommendations have been implemented and to report to the committee and parliament/legislature when this has not happened.
- Does SAI seek regular feedback from the committee on its performance? Some SAIs find it useful to seek formal and informal information from parliament/legislature on how they view their performance and areas for improvement. In some cases, the committee's suggestions on the type of performance audits it deems necessary should be considered. Some SAIs are legally obligated to conduct studies at the committee's request, while others find it useful—while maintaining independence in making the final decision—to listen to the views of committee members.

Executive authority

Although supreme audit institutions need to be financially, politically, and operationally independent from the executive branch of government, this need should not come at the expense of refusing to work with government partners when there are agendas to be pursued. By doing so, the institution's work will be more impactful.

Things to consider regarding the relationship with the executive authority

- To what extent do upcoming audit programs, particularly performance audits, address the key challenges facing the government? For example, if the government intends to tighten its

procurement systems, there may be scope for the SAI to undertake a structured series of audits to examine how the reforms are being implemented effectively and then demonstrate that procurement procedures are being used appropriately.

- Is the SAI aware of the financial reform trends being pursued by the Ministry of Finance? For example, many SAIs have found it useful to work closely with the Ministry of Finance when introducing commercial accounting rules to ensure that the audit process confirms that the reforms were well managed.
- What is the government's upcoming legislative program? Several agencies are involved in examining new legislation to ensure it is robustly drafted and does not introduce loopholes that facilitate fraud and corruption.

Entities subject to audit

Although supreme audit institutions need to maintain clear independence from audited entities, establishing professional and open relationships can make it easier for their staff to conduct accurate and useful audits.

Matters to consider regarding relationships with audited entities.

- Do regulated entities know what the SA expects of them?
- When there are changes in senior staff and audit committee members, does the SAI ensure that new members are briefly briefed on the role of external audit?
- Without prejudice to the right to conduct unscheduled audits, does the Authority work with audited entities to ensure that audit planning and execution cause minimal inconvenience to these entities?
- Does the SAI use a variety of formal and informal methods to provide feedback to the audited entity so that the audit process produces fewer surprises?
- Is the audited entity given an adequate opportunity to respond to audit reports and is this response considered fairly?
- Does the SAI focus on important topics and provide wise recommendations for further improvements?
- Have the staff of the SAI been trained in developing best practices for managing relationships?
- Does the SAI seek feedback from audited entities on the quality of its work, staff and systems?
- Does the Authority work with audited entities beyond the normal cycle of audits and reviews to promote development in their public financial management?

Donors

The agencies can play an important role in informing donors about trends and developments in accountability, good governance, and transparency in the public sector, as well as about the SAI's capacity and development.

Things to consider regarding donor relations.

- Does SAI meet regularly with aid SAs to determine which external audit processes are necessary to undertake, and when?
- When the SAI is not the auditor, is there scope for SAI staff to shadow external auditors to increase educational opportunities for SAI staff?

Regional and local audit bodies and internal audit.

The various components of internal and external audit within a country should operate as an integrated network as possible: each is independent, but operates with similar standards and objectives. In some countries, the SAI is responsible for all external auditing. In others, there may be fully independent regional or local bodies. Regarding internal auditing, some SAs are responsible for setting standards and quality control, while in some countries there is no formal link between internal and external auditing.

Things to consider about relationships with other auditors

- Does the Authority meet regularly with regional and/or local audit bodies to ensure consistency of audit methodology across the country and exchange best practices?
 - Should he seek legal powers to achieve this, or is it better done through voluntary approaches?
- Do public external audit bodies have protocols for working together, sharing information, exchanging staff, conducting joint audits, and sharing training resources?
- Does the SAI have appropriate links with internal audit?
 - How are internal audit standards prepared?
 - Who ensures the quality assurance of internal audit?
 - Do the protocols in place indicate how internal and external audit work together and their dual roles?
- Does SAI place appropriate reliance on internal audit work? Agencies need to assess the quality of internal audit to determine the level of reliance that can be placed on their work. Some agencies have conducted extensive studies on the strengths and weaknesses of internal audit in government departments and used the findings to promote improvement in practices.

- Does SAI work with the audit committees of the audited entities? Working closely with them can help the SAI better understand the audited entities' operations, assess their audit processes for the anticipated risks and needs of the audited entity, and achieve significant long-term impacts.

Media and public/public opinion.

Audit reports that remain on the shelves are reports that have little impact on improving public sector management. Modern agencies find it useful to seek better management of relations with the press so that the message contained in audit reports reaches the widest possible audience. The challenge lies in balancing less important reports with those of greater importance. If the reports are too sensational, the SAI will be accused of being political or extremist. Conversely, if the reports are too weak in importance, they are unlikely to be covered in the press. A search for balance is required. Good relations with the press and the public also help draw attention to areas of concern and lead to useful audits.

Things to consider regarding relations with the press and the public

- Does the SAI have a clear policy and framework for dealing with the press?
- Does the SAI have a press strategy for all its major products to ensure that its work is widely disseminated and understood?
- Does the SAI deal professionally with the press, and provide high-quality press releases and conferences?
- Is this strategy designed appropriately and flexibly so that different methods are used to communicate with different audiences, ranging from professionals in a specific sector to the general public?
- Does SAI have a clear editorial policy to ensure that its publications are widely understood by the public?
- Does the SAI welcome correspondence from the public/public opinion, take it seriously, and use this work to inform upcoming audit activity?

Professional associations and private sector auditors

Developing good relationships with professional associations and private-sector auditors is important. This enables the SAI to keep abreast of and influence the development of auditing practices, compare its practices with those of private-sector auditors, and showcase its institutional values to the broader audit community.

Things to consider about relationships with professional associations and private sector auditors

- Are professionally qualified members of the organization encouraged to play active roles in their professional associations?
- Are there formal communication meetings between a senior member of the organization and relevant professional associations on a regular basis? For example, annually.
- Are there procedures for secondment between the Authority's employees and private sector audit firms?

Appendix No. (2)

Framework for measuring the performance of supreme audit institutions (SAI PMF)

SAI Performance Measurement Framework

Background:

The framework for measuring the performance of supreme audit institutions is considered (SAIPMF) An international framework for self-assessment, external assessment, or peer review, which is a valuable tool for all agencies, enabling them to understand the reasons for strong and weak performance, and to improve their performance and impact sustainably, and to operate with confidence internally and externally regarding their future relevance and added value, demonstrating their commitment to the highest international standards.

In this context, the INTOSAI Working Group on the Value and Benefits of Supreme Audit Institutions (SAIs) has developed a framework for measuring the performance of SAIs to support them in their efforts to measure their performance in a comprehensive manner. This framework covers all audit activities and provides the basis for a comprehensive, evidence-based assessment of the performance of SAIs against international standards and good practices established by INTOSAI, namely:

- Framework for International Standards for Supreme Audit Institutions.
- Other INTOSAI guidance materials.

The SAI Performance Measurement Framework enables SAIs to sustainably improve their performance and impact, thus contributing to INTOSAI's mission of promoting continuous improvement in the performance of

SAIs. The SAI Performance Measurement Framework is a valuable tool for all SAIs, regardless of their level of development. The tool identifies performance variances in a meaningful way and helps the SAI understand the reasons for strong and weak performance. Furthermore, the tool enables SAIs to confidently engage internally and externally regarding their future relevance and added value, demonstrating their commitment to transformation and acceptance of the need to adhere to the highest international standards.

By the end of 2020, a total of 68 SAI Performance Measurement Framework assessments had been completed, with 50 assessments conducted. The SAI Performance Measurement Framework has also decisively helped many SAIs improve their performance.

The Capacity Building Committee is considered (IDI is the leading governance body and operational leader for supporting, coordinating and disseminating the SAI Performance Measurement Framework, under the audit and strategic guidance of the Capacity Building Committee (CBC) as the custodian of this framework, which has established an Independent Advisory Group (IAG) that provides strategic advice and recommendations to support the CBC in their efforts to implement the Performance Measurement Framework strategy.

around (SAIPMF)

A key principle of the SAI's Performance Measurement Framework is that the assessment process is voluntary, and the SAI's head makes all key decisions about the assessment: whether to initiate the assessment, when to conduct the assessment, how to conduct the assessment, and what to do with the results, including dissemination. It is important that the SAI's head makes the decision to establish the SAI's Performance Measurement Framework to ensure ownership and acceptance of any identified issues and a commitment to addressing them. It is also important that the SAI is perceived as acting independently in all its activities, to ensure credibility as an independent audit organization. In particular, the SAI is not perceived as acting on the instructions of others.

The SAI Performance Measurement Framework can be applied to all types of SAIs, regardless of SAI model, mandate, national context, and level of development, as long as the SAI considers International Standards on Financial and Accounting Auditing (ISAs) as a relevant standard.

The SAI Performance Measurement Framework comprehensively examines both audit and non-audit functions in relation to their legal basis and environment, identifies the interconnections between different aspects and the root causes of SAI performance, and thus provides a solid basis for a comprehensive assessment of SAI needs, informing strategic planning and capacity development, and enabling progress tracking over time.

The CPA's performance measurement framework is a valuable tool for all CPAs, regardless of their level of development, to demonstrate to stakeholders the extent to which the CPA contributes to strengthening public financial management, promoting good governance, enhancing transparency and accountability, combating corruption, and the extent to which the CPAs are committed to increasing their value and benefits to society.

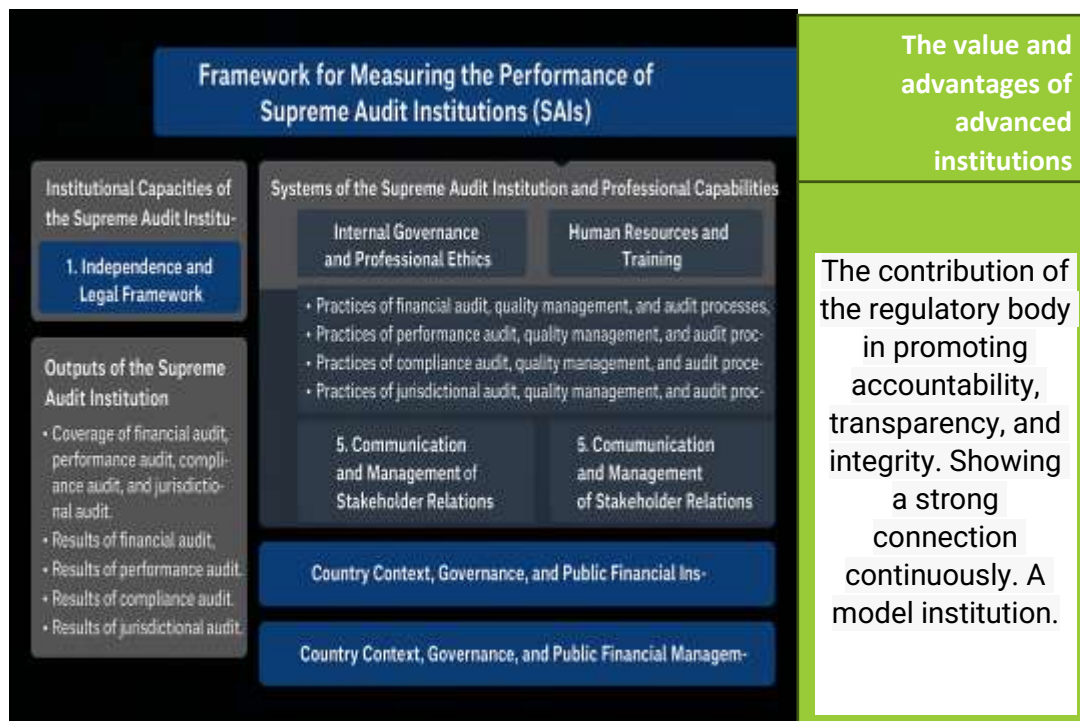
For SAIs in developing countries, the SAI Performance Measurement Framework is an invaluable tool for gaining and maintaining support for capacity development efforts by demonstrating their commitment to transformation, their acceptance of the need to adhere to the highest international standards, and their commitment to maximizing their value and benefiting society.

The Performance Measurement Framework for Supreme Audit Institutions (SAIs) provides a framework for qualitative, comprehensive, and evidence-based assessment of the performance of SAIs and their environment. This provides SAIs with an objective basis for demonstrating their ongoing engagement with citizens and other stakeholders.

The Performance Measurement Framework provides supreme audit institutions with a framework for conducting voluntary assessments of their work, contributing to improved capacity development and strategic planning processes. It is a global, multi-purpose framework that can be applied to all types of audit institutions, regardless of their administrative structure, jurisdiction, national context, or level of development.

Performance Measurement Framework Structure

The figure below shows the structure of the Supreme Audit Institutions' performance measurement framework:



Using the Supreme Audit Institutions' Performance Measurement Framework

The purpose of using the performance measurement framework is to determine the extent to which the Supreme Audit Institution (SAI) performs its work in comparison to international standards and good international practices, in addition to identifying the SAI's strengths and weaknesses. It should be noted that the evaluation process does not propose recommendations for future reform. Rather, the evaluation may be followed by the process of developing a strategic plan for the SAI, and/or identifying proposed capacity development initiatives, determining their priorities and sequencing. The purposes of the evaluation using the framework include the following:

- 1- As a step towards implementing international standards for supreme audit institutions.
- 2- To highlight progress, value and benefits to society.
- 3- Directing the strategic planning process.
- 4- Measuring internal performance and preparing annual reports.
- 5- Obtain and maintain support for capacity development efforts.

While the purpose of measuring the performance of supreme audit institutions is considered to be the following:

- Identify strengths and weaknesses.
- Strengthening internal performance management and accountability.
- Reporting to external stakeholders.
- Demonstrate progress related to capabilities and performance.

- Demonstrate the value and benefits of supreme audit institutions to citizens.
- Support the implementation and establishment of international standards for supreme audit institutions.
- Obtain and maintain support for capacity development.

Supreme Audit Institutions adopt the performance measurement framework due to the following:

- There is no common, internationally agreed framework for measuring the performance of supreme audit institutions.
- invitation (INTOSAI-P 20) Supreme Audit Institutions use performance indicators to assess the added value of their work for the benefit of Parliament, citizens and other stakeholders.

Components of the Supreme Audit Institutions' Performance Measurement Framework

The performance measurement framework consists of two main components:

- 1- Guidelines for preparing a performance report, which is the final product of the evaluation and includes a narrative analysis of the results.
- 2- A set consisting of (25) indicators (each with 2 to 4 dimensions) to measure the performance of the Supreme Audit Institution against international practices in (6) main areas as follows:



Below is an overview of the main areas:

- **Area (1) Independence and legal framework:** This area covers the legal mandate and independence of the Supreme Audit Institution. The purpose of this area is to study the institutional basis of the institution's work, with the aim of understanding how the institution performs as an institution.
- **Field (2) Internal Governance and Professional Ethics:** Among the goals of (INTOSAI P-12) is to be an exemplary institution, and the Supreme Audit Institution should promote transparency and accountability through good governance of the institution (adopting and adhering to the principles of good governance) and ethical professional conduct in order to perform its duties.

- ▢ **Domain (3) Quality of Control and Reporting:** This area covers the three types of audit as defined in the International Standards for Supreme Audit Institutions (ISAs), in addition to judicial audit. It aims to assess the quality of audit work and its outcomes, as audit work is the core of the work of supreme audit institutions. This includes an indicator that measures the audit coverage of supreme audit institutions for each type of audit.
- ▢ **Field (4) Financial Management, Assets and Support Services:** This area refers to the need for the Supreme Audit Institution to manage its operations economically, efficiently, and effectively in accordance with laws and regulations. It means that the institution should have an appropriate organizational management and a supporting structure that provides good governance and supports internal control and administrative practices. This applies to financial management, asset management, and support services for the Supreme Audit Institution.
- ▢ **Field (5) Human Resources and Training:** This section examines the performance of the Supreme Audit Institution in managing and developing its human resources.
- ▢ **Domain (6) Communication and Stakeholder Management:** One of the main objectives of the Supreme Audit Institution is to demonstrate its relevance (importance) to stakeholders. It should communicate with them to ensure they understand the work and outcomes of the audit institution, in a way that enhances stakeholders' knowledge and understanding of the role and responsibilities of the institution as an independent monitor of the public sector. Audit institutions must identify relevant stakeholders and develop a strategy for communicating with them.

In order to conduct a comprehensive assessment of the audit practices carried out by the Supreme Audit Institution, it is recommended that the work of the audit institution be evaluated in the last completed financial year, and given the comprehensive scope of the assessment, it is recommended that assessments be conducted using the performance measurement framework frequently every (3) to (5) years.

Performance Indicators Set

Each main area includes a set of indicators, with each indicator associated with a set of dimensions that are evaluated. The table below shows the main areas, the indicators associated with each area, and the dimensions related to each indicator:

Dimensions	Indicator	
1- Independence and legal framework		
- An appropriate and effective constitutional framework.	Independence of the Supreme Audit Institution	SAI 1

- Financial independence/self-sufficiency. - Organizational autonomy/self-sufficiency. - Independence of the head of the Supreme Audit Institution and its members.		
- Adequate competence (delegation). - Access to information. - The right and duty to prepare the report.	Competence (mandate) of the Supreme Audit Institution	SAI 2
2- Internal Governance and Professional Ethics		
- Content of the strategic plan. - Content of the annual plan/operational plan. - Organizational planning process. - Monitoring and reporting.	Strategic Planning Course	SAI 3
- Internal control environment — professional ethics, integrity, and organizational structure. - Internal control system. - Quality control system. - Quality assurance system.	Regulatory control environment	SAI 4
- The process of selecting the contracted auditor. - Quality control of outsourced audits. - Ensure the quality of outsourced audits.	Outsourced audit operations	SAI 5
- Leadership. - Internal communication.	Leadership and Communication	SAI 6
- Comprehensive audit/control planning process. - Content of the control program/comprehensive audit plan.	Comprehensive Control Planning	SAI 7
3- Quality of Control and Reporting		
- Financial control coverage. - Coverage, selection and objective of performance audit. - Coverage, selection and objective of compliance control. - Covering judicial audit.	Censorship coverage	SAI 8

- Financial control standards and policy. - Managing the financial control team and its skills. - Quality control in financial control.	Financial control standards	SAI 9
- Financial control planning. - Implementation of financial control. - Evaluate control evidence, conclude financial audits and prepare reports.	Financial control process	SAI 10
- Submit financial audit results in a timely manner. - Publish financial audit results in a timely manner. - The Supreme Audit Institution follows up on the implementation of financial audit observations and recommendations.	Financial control results	SAI 11
- Performance control standards and policy. - Managing the performance monitoring team and its skills. - Quality control in performance control.	Performance Control and Quality Management Standards	SAI 12
- Planning for performance monitoring. - Implement performance monitoring. - Preparing performance monitoring reports.	Performance monitoring process	SAI 13
- Provide performance audit results in a timely manner. - Publish performance monitoring reports in a timely manner. - Follow up on the implementation of the recommendations and observations contained in the performance audit report.	Performance audit results	SAI 14
- Compliance control standards and policies. - Compliance team management and skills. - Quality control in compliance control.	Compliance Control and Quality Management Standards	SAI 15
- Compliance control planning. - Implement compliance control.	Compliance control process	SAI 16

- Evaluate control evidence, conclude compliance audits and prepare reports.		
- Provide compliance audit results in a timely manner. - Publish compliance audit results in a timely manner. - The Supreme Audit Institution follows up on the implementation of compliance audit observations and recommendations.	Compliance audit results	SAI 17
- Judicial audit standards and policies. - Judicial audit team management and skills. - Quality control in judicial audit.	Judicial audit and Quality Management Standards (for Supreme Audit Institutions with a Judicial Function)	SAI 18
- Judicial audit planning. - Implementation of judicial audit. - Decision-making process in judicial audit. - Final judicial audit decision.	Judicial audit process (for SAI with judicial function)	SAI 19
- Notification of judicial audit decisions. - Publication of judicial audit decisions. - The Supreme Audit Institution follows up on judicial audit decisions.	Judicial audit results (for SAI with judicial functions)	SAI 20
4- Financial Management, Assets, and Support Services		
- Financial management. - Efficient planning and use of assets and infrastructure. - Administrative support services.	Financial Management, Assets, and Support Services	SAI 21
5- Human Resources and Training		
- Human Resources function. - Human resources strategy. - HR recruitment. - Wages, promotions and employee welfare.	Human Resources Management	SAI 22

- Professional development and training plans and processes. - Professional development and training in the field of financial control. - Professional development and training in the field of performance auditing. - Professional development and training in the field of compliance control.	Professional development and training	SAI 23
6- Communication and Stakeholder Management		
- Communication strategy. - Good practices for communicating with the legislative authority. - Good practices regarding communication with the executive authority. - Good practices regarding communication with the judiciary and/or the prosecution and investigating bodies.	Communication with legislative, executive and judicial authorities	SAI 24
- Good practices regarding media engagement. - Good practices in communicating with citizens and civil society organizations.	Communication with the media and citizens	SAI 25

Grading methodology

The criteria for assigning grades to each dimension are measured according to the performance evaluation criteria met by the Supreme Audit Institution.

Each indicator seeks to measure the performance of the Supreme Audit Institution (SAI) in each key area through a five-point scale (0-4). The indicators are designed to enable objective measurement, although a certain amount of professional judgment must be applied by the assessors. Guidelines have been established on the performance criteria for each score for each indicator, so that not all are equally important, and their relative importance varies from one SAI to another and from year to year. Instead, a comprehensive analysis of the SAI's performance should be provided in the narrative performance report.

Grading levels

- **Grade (0):**The feature is not created or barely functions.
- **Grade (1):**(Foundation level) The degree is available, but it is preliminary and irregular, which affects the quality of work.
- **Grade (2):**(Development level) The feature is available but is incomplete and not implemented regularly.
- **Grade (3):**(Static level) The property performs its functions broadly as expected according to the International Standards of Supreme Audit Institutions.
- **Grade (4):**(Management level) The entity performs its functions in accordance with the principles of the International Standards for Supreme Audit Institutions, and the SAI carries out activities in a manner that enables it to continuously evaluate and improve its performance.

Collecting indicator scores

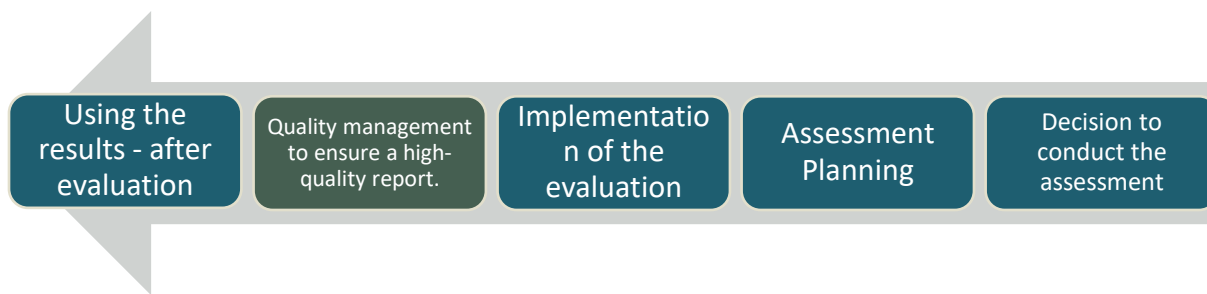
Each dimension of the indicator is evaluated separately to obtain an overall index score. The overall score for an indicator is calculated using conversion tables. Separate conversion tables exist for indicators that include two, three, or four dimensions, respectively. The conversion tables are based on the average scores of the separate dimensions.

The following are the steps to determine the overall index score:

1. Select the appropriate section in the conversion table, depending on the dimensions of the indicator to which a score is assigned.
2. The degrees of the existing dimension are arranged in ascending order (0 - 1 - 2 etc.).
3. The row in the table that corresponds to the set of scores you have obtained is selected.
4. The overall score corresponding to the indicator is selected.

Stages of evaluating the framework for measuring the performance of supreme audit institutions

Conducting an evaluation of the Supreme Audit Institutions' performance measurement framework is a comprehensive process that requires several important decisions to be made by the relevant institution. The diagram below shows the stages of evaluating the Supreme Audit Institutions' performance measurement framework:



🔍 Evaluation decision

The decision to conduct an evaluation of the performance measurement framework of the audit bodies must be issued by the head of the SAI, accompanied by the following considerations:

- Purpose of evaluation.
- Evaluation date.
- How to conduct the assessment.
- Whether, when and how to publish the evaluation report.

🔍 Evaluation planning

It is important to focus sufficiently on planning to ensure that the key questions are addressed before beginning the actual evaluation, taking into account the following considerations:

- Determine the main purpose of the evaluation.
- Identify the decisions to be made in the planning phase, which include (forming a qualified evaluation team, defining the scope and methodology of the evaluation, making arrangements for quality assurance, and setting a timeline for the evaluation).
- Documentation of the evaluation terms of reference.

How the evaluation is conducted and who will carry it out clearly depends on the purpose (or purposes) of the evaluation. The performance measurement framework can be applied with different evaluation methods. The main evaluation methods are as follows:

- Self-assessment by the Supreme Audit Institution.
- Peer evaluation by another SAI, or an INTOSAI affiliate.
- External evaluation by consultants, donors, external reviewers or other experts.

🔍 Implementation of the evaluation

Implementing the performance measurement framework requires reviewing documents and conducting interviews with the SAI's staff and management. If the assessment is conducted through peer review or external evaluation, this work will be carried out during a field mission. Before commencing field work, it is useful to review some documents related to the SAI's external environment, including the legal framework, as well as some of the SAI's internal documents.

The performance report should provide comprehensive information on the performance of the supreme audit institution and provide explanations for the scores assigned to the indicators.

🔗 **Quality management to provide high quality reporting**

Ensuring the quality and objectivity of assessments is essential to producing a performance report that accurately describes the SAI and its activities and adds value to the SAI's development efforts. A high-quality assessment will contribute to internal acceptance and trust in the results while ensuring the credibility of the results with respect to external stakeholders where appropriate.

Therefore, each individual assessment should include measures to ensure a high-quality product, regardless of the method, and quality control and independent review should be planned, implemented, and disclosed to ensure appropriate quality of the assessment.

🔗 **Use of results**

The purpose of the Performance Measurement Framework is not to provide a list of recommendations for future capacity development activities of the Supreme Audit Institution. Instead, the Performance Measurement Framework provides a high-level overview of the Supreme Audit Institution's performance and provides a detailed assessment of strengths and weaknesses and how these impact the Supreme Audit Institution's performance.

Evidence-based assessment

The evaluation of the performance measurement of supreme audit institutions (SAIs) is evidence-based. The description and evaluation processes are based on documented evidence. The most important data collection methods used in the evaluation are document review and interviews. Document review is the primary source of evidence, while interviews can be used to obtain clarifications and information not found in the documents. During the planning phase, assessors should understand the SAI, including its organizational structure and core activities, and to ensure an efficient assessment, residents should obtain basic documents, and study and evaluate the following:

- What methods should be used to collect and analyze evidence for the purpose of evaluating criteria and measuring indicators?
- What types of data and evidence are required?
- What documents need to be collected in advance and what documents need to be obtained on site?
- How to determine which types of control will be evaluated.
- How to take samples from censorship files.
- Which meetings should be arranged?
- How to conduct the assessment.
- How to document work and results.

- How to distribute tasks among team members according to competencies.

The evaluation team must maintain a working file containing the documents used in the evaluation, including the evidence collected, working papers used in the analysis process, and drafts of the report.

Identify the types of control to be evaluated.

Audit bodies originate from different administrative traditions and operate in different environments. Therefore, the primary task of the assessment team prior to fieldwork is to determine the types of audit to be assessed and the indicators to be applied. The three types of audit include financial audit, performance audit, and compliance audit. In this context, a mutual agreement must be reached between the assessment team and the supreme audit institution regarding the types of audit to be reviewed as part of the assessment. This must be documented in the terms of reference to ensure that expectations are aligned between the assessors and the supreme audit institution.

Reports

About the Supreme Audit Institution's Performance Report

The Supreme Audit Institution's performance report is a narrative report that provides the reader with a comprehensive picture of the institution's performance based on the environment in which it operates. It is the main output for evaluating the Supreme Audit Institution's performance measurement framework, as it provides an analysis that goes beyond the indicator scores.

The Supreme Audit Institution's Performance Report aims to provide a comprehensive, integrated, and evidence-based assessment of the institution's performance. The report is based on indicator-based analysis of the six areas. This evidence, along with an understanding of the interconnections between the areas, is used to assess the values and benefits of the Supreme Audit Institution, how it contributes to enhancing accountability, transparency, and integrity in public sector bodies, and how it demonstrates its continued relevance to stakeholders, as well as its ability to be a trustworthy, exemplary, and exemplary institution.

Report structure

The structure of the Supreme Audit Institution's performance report consists of the following:

Introduction

a- Executive Summary

b- Independent Review Statement

c- Notes on the performance and impact of the Supreme Audit Institution

- Integrated Evaluation of the Performance of the Supreme Audit Institution
- The Value and Benefits of Supreme Audit Institutions – Making a Difference in Citizens' Lives

- Analysis of the Supreme Audit Institution's development efforts and prospects for further improvement

d- Use of evaluation results by the Supreme Audit Institution's management

1- introduction

2- methodology

3- Basic information about the country and the Supreme Audit Institution

1-3 Describe the country-specific governance arrangements and the broader environment in which the SAI operates.

2-3 Describe the public sector budget environment and its impact on the performance of the Supreme Audit Institution.

3-3 Description of the legal and institutional framework, organizational structure and resources of the Supreme Audit Institution

4- Assessing the Supreme Audit Institution's environment, capacity and performance

Assessment against the six domains, with evidence-based indicator scores

1-4 Domain A: Independence and Legal Framework

2-4 Domain B: Internal Governance and Professional Ethics

3-4 Domain C: Quality of Control and Reporting

4-4 Domain D: Financial Management, Assets, and Support Services

5-4 Field E: Human Resources and Training

6-4 Domain F: Communication and Stakeholder Management

5- The capacity of the Supreme Audit Institution and the institutional development process

1-5 Description of current and current powers

2-5 Use of the Supreme Audit Institution's findings by external financial support providers

Appendix 1: Summary of performance indicators and performance tracking over time (where applicable)

Appendix 2: Sources of information and evidence for assigning indicator scores

How to prepare a Supreme Audit Institution report

The SAI's performance report should be formulated based on the indicator-based analysis of the six areas (a-f).

In addition, information on the country context, the SAI's institutional framework, organizational structure, and

development efforts should be presented and analyzed. Observations on the SAI's performance and impact should be the last section to be completed in the performance report, as they are based on the information and analysis provided in the other sections.

Appendix No. (3)

IT Self-Assessment (ITSA)

ITSA - IT Self-Assessment is a management support tool.

Supreme Audit Institutions must face the complexities of information technology (IT). Without information technology, the core operations of an audit entity cannot be carried out effectively. These operations include identifying and assessing audit risks, planning, reporting, and controlling audit recommendations, as well as knowledge and document management. The same applies to internal support operations such as human resources or finance, which also rely on information technology.

On the other hand, supreme audit institutions cannot exist outside the environment they are supposed to monitor. Computerizing this environment requires adequate support for developing information technology within the institution and its field staff, as well as dealing with the complex technologies used by the audited entities.

The IT Self-Assessment Method is proposed to: ITSA), as implemented by the EUROSAT IT Working Group, is a set of simple standard procedures that should contribute to the desired improvement of the IT function according to the specific needs of the Supreme Audit Institution. The method is based on COBIT1.

The goal of ITSA provides the Supreme Audit Institution's management with information on the current state of IT support for its operations, its IT infrastructure, and how IT is positioned to meet future challenges. This involves examining the Supreme Audit Institution's mandate, its operations, and the quality of IT operations managed and organized to support these operations.

ITSA

- ▢ Provides advice on the methodology as well as the current and projected levels of IT support for the SAI's operations which are essential to the successful achievement of the SAI's strategic objectives.
- ▢ Provides a platform to enable close communication between users and IT professionals at the Supreme Audit Institution.
- ▢ It reveals the cultural and organizational barriers that prevent the effective standardization of the organization's business processes and related IT applications.

Conducting an IT Self-Assessment

The IT self-assessment is conducted in the form of a workshop and is conducted by a group of up to 20 people from various disciplines within the SAI. The group consists of various disciplines (financial, performance, IT auditors, audit methodology experts), staff from administrative support functions, including IT, and managers. The group's composition depends on the SAI's assessment. The workshop's duration ranges from one and a half to two days.

Typical work areas covered by an IT self-assessment



The group needs a facilitator to provide guidance on methodology. "ITSA". A significant number of EUROSAT Working Group members are currently active as supervisors. Supreme Audit Institutions wishing to conduct an ITSA are invited to contact the EUROSAT Working Group Secretariat for advice.

Workshop participants evaluate the extent to which IT contributes to achieving the strategic objectives of the Authority.

The evaluation examines two areas:

- Key Processes and User Impressions: What are the key processes that contribute to achieving the SAI's objectives (possibly 10 to 15 processes)? How important is IT support for these processes? What is the quality of current IT support?
- IT Operations (Select Operations) (Most relevant COBIT): What are the most important IT processes? What are the maturity levels of these IT processes?

The second set of questions assesses the governance of the IT environment at the Supreme Audit Institution.

Participants score the institution's quality in the following:

- Plans and organizes its IT and infrastructure needs.
- Manage, organize and implement appropriate business applications
- Operates and provides day-to-day IT services.
- Monitors current operations

The "gaps" resulting from differences between desired and actual maturity dates are converted into actions that lead to the desired maturity levels. The action plan is submitted to the executive management of the Financial Supervisory Authority for evaluation. It is important to note that the outcome reflects the consolidated views of the workshop participants, not the views of the facilitator who provides guidance to the working group.

ITSA is just the beginning, not the end.

After submitting results ITSA to executive management: The most critical part of implementing improvement processes and proposed actions begins. Therefore, management commitment is critical to overseeing and monitoring activities. Experience shows that SAI staff respond positively to transparent communication of ITSA results and subsequent developments. It also proves beneficial to plan for an internal entity to review and monitor progress.

Some tips for success ITSA

Be open to yourself

The quality of the business plan depends heavily on how accurately it describes the initial state of the IT function. The method works by identifying "gaps"—differences between current and future IT maturity characteristics. If some issues are omitted or neglected at a very early stage, a compromise will emerge. "ITSA" has limited or no positive impact.

Be ambitious but realistic

Sometimes, it may be helpful to break down the work to reach the desired IT maturity level into phases. This will make the action plan more realistic and actionable, and will also make short-term activities more specific and easier to implement.

Nominate the best as an internal coordinator and workshop participant.

To perform For ITSA to be successful, institutional commitment, knowledgeable, open-minded participants, and a skilled local facilitator are essential. This is also a strong signal of management interest.

The method works by identifying "loopholes."

Do not aim ITSA aims to measure the maturity levels of the IT function in various supreme audit institutions (SAIs) or to issue a final judgment. The only important thing is to obtain a reliable impression of the current and desired state as perceived by the participant.

Ensure management commitment

after ITSA: It is crucial that executive management agrees to the agreed-upon action plan and recognizes the need to implement it. This will also support the credibility of ITSA's approach.

performance ITSAs regularly

In order to adapt the IT function and support the needs of your SAI, it is recommended to repeat ITSA after 3 years.

Can you answer the following questions with "yes"?

- You know how IT contributes to achieving your strategic goals.
- Your IT supports your most important operations in an efficient manner.
- The IT function works closely with business functions.
- There is a high rate of user satisfaction with information technology.
- The main operations on the SAI are standardized enough to take full advantage of IT support.

If you're not sure, it might be time to do an IT self-assessment!

Appendix No. (4)

IT Audit Self-Assessment (TASA).

The IT Audit Self-Assessment is a management support tool.

Supreme Audit Institutions need to establish and develop an IT audit function based on their mandate and the importance of IT in the public sector.

The IT audit self-assessment method is proposed (ITASA, as implemented by the EU IT Working Group EUROSAI IT, provides a set of simple and standard procedures that should contribute to the desired improvement of the IT audit function according to the specific needs of Supreme Audit Institutions.

The goal of ITASA provides management with a specific insight into the current state of the IT audit function and how it is positioned to meet future challenges. This involves considering the mandate of the supreme audit institution, the scope and complexity of IT projects in the government sector, current IT audit methodology, and the skills and competencies of staff.

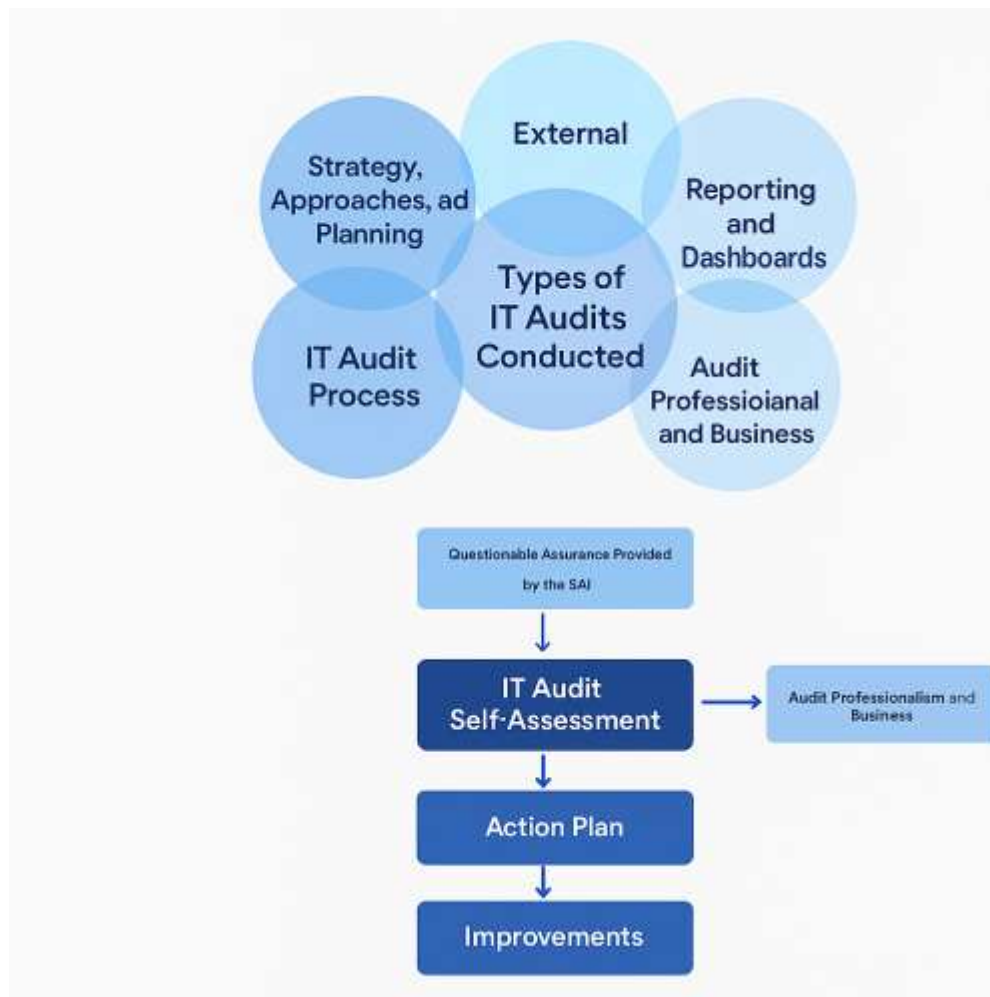
ITASA

- Suggests scope, extent, and alignment with traditional audit activities.
- Provides advice on the methodology, current and expected competency of IT auditors and training.
- Provides strategies for embedding IT auditing into the existing organizational structure.

Conducting an IT Audit Self-Assessment

The IT audit self-assessment is conducted in the form of a workshop and is conducted by a group of 15 to 20 people from various disciplines within the SAI (financial, performance, and IT auditors, audit methodology experts), IT staff, and managers. The group composition depends on the SAI. The time required to invest in a workshop is ITASA ranges from 1 to 1 day.

Typical work areas covered by an IT audit self-assessment



The group needs a facilitator to introduce them to the method and provide guidance on the methodology. "ITASA". A large number of EUROSAT IT Working Group members are currently available as moderators. Supreme Audit Institutions wishing to conduct ITASA are encouraged to contact the EUROSAT IT Working Group Secretariat for advice.

Workshop participants will assess the current and future maturity of the IT audit function.

Five specific areas have been identified for evaluating the IT audit function:

- ❑ External requirements (national and international regulations, IT audit standards).
- ❑ Internal requirements: Inputs and resources (IT audit strategy, organization and approach, IT audit staff and training, IT audit tools).
- ❑ Internal Requirements: IT Audit Process (Risk Analysis and Planning, IT Audit, Reporting and Documentation).

- Internal Requirements: Outputs (Reporting and Quality Assurance).
- Quality Management, Control and Monitoring.

In each of the five areas, workshop participants assess the IT audit function to determine actual and desired maturity. "Gaps" resulting from differences in desired and actual maturity are translated into actions that lead to the desired maturity level. The action plan is presented to the executive management of the SAIs for consideration.

It is important to keep in mind: The outcome reflects the consolidated views of the workshop participants and not the views of the facilitator who provides guidance to the working group.

ITASA is just the beginning, not the end.

After submitting results from ITASA to executive management, the most critical part begins: improvement and implementation of the proposed actions. Therefore, management commitment is crucial to overseeing and monitoring activities. Experience shows that SAI staff respond positively to transparent communication regarding ITASA results and subsequent developments. It has also been shown to be beneficial to plan for an internal entity to review and monitor progress.

Some tips for success ITASA

Be open to yourself

The quality of the work plan depends heavily on how adequately the initial state description of the IT audit function is described. The method works by identifying "gaps"—differences between current and future IT audit maturity characteristics. If some issues are omitted or neglected at a very early stage, an agreement will emerge. "ITASA" has limited or no positive effect.

Be ambitious but realistic

Sometimes, it may be helpful to break down the work to reach the desired IT maturity level into phases. This will make the action plan more realistic and actionable, and will also make short-term activities more specific and easier to implement.

Ensure management commitment

It is very important that executive management agrees to the agreed-upon action plan, taking due responsibility and acknowledging the need for its implementation. This will also support the credibility of the approach. "ITASA".

It is not a performance evaluation.

The method is not intended. ITASA aims to measure the maturity levels of the IT audit function across various supreme audit institutions (SAIs), not to make judgments based on the maturity levels achieved. The only important thing is to obtain a reliable assessment of the current and desired state, as perceived by the participant.

Nominate your best

To perform Successful ITASAs require institutional commitment, knowledgeable, open-minded participants, and a skilled local facilitator. This is also a strong signal of management interest.

performance ITASAs regularly

In order to adjust the IT audit function to the needs of your office, it is recommended to repeat ITASA after 3 years.

Can you answer the following questions with "yes"?

- The performance and effectiveness of IT investments are audited.
- Financial audits comply with auditing standards and therefore include elements of IT audit (e.g. as described in INTOSAI International Standards on Auditing). ISSAI 2315 – Identifying and Assessing the Risks of Material Misstatement (ISSAI 2330 – Auditor's Response to Assessed Risks).
- IT security is audited, including risks of loss of confidentiality, integrity, or operability.
- Conducting audits of projects that contain a significant IT component.
- Audit the regularity of IT purchases.

If you're unsure, it might be time to do an IT audit self-assessment!

Appendix No. (5)

Compliance Assessment Tool for the International Standards of Supreme Audit Institutions (ISAS) ICAT)

introduction

The “International Standards of Supreme Audit Institutions (ISAS) Compliance Assessment Tool” (commonly known as ISACAT) represents [ICATA](#) detailed training tool, fully based on the International Standards of Supreme Audit Institutions (ISSAIs). This tool aims to support SAIs in examining current audit practices against the requirements of the ISSAIs, so that they can identify their needs for implementing these standards.

This document is divided into seven chapters as follows:

- Chapter One: INTOSAI Standards, Framework, and Compliance Assessment Tool.
- Chapter Two: Requirements of INTOSAI Standards - General Principles
- Chapters 3-6: Contain detailed guidance on how to evaluate current audit practices against all the requirements of the INTOSAI Level 2 and Level 3 Performance Auditing Standards.
- Chapter Seven: Provides guidance on writing a report based on the use of the assessment tool. ([ICAT](#)), This report will be essential for the management of the Supreme Audit Institution to formulate a strategy aimed at implementing international standards for supreme audit institutions.

Chapter One

INTOSAI International Standards Framework and Core Operating Requirements for Supreme Audit Institutions

1-1 introduction

INTOSAI, through the 23rd INCOSAI Congress held in Moscow, worked to replace the old framework of the International Standards for Supreme Audit Institutions (ISSAIs) with the new framework called the INTOSAI Framework for Professional Pronouncements and Guidelines (IFPP), which has made structural amendments to the previous framework, in addition to making amendments to the ISSAIs documents between the process of withdrawing standards for the purpose of making amendments to them and issuing new principles, standards and guidelines.

INTOSAI's professional guidelines and publications comprise the authoritative official statements or declarations of the INTOSAI community. They are based on the collective professional experience of INTOSAI members and provide INTOSAI's official statements on matters related to financial control. All guidelines and publications are organized and numbered according to their status and purpose within a single framework.

The INTOSAI framework for professional guidelines and publications includes three categories of professional guidelines and publications as follows:

1- INTOSAI principles.

They are founding principles and fundamental principles. The founding principles are of historical importance, as they define the role and functions that supreme audit institutions (SAIs) should aspire to. These principles may be rich in useful information for governments and parliaments, as well as for SAIs and the general public, and can be used as a reference in the process of defining the national mandates of SAIs.

The Fundamental Principles support the founding principles for supreme audit institutions (SAIs), clarifying their role in society and the high-level prerequisites for their proper functioning and professional conduct.

2- International Standards for Supreme Audit Institutions.

The International Standards of Supreme Audit Institutions (ISSAIs) are the authoritative international standards for public sector financial auditing. The purpose of the international standards is to:

- Ensure the quality of ongoing control processes.
- Enhancing the credibility of financial control for users.
- Enhancing the transparency of the regulatory process.
- Determine the responsibility of financial controllers in relation to other stakeholders.
- Identify the different types of audit processes and the set of related concepts that provide a common language for public sector financial audit.

International Standards Implementation Strategy



The full set of International Standards for Supreme Audit Institutions (ISSAIs) is based on a core set of concepts and principles that define public sector financial audit and the various types of duties and obligations supported by the international standards.

3- INTOSAI Guidelines/Directions.

INTOSAI provides guidance and direction to support Supreme Audit Institutions (SAIs) and individual auditors in the following areas:

- How to apply the International Standards of Supreme Audit Institutions (ISAs) in practice in financial operations or in performance or compliance audits.
- How to apply the International Standards of Supreme Audit Institutions (ISAs) in practice in other duties and obligations.
- How to understand a specific topic and apply relevant international standards of financial and accounting control.

INTOSAI's objectives, through the process of setting and developing professional standards, are to promote the presence of strong, independent and multidisciplinary supreme audit and accounting institutions, and to encourage good governance by:

1. Calling for the development, provision and maintenance of international standards for supreme audit and accounting institutions.
2. Contribute to the development and adoption of appropriate and effective professional standards.

Through its Professional Standards Committee, INTOSAI is strengthening its efforts to provide clear and relevant professional standards that enhance the credibility of individual auditors' work and the financial audit reports resulting from the audit process. It also ensures independent public sector financial audit and high-quality government audits, enhancing independence, accountability, and effectiveness within government.

INTOSAI's professional standards build on the accumulated experience gained through knowledge development and knowledge exchange among all SAIs. All ISSAIs and their related guidelines are developed in accordance with the rules and due process of the INTOSAI Professional Publications Forum and are available to all on the INTOSAI website.

1-2 Strategic considerations in implementing international standards for supreme audit institutions

If any of the Supreme Audit Institutions decides to implement INTOSAI international standards, it is advisable to consider the following considerations:

1. **Implementing INTOSAI standards requires developing the institutional, organizational and professional capacities of employees.**
2. **Implementing INTOSAI standards, strategic planning and capacity development are different aspects of one process.**
3. **The role of the SAI leadership.** By spreading a supportive culture and environment and formulating an implementation strategy.
4. **Leading change** And its management. This is done by reviewing all functional areas of the Supreme Audit Institution and making some changes.

5. **SAI environment** Regardless of whether the SAI decides to apply international standards on financial, performance, or compliance auditing, the SAI will need to take both its internal and external circumstances into consideration.
6. **Application impact** Distinguish between the requirements of INTOSAI international standards that will bring about a qualitative shift in audit practices, and those that may only require changes to some procedures.
7. **Resources required** Providing significant resources in terms of funds, systems, personnel, etc. When implementing the strategy, the Supreme Audit Institution should develop an implementation matrix detailing the plan for utilizing the required resources.

1-3 Path to implementing international standards for supreme audit institutions

If a supreme audit institution decides to implement INTOSAI's international standards, the implementation process is a strategic planning process. Therefore, the following stages are recommended:



1-4 INTOSAI Compliance Assessment Tool (ICAT)

The first step in implementing INTOSAI international standards is to assess the SAI's current level of compliance. This assessment is conducted by comparing the SAI's audit practices with the requirements recommended by INTOSAI international standards. The IDI has developed tools for assessing compliance with INTOSAI international standards to assist SAIs in assessing their needs. It has developed four compliance assessment tools, as follows:

1. INTOSAI Level 1 Compliance Assessment Tool.
2. Compliance Assessment Tool for Level 2 of the International Standards of Supreme Audit Institutions (ISSAIs) on Financial Control.

3. Level 2 Compliance Assessment Tool of the International Standards of Supreme Audit Institutions (ISSAIs) on Performance Auditing
4. Level 2 Compliance Assessment Tool of the International Standards of Supreme Audit Institutions (ISSAIs) on Compliance Auditing

The compliance assessment tools aim to present the requirements of INTOSAI international standards in a simplified manner and define the compliance assessment process.

1-5 Compliance Assessment Tool (CAAT) Model

Although there are some differences in the model of individual compliance assessment tools depending on the nature of Level 3 of the INTOSAI Guidelines, all compliance assessment tools share the following elements.

Reasons for non-compliance	Commitment mechanism/tool	Commitment status	Standard requirements	Standard Reference
When the obligation status is not met or partially met, the reasons should be recorded. Failure to comply with this column, It is important in determining the future application strategy. Which will ensure that the causes of non-compliance are addressed.	The person who Implements the commitment assessment tool To be mentioned in this column Documents and Conditions and special systems that Through this, the SAI adheres to the requirements of INTOSAI international standards. This column is filled in when the	Three options are available in The commitment status is: Complete- It is determined when the requirements are fully met. Partially completed- This option covers the entire chain from the start of the SAI's application of these requirements; in this case, the SAI applies some elements of compliance with a large scope available	This column states: Briefly explain the requirements of the INTOSAI international standard.	This column links the requirements of the standard. International INTOSAI By international standards For INTOSAI.

	obligation status is met or partially met.	To commit but not fully committed. Not fulfilled- The SAI does not comply with the requirements at all. Not applicable- Failure to implement the requirements in the SAI due to Laws and regulations that Control it.		
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1-6 Guidelines for implementing the compliance assessment tool

iCAT is not a performance evaluation tool -The commitment assessment tools developed as part of the (3) programme aim to:i) To assist supreme audit institutions (SAIs) in understanding the requirements of INTOSAI's international standards and assessing their compliance needs. Therefore, the compliance assessment tool was designed as a needs assessment tool rather than a performance assessment tool.

iCAT Scope- Four tools were developed to assess commitment as part of the (3) program.i) It is the Compliance Assessment Tool for Level 1, and the (iCAT) Financial, Performance and Compliance Audit Assessment Tool for Levels 2 and 3 of the INTOSAI Framework of Professional Guidelines and Publications.

To the extent possible, it is preferable to apply all four compliance assessment tools to develop a unified strategy for implementing INTOSAI international standards. However, if this is not appropriate for the SAI, it is advisable to apply the Level 1 compliance assessment tool, along with the Level 2 and Level 3 compliance assessment tools, to the selected audit engagements. This is because compliance gaps identified at the audit level (Levels 2 and 3) almost certainly have causes at the institutional level (Level 1).

Who can implement the compliance assessment tool? If the Supreme Audit Institution has the appropriate capabilities, it can implement the compliance assessment tool itself. The Supreme Audit Institution may also request external support to assist in implementing the compliance assessment tool.

Commitment Assessment Tool TeamIt is preferable to use the compliance assessment tool by a team rather than a single individual, regardless of the methodology determined by the Supreme Audit Institution (SAI). The first step is to establish a highly competent and credible team to implement the compliance assessment tool.

The compliance assessment tool team should consist of at least one experienced INTOSAI international standards coordinator. Team members should have managerial experience to gain a sound organizational vision and influence subsequent implementation processes. The team should also include members familiar with relevant audit practices as defined in INTOSAI international standards and based on actual practice within the SAI, as well as members with a good understanding of institutional-level issues.

Participatory approach It is advisable to conduct a broad-based consultation process for implementing compliance assessment tools. It is essential that the compliance assessment tool team consult with a sample of SAI staff at all levels. Staff from different levels and areas within the SAI should be consulted in this process, and their perspectives should be given significant weight in implementing the compliance assessment tool. The views and needs of external stakeholders should also be taken into account.

Supporting senior management and senior managers -The success of the compliance assessment tool depends primarily on the level of compliance at the senior levels of the Supreme Audit Institution.

Documentation - The compliance assessment tool team should document all worksheets and evidence generated by developing the compliance assessment tool.

1-7 Compliance Assessment Tool Implementation Path



- ❑ **Commitment Assessment Tool Planning** Implementing a compliance assessment tool, like any other project, requires financial resources, infrastructure, time, personnel, etc. Therefore, it is recommended that the compliance assessment tool team prepare a work plan detailing the key milestones, resource requirements, and risks associated with completing each milestone.
- ❑ **Use a variety of data collection tools** The commitment assessment tool team should use a variety of data collection tools such as focus groups, personal interviews, document reviews, surveys, and actual observation.

- **Writing a compliance assessment report to INTOSAI international standards** The INTOSAI Compliance Assessment Report is the final product of the Compliance Assessment Tool.

1-8 Basic requirements for good auditing practices for the INTOSAI framework of professional guidelines and publications

The INTOSAI Framework of Professional Guidelines and Publications represents a comprehensive framework, which outlines both the nature of professional practices and the Strong audit within any SAI and the key drivers at the institutional and SAI levels that must exist in order to implement strong audit practices on a consistent basis. While the second and third levels of the INTOSAI framework outline the requirements for strong audit practices, the first level of the framework outlines the key drivers and basic requirements for such practices.

This section is divided into two parts:

- 1- Understanding the prerequisites for good control practices
- 2- Check the status according to the above criteria.

1-8-1 Understanding the prerequisites for good control practices

What does a Supreme Audit Institution need to have robust audit practices that deliver value to its stakeholders?

In recent years, there has been an increasing demand from supreme audit institutions to demonstrate their value and benefits to stakeholders. The principles set out in (INTOSAI-P 12) On the core expectations of Supreme Audit Institutions regarding the value and benefits of Supreme Audit Institutions – making a difference in the lives of citizens.

INTOSAI standards cover: INTOSAI-P 10-20 and ISSAI 130-140. The INTOSAI Compliance Assessment Tools (ICAT) define the basic requirements for a Supreme Audit Institution (SAI) to achieve good audit practice.

The above standards are also supported by a number of other publications and initiatives aimed at supporting the SAIs. Some of these publications and initiatives, which are of particular interest to participants, include:

- IDI capacity building initiatives and frameworks provide a mechanism to assist SAIs in identifying their development needs to achieve the required development to carry out their mandates within the framework of INTOSAI international standards.
- The Supreme Audit Institutions Performance Measurement Framework provides a framework for reporting on the institution's results and measuring improvement over time.

There are many other documents available on this subject, but those listed above provide a sufficient overview to develop the capabilities of the Supreme Audit Institution in all three areas:

- 1- Institutional capacity development.
- 2- Developing organizational capabilities.
- 3- Developing the professional capabilities of employees.

The institutional capacity of a Supreme Audit Institution (SAI) refers to whether the institution has the appropriate independence, legal framework, mandate, and environment to effectively carry out its core functions. Organizational capacity refers to the internal systems and processes of the SAI, while professional staff capacity refers to the individuals within the institution and their ability to perform their roles professionally.

In order to provide strong audit practices as described at Level 3 of the INTOSAI framework, a SAI may need all three capabilities: independence, a legal framework, appropriate internal processes and structure, as well as a sufficient number of qualified personnel.

The capacity building framework attempts to present a picture of both the capabilities that an SAI must possess and the performance it must deliver to generate value for its stakeholders. For a SAI to contribute to good governance, it must deliver the desired audit impact. To achieve this impact, the SAI must have high-quality audit outputs. These audit outputs are the result of strong audit practices (Level 3 of the INTOSAI framework) or the SAI's core processes, as referred to in the general capacity building framework. The main drivers of strong audit practices within the SAI are the SAI's leadership, its internal governance mechanism, its available resources, and its relationships with external stakeholders (parliament, executive branch, media, civil society, etc.). The role of the SAI's leadership is to ensure that the governance mechanism (including the application of codes of professional conduct), the required resources, and relationships with stakeholders are in place. The vital factor outside the SAI that may hinder or support the SAI's performance and effectiveness is its independence, the legal framework, and the public finance management environment in which it operates.

The Supreme Audit Institution's leadership guides performance and capacity building initiatives and how things are accomplished. The Supreme Audit Institution must also set an example of good governance for its audited entities. Therefore, leadership must ensure good governance within the institution in terms of planning, codes of professional conduct, accountability, transparency, internal control systems, and continuous improvement. The Supreme Audit Institution's leadership efforts regarding internal governance will be most effective if it establishes an active and dynamic internal communication mechanism.

Leadership It is the primary driver for ensuring that the Supreme Audit Institution accomplishes most of what is under its control, including effective strategic and operational planning. The management arrangements category was used to identify these primary drivers, which in turn became a driver for the following sub-factors:

- Human resources.
- Support structures and infrastructure.

These two factors are considered sub-factors of leadership and internal governance. Because deficiencies or improvements in these areas often require intervention from senior leadership, for example, by defining and implementing training programs, the primary tracks of the Supreme Audit Institution consist of:

- Control standards (as detailed in the INTOSAI International Standards Framework).
- Audit reference guides and guidelines.
- Short-term and long-term control plans.
- Control tools such as computer-aided control techniques.
- quality assurance.

All these aspects aim to ensure that professional and consistent audit products are delivered by SAIs on a sustainable basis. The important aspects are to ensure that processes and intentions are reflected in the SAI's practices and are not simply documents that are presented and not followed by auditors.

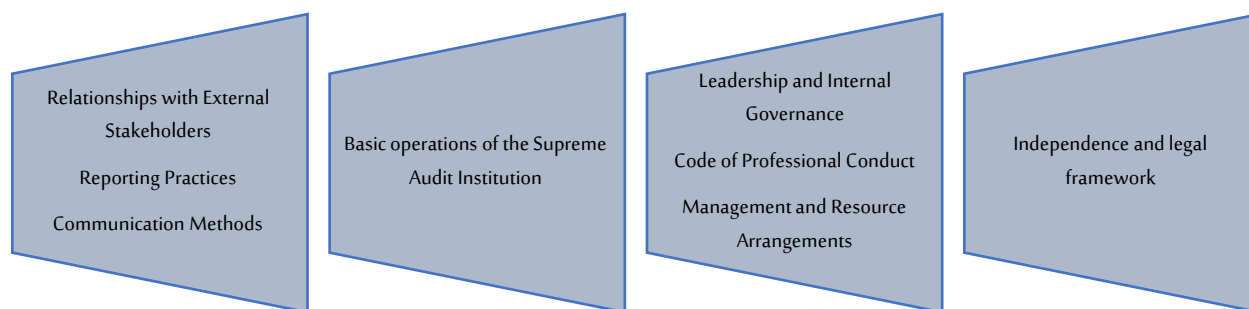
External stakeholders can be viewed from two different perspectives:

- Submit the report to the relevant parties.
- Communicate with stakeholders.

Reporting is usually a combination of mandated and potentially good practice, and often includes reports to parliament and audited entities. The SAI is also expected to report on its performance, and the SAI's annual report or equivalent provides an opportunity for it to document its achievements and the results of the audits completed.

The Supreme Audit Institution plays a very important role in communicating with relevant stakeholders, including legislative bodies, the media, and the entity subject to audit. Enhancing the institution's image and reputation can often improve its effectiveness in conducting audit work through better cooperation.

Therefore, both the implementation of INTOSAI international standards and the capacity building of the Supreme Audit Institution are in fact one and the same process. As a result of recognizing this overlap, the requirements of the international standards at the first level have been classified into the following four classifications and sub-classifications:



The first classification refers to the institutional capacities of the Supreme Audit Institution and describes the requirements according to the INTOSAI Principles. (INTOSAI-P 10), the second classification refers to the organizational and professional capabilities of the SAI's staff, which are directed by its leadership. A combination of the requirements of (INTOSAI-P 10, 12, and 20) and (ISSAI 130-140) of the INTOSAI international standards has been placed under this classification.

The third category refers to the primary paths of the Supreme Audit Institution, namely institutional-level requirements for audit operations. The fourth category refers to relationships with relevant external parties, in terms of reporting requirements and communication with them for the effectiveness and impact of auditing.

1-8-2 Verifying the status of the requirements of the second level of INTOSAI international standards

The INTOSAI International Standards Framework represents a comprehensive framework that outlines both the nature of good audit practices within any SAI and the key drivers at the institutional and SAI levels that must exist for consistent implementation of good audit practices. While Levels 2 and 3 of the INTOSAI Framework outline the principles and requirements for good audit practices, the key guidelines and basic requirements are set out in Levels 1 and 2 of the INTOSAI International Standards Framework.

Before verifying the status of the requirements of Level 1 of the INTOSAI Framework of Professional Guidelines and Publications, the following activities will need to be carried out:

- ☐ Understanding the requirements of Level 1 of the INTOSAI Principles.
- ☐ Completion of the ICAT Level 2 and Level 3 INTOSAI Standards and Implementation Guidelines.

1-9 Authorization of the Supreme Audit Institution

Supreme Audit Institution mandate requirements

1. Requirement: The Supreme Audit Institution sets a clear vision for the purpose of performance auditing and the desired results to be achieved (**GUID 3910**).

2. Requirement: The Head of the Supreme Audit Institution shall seek to obtain an appropriate legal mandate consisting of the following criteria: **GUID 3910**).
 - a- Authorization to conduct performance audits on the economy, efficiency, and effectiveness of government programs and agencies
 - b- Freedom to make the results of the audit available to the public.
 - c- Access to all information necessary to conduct the audit.
 - d- Freedom to choose employees.
- 3- Requirement: The mandate of the Supreme Audit Institutions should allow the freedom to determine the nature, timing and manner of the audit process, as well as the absence of restrictions on the publication of the results (**ISSAI 300 - ISSAI 3000**).

Chapter Two: Requirements of INTOSAI Standards - General Principles

1-1 Introduction

It is essential to use resources optimally in all societies due to their scarcity. The main reason for implementing performance auditing is to assist governments in decision-making processes. In this context, performance auditing addresses shortcomings related to economy, efficiency, and effectiveness. It also helps the ministries, departments, and agencies subject to auditing to improve their management. It also identifies the main problems, analyzes their causes and effects, and then provides the necessary recommendations for the optimal use of resources.

2-1 General Principles Requirements

- 1- Requirement: The auditor must clearly identify the control elements for each engagement (**ISSAI 100 – ISSAI 300**).
- 2- Requirement: The auditor should clearly state the level of assurance included in the audit process. **ISSAI 300**).
- 3- Requirement: The auditor should specifically explain how the conclusions were reached (**ISSAI 300**).
- 4- Requirement: The auditor should set a specific and clear objective for the audit related to the principles of economy, efficiency and effectiveness (**ISSAI 300**).
- 5- Requirement: The auditor should choose an approach based on the result, problem, system, or a combination of all of the above, to facilitate the soundness of the control design. **ISSAI 300 - ISSAI 3000**).

- 6- Requirement: The auditor must establish appropriate criteria that are consistent with the audit questions and relate to the principles of economy, efficiency and effectiveness. **ISSAI 300**).
- 7- Requirement: The auditor must discuss the criteria with the audited entity. **ISSAI 300**).
- 8- Requirement: The auditor must manage control risks effectively. **ISSAI 300**).
- 9- Requirement: The Supreme Audit Institution should follow up on new research findings and acquire new knowledge, in order to keep abreast of developments and remain aware of innovative approaches to performance auditing. **ISSAI 3000**).
- 10- Requirement: The Supreme Audit Institution should carefully address the legislative authority's expectations about performance auditing. **GUID 3910**).
- 11- Requirement: The Supreme Audit Institution should ensure that government authorities are aware of the procedures related to performance auditing and understand the main requirements of such auditing (**GUID 3910**).
- 12- Requirement: The Supreme Audit Institution must:
 - a- Identify stakeholders,
 - b- Establish procedures for communicating with the media, the regulated entity, and other key stakeholders,
 - c- Establish effective, two-way communication relationships with stakeholders.
- 13- Requirement: The Supreme Audit Institution must ensure that all auditors have the professional competence to perform the tasks assigned to them (**GUID 3910**).
- 14- Requirement: Performance audits conducted in accordance with applicable audit standards should verify the quality of the information provided. **ISSAI 3000**).
- 15- Requirement: Before hiring experts, the Supreme Audit Institution should ensure that these experts:
 - a- They have the necessary competence to achieve the purposes of control.
 - b- They have independence from the activity or program,
 - c- They were informed of the required terms and ethics.**(3000ISSAI) and (GUID 3910)**.
- 16- Requirement: Supreme Audit Institutions should ensure that performance audit is a team effort headed by a designated team leader. **ISSAI 3000**).
- 17- Requirement: The Supreme Audit Institution must ensure that the entire audit team has the necessary professional competence to carry out the audit process (**300ISSAI) and (GUID 3910)**.
- 18- Requirement: The auditor must have a sound knowledge of the institutions, programmes and tasks of the public authority (**ISSAI 300**).

19- Requirement: The Supreme Audit Institution must ensure that the audit process is carried out with due diligence. **GUID 3910**).

20- Requirement: The auditor must provide documents confirming the validity of the information. – **ISSAI 3000**)**300ISSAI**).

21- Requirement: The auditor must provide documentation confirming that the report provides a balanced, fair and complete examination of the audit question or subject matter (**300ISSAI**).

relative importance

22- Requirement: Auditors should consider relative importance at all stages of the audit process (**300ISSAI**).

23- Requirement: Auditors should determine the relative importance of an audit topic in terms of the magnitude of its effects, whether significant or limited (**300ISSAI**).

24- Requirement: Auditors should not only look at the financial aspect, but also at the social and political aspects of the audit subject, in order to provide the highest possible added value (**300ISSAI**).

Doubt and Professional Judgment

25- Requirement: Observers must exercise professional skepticism, be responsive, and be willing to innovate (**300ISSAI**).

Summary

The Supreme Audit Institution and its officials must follow general principles to ensure the continuity of the performance audit process and to carry out their duties efficiently and effectively. INTOSAI International Standards (3000-300) cover ISSAI and GUID 3910 cover all aspects of the performance audit process and its management. These standards explicitly state the objectives of performance auditing and emphasize the importance of communicating this, particularly with stakeholders. Identifying stakeholders is essential, providing relevant information to determine the value that performance audits can add to the overall management of government operations. While SAI auditors must possess the necessary skills and knowledge to carry out their duties, SAs can utilize all available expertise from stakeholders to ensure the quality of their performance audit results.

Chapter Three: The Planning Stage

3-1 Selection of topics

3-1-1 Introduction

The process of selecting structured, logical topics is essential to ensuring that the SAI's resources are used efficiently and effectively. Proper selection of performance audit topics is essential to ensure that the performance audit program is implemented effectively, that the audit program is comprehensive and well-planned, that priorities are well defined, that resources are allocated cost-effectively to areas with the greatest potential impact, that audit arrangements are properly implemented to review progress in delivering the agreed-upon audit program, and that individual studies are conducted as effectively as possible.

3-1-2 Terms for selecting topics

- 1- Requirement: The auditor must select audit topics through the SAI's strategic planning process by analyzing potential topics and conducting research to identify risks and problems (3000 - 300ISSAI
- 2- Requirement: The auditor must take into account citizens' views regarding the performance of the audited entity when appropriate. **GUID 3910**).
- 3- Requirement: The selection process for audit topics should aim to achieve the greatest possible impact of the audit process, taking into account the audit capabilities. **ISSAI 300 and GUID 3910**.
- 4- Requirement: Apart from audits carried out under a legal mandate at the request of Parliament or any other authority, the Supreme Audit Institution should select performance audit topics based on an assessment of problems and/or risks, focusing on the results achieved through the implementation of public policies. **GUID 3910**).

3-2 Design the control process

3-2-1 Introduction

The auditor should design the audit process in a way that ensures high-quality audits are conducted economically, efficiently, effectively, and in a timely manner. The auditor should also develop a well-thought-out plan for conducting the performance audit. Proper audit design helps ensure that appropriate attention is given to important audit areas, potential problems are identified, and work is completed promptly. The design also helps distribute work among team members and coordinate it with the work completed by other auditors.

- 5- Requirement: The auditor should design the audit process in a way that ensures that a high-quality audit process is conducted economically, efficiently, effectively, and in a timely manner, in accordance with the principles of good project management. (3000 ISSAI- 300 ISSAI).
- 6- Requirement: The auditor should conduct research to build knowledge, test various control designs, and verify the availability of necessary data. **GUID 3910**).

- 7- Requirement: The auditor should have a full understanding of the governmental measures that are the subject of the audit as well as the relevant underlying causes and potential effects (**ISSAI 3000**).
- 8- Requirement: Before beginning the basic study, the auditor must determine the objectives of the audit process, its scope, and the methodology used to achieve these objectives. This is often done in the form of a pre-study. This pre-study helps to:
 - a- Determine whether conditions are appropriate to conduct a baseline study.
 - b-) Providing the basic knowledge and information necessary to understand the entity, program, or function.
 - c- Implement the control process in a short period of time.**(ISSAI 3000**
- 9- Requirement: The auditor should consider the objectives and scope of the audit process, as they are interrelated. **ISSAI 3000**).
- 10- Requirement: The auditor should define a scope for the audit process that clearly identifies the extent, timing and nature of the audit to be performed. **GUID 3910**).
- 11- Requirement: The auditor should include the following items in the planning documents: -
 - a- Basic knowledge and information about the nature of auditable entities, in order to assess problems, risks, potential sources of evidence, auditability, and the importance of the audit area.
 - b- The objectives of the audit process, its scope, the questions related to it or the assumptions and criteria, and the time period during which the audit process will be carried out.
 - c- Audit methodology (framework, perspectives, analytical structure adopted, and process followed to reach conclusions, including methods of collecting evidence and analyzing the audit process).
 - d- Necessary activities, staffing and skill requirements such as (independence of the audit team, human resources and potential external experts).
 - e- Estimated costs of monitoring, key project timeframes, milestones, and key control points for monitoring.**(ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 12- Requirement: The auditor must, after formulating the general audit questions and dividing them into specific and testable sub-questions that the study will answer (**ISSAI 3000**).
- 13- Requirement: When the laws, regulations, and other compliance requirements of the audited entity can significantly affect the audit questions, the auditor should design the audit process to address these issues to answer the audit questions.**GUID 3910**).

- 14- Requirement: The auditor must use criteria that are (valid, understandable to users, complete, reliable, reasonable, objective and achievable) in the context of the audit subject and objectives (**ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 15- Requirement: The auditor should be transparent about the sources used to determine the criteria. **ISSAI 300 and GUID 3910.**
- 16- Requirement: When the audited entity does not agree with the audit criteria, the facts and arguments presented by the audited entity must be countered by other appropriate facts and arguments (**ISSAI 3000).**
- 17- Requirement: The auditor should choose the best methods that allow for the efficient and effective collection of audit data. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 18- Requirement: The auditor must determine the nature, location and availability of the files at the start of the audit process so that they can be examined in a cost-effective manner. **ISSAI 3000).**
- 19- Requirement: The auditor should make a professional judgment as to whether the sampling process is appropriate to obtain the necessary audit evidence. If sampling is conducted, the following factors should be considered:
- a- Precisely define the original community.
 - b- Clear definition of the specific control objective to be achieved with the help of the sample.
 - c- Knowing the sample size.
 - d- The sample represents the original population from which it was taken.
 - e- Evaluate and document results.
- (3000ISSAI- 300 ISSAI).**
- 20- Requirement: The auditor should indicate in the audit procedures the nature of the evidence, its source, and the means of collecting it to achieve the stated objectives and answer the questions. (ISSAI 3000) and (GUID 3910).
- 21- Requirement: The auditor should inform the audited entities of the basic features of the audit process, such as: the audit objective, questions, criteria, scope, and methods, before starting the data collection phase or after completing the audit planning.(**ISSAI 3000) and (GUID 3910).**
- 22- Requirement: The auditor must assess the risks of fraud (**ISSAI 300).**
- 23- Requirement: The auditor must determine whether the relevant entities have taken appropriate actions to respond to any recommendations from previous audits or other tests related to the audit objectives (**ISSAI 300).**

- 24- Requirement: The observer should seek to communicate with relevant stakeholders, including scientists or other field experts, to gain appropriate knowledge regarding good practices (**ISSAI 300 – ISSAI 3000) and (GUID 3910).**

Summary

Covers both INTOSAI international standards (3000 - 300ISSAI covers all aspects of the performance audit process. These standards cover the selection of topics and the audit design as two phases of the performance audit process. These two phases are pivotal throughout the entire performance audit process. The selection of topics ensures that the audit purpose is appropriately selected. The design of the performance audit process takes into account the appropriate definition of the audit objectives, scope, methodology, and criteria required for conducting the audit.

Chapter Four: Implementation Phase

4-1 Introduction

During this phase, the audit team must gather sufficient, appropriate, valid, reliable, and accurate audit evidence to achieve the audit objective and answer its questions. The team must be able to draw audit conclusions and interpret its evidence. Financial audit evidence tends to be definitive (yes or no, true or false), but this is rare in performance audits. Performance audit evidence is typically persuasive, and a variety of methods are used to gather and analyze audit evidence.

The process of conducting a performance audit is both an analytical and a communicative process. Data is collected, interpreted and analyzed during the analytical process, while the communicative process begins when the auditor begins to interact with the audited entity and continues as the audit progresses through the exchange of results (the audit process, discussions and views of the audited entity) between the audit team and the audited entity.

4-2 Requirements for conducting control

Evidence collection and analysis

- 1- Requirement: The auditor should obtain sufficient and appropriate (valid, reliable and relevant) audit evidence to substantiate findings, reach conclusions in response to the audit questions and objectives and issue recommendations. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 2- Requirement: The auditor must put all audit findings and conclusions into context and consider all relevant arguments for and against and different viewpoints before drawing conclusions. **ISSAI 300).**
- 3- Requirement: The auditor should exercise professional judgment in arriving at the conclusion (**ISSAI 300).**

- 4- Requirement: The auditor must use information access powers tactfully and in a manner that ensures the necessary respect for existing operational responsibilities. **ISSAI 3000**).
- 5- Requirement: The auditor must obtain a list of files from the audited entity's recording systems when collecting evidence. **(ISSAI 3000)**.
- 6- Requirement: The auditor should analyze the data on policies and legislation, the background in which they were issued, and the changes made to them. (ISSAI 3000).
- 7- Requirement: The auditor must assess the need for information in detail before and during the audit process in order to avoid being overwhelmed by details and excessive data. (ISSAI 3000).
- 8- Requirement: When conducting interviews, the observer must:
 - a- Conduct interviews with people with different positions, viewpoints, and perspectives.
 - b- Compile and document interview results in a way that facilitates analysis and quality assurance. **(ISSAI 3000**
- 9- Requirement: When analyzing information, the auditor must:
 - a- To begin by reviewing the objectives and questions of the audit.
 - b- Putting information into perspective by comparing results to audit process standards or what is generally expected. **(ISSAI 3000)**.
- 10- Requirement: The Supreme Audit Institution should ensure that the work assigned to the auditor is well organized, supervised and reviewed. (ISSAI 300 – ISSAI 3000) and (GUID 3910).
- 11- Requirement: The auditor should not be involved in implementing changes to the audited entity. (ISSAI 3000).

Summary

This chapter describes the main performance audit tasks related to the implementation phase and the requirements of INTOSAI international standards that must be adhered to.

Chapter Five: Reporting

5-1 Introduction

Parliament and government agencies are the primary recipients of performance audit reports. Good performance auditing enables parliament to assess government performance. It also encourages decision-makers in government and public agencies to make necessary changes that lead to better use of resources.

Furthermore, other stakeholders, such as citizens, the private sector, and the media, also pay attention to the reports, and each of these stakeholders has a different perspective on the results of performance auditing. The results of audits must be communicated to all levels of governance through written reports. The performance audit report is the output upon which the government, the legislature, and the public rely to evaluate the audit conducted by the Supreme Audit Institution. In the area of performance auditing, the Supreme Audit Institution provides reports on the economy and efficiency of the acquisition and use of resources and the effectiveness of achieving objectives. The scope and nature of these reports vary widely; they may, for example, assess the use of resources, provide an opinion on the results of approved policies and programs, or issue recommendations for changes that would improve performance.

5-2 Requirements for preparing the audit report

- 1- Requirement: The Supreme Audit Institution should, before publishing the performance audit report, give the audited entity the opportunity to examine the content of the report and comment on the audit findings, conclusions and recommendations, unless the law or regulations prohibit this (**ISSAI 3000 and GUID 3910**).
- 2- Requirement: When new information is obtained from the audited entity, the auditor must evaluate that information and amend the draft report, provided that the normal standards related to evidence are respected (**ISSAI 3000**).
- 3- Requirement: The auditor should ensure that the information provided in the report is relevant to the audit topic, questions or problem being studied. **ISSAI 3000**).
- 4- Requirement: The auditor must put the audit results into perspective and ensure consistency between the audit objectives, questions, results and conclusions. **ISSAI 300 – ISSAI 3000) and (GUID 3910)**.
- 5- Requirement: The auditor should provide accurate, up-to-date information in the report that can be accessed (**ISSAI 3000**).
- 6- Requirement: Auditors should submit audit reports that are:
 - a- Comprehensive.
 - b- Convincing.
 - c- suitable.
 - d- Easy to read.
 - e- Balanced(**ISSAI 300 – ISSAI 3000) and (GUID 3910)**

- 7- Requirement: The audit reports submitted by the auditor should be as clear, concise and accurate as the subject of the audit allows, and their language should be clear, non-suggestive, purposeful and contribute to achieving better knowledge (**ISSAI 300 – ISSAI 3000) and (GUID 3910)**).
- 8- Requirement: The auditor should note all significant non-compliance and misuse detected during the audit process (**ISSAI 3000 and GUID 3910**).
- 9- Requirement: The auditor should indicate in the audit report information about the source and quality of the data, especially when it contains estimates. **ISSAI 3000 and GUID 3910**.
- 10- Requirement: The auditor should clearly distinguish in the report between facts, audit findings and conclusions. **ISSAI 3000 and GUID 3910**.
- 11- Requirement: The auditor must include in the audit report information about:
 - a- Control objectives.
 - b- Censorship questions and answers.
 - c- The subject of censorship.
 - d- Standards.
 - e- methodology.
 - f- Data sources.
 - g- Restrictions on data used.
 - h- Audit results, conclusions and recommendations.**(ISSAI 300 – ISSAI 3000) and (GUID 3910)**
- 12- Requirement: The auditor must ensure that the results clearly answer the audit questions, or explain why they cannot be answered.**GUID 3910**).
- 13- Requirement: The auditor should explain in the report how and why the problems mentioned in the results hinder performance. This is in order to encourage the audited entity or users of the report to take corrective action.**ISSAI 300 – ISSAI 3000**).
- 14- Requirement: The auditor should seek to make constructive recommendations that would significantly contribute to addressing identified audit weaknesses or problems, if appropriate and permitted by the SAI's mandate.**ISSAI 300 – ISSAI 3000) and (GUID 3910)**.
- 15- Requirement: The auditor should formulate recommendations in a manner that is not self-evident or simply reflects audit findings, and should not encroach upon management's responsibilities. **ISSAI 300**).

- 16- Requirement: The auditor must make recommendations that are clear about what has been addressed, and who is responsible for taking any initiative that will contribute to improving performance. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**

Reporting on audit results and reports

- 17- Requirement: The auditor should achieve cooperation and interaction in an atmosphere of trust with the audited entity at the earliest possible opportunity (**ISSAI 3000**).
- 18- Requirement: The audit team should maintain good professional relations with the audited entity, experts and all stakeholders, and support the free and honest flow of information as much as confidentiality requirements allow. It should also conduct discussions in an atmosphere of mutual respect and understanding of the roles and responsibilities of the stakeholders. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 19- Requirement: The observer should be open to alternative views and arguments, and seek data from different sources and stakeholders (**ISSAI 3000 and GUID 3910**).
- 20- Requirement: In the event of a disagreement with the audited entity, the auditor should allow the expression of conflicting opinions in order to arrive at a final picture that is as correct and fair as possible. **ISSAI 3000**).
- 21- Requirement: The auditor should not provide third parties, whether in writing or orally, with any information they obtain during the audit, unless this is necessary for the supreme audit institution to perform its duties. **GUID 3910**).
- 22- Requirement: The auditor should report the audit results recorded during the audit process to those charged with governance (**GUID 3910**).
- 23- Requirement: The auditor should, when necessary, report to the relevant authorities any financial irregularity during his audit (**GUID 3910**).
- 24- Requirement: The Supreme Audit Institution, in accordance with its legal powers, has complete freedom to decide what can be published and how to publish it, and it cannot be forced not to publish the results it has reached. **ISSAI 3000**).
- 25- Requirement: The Supreme Audit Institution shall disseminate its reports as widely as possible in accordance with the mandate of the Supreme Audit Institution (**ISSAI 300 – ISSAI 3000) and (GUID 3910**).

Documenting working papers

- 26- Requirement: The auditor must document the audit work according to the circumstances under which it was conducted. The working papers must include:
- a- Details of the control plan.

b- Field work results.

c- Audit evidence to support all audit findings, conclusions and recommendations.

(ISSAI 3000 and GUID 3910)

27- Requirement: The auditor must verify the information received and record it in the working papers, allowing for the documentation of any change that occurs at the level of the draft audit report or the reasons for not making this change **(ISSAI 300 – ISSAI 3000) and (GUID 3910)**.

28- Requirement: The auditor should keep working papers in linked files to facilitate supervisory review. **ISSAI 3000**).

29- Requirement: The auditor should maintain the confidentiality of the working papers and keep them in a safe place **(ISSAI 3000)**.

30- Requirement: The auditor should retain working papers for a sufficient period to meet legal and professional record-keeping requirements. **ISSAI 3000**).

Summary

This chapter addresses the main performance audit activities related to the reporting phase and the requirements of INTOSAI international standards that must be adhered to.

Chapter Six: Quality Assurance Monitoring and Follow-up

6-1 Introduction

This chapter addresses the components of the INTOSAI compliance assessment tool related to performance audit monitoring, as well as the quality assurance and monitoring systems to which this activity must be subject. These factors ensure the quality and effectiveness of performance auditing conducted by the Supreme Audit Institution.

The requirements contained in this chapter are derived from the INTOSAI international standards (3000-300).ISSAI and GUID 3910. The INTOSAI international standards (ISSAI 3000) were formulated in a prescriptive style, which resulted in some duplication of requirements. The development of international standards over many years also resulted in conceptual evolution and some inconsistencies between documents.

To make the INTOSAI Compliance Assessment Tool clearer and more practical, some requirements have been grouped or expanded, with reference to updated standard definitions. Some requirements are duplicated in different steps of the audit process and have therefore been retained in a single definition. General

requirements, which are difficult to verify due to their comprehensiveness and general orientation, include more detailed requirements. We have tried to maintain the original wording and have referenced INTOSAI's international standards documents so that the source of the requirement can be traced back.

6-2 Basic concepts of follow-up

The follow-up process is the auditor's examination of the corrective actions taken by the audited entity. During follow-up, the auditor assesses whether the audited entity has adequately addressed the problems identified in the main study and implemented the recommendations.

6-2-1 Follow-up requirements

- 1- Requirement: Auditors should follow up on previous audit findings and recommendations when necessary. **ISSAI 300 and GUID 3910.**
- 2- Requirement: The Supreme Audit Institution should prioritize follow-up tasks as part of the overall strategy for the audit process (**ISSAI 3000 and GUID 3910.**
- 3- Requirement: The Supreme Audit Institution should give sufficient time to the audited entity to take appropriate action (**GUID 3910**).
- 4- Requirement: The auditor should not limit his follow-up to the implementation of recommendations, but rather focus on whether the audited entity has adequately addressed the problems and corrected the current situation after a reasonable period of time. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**
- 5- Requirement: The Supreme Audit Institution shall prepare follow-up reports in a manner appropriate to provide feedback to the legislative body along with the conclusions and implications of all relevant corrective actions, if applicable. **ISSAI 300 – ISSAI 3000) and (GUID 3910).**

6-3 Basic Concepts of Quality Assurance and Control

The quality assurance and control system is one of the elements that are put in place to address risks related to the quality of control. The concept of quality assurance and control refers to the reviews conducted to evaluate the quality assurance systems or control projects that have been implemented (ISSAI 3000).

Quality assurance and control activities include:

- a- **Planning Quality Assurance:** All processes for planning selected tasks should be reviewed to ensure that: All essentials have been taken into consideration.
- b- **Quality assurance of current work:** Ongoing work must be subject to continuous review, and review is essential to maintain the quality of audit work as well as to enhance learning and feedback.

- C- **Final Control Quality Assurance:** All completed tasks must be reviewed before any reports are signed.

6-3-1 Requirements related to quality assurance and control follow-up

- 6- Requirement: The Supreme Audit Institution supports quality assurance and audit activities, which are characterized by:
 - a- suitability.
 - b- Flexible.
 - c- Uncomplicated.

(ISSAI 300 – ISSAI 3000

- 7- Requirement: The auditor must implement quality control procedures while ensuring that applicable requirements are met. Auditors must submit audit reports that:
 - a- suitable.
 - b- Balanced and fair.
 - c- Add values.
 - d- Answers censorship questions.
 - e- Contains relevant views.

(ISSAI 3000 and GUID 3910

- 8- Requirement: The Supreme Audit Institution should provide support to audit teams as part of quality management **(ISSAI 300 – ISSAI 3000)**.
- 9- Requirement: If a difference of opinion occurs between the supervisors and the audit team, the Supreme Audit Institution must take appropriate steps to ensure that the audit team's viewpoint is adequately considered and that the Supreme Audit Institution's policy remains consistent **(ISSAI 300)**.
- 10- Requirement: The Supreme Audit Institution should clearly define the content of a high-quality report **(ISSAI 300)**.
- 11- Requirement: The Supreme Audit Institution should put in place systems to ensure that all quality assurance procedures operate satisfactorily, ensure quality improvements and prevent the recurrence of weaknesses. **ISSAI 3000**).
- 12- Requirement: The Supreme Audit Institution should explain the general policies and procedures related to quality assurance to its employees in a smooth manner, providing them with a correct understanding of these policies and procedures **(ISSAI 3000)**.

- 13- Requirement: The Supreme Audit Institution should establish a quality control system that includes quality supervision processes (**ISSAI 3000 and GUID 3910**).
- 14- Requirement: The Supreme Audit Institution should establish a quality control system that includes peer reviews and external quality reviews. **ISSAI 3000 and GUID 3910**.
- 15- Requirement: The Supreme Audit Institution should take quality assurance measures that include evaluating the quality of work performed in response to the established objectives (**ISSAI 3000**).
- 16- Requirement: The Supreme Audit Institution should take quality assurance measures, including peer review. **ISSAI 3000**).
- 17- Requirement: The Supreme Audit Institution should take quality assurance measures that include the distribution of technical and administrative responsibilities (**ISSAI 3000**).
- 18- Requirement: The auditor should inform the management of the Supreme Audit Institution of the results of the quality assurance review program at least annually. **ISSAI 3000**).
- 19- Requirement: The auditor should inform the management of the Supreme Audit Institution of the progress of the audit process and provide recommendations for taking corrective action when necessary. **ISSAI 3000**).
- 20- Requirement: The auditor should follow the budget and schedule for the audit process. **ISSAI 3000**).
- 21- Requirement: When conducting quality assurance reviews, the auditor should check whether factors such as quality, resources and time have been taken into account when planning the audit process (**ISSAI 3000**).

Summary

Through monitoring, the Supreme Audit Institution's management and key stakeholders, including the legislative authority, can obtain feedback on the results of corrective actions taken by audited entities. Monitoring can also help them identify indicators of the added value of performance auditing. Consolidated monitoring reports may include an analysis of trends and common themes across a number of areas of public administration. At the same time, monitoring may help identify opportunities for improving the performance audit process.

Performance auditors should develop optimal and effective practices to ensure the quality of the audit process. Audit mechanisms must be complemented by appropriate support, such as training and learning on the job and mentoring the audit team. Optimal quality is essential for the audit process, but a task-level quality management system cannot alone deliver high-quality performance audit reports. Competent and motivated staff are also essential, along with appropriate and rigorous audit mechanisms.

This chapter covers the terms, basic information, and guidelines for tools for assessing compliance with INTOSAI standards related to quality monitoring, assurance, and control. You should now be familiar with the definitions and related issues to perform the audit correctly in order to properly complete the International Standards for SAIs.

Chapter Seven: Writing a Compliance Audit Evaluation Report in Accordance with INTOSAI International Standards

7-1 Introduction

The final version of the INTOSAI compliance assessment tools is the INTOSAI compliance assessment report. This report is prepared by the ISSAI drafting team and submitted to the SAI's senior management. This report is based on the type of INTOSAI compliance assessment tools developed by the team responsible for developing these tools, as well as all the information the team obtained from various sources when determining the type of tools.

This report aims to provide a comprehensive picture of the status of the Supreme Audit Institution's (SAI) issues related to the requirements of Levels II, III, and IV of INTOSAI's international standards. It also highlights the SAI-related and audit-specific issues raised during the implementation of the framework. This report is expected to provide the SAI's management with the information necessary to develop an implementation strategy for INTOSAI's international standards.

Before preparing the INTOSAI Compliance Assessment Report, the INTOSAI Compliance Assessment Tool team needs to complete the following two procedures:

- 1- Incorporating the results of the INTOSAI Compliance Assessment Tool into the second and third levels of the audit process.
- 2- Classify issues related to each stage of the audit process according to common causes as identified in (INTOSAI-P 10 – 12 – 20) and (ISSAI 130 – ISSAI 140)..

We previously mentioned the status of compliance with the requirements of the above standards in the introduction to this document, linking it to the results of compliance at levels two and three, and highlighting this issue in the INTOSAI Compliance Assessment Report. Through this, the INTOSAI Compliance Assessment Tool team can identify key compliance issues that need to be addressed.

The Supreme Audit Institution should focus on it at the strategic level.

7-2 Format of the report assessing the level of compliance with INTOSAI international standards

The following format is recommended when writing a report assessing the level of compliance with INTOSAI international standards:

Structure of the INTOSAI Compliance Level Assessment Report
1. The executive summary highlights the key messages of the INTOSAI Compliance Assessment Tool. 2. Introduction to the International Standards on Auditing, their purpose, scope, and timing. Why does the Supreme Audit Institution use the INTOSAI Compliance Assessment Tool? Does the INTOSAI Compliance Assessment Tool address...Level 2 and all the requirements of Level 3 (financial, performance, and compliance)? Or has the SAI been selected to implement the INTOSAI Level 1 compliance assessment tool and use only one audit approach? The timeframe for implementing the INTOSAI compliance assessment tool. 3. About the Supreme Audit Institution 3-1 Overview of the Supreme Audit Institution's working environment. 3-2 Overview of the Supreme Audit Institution's legal and institutional framework and organizational structure Overview of the INTOSAI Compliance Assessment Tool □ INTOSAI Compliance Assessment Tool Team □ Information gathering process □ The mechanism used for quality control 4. The status of the Supreme Audit Institution's compliance with the requirements contained in the second level of the INTOSAI international standards (Classification of correct overviews of the state of commitment, its mechanisms, and the reasons for non-compliance) Also describes the ongoing initiatives essential to the implementation of INTOSAI international standards.

5. The status of the Supreme Audit Institution's compliance with the requirements set out in Level 4 of INTOSAI's international standards (financial audit, performance audit, and compliance audit).

(Classification of correct overviews of the state of commitment, its mechanisms, and the reasons for non-compliance)

Also describes the ongoing initiatives essential to the implementation of INTOSAI international standards.

The reasons for non-compliance mentioned in the third level must be linked to the elements mentioned in (INTOSAI-P 10 – 12 – 20) and (ISSAI 130 – 140). For example: If planning is not done properly (Level 3), this may be related to non-compliance with the requirements of Level 1.

6. Overview of issues related to the strategic implementation of INTOSAI international standards

Reasons and gaps in compliance at the individual control level and the general institutional level

7. Response of the Supreme Audit Institution's senior management

Signature of the INTOSAI Compliance Assessment Tool Team

7-3 Guidelines for writing an assessment report on compliance with INTOSAI international standards

Highlighting key findings

Since the report is intended for the senior management of the Supreme Audit Institution (SAI), the key findings of the INTOSAI Compliance Assessment Tool should be highlighted in the Executive Summary so that the SAI's management can understand the level of compliance and which issues should be included in the areas of non-compliance of the SAI.

7-4 Participation of the entire team in preparing the report

By the end of the INTOSAI Compliance Assessment Tool (ICAT), the team will have gathered a wealth of information on various conditions. Since all compliance issues are interconnected, the ICAT team may need to work together to identify the types of issues and their causes.

7-5 Distinguishing between high-impact institutional issues and operational issues

When preparing a report on the status of SAI compliance, the INTOSAI Compliance Assessment Tool (ICAT) team should distinguish between compliance gaps that are central to the audit process and compliance gaps that arise at the procedural level rather than the institutional level. To achieve compliance with INTOSAI International Standards, institutional issues related to Level 2 must be addressed. The INTOSAI Compliance Assessment Tool (ICAT) team may notice that compliance gaps observed at the audit practice level (Levels 3 and 4) initially appeared as institutional-level issues at Level 2 of the INTOSAI International Standards Framework. After confirming the status of Level 2 requirements, this status will likely be highlighted in the report submitted to the SAI's senior management.

7-6 Verify that the causes are correctly identified.

The implementation strategy will depend on the specific causes of compliance gaps. It is also essential for the INTOSAI Standards Assessment Tool team to highlight the underlying causes. For example, in some cases, administrative issues may be the reason for failure to implement INTOSAI standards, rather than a skill or knowledge gap.

Summary

This chapter addresses the specific case of Level 2 requirements and the relationship between Levels 2, 3, and 4 of INTOSAI standards. In preparing the INTOSAI Standards Compliance Assessment Report (ISAR), the final version of the INTOSAI Standards Compliance Assessment Tool (ISAAT), we considered how these three levels relate to each other. This report also highlights strategic issues related to Level 2 that are believed to address non-compliance issues at Levels 3 and 4. Appendix: Data Collection Tools for Implementing the INTOSAI Standards Compliance Assessment Tool (ISAAT)

The following five tools can be used to collect data related to the implementation of the INTOSAI Compliance Assessment Tool:

1. **Document review:** The process of collecting and organizing data involves many documents necessary to achieve the pre-defined objectives.
2. **Personal interview:** It is a set of procedures for collecting data and information in the form of carefully defined questions that are asked during a dialogue with the aim of obtaining deeper ideas and perspectives related to the topic of interest.
3. **Focus groups:** A group of interacting individuals with common interests or shared characteristics, united by a facilitator who uses the group and its interactions as a way to gain information about a specific issue or concern. The discussion method revolves around limited main questions.

4. **Direct observation:** Observers visit the site and record everything they see and hear in a checklist.
5. **Survey:** It is a systematic process that uses standardized questions to obtain information from a large number of survey participants.

List of terms used in the guide

Definition	The term
They are individuals with experience and seniority within their organizations whose recommendations have strong credibility and whose peers belong to a group of supreme audit institutions to provide their views.	peers
An external and independent review of one or more elements of the entity and/or a process of a SAI by a team of professional colleagues from one or more SAI.	Peer review
When a SAI performs a peer review for a partner SAI in exchange for the latter performing a peer review for the first SAI, this reciprocal activity is called a reciprocal peer review.	Mutual Peer Review
The extent to which a path or outcome adheres to a set of pre-established conditions that are believed to be necessary for the final value provided by the path or outcome.	Quality
A set of policies and procedures established to obtain reasonable assurance regarding the compliance of the Supreme Audit Institution and its employees with professional standards and applicable legal and regulatory requirements, and that the reports issued are appropriate and suitable in the circumstances.	Quality control
A process consisting of an ongoing consideration and evaluation of the SAI's quality control system, including a periodic review of a selected set of audit tasks performed. It is designed to provide the SAI with reasonable assurance that its quality control system is appropriately designed and operating effectively, and that audit reports are appropriate in the circumstances.	quality assurance
Risks that lead the auditor to express an inappropriate opinion when the financial statements contain material misstatements	Audit risks
It is the system established by the department that includes policies, procedures and decisions with the aim of helping the organization achieve its objectives related to operations, reporting and compliance.	Internal control

It is the freedom of the Supreme Audit Institution to carry out its work within the scope of its jurisdiction without any external directives or interference of any kind.	Independence
Financial statements according to the framework followed for preparing financial reports, and this is done in two aspects: the first aspect is by applying the concepts of fair expression, in which the auditor examines whether the financial statements express their reality fairly, while the second aspect is by applying the concepts of commitment, in which the auditor examines the extent to which the preparers of the financial statements adhere to the accounting rules for preparing those statements.	Financial control
It is an independent, objective and reliable examination of whether a government's undertakings, systems, processes, program, activities or institutions operate in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement.	Performance control
It is the independent assessment of the extent to which a particular subject adheres to the applicable references specified as standards. Compliance audit tasks are carried out by assessing the extent to which financial activities, transactions and information, in all their relative importance, adhere to the references that govern the work of the entity subject to audit.	Compliance Control
It is an official document that includes an agreement between two or more parties. It is considered a sign of the beginning of work between the parties to the agreement rather than being a legal obligation.	Memorandum of Understanding
The combination of policies, processes, and structures used by an organization to direct and control its activities to achieve its objectives and protect the interests of diverse stakeholder groups in a manner consistent with ethical standards.	Governance
The concept of transparency relates to the public disclosure by supreme audit institutions (SAIs) in a timely, reliable, clear, and useful manner of their status and legal mandates, their activities and financial management, their operations, strategy, and performance. The concept of transparency also requires public disclosure of the results and conclusions of audit operations, in addition to enabling the public to obtain information about supreme audit institutions.	Transparency
The concept of accountability is linked to the legal framework, organizational structure, strategy and procedures that ensure that supreme audit institutions:	Accountability

- Fulfills its legal duties regarding the allocation of its resources and the evaluation of its roles. - It discloses the legality and efficiency of the use of public funds, in addition to its steps, procedures, actions, and use of its resources. - The head of the SAI, members of collective institutions and employees of the SAI are responsible for their actions.	
It is the process by which individuals and organizations acquire, improve, and retain the necessary skills, knowledge, organization, and work methods to perform their jobs efficiently.	Capabilities
It is a further development of the skills, knowledge, organizations, and work methods that make the organization effective, through which it builds on existing strengths and addresses gaps and weaknesses.	Capacity building
"A tool for measuring, monitoring, managing and reporting on the performance of supreme audit institutions." It represents an evidence-based performance assessment that includes a qualitative and comprehensive assessment of the supreme audit institutions and their environment, and objective measurement to support qualitative auditing and tracking progress.	Framework for measuring the performance of supreme audit institutions

the reviewer

- ❑ ISSAI 140 - Quality Control for Supreme Audit Institutions.
- ❑ ISSAI 2220 - Quality Control for Financial Statement Audits.
- ❑ GUID 1900 – Peer Review Guide.
- ❑ Quality Assurance Guide for Supreme Audit Institutions – prepared by the Professional and Auditing Standards Committee of the Arab Organization of Supreme Audit Institutions.
- ❑ A guide on voluntary peer review, prepared by members of Subcommittee III of the Capacity Building Committee, tasked with "Promoting best practices and ensuring quality through voluntary peer reviews."
- ❑ A guide for the Audit Institutions Capacity Building Committee, prepared by members of the First Subcommittee on Capacity Building chaired by the UK National Audit Office.

- ☐ Framework for measuring the performance of supreme audit institutions (SAI PMF) prepared by the INTOSAI Working Group on the Value and Benefits of Supreme Audit Institutions, implemented in partnership with INTOSAI affiliate bodies, and launched globally by the INTOSAI Donor Cooperation Group.
- ☐ IT Self-Assessment (ITSA), developed by a EUROSAI working group.
- ☐ IT Audit Self-Assessment (ITASA), developed by the EUROSAI Working Group.
- ☐ INTOSAI Standards Compliance Assessment Tools (ICAT) Performance Auditing Tool for Measuring the Implementation of International Standards of Supreme Audit Institutions (ISASAI), developed by the INTOSAI Development Initiative.

Sub-priority team (4-3)

(Assisting member bodies in establishing quality assurance mechanisms)

[Translated to English by the GS of ARABOSAI](#)