

GUID 1900

Peer Review Guidelines



INTOSAI

INTOSAI Guidances are issued by the International Organisation of Supreme Audit Institutions, INTOSAI, as part of the INTOSAI Framework of Professional Pronouncements.

For more information visit www.issai.org

Pre-IFPP document - this document was developed before the creation of the INTOSAI Framework of Professional Pronouncements (IFPP) in 2016. It may therefore differ in formal purpose from more recent INTOSAI Auditing Guidelines.



INTOSAI



INTOSAI, 2019

- 1) Endorsed in 2010 as ISSAI 5600 - Peer Review Guidelines and appendix
- 2) Content revised and renamed Peer Review Guide in 2016
- 3) With the establishment of the Intosai Framework of Professional Pronouncements (IFPP), relabeled as GUID 1900 - Peer Review Guidelines with editorial changes in 2019

Guid 1900 is available in all INTOSAI official languages: Arabic, English, French, German and Spanish

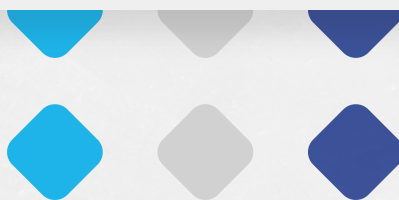


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1

INTRODUCTION

- 1) The purpose of the INTOSAI¹ *GUID 1900 Peer Review Guidelines* is to serve as a source of good practice and guidance to Supreme Audit Institutions (SAIs) on the planning, implementation and evaluation of peer reviews.
- 2) GUID 1900 is part of the INTOSAI Framework of Professional Pronouncements (IFPP). The IFPP also contains principles (INTOSAI-P) and standards (ISSAIs).
- 3) This guideline was first adopted during the XX INTOSAI Congress (INCOSAI) held in Johannesburg in 2010. It was conceived from the start as a living document that should be periodically revised and updated in order to continue to reflect the latest developments and examples of good practice in the area.
- 4) The task to review and update GUID 1900 was given to the Subcommittee on Peer Reviews which forms part of the INTOSAI Committee for Capacity Building. The Subcommittee is composed of the INTOSAI members from Bangladesh (Subcommittee Vice-Chair), Croatia, Estonia, European Court of Auditors, Germany, Hungary, Indonesia, Morocco, Slovakia (Subcommittee Chair), Sweden and USA.
- 5) This revised guidance builds on the original ISSAI 5600, in particular the initial framework of principles and examples of good practices that it contained. The structure and content of the guideline has, however, undergone significant change in order to reflect the feedback and suggestions received

¹ Definitions of the terms used in the guideline can be found in the INTOSAI on-line glossary at <http://www.intosaiglossary.org.mx/>

from INTOSAI members since its adoption in 2010.

- 6) Moreover, the Peer Review Checklist that was included as an annex to the original ISSAI 5600 has been further developed and renamed Peer Review Areas and Questions (PRAQ). The new annex provides an updated list of possible areas to be considered for peer review, questions that might be asked and relevant standards and criteria.
- 7) Due to the broad differences in SAIs' mandates, context and activities, GUID 1900 is a guide only and therefore may not cover all situations, types and areas of peer review. However, it aims to establish a common understanding of the purpose and nature of peer reviews, notably the principles involved and the options that may be followed by the reviewed SAI and the peer review team.
- 8) Furthermore, GUID 1900 should be used in conjunction with other relevant IFPP pronouncements in particular, *ISSAI 100 Fundamental Principles of Public Sector Auditing* – with appropriate references made to the applicable pronouncements when they are used as a basis within a review.
- 9) GUID 1900 can also be used in combination with the SAI Performance Measurement Framework (SAI PMF) in two different ways:
 - GUID 1900 could be used to support the process if the SAI PMF assessment is carried out as a peer review;
 - SAI PMF could serve as an inspiration and/or provide a structure for issues covered in a peer review.
- 10) This guideline provides supportive guidance in relation to other IFPP pronouncements (notably *INTOSAI-P 12 - The value and Benefits of Supreme Audit Institutions* – making a difference to the lives of citizens, *ISSAI 130 Code of Ethics*, *ISSAI 140 - Quality Control for SAIs*, *ISSAI 100 Fundamental Principles of Public Sector Auditing*, and IDI product *Supreme Audit Institutions Performance Measurement Framework - SAI PMF*) and does not contain any further requirements for conducting audits.
- 11) A range of peer review guidance and other relevant documentation is available from the Document Library of the INTOSAI Capacity Building Committee

(CBC) website at www.intosaicbc.org². These include peer review agreements and reports provided by SAIs and which may serve as references or good practice examples to others. The Subcommittee continues to invite further submissions to supplement the existing documentation and would welcome any information on newly conducted or planned peer reviews.³

2 Go to <http://www.intosaicbc.org/document-library/>.

3 These should be sent to the CBC Secretariat at secretariat@intosaicbc.org and the Chair of the Sub-Committee on Peer Review.

2

DEFINITION

- 1) The term “peer review” refers to an external and independent review of one or more elements of the organisation and/or operation of a SAI by a team of professional peers from one or more SAIs.¹
- 2) A peer review is not an audit but an assessment and advice provided voluntarily by peers. The decision to undergo a peer review², or to be involved in the peer review of another SAI, is always voluntary. The voluntary nature of a peer review is also reflected in all contacts and exchanges between the SAI and the peer review team during the course of the exercise.
- 3) The reviewed SAI is not bound to the conclusions and recommendations of the peer review team, and can decide, as appropriate and necessary, on how to use the results of the assessment. The fact that a peer review is carried out by external, independent professional peers provides an essential added level of assurance of quality and credibility to the process.
- 4) The purpose of peer reviews and framework in which they are conducted can and will vary, depending on the legal, professional, organisational contexts of the reviewed SAI, and the circumstances in which it operates. The specific objectives and scope of each peer review are determined on the basis of the needs and wishes of the reviewed SAI. This also implies that the objectives of any subsequent peer reviews of a SAI can vary as strategic priorities and organisational requirements change and evolve.

1 In particular cases, the reviewed SAI may also consider including experts from non-SAI institutions.

2 This rule is based on *INTOSAI-P 10 - the Mexico Declaration on SAI Independence*. However, some SAIs have a legal or other obligation to undergo peer reviews such as the SAI of USA or the SAI of Indonesia.

- 5) There is a large choice of areas of a SAI's organisation or operation, which can be selected for a peer review. They can vary in terms of focus and scale, and can range from assessing one or more audit processes, to reviewing specific organisational arrangements, functions or activities. A peer review will not normally include an assessment of the quality of individual audits, or provide assurance on their conclusions and recommendations.
- 6) For each peer review, the reviewed SAI agrees with the participating SAIs on the terms of reference, coverage and approach to be applied to the peer review. This agreement should be documented in writing before the peer review fieldwork starts. The agreement is normally formalised through a Memorandum of Understanding (see chapter 5).

3

STRATEGIC CONSIDERATIONS

- 1) Engaging in a peer review involves considerable investment in terms of time, effort and resources for the reviewed SAI and for the SAIs providing the members of the peer review team. Any peer review must represent an efficient and effective use of these resources.
- 2) To ensure that the investment reaps worthwhile results, SAIs planning a peer review will benefit from having a clear view on the following:
 - purpose of the proposed peer review, including expected outcomes and benefits;
 - focus and scope of the peer review, taking account of resources and constraints; and
 - standards and criteria to be applied.

» PURPOSE

- 3) It is advisable that a SAI considering undergoing a peer review first carries out a preliminary evaluation of the purpose, risks and the expected benefits to be derived from the initiative. This should help the SAI to define the focus, scope and approach of the peer review. It can also serve as an opportunity to start thinking about capacity and the type of expertise needed in the peer review team.
- 4) The great degree of freedom in the selection of the nature and type of peer review and the wide range of opportunities available makes it essential for

a SAI to carefully consider the reasons for undergoing a peer review. The SAI should analyse how this undertaking would fit in its overall strategy and the expectations of its stakeholders. A peer review could, for example, be part of a regular review process or a precursor to introducing a new practice or system. It can also be in response to issues raised by stakeholders. Whatever the reason when deciding whether to carry out a peer review, the SAI needs to look carefully at the different options available to it to meet its needs and achieve the desired outcome.

- 5) For example, a SAI may seek to use the peer review to:
- gain assurance on the extent to which it applies international and national auditing standards;
 - obtain an informed opinion on the conception and /or operation of one or more aspects of its practices and systems;
 - help it make informed decisions about how to enhance or improve the efficiency and effectiveness of areas of its operations;
 - receive ideas on how to strengthen specific audit approaches, methodologies and tools;
 - identify ways to improve productivity and the quality of its work;
 - benchmark internal practices against international best practices;
 - further develop the way it operates; and/or
 - confirm or raise its credibility with stakeholders, through an independent endorsement of its organisation and operation.
- 6) There can sometimes be difficulties in reconciling the objectives and expectations of the reviewed SAI and those of the members of the peer review team. It is therefore important that any significant differences and misconceptions about the expected outcomes are sufficiently discussed and resolved early in the process. For example, the reviewed SAI might be expecting to receive assurance that its practices are well designed and compliant with the standards. As such, it may not welcome observations to the contrary, particularly if the report is to be published.

- 7) A SAI may choose to include a “gap analysis” as an element of the peer review, in order to identify weak or missing elements and highlight opportunities for further improving its organisation and audit practices. The results of the peer review can be used as a basis for developing a comprehensive strategic development plan and establishing priorities.
- 8) A peer review can assess SAI’s operations, and thereby provide recommendations on how to further and improve them. Peer reviews foster and promulgate good practices in public external audit, both for the SAIs directly involved and to the wider SAI community.
- 9) A SAI can benefit, at this stage, from gaining a good understanding of the principles, requirements and challenges of undergoing a peer review. This can include consulting SAIs who have undergone the process or contributed to a peer review. Moreover, documentation on peer reviews available on the CBC website provides useful reference material.
- 10) The SAI should also undertake sufficient internal discussion and agreement about the purpose and expected benefits of the proposed peer review. It is recommended that this be done before more detailed planning takes place, such as deciding on the precise scope of the peer review, the identification of partner SAIs, the timing of the peer review and the reporting format.
- 11) In parallel, a SAI should consider and address internal and external expectations about the proposed peer review. This includes timely and appropriate communication on the purpose and added value to be derived from the initiative, addressing internal and external audiences as appropriate.
- 12) In conclusion, the aim is to be able to make an informed choice about the type and coverage of peer review needed. The initial stages of conceptualising and defining the peer review should help maximise its potential as an important driver and incentive for organisational and professional development and improvement.

» **FOCUS AND SCOPE**

- 13) For a peer review to be as useful as possible, the decision on its precise focus and scope should be very much influenced by the reasons that prompted the review and its expected benefits.
- 14) Moreover, the SAI should also take into account the resources it has available to finance and support the review, and how these can be best optimised. For example, a peer review with a narrowly defined scope is likely to elicit very detailed and specific observations and recommendations from the peer review team. On the other hand, reviews with a broad scope are likely to take longer and absorb more resources, and result in higher level observations and recommendations that focus on overall strategic issues and impact.
- 15) This makes it necessary for the SAI to clearly define what exactly it plans to have reviewed, and the boundaries of the exercise. Possible areas or topics for inclusion in a peer review include¹:
- strategy and programming;
 - operations and/or internal rules, manuals and processes in relation to international and national auditing standards;
 - quality control approach and system and design and implementation of the quality assurance processes;
 - reporting methods and approach;
 - relations with stakeholders;
 - human resource management;
 - communications and media activities; and
 - management of administrative and support functions.
- 16) When defining the scope of a planned peer review, the SAI should also take into account key elements that define its mandate and activities (such as national

¹ For additional insights on what a SAI can focus on and cover in a peer review, one option is to consult the PRAQ document (Annex) which covers a number of areas and issues that may be raised in a peer review. Another option is to consider the CBC website which contains a broad range of practical documents made available by a number of SAIs.

laws and standards, national accounting requirements and public sector regulations, internal policies and rules as well as international standards). These issues should also be considered by the peer review team when, among other matters, defining the peer review approach, questions and criteria.

- 17) In conclusion, the SAI should ensure that the focus and scope of the peer review will result in it being useful and efficient. For details on standards and criteria see Annex (PRAQ).

» **PEER REVIEW AND SELF-ASSESSMENT**

- 18) Due to the nature of the peer review process and the likely publicity given to its findings, the SAI could consider preceding the peer review with a self-assessment and initiate remedial actions before the review takes place. There are different self-assessment tools available (see table). A self-assessment can also be a useful means to help the SAI determine the focus of the proposed peer review. The peer review can then include an assessment of the adequacy of the corrective action being taken following the self-assessment.
- 19) A SAI can also refer to the results of recently completed internal assessments, inspections and control measures it has undertaken to monitor progress and implementation, or for quality control purposes. The results of these assessments can provide additional relevant input for use when defining the focus and scope of the peer review.

Examples of tools that can be used for self-assessment and as a basis for peer reviews by SAIs

The CBC Guide - Building Capacity in Supreme Audit Institutions

The Guide (developed by the former CBC Sub-Committee 1) offers information on both SAI-specific and more generic assessment models. It also covers the issue of how to make the most from external assessment and what key considerations need to be taken into account when assessing capacity. Refer to www.intosaicbc.org

SAI Performance Measurement Framework (PMF)

The SAI PMF (developed by the INTOSAI Working Group on Value and Benefits of SAIs) provides the basis for a holistic assessment of SAI performance against established INTOSAI good practice:

- The INTOSAI Framework of Professional Pronouncements;
- Other INTOSAI guidance material.

The SAI PMF includes a combination of objective measurement and qualitative assessment methods. It aims to assess the performance of SAIs in the areas of audit, organizational processes and support services, independence and legal framework, as well as the value and benefits of the SAIs to society. SAI PMF can be carried out as a self-assessment, peer review or external assessment. Refer to www.idi.no

IT Self-Assessment (ITSA)

The IT self-assessment tool (developed by EUROSAI IT Working Group) aims to:

- contribute to the work of SAIs by ensuring the quality and performance of the SAI's own information technology (IT) environment and by promoting awareness of IT governance;
- develop the capacity of SAIs to meet their strategic goals through the use of IT (e.g. in relation to internal management, through more effective audits and by developing the skills of staff).

Refer to www.eurosai-it.org.

IT Audit Self-Assessment (ITASA)

The ITASA (also developed by EUROSAI IT Working Group) assesses the current and future maturity of the IT audit function in the form of a workshop setting. ITASA is not a performance evaluation though it provides an efficient evaluation of the current and desired status quo of IT audit as perceived by participants. Refer to www.eurosai-it.org.

ISSAI Compliance Assessment Tool (iCAT)

The iCAT (developed by IDI) is a tool to assist SAIs in mapping their current audit practices to ISSAI requirements, so that they can identify their needs for ISSAI implementation. Refer to www.idi.no.

Institutional Capacity Building Framework Survey

The survey (developed by AFROSAI-E) is used to facilitate self-assessments in relation to the institutional capacity building framework. The framework covers five institutional development areas: (1) independence and legal framework; (2) organisation and management; (3) human resources; (4) audit standards and methodology; and (5) communication and stakeholder management. Refer to www.afrosai-e.org.za.

The Pacific Association of Supreme Audit Institutions' (PASAI) Capability Model

The PASAI Capability Model focuses on high-priority improvement actions that are likely to have the greatest positive impact; it has six levels and discusses supporting attributes for each level. Each preceding level is a 'foundation layer' upon which change efforts can be built. Improvement is thus staged and change is incremental. Refer to www.pasai.org.

IntoSAINT

IntoSAINT (developed by the SAI of Netherlands) is a self-assessment tool that analyses SAIs' integrity risks and maturity of integrity management systems. It enables the user to design a tailor-made integrity policy and raise integrity-awareness among its staff at the same time. Refer to www.intosaicbc.org/intosaint/.

4

PARTNERS AND RESOURCES

» PARTNERS

- 1) The success of a peer review largely depends on the knowledge and experience of the peer review team. Generally, the peer review team members are provided by one or more SAIs, but work on an “ad personam” basis for the team. As such, the peer review does not bind the reviewing SAI(s), and neither is it formally approved by them in the same way as, for example, an audit report.
- 2) The selection of the peer review partner SAIs and team members depends, to a large extent, on the objectives, scope and expected benefits of the review, the type of reviewed SAI and language considerations. Experience shows that a SAI wishing to undergo a peer review should consider identifying the potential partner SAIs as early as possible, even up to two years before the peer review is planned to take place. This is particularly important for the lead reviewer (when selected by the reviewed SAI), who may be able to help in identifying other partner SAIs.
- 3) A peer review can be of benefit to both the SAI being reviewed and the reviewing SAIs. For example, good practices and other insights gained during the review can inspire the reviewing SAIs to re-evaluate and improve their own practices and activities.

» **IMPORTANT CRITERIA WHEN SELECTING PARTNERS**

- 4) Peer reviews can be conducted by staff from one SAI alone, or from several SAIs. A review with one SAI can be completed more quickly because there is no coordination needed between reviewing SAIs. On the other hand, having a broadly-based reviewing team can be of particular benefit through the different perspectives and skills that are brought together for the peer review. A broad-based review team also helps share the resource burden among partner SAIs.
- 5) Before inviting potential partners to provide reviewers, the reviewed SAI may consider a number of criteria such as:
 - relevant expertise and experience in the areas to be covered by the peer review;
 - previous experience with peer reviews;
 - any factors which could affect the perceived or actual independence of the reviewing SAI and individual team members or situations of conflict of interest (for example, potential reviewing SAI was a donor or consultant to the reviewed SAI);
 - preferred professional background of the individual peer reviewers, particularly when specialisation is required;
 - sufficient resources (both quantitative and qualitative) for carrying out the proposed peer review;
 - communication and language skills, as they have significant practical implications for interviews and translation needs;
 - organisational structure. It can be an advantage to be peer reviewed by SAI(s) with a similar structure (collegiate, court or auditor general model), but it can also bring added value to be reviewed by SAI(s) that have a different perspective; and
 - geographical distance. A culturally different perspective can be an advantage, but geographical distance may also lead to increased costs and organisational complications (different time zones);

Overall, the peer review team should provide an appropriate balance and mix between culture and expertise, sufficient for an efficient and effective review.

- 6) Reciprocal peer reviews – two SAIs reviewing each other’s practices on an alternate basis – should be avoided as it may be seen to influence the objectivity and independence of the respective teams and outcomes.
- 7) Once the potential partner SAIs have been identified, it is good practice for the reviewed SAI to make informal contact with each and provide outline details of scope, timetable, cost considerations and background information about itself (for example, its mandate, organisation chart and any published annual activity report) in order to establish whether a formal invitation is likely to be accepted. The informal nature of these first contacts gives the flexibility to enable other potential partners to be contacted in the case that negative replies are received.
- 8) When there is more than one reviewing SAI, a lead reviewer should be nominated to lead and co-ordinate the process. The lead SAI usually has a greater resource commitment due to the additional work involved. The lead reviewer can be identified by the reviewed SAI or by common agreement among the peer review participants. The lead reviewer should be mentioned in the Memorandum of Understanding (see chapter 5).

» RESOURCES

- 9) A peer review involves often considerable investment of human and financial resources, both for the reviewed SAI and the partner SAIs participating in the review. Human resource aspects should be carefully planned to ensure that the process is effective and efficient.

Plan human resources early

- 10) The number, functions and profiles of the reviewers to be provided by the partner SAIs should be identified as early as possible. When selecting peer review team members, the partner SAIs should ensure the team contains the required skills, such as specific technical experience and language knowledge.

- 11) When setting-up the peer review team and planning the timing of visits, it is important to take into account the availability of the team as well as of the staff and management at the reviewed SAI. There should be an early coordination of availabilities when setting the peer review timetable.
- 12) It is recommended that the reviewed SAI sets up an internal team to coordinate the peer review process and to serve as contact point and support for the peer review team. This can include, for example, obtaining documents, setting up meetings internally and with stakeholders, providing administrative support and logistical help. The internal team should be closely linked to the reviewed SAI's top management.

Consider who should bear the costs

- 13) The full costs of a peer review can be significant when all elements are included (for example translation, travel and accommodation). The reviewed and partner SAIs should decide as early as possible how the peer review is to be financed and the costs shared.
- 14) Different options are available for cost sharing, including:
 - each of the SAIs involved bear their own costs;
 - the reviewed SAI finances the direct additional costs of the peer reviewing team (for example, travel and per diem) as well as the other costs linked to the review (for example, translations);
 - the peer review might also be supported and funded by donors or international organisations in accordance with the INTOSAI principles of independence.
- 15) When addressing cost issues, all parties should involve their respective travel and accounting units to safeguard compliance with internal rules and regulations.

5

MEMORANDUM OF UNDERSTANDING

- 1) A peer review is a voluntary project based on mutual trust. The Memorandum of Understanding (MoU) is an agreement between the reviewed SAI and the partner SAIs participating in the review. It governs the rights, responsibilities and obligations of those involved and sets out the key elements of the peer review (for example, scope, approach, timing and deliverables).
- 2) The MoU should be as detailed as necessary and as short as possible. It should not constitute a detailed peer review plan (see chapter 6).
- 3) The MoU should be agreed on by all partners before the peer review starts and is generally signed by the head of the reviewed SAI and the head of the SAI taking the lead reviewer role. Alternatively, all partners can sign.
- 4) The following headings provide an indication of the issues that can be covered in a peer review MoU. They are given as a guide only, and can be more comprehensive or less detailed, depending on the circumstances.

» WHY – CONTEXT OF THE PEER REVIEW AND ITS EXPECTED BENEFITS

- What are the reasons for the peer review?
- What role does the peer review play in the overall strategy of the reviewed SAI?
- Is the peer review linked to another initiative?
- Was the peer review requested by a stakeholder?
- What are expected benefits of the peer review?

» **WHAT – OBJECTIVE, FOCUS, SCOPE, STANDARDS AND CRITERIA OF THE PEER REVIEW**

- What will be reviewed?
- Are there any specific limitations to the scope?
- What are the peer review questions (and sub-questions)?
- Possible relation with any self-assessment by the reviewed organisation.
- What standard and criteria will be applied?
- Are there any access limits to information derived from peer review focus and scope?

» **WHEN – TIMETABLE**

- When will the peer review start?
- What are the important milestones?
- When is the draft and final peer review reports due?

» **WHO – HUMAN RESOURCE ISSUES**

- Which SAIs will be providing members of the peer review team?
- Which SAI has been assigned the lead role in the peer review?
- What specific skills and experience are required for the peer review team?
- Are any outside experts required?

» **HOW – ROLES AND RESPONSIBILITIES**

- What are the respective roles and responsibilities of the reviewed SAI and the peer review team?
- What confidentiality rules apply?
- What specific (legal) requirements of the reviewed and reviewing SAIs should be brought to the attention of all partners?

- What are the rules and requirements for the reviewed documentation in terms of access, handling and archiving?
- Are there any conditions that limit the peer review team's rights to access specific information?
- What support will the reviewed SAI provide to the peer review team, such as for contacting external stakeholders?
- How and how often will the reviewing team (lead reviewer) communicate progress on the peer review to the reviewed SAI?

» **HOW MUCH – COST IMPLICATIONS**

- How many days is each peer review team member expected to commit to the peer review?
- Who will cover the travel, accommodation and other incidental costs?
- Is there an overall ceiling for the travel cost or a maximum number of travel days to be respected?
- What is the procedure for refunding expenses incurred during the review?
- What other costs will be incurred (for example translation) and who will cover them?

» **OUTPUT – PEER REVIEW REPORT**

- What language will the report be written in and will it be translated into other languages?
- What clearance procedure is envisaged?
- What arrangements are in place to ensure that any required translation of the final report is of high quality: clear, readable and accurate?
- Is it stipulated that the text of the original report should prevail if any discrepancies arise between the original and the translated version of the final report?
- Will the final report (or part of it) be published? If so, how?

- Will the recommendations be prioritised and timed?
- 5) Once the MoU has been signed and the peer review has started, certain assumptions might change or external events occur which affect the review. The peer review partners should therefore include the possibility of reviewing the MoU during the process, particularly when a key element of the MoU could be affected. If the need for a revision is recognised by all partners, a modified MoU should be drafted and adopted in the same way as the original document.

6

PLANNING

- 1) Following the signature of the MoU, it is advisable that the peer review team prepares, on the basis of the agreement made, a detailed plan setting out the approach and steps to be followed during the review process. The plan should document:
 - key decisions and underlying assumptions;
 - the envisaged schedule of activities and tasks to be undertaken;
 - the timing of the visit/s to the reviewed SAI and dates of key meetings (for example, at the start and end of fieldwork and for the clearance of the report);
 - milestones to be met;
 - human and monetary resources required for each action;
 - the deliverables expected at each stage; as well as
 - possible critical risks and mitigating measures;
 - the criteria against which the reviewed SAI will be assessed; and
 - any follow-up on previous peer review findings if applicable.

The detail contained within the plan will depend on the complexity of the task and the needs of the reviewed SAI and the peer review team.

- 2) Peer review planning can benefit from using appropriate planning tools and techniques to sequence tasks, assign work and manage the team (for example Gantt charts). Good practices include identifying and plotting

the critical path of the planned assignment (for example with the earliest start dates, expected duration and other dependent tasks) and integrating buffers in the planning to anticipate potential delays or slack time in peer review execution. SMART objectives¹ can also be defined to facilitate overall monitoring and tracking of progress by senior management. A budget should also be prepared and followed to ensure that costs and other resources remain within the estimated or expected levels.

- 3) The plan should be finalised and agreed with all the members of the peer review team and communicated to the reviewed SAI for information and discussion, well in advance before the start of fieldwork. The document should also be kept updated in order to ensure efficient and effective project management and monitoring of progress. The plan can also serve to facilitate communication between the SAIs and within the peer review team by providing a basis on which to coordinate and manage activities and changes.
- 4) Similar to any other plan a SAI would prepare before the start of an audit or the launch of a project, the plan for the peer review should aim to address the following questions about the organisation, execution and management of the assignment: **WHAT?, WHEN?, WHO?, HOW?, and HOW MUCH?** It should provide further detail on considerations set out in the MoU (see chapter 5). Some of the main issues and challenges underlying each of these questions are explored further below:

WHAT implies carefully identifying all the areas that need to be covered and providing a breakdown of the planned tasks and activities to be undertaken. This is also dependent, in particular, on how the peer review team plans to conduct its work and what resources are available for the review. In preparing for the peer review, the reviewing team should gain a sufficient understanding of the nature, mandate and objectives of the reviewed SAI in order to fully appreciate the context in which the reviewed SAI functions and the way it operates. To achieve that, the peer review team could consider conducting a study.

WHEN denotes creating appropriate timelines for each step of the peer review, ensuring in the process that all planned tasks are listed and properly scheduled, and

¹ S.M.A.R.T. stands for Specific, Measurable, Assignable/Agreed, Realistic, Timebound. Source: *Doran, George T. "There's a S.M.A.R.T. way to write management's goals and objectives" Management Review pp. 35 and 36 (Nov. 1981)*

that the required persons are available. All the milestone completion dates up to the finalisation of the peer review should be agreed and documented. The peer review team should monitor these timelines and ensure that all the planned work can be completed by the stipulated deadlines. Sufficient time should be allowed for the collection of the required supporting documentation as well as for drafting and clearing the final report.

WHO requires completing the list of persons who will be involved during the different stages of the peer review and defining their responsibilities. The peer review team members must be carefully selected and adequately prepared for their tasks (what and how). One of the members of the peer review team, most likely from the SAI acting as the lead reviewer, should be assigned the responsibility for coordinating with the reviewed SAI. Staff of the reviewed SAIs should also be appropriately informed about the peer review and arrangements made for the conduct of the fieldwork, particularly if they may be required to interact with the peer review team (when and who). The same applies for external stakeholders who may be approached or interviewed as part of the peer review.

HOW should cover the methods chosen by the peer review team. Typically this could include a combination of the following: desk reviews, interviews, focus groups, observations, surveys and questionnaires. The choice of method will depend on what is to be covered in the peer review, what is expected from the exercise, when the assignment is expected to be completed, what resources are allocated to the peer review, who will be conducting the peer review, who will be participating from the reviewed SAI and its stakeholders, as well as on the modus operandi and structure of the reviewed SAI.

HOW MUCH refers to the estimated total cost of the review and how each participation and task will be financed and by whom. The principles should be set out in the MoU and the costs duly committed in the respective budgets of the SAIs involved.

- 5) In addition, when considering the above questions, both sides (i.e. the peer review team and the reviewed SAI) should carefully assess whether there is:
 - anything that would materially hinder or even prevent the achievement of the peer review objectives, such as: limited access rights to information necessary for the conduct of the peer review; unavailability

of key staff of the reviewed SAI and the peer review team members during critical fieldwork dates; or an unforeseen lack of particular skills or expertise required for the review;

- any need to set up contingency plans, particularly for risks which are considered by the peer review team as particularly likely to occur and which could have a decisive impact on the peer review process.
- 6) During planning, attention should be given to preparing an outline of the peer review report. It is recommended that the peer review team already formulates at this early stage the report's structure and outline content, and creates links with the planned peer review tasks and questions. This will help to ensure that all key aspects of the review are adequately covered during fieldwork, and will also facilitate the detailed drafting of the peer review report when fieldwork is completed.
- 7) In conclusion, the planning for the peer review should ultimately serve as a means for ensuring that the assessment remains focused on the core issues, the project is adequately defined and resourced, the process is concluded on time and on budget, and the final report is objective, complete, clear, convincing, relevant and accurate.

7

FIELDWORK

- 1) The fieldwork stage of the peer review process involves gathering the essential evidence to support the peer review observations, as well as analysing the findings. Fieldwork should follow the plan developed by the peer review team and agreed with the reviewed SAI. It should also reflect any adjustments made to the plan during the course of the review due, for example, to changes in the scope or problems in gathering supporting evidence.
- 2) Attention should also be given, before the start of fieldwork, to ensure that individual team members clearly understand their responsibilities and expected roles. This is particularly important given the sometimes ad hoc and complex nature of peer reviews. Furthermore, as the peer review team is unlikely to have worked together before, it is important to ensure that every task is adequately identified and properly assigned.¹
- 3) Moreover, given that the objectives of a peer review fundamentally differ from those of an audit (see chapter 2), it is important to ensure that all members of the team act accordingly and are not drawn into treating the assignment as an audit or the SAI being reviewed as the auditee. For example, it is normally not necessary in a peer review, unless specifically agreed as part of the approach, to corroborate evidence with substantive testing (as would be required for an audit).

¹ The RACI matrix chart, typically used in projects or assignments to describe participation by various roles in completing tasks or deliverables can be especially useful in clarifying roles and responsibilities and fostering teamwork for a peer review assignment. It plots one a matrix of those who are **Responsible** to do the work to achieve the task; those who are **Accountable** and ultimately answerable for the correct and thorough completion of the deliverable or task; those who need to be **Consulted** and with whom there is two-way communication; and finally those who need to be **Informed** and kept up-to-date on progress in the form of one-way communication.

- 4) Walk through tests can often be sufficient to gain an understanding of processes, rather than detailed tests of controls. Information gathered from interview does not necessarily need to be formally corroborated, although it is good practice to document the information and have it signed by both the interviewee and interviewer. This is particularly important when it is the only source of evidence and will be used as the basis for observations in the final report.
- 5) When the peer review involves or requires the direct examination or testing of controls or audit files, then this should be done on a sample basis. The size of the sample should depend on the conclusions sought, the resources available and the extent and apparent strength of the reviewed SAI's quality assurance system.
- 6) Several standard audit steps and approaches can be usefully applied to peer reviews. For example, during fieldwork the peer review team needs to:
 - obtain sufficient understanding of the reviewed SAI and its environment;
 - define the procedures to be used to collect and analyse information and data;
 - collect facts and evaluate feedback;
 - be open-minded to different views and arguments;
 - maintain an objective and unbiased attitude to the information being presented;
 - exercise professional judgement to determine whether the gathered evidence is sufficient and sound enough to conclude on the examined issues and make useful and relevant recommendations;
 - consult all key parties involved;
 - use persuasive arguments (as in the case of performance audits) to point toward a specific conclusion and the resulting recommendation (in contrast to the conclusive "right/wrong" nature of many financial and compliance audits);
 - keep appropriate supporting documentation and analytical notes; and

- draft and discuss findings and observations as a basis for the report.
- 7) Despite these similarities with auditing, the non-prescriptive nature of peer reviews means the team has more freedom, flexibility and room to manoeuvre in conducting its work and exploring different ways the reviewed SAI can further develop and improve. For example, in a peer review, the team may question and judge what the reviewed SAI wants to achieve, why has it chosen to do things in the way it does, what other options have been considered, whether the right things are being done, what can be improved and how.
- 8) At the start of fieldwork, an introductory formal discussion should be held between the responsible officials in the reviewed SAI and the peer review team. The purpose of this meeting can be to exchange information on matters such as:
- the agreed terms of reference, including the focus and scope of the peer review and any changes since;
 - any new developments and related issues;
 - timetable and the work to be done;
 - list of interviewees/targeted respondents inside and outside the reviewed SAI;
 - matters related to access to documentation, information systems and staff;
 - translation or interpretation requirements;
 - logistical and liaison coordination;
 - expenses and reimbursement rules;
 - envisaged timeframes and milestones; and
 - arrangements for reporting and clearance.
- 9) The peer review leader should also maintain regular contact with the leadership of the reviewed SAI and keep them appropriately informed and updated on the progress of the peer review. Any significant change in scope and approach should be immediately discussed and agreed with the reviewed SAI. Moreover, it could also trigger an update to the peer review

and, if necessary, the draft report outline.

- 10) A formal wrap-up meeting or series of meetings should be held at the end of fieldwork for the peer review team to inform the reviewed SAI of their observations, and to discuss any outstanding issues and the timeframe for the completion of the peer review.
- 11) In conclusion, peer review fieldwork is based around three main aspects:
 - *Information gathering*: This includes the collection of data and documentation from the reviewed SAI and its stakeholders;
 - *Analytical work*: This includes any assessments, data analysis and case study evaluations done by the peer review team on the issues being examined; and
 - *Continuous Communication*: This is maintained throughout the various stages of the peer review process (particularly fieldwork and reporting), as different observations, findings, arguments and perspectives arising from the peer review are identified and shared.

8

REPORTING

- 1) The reporting phase of the peer review includes the preparation of a draft report, clearance of the findings, conclusions and recommendations with the reviewed SAI, the receipt of written comments and the preparation of the final peer review report.
- 2) The peer review report is the main output of the peer review process. Its purpose is to add value to the reviewed SAI and:
 - a) present the objectives, scope and nature of the work done and the rationale behind them;
 - b) communicate clearly and objectively the main observations and conclusions resulting from the peer review;
 - c) make practical and relevant recommendations on areas where there is a scope for further improvement; as well as
 - d) serve as a useful baseline against which improvements or changes made by the reviewed SAI can in the future be benchmarked and followed up.
- 3) It is good practice to publish the results of peer review as this reflects the reviewed SAI's commitment and willingness to be accountable and transparent about its operations and activities. However, the decision of whether or not to publish remains the prerogative of the reviewed SAI.

- 4) The target readership of the peer review report is the reviewed SAI as well as key stakeholders and interested parties (for example Parliament, media, citizens, government, nongovernmental organisations and other SAIs). The credibility of the report will, to a large extent, depend on its quality and presentation. The standing and reputation of the reviewed and reviewing SAIs could be undermined if the final report is poorly conceived or drafted.
- 5) In order to achieve a high quality report, it is important that sufficient attention is given by the peer review team to the following criteria for reporting: objective, concise, relevant, clear, complete, convincing, accurate and constructive. The draft peer review report should be given to the reviewed SAI for their comments, preferably in written format.
- 6) Recommendations for improvement are often conceived during the fieldwork and finalised during the reporting stage. They should:
 - arise from the findings and conclusions;
 - focus on areas of significant risk or potential for improvement;
 - as far as possible be consistent with recommendations made in other peer reviews, or previous reviews of the reviewed SAI;
 - be positively drafted, with a focus on results to be achieved;
 - be succinct, but with enough detail to be understood;
 - be persuasive rather than prescriptive; and
 - be practical and useful.
- 7) The peer review team must put in place appropriate internal control checks and measures in order to ensure that the final report meets these standards. Responsibility for drafting the report often lies with the lead reviewer. Planning for the report should start during the overall peer review planning (see chapter 6). Moreover, the drafting process should be iterative, with the draft versions of the report being reviewed, changed and improved in steps until the document is ready for presentation to the reviewed SAI.
- 8) The final peer review report should set out the most relevant and significant observations, conclusions and recommendations in a clear and logical manner.

The same guiding principles rules and best practices normally applied by SAIs when drafting, for example, performance audit reporting, should also be applied to peer review reports. The peer review report is usually composed of the following elements:

- *Executive Summary* (with succinct, clear and accurate presentation of what is in the report, focusing on the most critical observations and conclusions);
 - short *Introduction and Background Information*;
 - key information on the *Peer Review Objectives, Scope, Approach and Criteria* against which the SAI was reviewed;
 - *Observations* (this is the main body of the report and can be presented in more than one chapter. It is important that the results are presented in a way that they help the reader to follow the argument flow); and
 - *Conclusions and Recommendations*, providing clear and succinct answers / conclusions to the objectives set for the peer review as well as related practical recommendations for improvement.
- 9) Other relevant information may be provided in annexes to allow the body of the report to focus on the key points. Carefully chosen diagrams, graphs, data and pictures can improve readability and make it more attractive to the reader. The final presentation of the report may depend on other factors such as the standard style normally followed by the SAI of the lead reviewer, national or regional preferences as well as relevant regulations or national standards.
- 10) The final draft report should be presented to the reviewed SAI's internal team, inviting comments and suggestions. This part of the process is typically concluded with one or more final clearance meetings. It may also be agreed that the reviewed SAI will provide a written response to the peer review report, indicating for example its position on the observations and recommendations, including any reasons for not accepting them. These responses can be published.
- 11) The indicative milestones and timelines for the drafting and finalisation of the peer review report are normally specified in the MoU (see chapter 5). The report is often signed by the respective heads of the participating SAIs, but

practices can vary. An alternative approach is that the peer review team leader signs the report on behalf of the team. Some reports contain the names of all the peer review team members, and sometimes their signatures.

- 12) Once the final report is completed and published, the peer review leader – subject to prior agreement with the reviewed SAI - can take the opportunity to send a copy to INTOSAI, along with any best practices and ideas on how to further refine this or other INTOSAI pronouncements. This agreement can be, for example, set out in the MoU.

9

IMPLEMENTATION OF RESULTS AND FOLLOW-UP

- 1) It is at the discretion of the reviewed SAI to decide on the extent to which the peer review recommendations are to be followed up and implemented. An action plan may also be included as part of the written response that the reviewed SAI provides to the peer review team or published as part of the final report. A well-conceived follow-up helps achieve the full value of the peer review process by stimulating improvement and change.
- 2) In order to aid implementation, it may be useful for the peer review team to rank or classify recommendations according to different criteria, such as:
 - importance of the recommendation (from the viewpoint of the reviewed SAI);
 - expected time horizon for implementation (in the short, medium and long term); and
 - whether the recommendation can be implemented by the reviewed SAI directly or whether its implementation requires, for example, legislative actions. This can be the case with recommendations that aim to strengthen or reinforce an SAI's independence.
- 3) The implementation of the accepted peer review recommendations can be carried out as a stand-alone project, or by assigning the responsibilities to the managers or employees responsible for the activities or operations in question. As in all other initiatives where change or improvement is being sought, the assigned actions should also include respective deadlines for completion. Progress can also be tracked through periodic reporting to the SAI's leadership.

- 4) It is good practice for the reviewed SAI to systematically report (in its annual report or other appropriate medium) on the progress being made to implement the accepted peer review recommendations.
- 5) The reviewed SAI might also request the original peer review team to verify the extent to which recommendations have been followed after an agreed time (e.g. one, two or three years), depending on the level of importance and significance of the recommendation. After verification, the team may prepare a further report on the degree of implementation of the recommendations as well as on possible updates to the original recommendations. Especially in those cases in which the first peer review results had been published, it is good practice for the results of the follow up peer review to be also published, in the interest of transparency and accountability.
- 6) The peer review evaluation by the peer reviewing team (lead) and peer reviewed SAI should be performed. Evaluation of a peer review should not be only in the individual interest of its participants, but in the general interest of the wider INTOSAI community, particularly of all SAIs considering a peer review either as peer reviewer or peer reviewed. SAIs are encouraged to evaluate the performed peer reviews in order to establish best practice and publish their experience. As the peer review is voluntary (see 2.2), retrospective evaluation is voluntary as well.

ANNEX: PEER REVIEW AREAS AND QUESTIONS

INTRODUCTION

1. This Annex Peer review areas and questions (PRAQ) is a guide to the areas of a SAI's mandate, organisation and functioning which may be covered by a peer review. It also provides example questions for use in the peer review process. It is not mandatory to use this Annex but it is intended as useful reference tool¹.
2. The guidance provided by the PRAQ is non-exhaustive and non-prescriptive. A peer review can cover areas not included in the PRAQ. The questions should be tailored to the SAI and/or to the specific objectives of the peer review. It may not be possible or necessary to use all the example questions. Additional questions may be required.
3. The PRAQ is based primarily on the principles and guidelines defined in the INTOSAI Framework of Professional Pronouncements (IFPP). In particular, it takes into account:
 - The INTOSAI Founding Principles and Core Principles (INTOSAI-P 1 to INTOSAI-P 99) that provide the essential foundations for assessing a SAI's independence, transparency, accountability, governance, ethics and quality control arrangements;
 - INTOSAI Standards (ISSAI) which define the generally recognised professional standards for public sector auditing;
 - INTOSAI Guidance (GUID) which translate these standards into more detailed and operational guidelines on specific areas of activity or issues for day-to-day use and reference.

¹ The PRAQ may also serve as a useful reference tool for a SAI undertaking a self-assessment exercise in preparation for a peer review.

4. Additional reference material on SAI peer reviews is available on the CBC website (www.intosaicbc.org). The online document library includes examples of peer reviews and other valuable insights into the peer review process.
5. The PRAQ focuses on the following seven main overall themes, each addressing fundamental principles, essential pre-requisites and/or key issues covered in the INTOSAI Framework of Professional Pronouncements and other professional guidelines and literature:
 - A. Independence
 - B. Mandate, strategy and types of activities
 - C. Management of resources
 - D. Communication and engagement with stakeholders
 - E. Ethics, transparency, accountability and good governance
 - F. Auditing standards, methodology and quality control
 - G. Audit approach

A. INDEPENDENCE

6. The independence of the SAI is of fundamental importance. When assessing the degree of independence of a SAI, it is recommended that reference is made to INTOSAI-P 10 Mexico Declaration on SAI Independence, INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens and GUID 9030 Guidelines and Good Practices Related to SAI Independence.
7. Examples of peer review questions on SAI independence (grouped under the sub-headings of the Mexico Declaration) include:
 - **Legal framework establishing SAI independence**
 - Is there an appropriate and effective constitutional statutory/legal framework guaranteeing the independence of the SAI?
 - Are the provisions of this framework applied in practice?
 - Are the relationships between the SAI and parliament, and also with the government, clearly defined in the constitutional/statutory/legal framework?

- **Independence of the SAI's head(s)**
 - Is there an appropriate mechanism for selecting and appointing the heads and members (in the case of collegial institutions) of the SAI?
 - Are there appropriate mechanisms to ensure that independence is maintained, particularly when the mandate of the SAI's head(s) has to be renewed?
 - Are the terms of office and other employment conditions appropriate?
 - Are there sufficient legal safeguards in place to protect the independence of the SAI's head(s), including security of tenure and legal immunity in the normal discharge of their duties?

- **Independence of auditors²**
 - Are there sufficient legal safeguards in place to protect the independence of the SAI's auditors, during the conduct of their work including the situation when there has been undue pressure from the SAI's hierarchy?
 - Is there a mechanism to ensure that the auditors' performance appraisal process is based only on professional considerations and that the individuals cannot be sanctioned for the observations and findings they have issued in the discharge of their duties?

- **Discretion in the discharge of the functions and duties of the SAI**
 - Does the mandate of the SAI cover the areas of work listed under Principle 3 of the Mexico Declaration?³
 - Does legislation provide the SAI with full discretion in the discharge of its functions and duties?

² Where the SAI is a court with judicial powers, the auditors – magistrates/court members or counsellors (the title may vary according to national legislative framework) cannot be sanctioned by their hierarchy for observation and findings issued in the discharge of their duties and only in procedures especially foreseen by law they may be subject to civil, criminal or disciplinary liability.

³ SAIs should be empowered to audit the:

- use of public monies, resources, or assets, by a recipient or beneficiary regardless of its legal nature;
- collection of revenues owed to the government or public entities;
- legality and regularity of government or public entities accounts;
- quality of financial management and reporting; and
- economy, efficiency, and effectiveness of government or public entities operations.

Except when specifically required to do so by legislation, SAIs do not audit government or public entities policy but restrict themselves to the audit of policy implementation.

- Is the SAI free from direction or interference when:
 - deciding on its non-mandatory audit work?
 - organising and managing itself?
 - enforcing its decisions (and sanctions, where applicable)?
- Does the SAI also have the obligation to carry out investigations/audits requested by the parliament or government? If it does not have the obligation, does it have an appropriate approach to deciding which requests, if any, to accept?
- Is the SAI making effective use of its mandate and discretion to ensure public accountability and improve the stewardship of public funds?
- Does the SAI strive actively to promote, secure and maintain its independence in accordance with its mandate and legal framework?
- **Access to information**
 - Does the SAI have timely and unrestricted rights of access to all the information necessary for the proper discharge of its statutory responsibilities?
 - Do any restrictions materially limit the SAI's ability to discharge its statutory responsibilities?
- **Freedom to decide on content and timing of audit reports**
 - Does the SAI have the right and obligation to report on the results of its audit work?
 - Is there a legal requirement for the SAI to report on the results of its audit work at least once a year, as defined under Principle 5 of the Mexico Declaration?
 - Is the SAI free to decide on the content of its audit reports, as well as on their timing, publication and dissemination?
 - If not, what restrictions exist and do they limit the independence of the SAI?
- **Independent follow-up and monitoring of audit results**
 - Does the SAI have monitoring and reporting mechanisms in place to ensure that its observations and recommendations are adequately followed-up?
 - Are these effective in ensuring timely implementation by government and public sector entities and for ensuring public accountability?

- **Sufficient resources to guarantee independence**
 - Are there sufficient legal safeguards over the SAI's financial and managerial/administrative independence?
 - Is the SAI sufficiently funded to fulfil its mandate?
 - Is the SAI authorised to use the funds allotted to it as it deems fit or is the budget subject to any control by government or parliament?
 - Does the SAI have the necessary human and material resources to achieve its goals, and does it have access to external expertise or support when needed?

- **Appropriate organisational structure**
 - Is the SAI's organisational structure defined in the legislation, or in some other way formally approved?
 - Is the SAI's organisational structure appropriate for effective decision making and for achieving its mandate?

B. MANDATE, STRATEGY AND TYPES OF ACTIVITIES

8. A SAI exercises its public-sector audit function within a specific constitutional and legal context. It may be mandated to perform many types of engagements on any subject of relevance. The extent and form of these engagements, and the reporting thereon, will vary according to the SAI's mandate. In certain countries, the SAI is a court with judicial powers over public administration.

9. The SAI must make strategic decisions on how best to meet the requirements of its mandate and other legal obligations. The peer review can assess the way the SAI prioritises and balances its capabilities and resources to meet these demands.

10. Strategic planning is a systematic process by which a SAI agrees on the priorities that are essential to its mission and environment, and how to achieve them. Strategic planning is a key leadership function, with the head(s) of the SAI and senior management being expected to take a leading role. It involves determining the vision, mission and values of the organisation which guide its strategic direction. They should then be transformed into specific goals, objectives and priorities. Strategic planning should also cover the acquisition and allocation of resources to achieve these priorities⁴.
11. Most strategic plans are between five and seven years in duration. The length depends on factors such as the SAI's funding cycle, spending or legislative cycles, as well as the pace of change in the environment.
12. Examples of peer review questions on the strategic planning process include⁵:
 - **Responsibility for strategic planning**
 - Are there clearly defined responsibilities, actions and a timetable for developing the SAI's strategic plan?
 - Is the strategic planning process led by someone with sufficient experience and authority in the SAI?
 - Are the head(s) of the SAI and senior management sufficiently involved in the process?
 - Is the rest of the organisation involved in, and/or informed about, strategic planning?
 - **Development and communication of the strategy**
 - Is the SAI's strategic planning process based on a sound needs assessment and gap analysis?
 - Does the SAI's strategy include definition and application of its vision, mission and values?

⁴ Refer to the IDI Handbook for SAIs on Strategic Planning.

⁵ The IDI Handbook as well as INTOSAI-P 10 Mexico Declaration on SAI Independence, INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens, INTOSAI-P 20 Principles of Transparency and Accountability, GUID 9030 Guidelines and Good Practices Related to SAI Independence, GUID 9040 Good Practices Related to SAI Transparency and the Working Group on Values and Benefits of SAI's Supreme Audit Institutions Performance Measurement Framework (SAI PMF) have been used as the basis for identifying peer review areas and questions on the strategic planning process. There is also extensive management literature in the public domain on the principles, tools and good practices in this area.

- Does the SAI have an appropriate approach to identifying and evaluating changing and emerging risks in its environment, including key issues affecting society?
 - Does the SAI's planning process respond to these issues in a timely and appropriate manner?
 - Does the SAI have an appropriate method for assessing what external and internal stakeholders expect from the institution? Does it take these into account in its strategic planning?
 - Does the SAI clearly define goals and objectives in its strategy? Do they cover all strategic issues?
 - Are performance measures included in the strategy? Do they measure the achievement of the SAI's objectives? Are they practical and cost effective? Do they measure results as well as inputs?
 - Was the strategy widely communicated? Were management and staff members adequately informed about the strategy? Were external stakeholders targeted with an appropriate communications plan? Was the strategy made public?
- **Types of audit and other activities**
 - Does the SAI strike an appropriate balance between the different types of audits it performs, and its other functions and activities?
 - Does the SAI's audit work and other activities contribute to ensure sufficient accountability of government and public sector entities for their stewardship and use of public resources?
 - Does the SAI address risks of financial impropriety, fraud or risk when exercising its mandate?
 - In the case of financial and regularity/compliance audits, does the SAI have a clear mandate to audit the auditees' adherence to regulations, rules and principles? Is the required level of assurance from this work defined?
 - In the case the SAI has judicial functions, does it have the right to apply appropriate procedures and sanctions?
 - Does the SAI undertake performance audits, where appropriate and relevant?
 - Does the SAI have the mandate to carry out evaluations of public policies and programmes? Are these types of evaluations undertaken by the SAI?
 - Does the SAI use its knowledge and insight to encourage and support public sector reforms?
 - Does the SAI draw on the work of others, including peer SAIs, INTOSAI and relevant regional working groups, to build its capacity and share knowledge?

- **Monitoring, evaluation and reporting on the implementation of the strategy**
 - Does the SAI monitor progress on the implementation of its strategy?
 - Does the SAI have appropriate baseline data, indicators and targets for the measurement of its performance?
 - Does the SAI monitor the different activities and projects that take place as part of the implementation of its strategy?
 - Does the SAI regularly review and update its strategy to reflect major changes in its environment? Was timely preventive or corrective action taken when things did not go according to plan?
 - Does the SAI have an appropriate mechanism to manage potential cases of audit failure, i.e. when complex audits, possibly involving matters which are highly visible and/or politically sensitive, might undermine its credibility?
 - Does the SAI take stock of its achievements and evaluate its results? Does it have an effective system for assessing its achievements and progress, and reporting to relevant stakeholders?
 - In the case of major differences between achieved and intended results, does the SAI undertake the necessary analysis to identify the reasons and take corrective action?

C. MANAGEMENT OF RESOURCES

Human Resources

13. People are the most valuable asset of an SAI as they play the key role in achieving high quality audit work. A SAI needs an appropriate number of qualified and motivated staff members to operate effectively. It should provide its employees with a professionally challenging and rewarding work environment.

14. Examples of peer review questions on human resource management may include⁶:

- **Human resource planning**
 - Does the SAI define and plan for its future staffing needs? Has it established a clear strategy, plan and budget for the human resource it requires to fulfil its mandate and achieve its objectives?
 - Are there clear human resource management policies and procedures in place to cover all main issues including recruitment, promotion, pay and entitlements, professional training and development, staff members' appraisals, ethics, staff members rotation, etc.?
- **Recruitment**
 - Does the SAI have an objective and effective approach for the recruitment and selection of the new staff members to allow it to meet its professional needs?
 - When recruiting staff members, does the SAI place adequate emphasis on multi-disciplinary requirements in addition to specific qualifications and professional experience?
- **Fostering learning and knowledge sharing**
 - Does the SAI have in place an appropriate professional development strategy, including training?
 - Does this strategy cover the different aspects of individual, team and organisational excellence?
 - Does the SAI provide sufficient and appropriate technical and skills training to its staff members? Is there a systematic approach to evaluate training needs?
 - Does the SAI set annual training targets for staff members?
 - Does the SAI monitor its training to ensure being effective in bridging any gaps in knowledge, know-how and skills?
 - Does the SAI evaluate whether the individual training events are being presented effectively and whether they are achieving the objectives set for them?

⁶ INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens and ISSAI 140 Quality Control for SAIs highlight a number of issues concerning human resource management. There is also extensive literature on these matters that is available in the public domain and providing tools and detailed examples on, for example, how to assess the human resource function and activities in an organisation.

- Is there a mechanism for ensuring sufficient participation in mandatory training and appropriate participation in optional training?
- Does the SAI provide a sufficient and appropriate initial training and induction programme for the newly recruited staff members?
- Does the SAI provide managerial training for those supervising audit teams or undertaking other management tasks? Is there a strategy in place to identify and train future managers?
- **Staff retention**
 - Does the SAI take measures to ensure that working conditions (salaries, allowances, personnel welfare and benefits) and career opportunities are sufficiently attractive to retain the services of experienced personnel?
 - Does the SAI systematically interview leaving staff members in order to ascertain their reasons for departing and use feedback for improving human resource management?
- **Performance appraisals**
 - Are staff members performance formally evaluated on a regular basis?
 - Is there a documented and transparent policy clearly defining the objectives and purpose of the staff members appraisal process? Are the evaluation criteria clearly communicated?
 - Does the SAI take measures to ensure that the evaluations are performed objectively, consistently and fairly? Is there an appropriate appeals process?
 - Does the appraisal system allow for the recognition and reward of high performers, as well as documentation and follow-up of inadequate performance?
- **Employees' feedback**
 - Are there policies, procedures and measures in place to ensure that staff members are treated fairly and equally? Are there adequate mechanisms to report harassment, and to ensure its appropriate follow-up?
 - Is the well-being and/or job satisfaction of staff members periodically measured? Are the results followed-up and used to improve human resource management?

Information Technology Management

15. Information Technology (IT) plays a vital and integral role in supporting the achievement of a SAI's strategic objectives and priorities. The IT function can be involved in the development, implementation and maintenance of systems and applications which have an impact at all levels of the organisation.
16. A SAI needs to make long-term critical strategic choices on the infrastructure, technology and resources needed to support the organisation and its activities. Properly planned investment in IT can significantly improve the operational efficiency, effectiveness and impact of the SAI and reduce its costs. Weaknesses in IT management, on the other hand, can lead to an overrun in costs, poor usability and interface with other systems, and end-user dissatisfaction.
17. A SAI should develop and maintain a set of policies and procedures to regulate the use and security of its IT systems, networks, and information resources. On a day-to-day basis, the SAI should ensure that its IT operations are properly managed and deliver the expected level of service to internal and external users.
18. Examples of peer review questions on IT management include⁷:
 - Does the SAI have an IT strategy which addresses its IT needs over an appropriate timeframe? Is the IT strategy aligned with the overall corporate strategy?
 - Does the SAI have suitable IT systems to support its audit activities?
 - Are the IT users and other stakeholders involved in the development of key IT systems?

⁷ Additionally, further insights can be obtained by consulting:

- IDI IT Audit Handbook (first issue in October 2013);
- internationally accepted standards on IT governance;
- IT management and information security, namely the Control Objectives for Information and related Technology (CobiT);
- the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework; and
- whole range of standards established by the International Organization for Standardization (ISO) on information technology and security.

- Does the SAI have access to the required levels of resources, technical competence and know-how to maintain and develop its systems and applications? Is there an appropriate mechanism for identifying and processing requests for improvements and changes to existing systems?
- Does the IT function within the SAI monitor its performance in delivering services to users, including downtime of hardware and software? Does it respond promptly to these downtimes?
- Is sufficient training on IT-related matters provided to the SAI's employees?
- Does the SAI ensure sufficient security and integrity of data? Has it tried and tested disaster recovery procedures? Are there policies in place for data protection, and ensuring they are followed?

D. COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

19. In order to achieve its strategic objectives and to foster good working relations, the SAI needs to engage and communicate with its stakeholders. These normally include parliament, government and public sector entities, the judiciary, media, citizens, special interest groups, donor organisations, academia, public policy organisations, professional and standard-setting bodies and the SAI's employees.
20. An SAI should communicate, in a clear and timely way, with its stakeholders on its role, responsibilities, audit work and results, while maintaining its autonomy and independence.

21. Examples of peer review questions on communication and stakeholder engagement include⁸:

- Has the SAI clearly identified its different stakeholders? Has it formulated a strategy for engaging and communicating with the different types of stakeholder? Is this linked to the overall corporate strategy of the SAI?
- Does the SAI monitor and update stakeholders' concerns and expectations? Does it take these into account during its strategic and/or work planning, while maintaining its independence?
- Does the SAI identify the key messages it wants to give to its stakeholders? Does it communicate these appropriately?
- Does the SAI undertake initiatives to increase stakeholders' knowledge and understanding of its role and responsibilities? Does the SAI contribute towards increasing stakeholders' awareness of the need for transparency and accountability in the public sector? Does the SAI have sufficient visibility with the public?
- Does the SAI use suitable channels and media to communicate with stakeholders on its audit work and results? Does the SAI make its reports publicly available in a timely manner? Does it explain the context and meaning of its reports to facilitate their understanding by media and other stakeholders?
- Does the SAI have an appropriate approach to engage with stakeholders and take their views into account? For example, can the public submit comments and suggestions on the SAI's current and future work?
- Has the SAI developed suitable professional relationships with the relevant legislative oversight committees and audited entities to help them better understand the audit conclusions and recommendations and take appropriate action?
- Does the SAI periodically gauge the level of awareness and understanding among stakeholders about its role, value and findings?

⁸ The INTOSAI principles on reporting and communicating effectively with stakeholders are defined in detail in INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens, INTOSAI-P 20 Principles of Transparency and Accountability, GUID 9040 Good Practices Related to SAI Transparency.

E. ETHICS, TRANSPARENCY, ACCOUNTABILITY AND GOOD GOVERNANCE

22. The conduct of a SAI and its staff members should be transparent and beyond reproach at all times and in all circumstances. To be able to judge others credibly, a SAI must lead by example. Any deficiency in professional conduct or any improper conduct by a SAI's leadership and staff members in their personal life places their own integrity, the SAI that they represent, and the quality and validity of its work in jeopardy. The adoption of a Code of Ethics, as well as policies and systems fostering accountability, transparency and overall good governance, helps promote trust and confidence in the work of a SAI and its staff members.
23. Examples of peer review questions on ethics, transparency, accountability and good governance may include⁹:
- **Integrity and ethics**
 - Does the SAI sufficiently and appropriately promote ethical behaviour throughout the organisation?
 - Does the SAI have a Code of Ethics for staff members at all levels? Is it aligned with ISSAI 130, consistent with its mandate and appropriate for its circumstances? Is it made public?
 - Does the SAI take preventive or corrective measures to ensure staff members remain objective and impartial in the conduct of their work? Does the SAI require from personnel a written declaration to confirm acceptance and compliance with its ethical requirements?
 - Are leadership and key staff members required to prepare a declaration of interest? Are these declarations of interest published?
 - Does the SAI have appropriate and effective procedures to identify and prevent internal conflicts of interest or corruption?
 - Does the SAI have policies and rules for safeguarding professional secrecy of the information obtained during the auditing process?

⁹ The main sources of these questions are INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens, INTOSAI-P 20 Principles of Transparency and Accountability, ISSAI 130 Code of Ethics and GUID 9040 Good Practices Related to SAI Transparency.

- Does the SAI assess whether it is perceived by stakeholders as a trustworthy and credible institution?
- Does the SAI have safeguards in place to maintain its independence from political interference in its regular contacts with the legislative authorities and the executive? If the SAI's staff members are permitted to participate in political activities, are they made aware that such involvement may lead to professional conflicts?
- Does the SAI have in place, as proposed in ISSAI 140, policies and procedures for rotating key audit personnel to reduce the risk of over-familiarity with the auditees?
- Does the SAI have the appropriate policies and measures in place to ensure that SAI's ethical and professional standards are also adhered to by its external service providers? Does the SAI remain accountable for outsourced audit work?
- **Transparency and openness**
 - Does the SAI's legal framework include adequate levels of accountability and transparency in its functioning?
 - Does the SAI make public its mandate, leadership appointments, as well as its responsibilities, mission, strategy and annual plans?
 - Does the SAI make known to stakeholders, as appropriate for its circumstances, key aspects such as its audit approach and methodology, its activities, etc.?
- **Good governance and sound management of own operations**
 - Are the SAI's management systems and organisational structure appropriate for supporting good governance and sound management/internal control?
 - Does the SAI have appropriate measures and controls in place to ensure that it conducts its activities in the most economic, efficient and effective manner? Does it regularly assess and follow-up on organisational risks?
 - Does the SAI have an effective enterprise risk management approach involving identification and consideration of the risks it faces? Does it maintain a risk register that is updated regularly?
 - Does the SAI have an appropriate and objective internal audit function?
 - Does the SAI report publically, in accordance with applicable laws and regulations, on how it is managing its operations and activities?
 - Are the SAI's budgets and financial statements made public? Is the SAI subject to independent external scrutiny? Is the SAI audited externally? Are these reports made public?

- Does the SAI use performance indicators to assess the effectiveness of its management and the value of its audit work?
- Does the SAI monitor public visibility, outcomes and impact and make use of lessons learned?
- **Publication of audit results and conclusions**
 - Does the SAI make public the results, conclusions and recommendations of its audit work (unless there are considered legally confidential)?
 - Does the SAI report publically on wider financial management issues (overall budget implementation, financial conditions and operations, etc.)?
 - If the SAI also serves as a court, does it report on sanctions and penalties imposed on public servants and other staff members?

F. AUDITING STANDARDS, METHODOLOGY AND QUALITY CONTROL

24. The practical audit work and quality control of a SAI is guided by INTOSAI Standards (ISSAIs) and INTOSAI Guidance (GUIDs). These professional standards and guidelines support the SAI in its professional approach but do not override national laws, regulations or mandates, nor restrict the SAI in carrying out investigations, reviews or other engagements which fall outside the scope of the ISSAIs.
25. A key aim of a peer review can be to assess compliance by the SAI with the various standards in terms of their transposition to audit manuals and other guidance, and/or their application in practice.

Auditing Standards and Methodology

26. The SAI should declare the standards it applies when conducting its audits and make this information accessible to the users of its reports. These standards should be used by the SAI to provide a sound basis to ensure its audits are carried out appropriately in terms of approach, methods and quality. This is essential ensuring the credibility of the SAI.

27. Examples of peer review questions on auditing standards and methodology include:
- Has the SAI defined appropriate auditing standards to be applied to its work? Have these standards been formally approved?
 - Do these standards align with the INTOSAI Professional Pronouncements as well as other internationally recognised guidelines and professional standards, as far as the SAI's mandate and legal position allow?
 - Does the SAI have appropriate manuals and guidelines setting out how its professional work is to be done?
 - Are the SAI's standards and related manuals and guidelines easily accessible to all auditors?
 - Does the SAI provide appropriate training to its auditors on the standards, manuals and guidelines?
 - Does the SAI have procedures to ensure its standards, manuals and guidelines are adhered to?
 - Is there evidence to suggest that audit fieldwork is being carried out in accordance with the SAI's own standards? Are any instances of non-compliance being justified and approved appropriately?
 - Does the SAI ensure that its standards, manuals and guidelines are periodically reviewed and updated?

Quality Control

28. A SAI should establish and maintain an appropriate system of quality control which covers all aspects of its work. It is critical that quality is achieved consistently in order to underpin the reputation and credibility of the SAI, and ultimately its ability to fulfil its mandate.
29. Examples of peer review questions on quality control may include¹⁰:
- **Leadership responsibility for quality**
 - Does the SAI's strategy recognise the overriding importance of achieving quality?

¹⁰ These are based on the quality control framework established in ISSAI 140 Quality Control for SAI, relevant issues highlighted in INTOSAI-P 12 The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens as well as INTOSAI Standards ISSAIs and INTOSAI Guidance GUIDs.

- Does the head of the SAI (this may be an individual or a group depending on the mandate and circumstance of the SAI) take ultimate responsibility for the SAI's system of quality control? Is this appropriately documented and reported?
 - Does the SAI promote an internal culture of the importance of quality in all aspects of its work? Is this communicated to all SAI personnel and to any parties contracted to carry out work for the SAI?
 - Does the SAI devote sufficient resources to its system of quality control?
 - Are there mitigating measures in place to manage the risk that political, economic or other considerations compromise the quality of the SAI's work?
 - Does the SAI recognise and reward high quality work?
 - Are there systems and procedures in place to identify any problems with quality and to take measures to prevent them from re-occurring?
- **Acceptance and continuance of engagements**
 - Does the SAI take into account, when establishing its work programme, whether it has sufficient resources and skills to complete each audit task to the desired level of quality?
 - When a problem of quality is identified (such as insufficient resources or lack of specific competencies) during the course of an audit engagement, is there an appropriate mechanism to ensure it is managed or escalated within the SAI and, where appropriate, to the legislature or budgetary authority?
- **Emphasis on quality in human resources¹¹**
 - Does the SAI take steps to ensure it has sufficient resources (personnel and, where relevant, parties contracted to conduct work on its behalf) with the required competences, capabilities and commitment to ethical principles, to:
 - perform its tasks in accordance with relevant standards and applicable legal and regulatory requirements?
 - enable the SAI to issue reports that are appropriate in the circumstances?

¹¹ See also sub-section C above on the management of resources, including human resources

- Does the SAI draw on outside sources to ensure that it has the necessary capacity, skills and expertise to carry out its audit work?
- Do the SAI's human resource policies and procedures give appropriate emphasis to quality and ethical principles (in respect of recruitment, performance appraisal, professional development, promotion, compensation, etc.)?
- **Engagement performance**
 - Does the SAI have appropriate policies, procedures and methodologies in place to reasonably ensure that its audits and other work are carried out in accordance with relevant standards and applicable legal and regulatory requirements, and that the reports it issues are appropriate in the circumstances?
 - Are matters relevant to promote consistently high quality work adequately covered in these policies, procedures and tools?
 - Do these policies and procedures sufficiently cover supervision and review responsibilities for all work carried out?
 - Does the SAI carry out engagement quality control reviews? Are there mechanisms to ensure that matters raised from these reviews are satisfactorily addressed and resolved?
- **Monitoring the quality control system**
 - Is there an appropriate quality assurance process in place to ensure that the SAI's system of quality control is adequate and operating as intended?
 - Does the quality assurance process include a systematic review of a sample of completed audit engagements from the range of work carried out by the SAI?
 - Are the reviews carried out independently? Are they carried out by staff members with sufficient and appropriate experience and authority?
 - Are the conclusions and recommendations of the quality assurance work brought to the attention of senior management and acted upon?

G. AUDIT APPROACH

30. A peer review may cover one or more of the following different stages of the audit process¹²:
- a) selection and programming;
 - b) conduct;
 - c) reporting and communication of audit results; and
 - d) follow-up and assessment of impact.

It is good practice within a peer review to examine a sample of completed audit engagements in order to assess the different steps of the audit process. The examples of peer review questions under each of these categories are given below.

Selection and programming

31. Examples of peer review questions on selection and programming include:
- Does the SAI have an appropriate approach to planning its audit work? Is planning linked to the SAI's strategic objectives? Does the SAI have a mechanism to manage different priorities between mandatory and non-mandatory audits as well as across different audit areas?
 - In respect of selecting potential audit themes:
 - Does the SAI keep track of developments and emerging risks in public policy and the management of public administration? Does the SAI gather and consolidate, in a structured manner, relevant information on auditees, including previous audit work?
 - Does the SAI use suitable criteria when selecting audit topics? Does this include assessing issues such as risks of system weaknesses, material misstatements in financial statements, errors in transactions, or failure to achieve policy objectives?
 - When addressing the feasibility of each selected audit, is sufficient attention given to assess the required financial and human resources (including the availability of audit staff members with the required skills and competences), the size and complexity of the

¹² These are guided by INTOSAI Standards (ISSAIs) and INTOSAI Guidance (GUIDs).

auditee, the required sample, the timing and expected timeframe of the audit, as well as the risk of overlap with other similar audits or assessments?

- Are potential audit tasks prioritised and ranked? Is the final selection of audit topics made or endorsed by the SAI's leadership?
- Does the SAI's audit work planning allow for flexibility and adaptability to respond to unforeseen issues or requests that require attention and a quick response?

32. When planning an audit, the SAI should also take into account the key principles highlighted in ISSAI 100, ISSAI 200, ISSAI 300 and ISSAI 400 on the proper planning of an engagement. The principles outlined in these ISSAIs are the source of the example peer review questions given below (which can be used when reviewing individual audit engagements):

- Before commencing the audit, did the auditors ensure that the terms of the audit were clear? Were the terms of the audit and the respective roles and responsibilities communicated to the audited entity?
- Did the auditors obtain a sufficient understanding of the nature and context of the entity or programme being audited, as well as its internal control environment?
- Did the auditors conduct an adequate risk assessment or problem analysis, suitable for the type of audit and its objectives, and identify the potential impact on the audit?
- Does the audit planning clearly define the scope, objectives, criteria and approach to be followed for the audit? Does it include a timetable for the audit? Does it set out the nature, timing and extent of the audit procedures? Does it include an estimate of costs? Does it plan the human resources, including outside experts?
- Is the planning regularly reviewed during the audit process and updated as necessary for problems encountered or changes in priority?

Conduct

33. The key principles highlighted in INTOSAI-P 12, ISSAI 100, ISSAI 200, ISSAI 300 and ISSAI 400 on the proper conduct of an audit engagement and its added value are good sources for peer review questions, and have inspired these examples (which can be used when reviewing individual audit engagements):

- Did the auditors perform sufficient and appropriate audit procedures for

concluding on the audit objectives? Was sufficient evidence obtained to support the conclusions reached?

- Was the work based on sound and robust analysis as well as independent professional judgement? Was the audit evidence reliable?
- Was the audit process documented sufficiently?
- Were conclusions reached on all audit questions?
- Were preliminary findings communicated and discussed with the audited entity, to ensure their accuracy?
- Was the audit carried out within the timetable and budget? Were any delays or overruns documented and approved at the appropriate level? Were the audit scope and/or plan adjusted for any significant unanticipated problems?
- Were lessons learned drawn from the audit process and shared with the rest of the SAI as a learning and improvement exercise?

Reporting and communication of audit results

34. INTOSAI Standards and INTOSAI-P 12 (The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens) can be used as guidance for assessing the reporting and communication of audit results by the SAI.
35. Examples of peer review questions (which can be used when reviewing individual audit engagements), include:
 - Does the SAI have the appropriate controls and review procedures in place to ensure that all the material audit issues have been covered in the report, and everything in the report is supported by evidence?
 - Was the draft report subject to an independent internal and/or external review to assess its quality before publication?
 - Was the draft audit report cleared with the auditee to ensure accuracy of the facts before publication?
 - Was the final audit report clear and understandable, with a logical flow between audit questions, findings, conclusions and recommendations?
 - Were the recommendations clear, specific, convincing and practical?
 - If the report included an audit opinion, was the appropriate format used, and did it reflect the evidence obtained?
 - Does the SAI have procedures in place to deal with cases of serious irregularities and fraud detected during the audit?

- Was the report suitably communicated, in accordance with the SAI's mandate and legal status? Did the SAI engage its stakeholders when communicating the results of the audit to ensure they understood its findings and conclusions?

Follow-up and assessment of impact

36. Follow-up refers to the auditors' examination of corrective action taken by the audited entity, or other parties, based on the SAI's recommendations. The follow-up action can range from simply listing the corrective action up to undertaking a full audit of its effectiveness.
37. Follow-up results may be reported on a case-by-case basis or within a regular consolidated report. The latter can include an analysis highlighting common trends and cross-cutting themes. The systematic follow-up to a SAI's work can contribute to an increased rate of remedial action and to a better understanding of the SAI's role of contributing to the improvement of financial management.
38. The need to follow-up an audit's findings and recommendations will vary with the type of issue or concern in question. For example, for those SAIs with a judicial role, the follow-up may include issuing legally binding reports or decisions. In the case of recurrent financial and compliance audits, the follow-up procedures may form part of the subsequent year's risk assessment. For performance audits, insufficient or unsatisfactory corrective action by the audited entity may call for a further report by the SAI.
39. INTOSAI Standards provide specific guidance on the follow-up to be undertaken, depending on the type of audit. Examples of peer review questions on follow-up include:
 - Does the SAI have appropriate procedures, criteria and methodologies for deciding on and conducting its follow-up work?
 - Does the SAI periodically follow up on previous audit findings and recommendations and report, as appropriate, to the legislature?
 - Does the follow-up assessment carried out by the SAI assess whether the audited entity has addressed the problems adequately and within a reasonable period of time?
 - Does the SAI have an analysis of its follow-up work and other appropriate information to assess the impact of its work?