

CBC Steering Committee, 12 June 2024

## Item 3.b – Update on SAI PMF revision process

**Background:** As the governance lead for the SAI PMF since 2016, the CBC oversees the use and implementation of the SAI PMF, including having the responsibility for deciding when revision of the framework is required to ensure that the SAI PMF continues to be a dynamic and relevant global SAI assessment tool.

In 2021-22 the CBC and IDI (as the implementation lead for the SAI PMF) completed a “light touch” revision of the SAI PMF to bring the framework in line with changes to the INTOSAI Framework of Professional Pronouncements (IFPP), including the new INTOSAI-P 50 and the revised ISSAI 200. During the exposure phase of the 2022 review, a number of inputs were received from the INTOSAI community proposing more substantial refinements to the SAI PMF than mere IFPP alignment. This included aspects such as the impact of new technology on the performance of a SAI; a SAI’s readiness to deal with crisis events, and the role of the SAI in relation to sustainability issues. These comments were kept on file to be considered when a decision was taken to revise the SAI PMF more substantially.

Since 2022, the INTOSAI community has adopted two ISSAIs that require a further revision of the SAI PMF for alignment purposes:

- i. *ISSAI 150* (Auditor Competence) with its two accompanying GUIDS (1950 and 1951) and the extensive new CBC Guide on Human Resource Management, all four of which necessitated a fundamental revision of Domain E of the SAI PMF.
- ii. *ISSAI 140* (Quality Management for SAIs) necessitating a fundamental revision of Domain C of the SAI PMF, and possibly other domains.

**Consultation in 2023-24, and revision of Domain E:** Arising from a decision at the June 2023 CBC steering committee meeting, the CBC Secretariat and IDI in October 2023 commenced with a comprehensive consultation process with all internal and external INTOSAI stakeholders about other areas of possible SAI PMF enhancement.

At the same time and seeing that ISSAI 150 and GUIDS 1950 and 1951 had already been endorsed by INCOSAI, a detailed revision of Domain E was carried out by a task team to ensure alignment (see copy of the revised Domain E circulated together with this report).

This comprehensive consultation process resulted in 29 SAIs, four INTOSAI regional organisations, one donor partner and one technical partner making written submissions and/or being interviewed.

The nature of submissions received can be summarised as follows:

- 10 respondents indicated that the SAI PMF does not cover SAI work such as the controller function; investigations/forensic work; interim audits, and the role of the SAI in the budget process.
- 9 respondents propose inclusion of new digital technology
- 9 respondents proposed the SAI PMF should reflect “SAI impact and relevance” (e.g. in Domains B, C, D and F, as well as the analytical narrative of the assessment report)
- 8 respondents proposed that certain criteria in Domain A (“Independence and Legal Framework”) should be refined/clarified
- 7 respondents proposed the refinements of indicator SAI-3 (“strategic planning cycle and processes”)
- 4 respondents proposed including material on the SAI’s role in relation to corruption
- 4 respondents proposed clarifications/refinements to SAI-4 (“organizational control environment
- 2 respondents recommended that risk management within the SAI should be dealt with more pointedly, e.g. at least in SAI-4 (“organisational control environment”)
- 2 respondents proposed inclusion of diversity, equity and inclusion, and
- Several respondents proposed editorial refinements and clarifications.

#### **Recommendations:**

1. Given the extensive inputs received – including the inputs during the 2021-22 “light touch” review – the CBC Steering Committee is requested to **mandate the IDI and CBC Secretariat to proceed with a broad revision of the SAI PMF**. The revised framework should be presented to the 2025 CBC Steering Committee in preparation for the 2025 INTOSAI GB and Congress.

All proposals for enhancement should be evaluated on the basis that the SAI PMF is based mainly on the INTOSAI Framework for Professional Pronouncements , and where no INTOSAI pronouncements are available, other generally accepted global standards or good practices are to be used as sources/reference points. In addition, all amendments/refinements must be of relevance to the broader INTOSAI community and not only to a select few SAIs.

2. Having taken note of the revision of Domain E (circulated), the CBC Steering Committee is **requested to approve the revised Domain E** so that it can prepared for submission to the 2024 INTOSAI Governing Board for approval.