



Partnerships for Better Governance

Annex Volume One

Analysis of SAIs in PASAI and their development towards contributing to transparency and accountability in the Pacific region

August 13, 2018

This annex volume is a complement to *Partnerships for Better Governance*, the main report of the Mid-Term Review of the PASAI Implementation of its Long-term Strategic Plan 2014-2024




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Acronyms and Abbreviations

CA	Compliance audit
FA	Financial audit
ISSAI	International Standards of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
LI	Low Income Countries
LMI	Lower Middle Income Countries
OECD/DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
PA	Performance audit
PASAI	Pacific Association of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability Assessment
QA	Quality assurance
QC	Quality control
SDGs	Sustainable Development Goals
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institutions Performance Measurement Framework
UMI	Upper Middle Income Countries

1 Introduction

This report presents the state of Pacific Supreme Audit Institutions (SAIs) contribution to increased transparency and accountability to the people of the Pacific. The analysis is based on existing data on SAIs that are *participating* members of the Pacific Association of Supreme Audit Institutions (PASAI).

Of the 28 member institutions of PASAI, 20 are referred to as ‘participating’ SAIs, meaning SAIs in need of development assistance. These SAIs are located across Micronesia, Melanesia and Polynesia and include American Samoa, Cook Islands, Federated States of Micronesia (FSM) – National Office, FSM Chuuk state, FSM Kosrae state, FSM Pohnpei state, FSM Yap state, Fiji, Guam, Kiribati, Marshall Islands, Nauru, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The remaining eight institutions include the SAIs of Australia – National Office (ANAO), ACT state, NSW state, Queensland state, Victoria state, New Zealand, and the territorial Chambres des Comptes of French Polynesia and New Caledonia. These SAIs are referred to as ‘contributing SAIs’ and provide a range of support to their counterparts.

The conclusions presented in this report address four indicators related to the strategic priorities of PASAI, namely: Strengthened SAI independence, advocacy to strengthen transparency and accountability; quality of audits completed by Pacific SAIs on a timely basis and SAI capacity and capability enhanced.

The report uses data from the 2014 and 2017 INTOSAI Global SAI Survey and from the Public Expenditure and Financial Accountability Assessment (PEFA) to analyze the development of SAIs in PASAI in relation to SAI organisation, independence, professionalization and some dimensions of capacity development. PEFA data are also used to analyze the performance of other institutions in the accountability and transparency chain. In addition, some information from the 2015 Accountability and Transparency survey and Report are used to complement information.

The data analysis is presented on Chapters two to five. The main finding and conclusions are presented in chapter six and seven respectively.

Data analysis is presented by income groups, classified according to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), list of official development assistance (ODA) recipients. High Income countries, also called developed countries, are not included in the OECD-DAC list. For all figures, the following abbreviations are used: Low Income countries (LI), Low Middle Income countries (LMI), Upper Middle Income countries (UMI), High Income countries (HI), and “n” is the number of respondents to a given question.

This report was prepared in connection with the Mid-Term Review of the Pacific Association of Supreme Audit Institutions (PASAI) Implementation of its Long-term Strategic Plan 2014-2024. The analysis in this report represents one set of data for the mid-term review. The intended audiences of the report are PASAI’s Governing Board and its Secretariat, member SAIs and regional and cooperation partners. Dr. Riselia Duarte Bezerra, the team leader for the mid-term evaluation, compiled and analyzed the data and wrote the report.

The 2014 and 2017 Global Surveys

The 2014 and 2017 Global SAI Surveys were administered by the INTOSAI Development Initiative, on behalf of the INTOSAI. Twenty one SAIs members of PASAI responded to the Global SAI Survey carried out in 2017 and 19 in 2014. Eighty percent of the respondents of the 2017 survey are the same countries that responded to the 2014 survey. The analysis in this report represent the aggregated responses of the 2014 and 2017 SAI respondents that are *participating* members of PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti. These are:

2014 Global SAI Survey	2017 Global SAI Survey
Cook Islands	American Samoa
Federated State of Micronesia - Kosrae	Cook Islands
Federated State of Micronesia - National Government	Fiji
Federated State of Micronesia - Pohnpei State	Federated State of Micronesia - Chuuk State
Federated State of Micronesia YAP State	Federated State of Micronesia - Pohnpei State
Fiji	Federated State of Micronesia - YAP State
Guam	Guam
Kiribati	Kiribati
Marshall Islands	Marshall Islands, Republic of the
Nauru	Nauru
Northern Mariana Islands	Northern Mariana Islands
Palau	Palau, Republic of
Papua New Guinea	Papua New Guinea
Samoa	Samoa
Tonga	Solomon Islands
Tuvalu	Tonga
Vanuatu	Tuvalu
	Vanuatu

The income distribution of the respondent SAIs from PASAI follows.

Income classification	2014 Global SAI Survey	2017 Global SAI Survey
HI	2	3
UMI	3	4
LMI	6	5
LI	6	6
Total	17	18

PEFA

The PEFA program provides a framework for assessing and reporting on the strengths and weaknesses of public financial management using quantitative indicators to measure performance. In the 2016 revised version, PEFA extended its coverage of public auditing, including a number of criteria to “Pillar Seven: External scrutiny and audit. However, there are no publicly available PEFA 2016 for SAIs in PASAI up to the date of the analysis.

The analysis from PEFA data in this report represent the aggregated responses of the 2014 and 2017 SAI respondents that are *participating* members of PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti. The following countries in PASAI have conducted one or several PEFAs and were included in the 2014 and 2017 analysis:

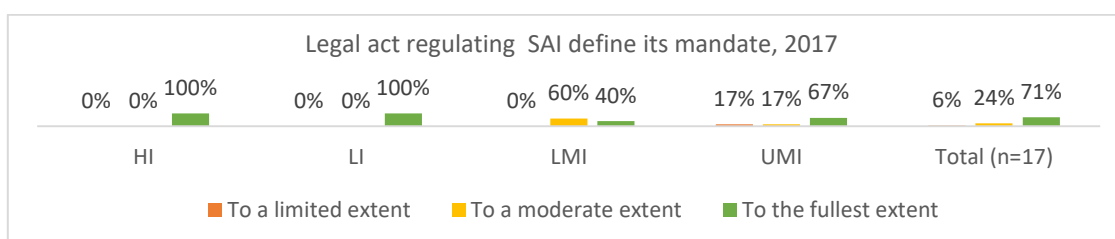
Cook Islands	Papua New Guinea
Fiji	Samoa
Federal State of Micronesia	Solomon Islands
Kiribati	Tonga
Marshall Islands	Tuvalu
Nauru	Vanuatu

2 Profile of SAIs

This chapter presents the analyses of data collected through the 2014 and 2017 Global Survey about the profile of SAIs. The information pertains to SAI's legal framework and human and financial resources.

2.1 Legal Framework

In PASAI, 83% of among the 18 SAIs respondents adopted the Parliamentary institutional model. In the 2017 Global Survey, 71% of the SAIs confirmed that the legal act/s regulating their SAIs fully define their mandate, 24% to a moderate extent and 6% to a limited extent. Various legal frameworks regulate SAI's status, mandate and scope of work. In the 2017 Global Survey, the majority of SAIs informed that it is their country's constitution (89%) and federal or national laws (67%) that are the most important frameworks regulating their mandates.



SAIs have the mandate to cover levels of government and a wide range of institutions and organisations. As shown on the table below, all respondent SAIs in all income groups have the mandate to carry out audits at local level, the great majority at federal or national level (88%) and 54% at regional level.

Level of government, institutions and organisations SAIs have the legal mandate to carry out audit on	
Federal or National level	88%
Regional level	54%
Local level	100%
Autonomous & semi-autonomous bodies	80%
State owned enterprises/parastatals	89%
Non-government organizations	38%
Government-funded organizations	88%
Public-private enterprises	63%

There are variations regarding the scope of SAI's mandate in terms of funds covered, as shown on the table below. Funds from international and supranational organizations are the less covered by SAIs and not at all by SAIs in low income countries.

	Scope of funds SAIs are mandated to audit, 2017				
	Funds used on contracts and public works	Electronic data processing facilities	Audit of the use of subsidies granted from public funds	License agreements or concessions	Security/defence funds
HI	67%	33%	67%	33%	33%
LI	75%	25%	50%	50%	50%
LMI	100%	100%	100%	100%	80%
UMI	100%	83%	83%	83%	83%
Total (n=18)	89%	67%	78%	72%	67%

	Access to bank information	Audit of public authorities and other institutions abroad	Audit of international and supranational organizations	Audit the collection of taxes and examination of the system and efficiency of tax collection and the achievement of revenue targets	Other
HI	33%	100%	0%	33%	67%
LI	75%	50%	0%	75%	50%
LMI	100%	80%	20%	100%	80%
UMI	83%	100%	50%	100%	83%
Total (n=18)	78%	83%	22%	83%	72%

According to the 2015 Accountability and Transparency study, 30% percent of SAIs in PASAI were involved in fraud awareness and anti-corruption activities. The 2017 Global SAI Survey shows that SAIs in PASAI have a wide scope in their mandate to cover anti-corruption and fraud issues. The data shows that the roles delegated to SAIs in combating corruption varies within the region and income groups.

Most SAIs (72%) have the mandate to share information with specialized anti-corruption institutions. This applies to all income groups and regions, apart from SAIs in Upper Middle Income countries, where 50% of the SAIs have such mandate. Most of the SAIs (78%) have the mandate to investigate corruption and fraud issues while few SAIs (33%) have the mandate to exercise oversight of national institutions whose mandate is to investigate corruption and fraud issues, although 50% of SAIs in Upper Middle Income countries do.

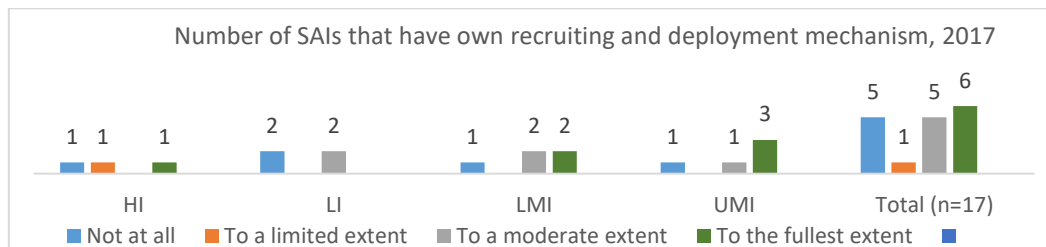
SAI mandate to cover corruption and fraud, 2017

	Share information with specialized anti-corruption institutions.	Investigate corruption and fraud issues.	Sanction corruption-related cases.	Carry out jurisdictional control and to judge accounts issued to public institutions and companies.	Sanction officials responsible for mismanagement of public funds.	Exercise oversight of national institutions whose mandate is to investigate corruption and fraud issues.
HI	67%	100%	67%	33%	67%	33%
LI	75%	50%	0%	0%	25%	25%
LMI	100%	80%	40%	40%	80%	20%
UMI	50%	83%	33%	33%	33%	50%
Total (n=18)	72%	78%	33%	28%	50%	33%

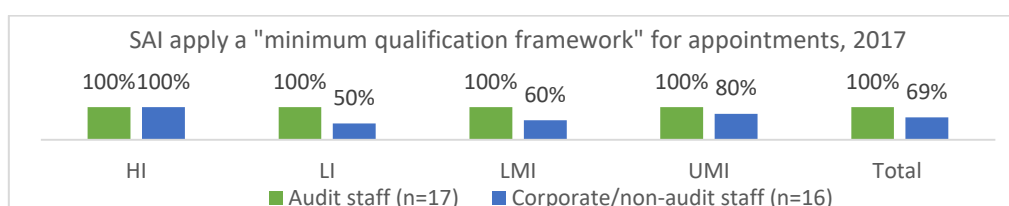
2.2 Human Resources

The data from the 2017 Global Survey show a SAI community of at least 518 employees across the PASAI region in 2017. In the 2015 Accountability and Transparency Report, it is noted that SAIs find it difficult to recruit staff, mainly due to having a small talent pool to draw on, being locked into low pay rates compared to other government ministries or private sector auditing firms, and younger people choosing careers other than auditing/finance (e.g. engineering and law).

The 2015 Accountability and Transparency study found only one example of SAI full independence regarding human resources. The results of the 2017 Global Survey show that just 35%, six SAIs, have independence to recruit and deploy their personnel, and 29% (five SAIs) to a moderate degree. This means that 65% of the 17 SAIs that responded to this question in the survey have full or moderate control over their human resources. Five SAIs have no control over the recruitment of their personnel.



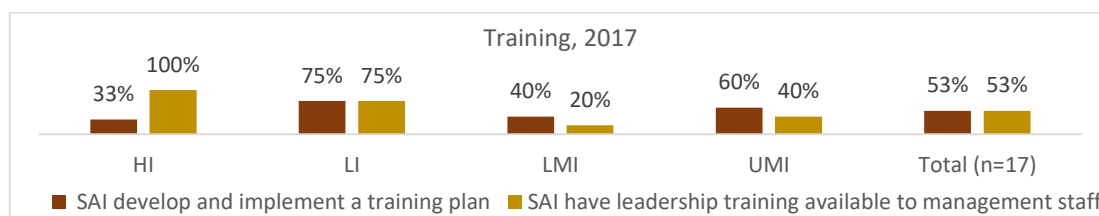
All of the respondent SAIs in PASAI apply a "minimum qualification framework" for the appointment of audit staff and 69% for the appointment of corporate/non-audit staff (e.g. Human Resources).



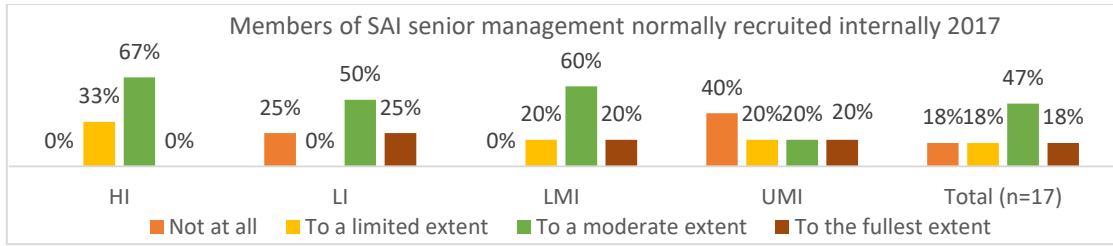
In the 2015 Accountability and Transparency Report, SAIs reported difficulty in retaining staff. The results of the 2017 Global Survey shows that staff turnover in 65% of the SAIs in PASAI is at a good level, between 0% and 20%. However, the picture is different for SAI in Low Income and Upper Middle Income countries, as shown below.

	Between 0 and 20% a year	Between 20% and 40% a year	Between 40% and 60% a year	Between 60% and 80% a year	Over 80%
HI	100%	0%	0%	0%	0%
LI	50%	0%	25%	0%	25%
LMI	80%	0%	0%	20%	0%
UMI	40%	20%	20%	0%	20%
Total (n=17)	65%	6%	12%	6%	12%

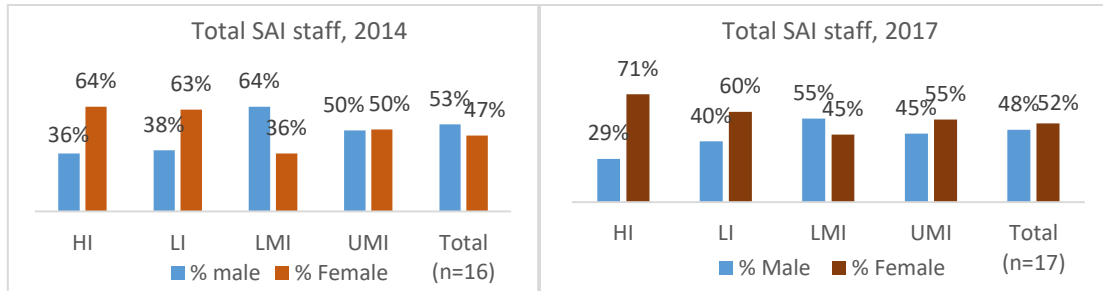
Over half of the SAIs in PASAI (53%) confirmed that they develop and implement a training plan for their staff and 53% offer leadership training to management. More SAIs in Low Income and Upper Middle Income countries do planning for training.



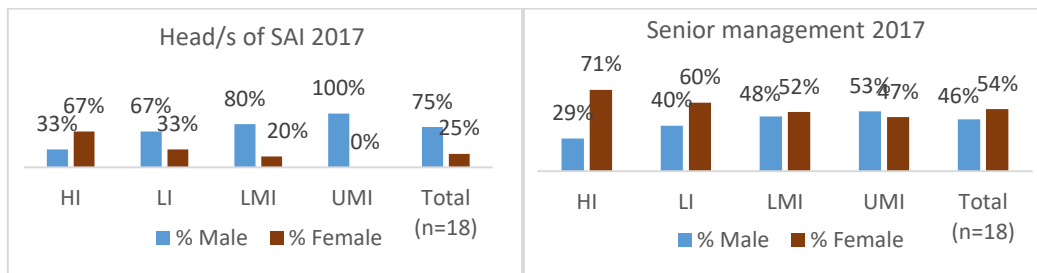
Most SAIs (65%) reported that they recruit members of senior management internally, 18% most of the cases and 47% to a moderate extent.



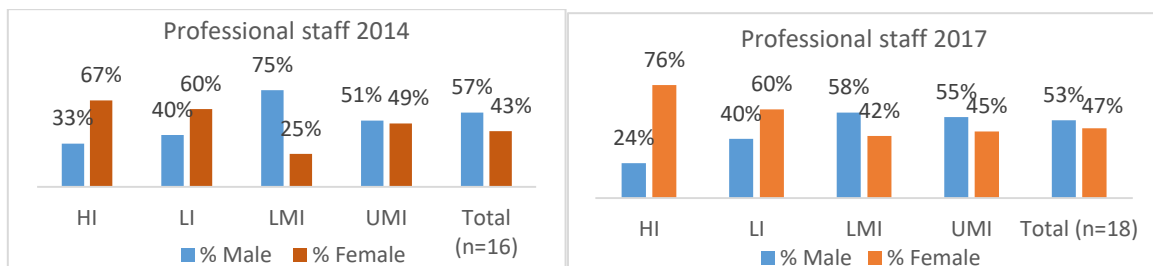
As in 2014, overall the total number of SAI staff is balanced in terms of gender. There is, however, imbalance when looking at different income groups. The wide gender gap in SAI staff are found in High and Low Income countries.

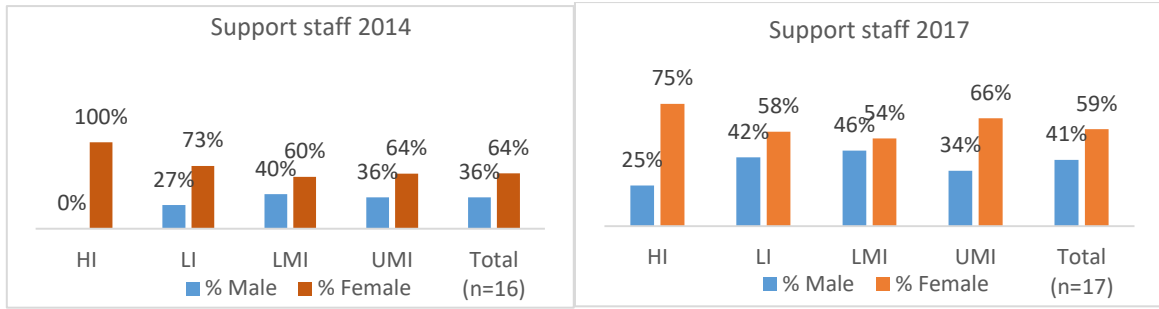


The 2017 data shows that the gap between male and female employees happens more significantly for Heads of SAI, where 75% is male. The senior management teams in SAI are fairly balanced in terms of gender, with some small variations between income groups, High and Low Income countries showing more significant gender gaps.



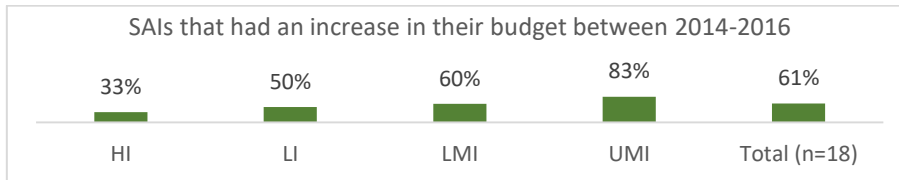
The overall gender gap for professional and support staff found in 2014 decreased, with slightly more male staff in professional positions (a gap of 14% in 2014 to 6% in 2017) and more female staff in supporting positions (a gap of 28% in 2014 to 18% in 2017). However, looking from the perspective of income classification, there are significant variations in gender gap for professional staff.



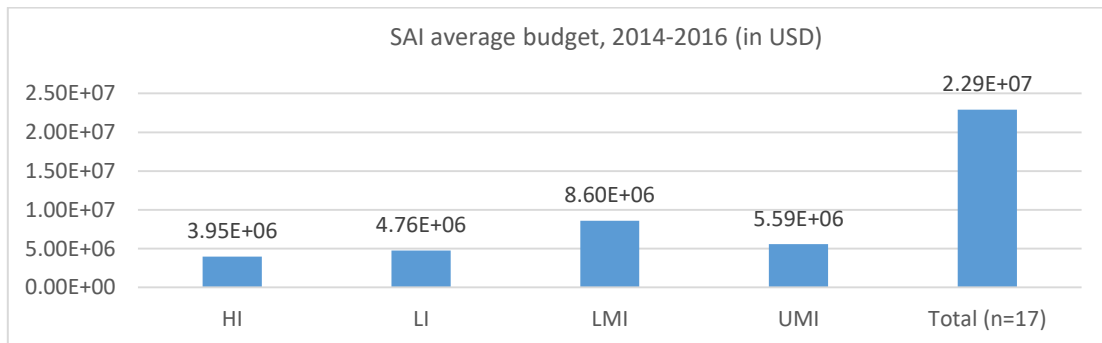


2.3 Budget of SAI, mandated and audited entities

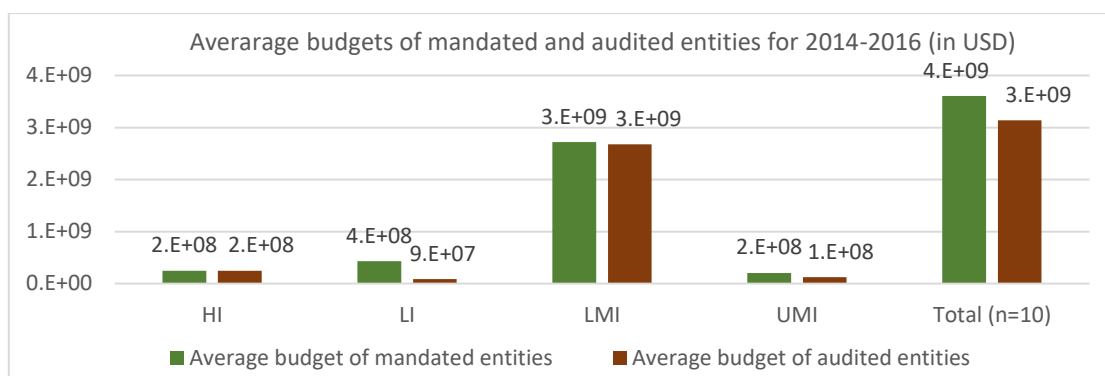
In the 2017 Global Survey, SAIs were asked whether their budget had increased in *real terms* (accounting for inflation) and 61% of the SAIs confirmed that their budget did increase *in real terms* from 2014 to 2016. Most SAIs in Low Middle income countries (60%) and 83% of SAIs in Upper Middle Income countries had their budget increased. Less SAIs in High Income countries (33%) and 50% in Low Income countries experienced such increase in budget.



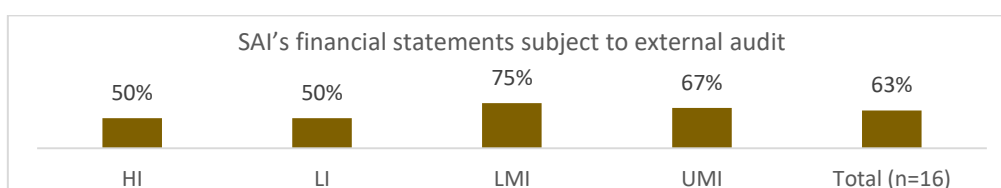
In the 2017 Global Survey, SAIs were also asked to provide their budget figures for 2014 to 2016. The graphic below shows the average budget for 2014-2016. The results show no correlation between country income level and size of SAI budget.



In the 2017 Global Survey, SAIs were asked to provide budget figures for the mandated entities and those they audited from 2014 to 2016. Among the 20 participating members of PASAI respondents to the Global Survey, 14 SAIs provided budget figures for their mandated entities and 10 SAIs for the audited entities. The graphic below shows the three-year average budget figures for SAI's mandated and audited entities, only for the 10 SAIs that provided budget figures for both mandated and audited entities.

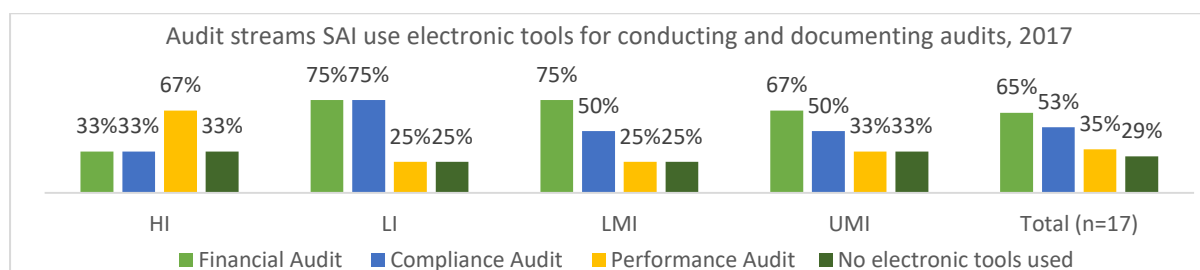


Most SAIs (63%) subject their financial statements to external audit, as shown below. However, just half of the SAIs in High Income and Low Income countries do.



2.4 Use of electronic tools

Electronic tools (software) are most used among SAIs for conducting and documenting financial audits, for which 65% of the respondent SAIs reported using. Over half of the SAIs (53%) use electronic tools for compliance audits and 35% for performance audits. However, as shown in the graphic below, there are great variations among SAIs of all income groups regarding their use of electronic tools.



3 SAI Independence

Independence is central to enable SAIs to fulfil their oversight roles and to deliver impact for citizens. The conditions most relevant to ensuring the independence of an SAI are described in INTOSAI's Mexico Declaration on independence, ISSAI 10, endorsed by the INTOSAI in 2007. ISSAI 10 sets up eight core principles for ensuring the conditions for SAIs to effectively exercise their institutional mandates in an independent manner. These core principles are:

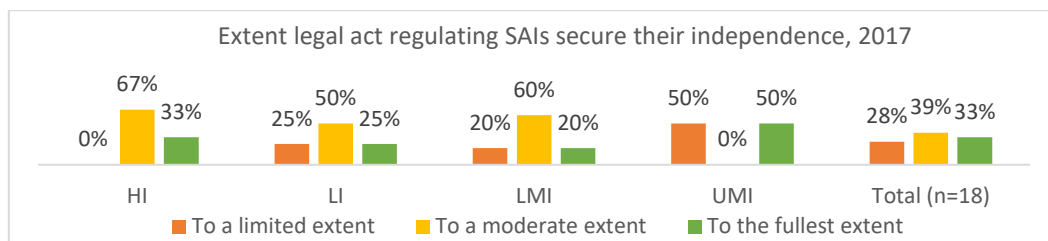
1. The existence of an appropriate and effective constitutional/statutory/legal framework and the de facto application provisions of this framework.
2. The independence of SAI heads and members of collegial institutions, including security of tenure and legal immunity in the normal discharge of their duties.
3. A sufficiently broad mandate and full discretion, in the discharge of SAI functions.
4. Unrestricted access to information.
5. The rights and obligation to report on their work.

6. The freedom to decide the content and timing of audit reports and to publish and disseminate them.
7. The existence of effective follow-up mechanisms on SAI recommendations.
8. Financial and managerial/administrative autonomy and the availability of appropriate human, material and monetary resources.

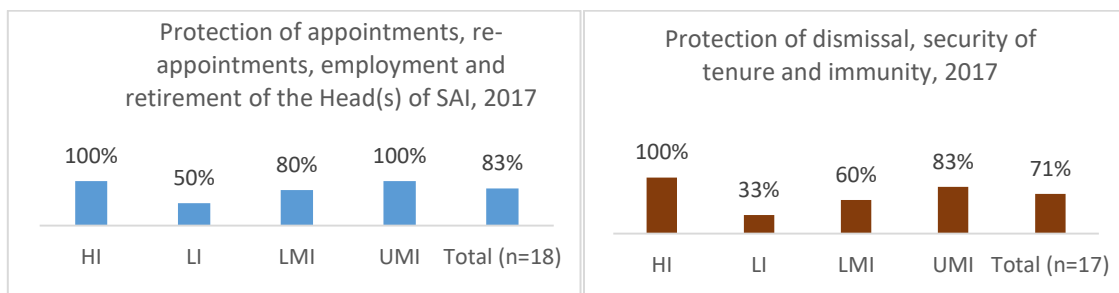
This section uses data from the 2014 and 2017 INTOSAI Global Survey and from PEFA to analyse the development of SAI independence in PASAI. In addition, some information from the 2015 Accountability and Transparency survey and Report is used.

3.1 Legal Protection

The 2017 Global Survey found that only 33% of the 18 respondent SAIs in PASAI confirmed that the legal act regulating their mandate fully secure their independence, and 39% to a moderate degree. As shown on the figure below, SAIs in Upper Middle Income countries expressed that their legal framework provides less independence to their SAIs than their counterparts in PASAI.

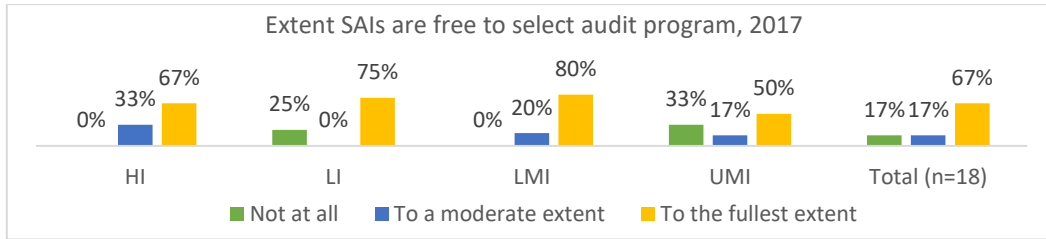


Principle 2 of the Mexico Declaration on SAI Independence relates to the independence of the Heads of SAIs and requires, specifically, that the Heads of an SAI should be appointed, re-appointed or removed by a process that ensures their independence from the Executive. The results of the 2017 Global Survey shows that 77% of SAIs in PASAI regard that their legislation protects the independence of the Head(s) of SAI from executive interference — 83% as far as conditions of appointments, re-appointments, employment and retirement and 71% as far as protection for dismissal, security of tenure and legal immunity.

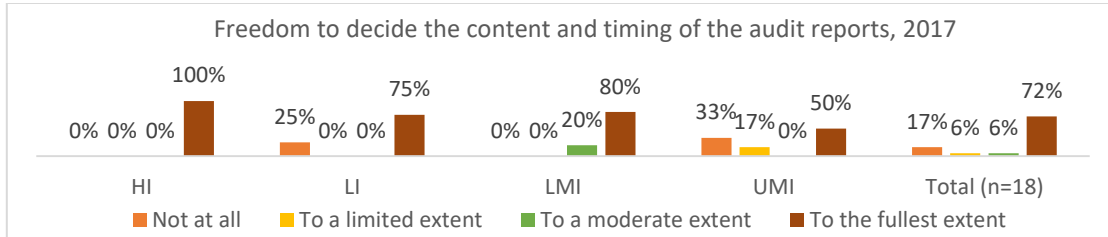


3.2 Managerial and Administrative Autonomy

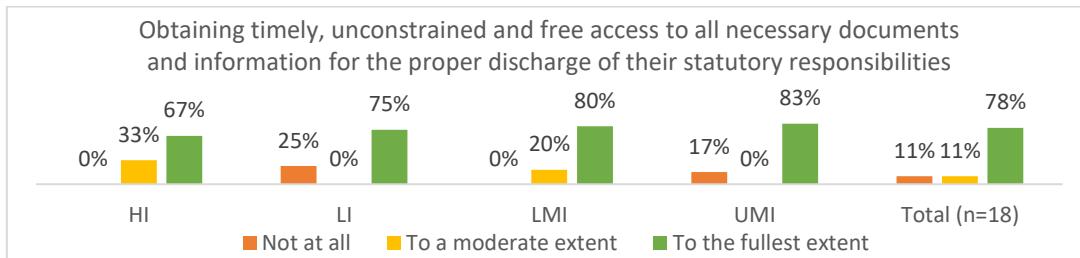
While a SAI may be given the legal mandate to undertake audits annually, principle three in the Mexico Declaration elaborates that it should also be free from interference in the operational conduction of its mandate. In the 2017 Global Survey, most SAIs in PASAI (67%) declared that they are fully *free to select their audit program*, although relevant stakeholders can suggest or request work regarding the audits to be conducted. Less SAIs in Upper Middle Income countries confirmed exercising such freedom than in other countries.



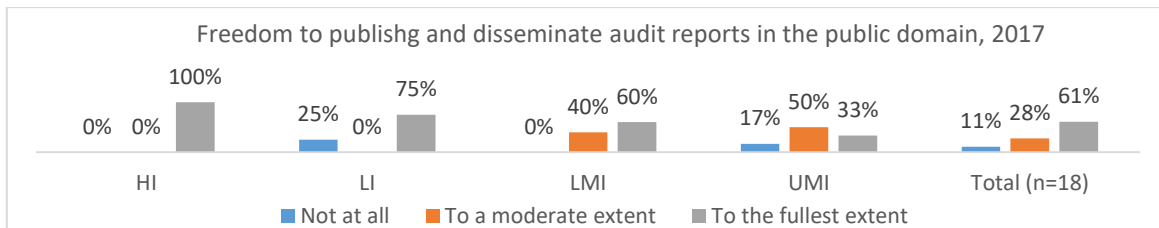
The majority of SAIs (72%) in most income groups confirmed their freedom to decide the content and timing of the audit reports. However, this is not the case for all SAIs in PASAI, particularly in Upper Middle Income countries, where only half of the SAIs can exercise such freedom.



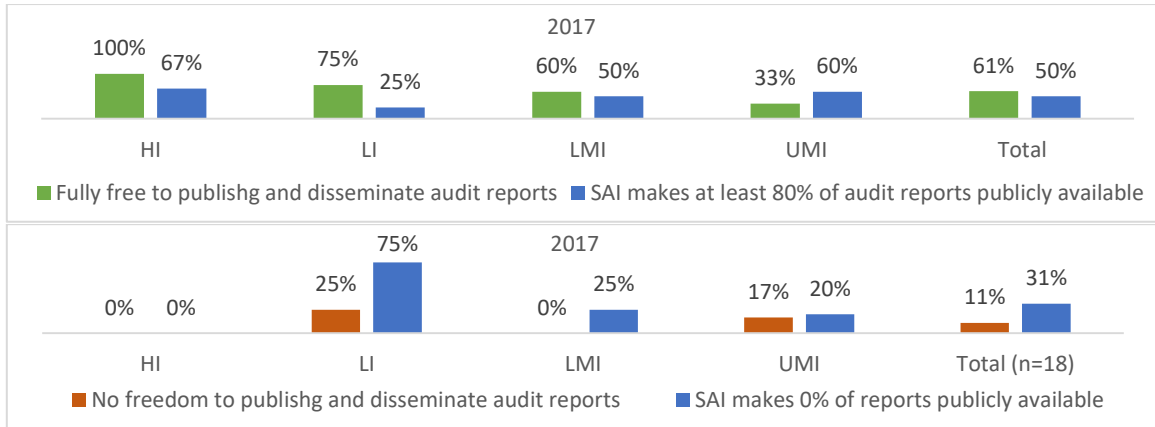
In terms of obtaining timely, unconstrained and free access to all necessary documents and information for the proper discharge of their statutory responsibilities, most SAIs (78%) in all income groups reported full freedom. However, one SAIs in Low Income countries and one SAI in Upper Middle Income countries do not have such freedom at all.



In the 2017 Global Survey, 61% of 18 respondent SAIs confirmed their independence to *publishing and disseminating audit reports in the public domain*. Given the importance of making audit work pub, it is concerning that 11% of the SAIs had no independence to make their report public while 28% had restrictions in publishing their reports. This is a particular issue for SAIs in developing countries.



The data shows that legal restrictions is a limiting factor, but that it does not account alone for SAIs not making audit reports public. Examining the percentage of audit work SAIs made available to the public and the percentage of SAIs that experience restrictions in their right to publish audit reports, it becomes apparent that many SAIs do not fully exercise the right to make the results of their audit work available to the public. As shown on the figures below, SAIs from most income groups are making less reports available than they can from a legal perspective. This is particularly the case for SAIs in Low Income countries, where 75% confirmed being fully free to publish and disseminate their reports, but just 75% make no reports available to the public.



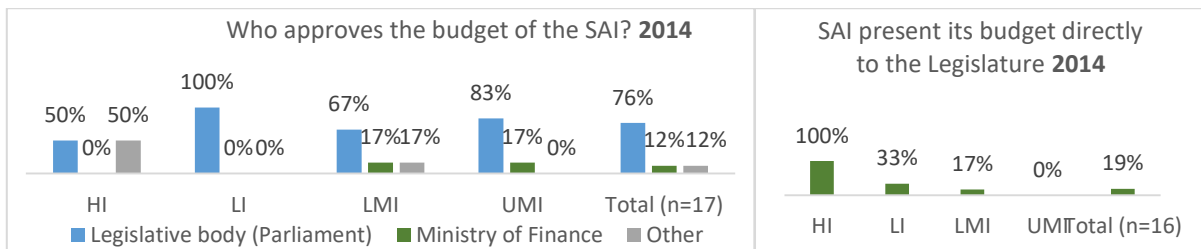
3.3 Financial and Human Resources

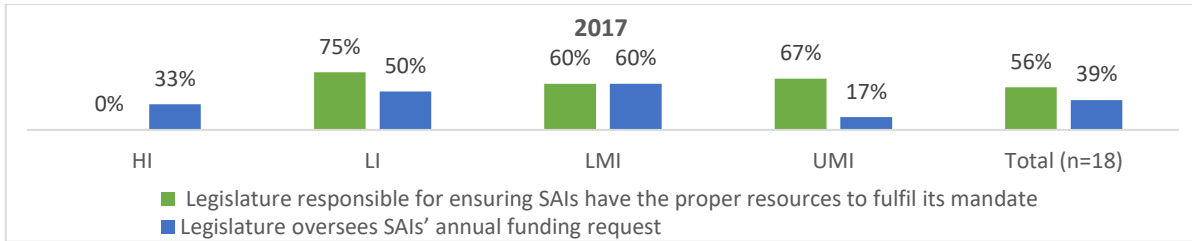
Results from the 2017 Global Survey suggest that 56% of respondent SAIs in PASAI operate within a legal framework where the legislative body in their countries approve their budgets. The 2015 Accountability and Transparency survey confirm such results, noting that 53% of SAIs reported a specific legislative provision for the SAI’s budget.

The 2015 Accountability and Transparency study notes that most Pacific SAIs are subject to the same financial budgeting processes as government ministries. The most commonly found model is that the SAI prepares its budget proposal in accordance with prerogatives developed and issued by the ministry of finance or equivalent agency of the executive. The budget proposal, along with those of government ministries and other agencies, is considered by a budget committee comprising senior ministry of finance personnel and other senior officials, which makes recommendations to the Cabinet, or relevant Cabinet committee. The Cabinet, or committee, makes the final budget decision in relation to the SAI. The SAI’s budget is included in the budget submitted by the government to the legislature, which is scrutinized by a committee of the legislature and subsequently debated by the full legislative body before being formally approved or enacted into law.

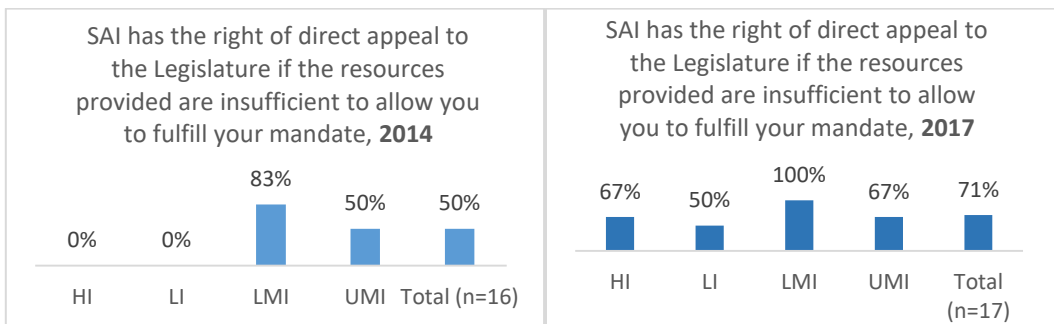
The 2015 Accountability and Transparency study also found that just 10 SAIs reported some form of engagement with their legislature on matters related to their own budgets. However, none of those involved any formal interaction during the process of preparing the SAI’s budget proposals.

The 2017 Global SAI Survey shows that just 39% of the SAI confirmed that their Legislature, Parliament or Congress count on a panel of parliamentarians or congressional representatives to oversee their annual funding request, an increase from 19% in 2014. In 56% of the countries, the legislature (or one of the Parliament/Congress commissions) is responsible for ensuring that the SAI has the proper resources to fulfil its mandate. From the perspective of budgetary approval process, there are variations within and across income groups, the executive playing a stronger role in SAIs budget in High Income countries in PASAI.

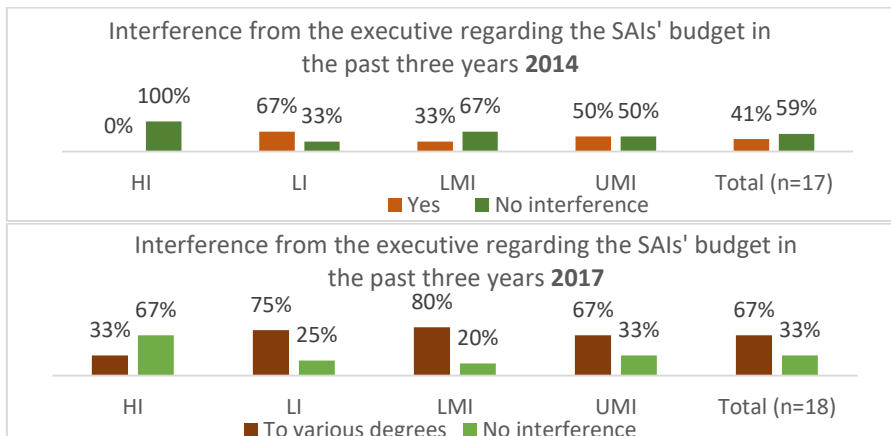




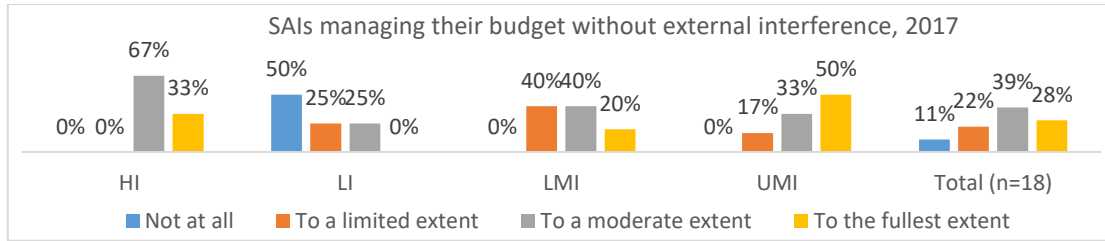
In the 2015 Accountability and Transparency survey, 65% of the 17 respondent SAIs in PASAI confirmed having sufficient resources to undertake their work. SAIs may have the right to appeal to its legislature against an inadequate budget allocation. Data from the Global SAI Survey shows an increase from 50% in 2014 to 71% in 2017 of all respondent SAIs that have the opportunity to appeal to the legislature, parliament or congress if the resources provided are insufficient to fulfil their mandate. Despite the overall increase in the possibility for appeal to the legislature, there remains variations among income groups.



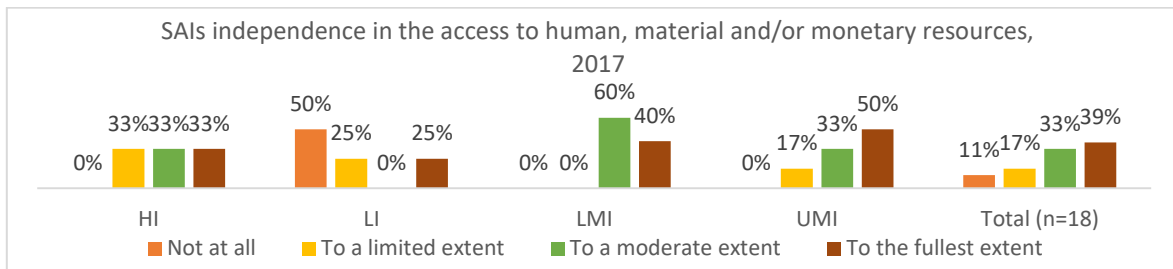
There has been a sharp increase from 41% in 2014 to 67% in 2017 in the percentage of SAIs in PASAI reporting that they had experienced interference from the executive in the process of formulating their budget in the past three years.



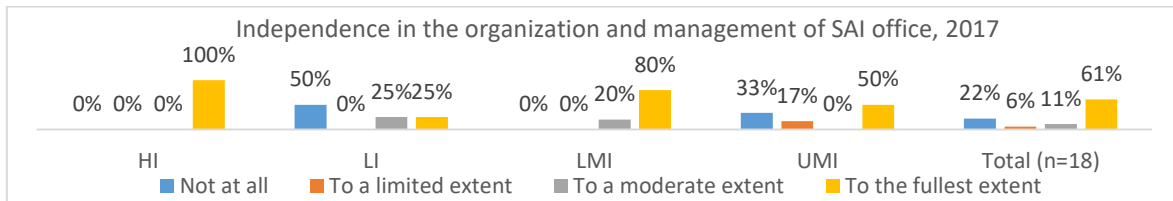
Most SAIs (72%) confirmed experiencing, to various degrees, government and other authorities interfering on how they *manage their own budget*. Although degrees of interference was reported by SAIs in all income groups, this is a particularly pressing issue for SAIs in Low Income and Low Middle Income countries.



Regarding SAI independence to *access human, material and/or monetary resources*, just 39% of SAIs confirmed experiencing full freedom, and 33% to a moderate degree. Although SAIs in all regions reported restrictions, half of the SAIs in Low Income countries experience no freedom at all in their access human, material and/or monetary resources from the Legislature and/or the Executive.



SAI in High Income countries reported full freedom in the organization and management of their offices, but 47% of SAIs in developing countries experienced degrees of interference. Such interference is particularly acute in Low Income countries in PASAI.



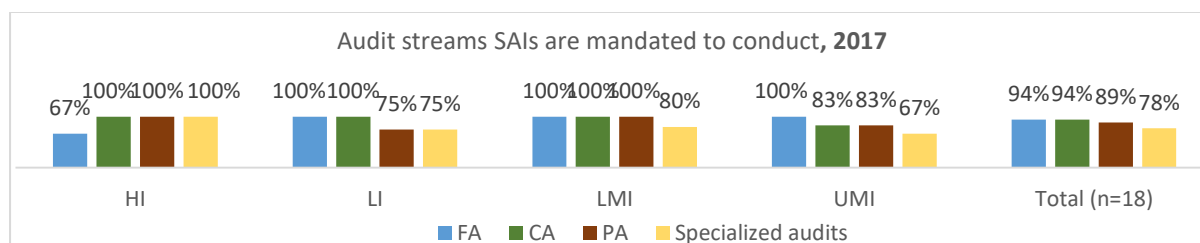
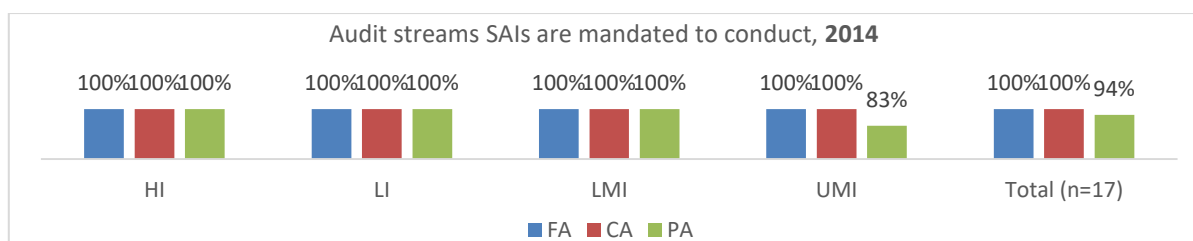
4 Developments in SAI Organisational Systems and Professionalization

This chapter examines the development in SAI organisational systems and professionalization in view of the community's efforts to mainstream international standards and principles in auditing of public entities. It brings together data from the 2014 and 2017 INTOSAI Global Survey, PEFA and from the 2015 Accountability and Transparency Report to look at developments in the audit process and SAI organisation since 2014. In addition, it uses data from the global survey administered by the SAI in the United Arab Emirates about the two themes at the XXII-INCOSAI for the analysis on the Sustainable Development Goals.

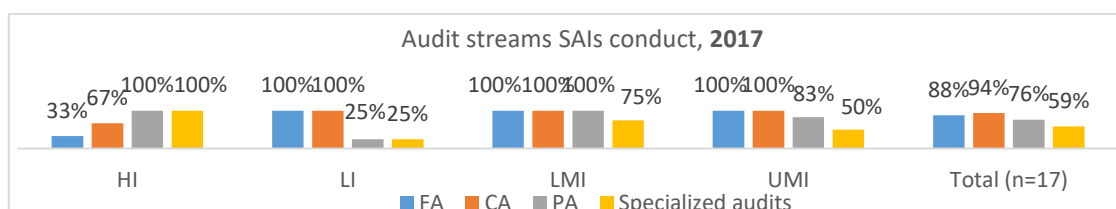
4.1 Audit process and report

4.1.1 Audit coverage

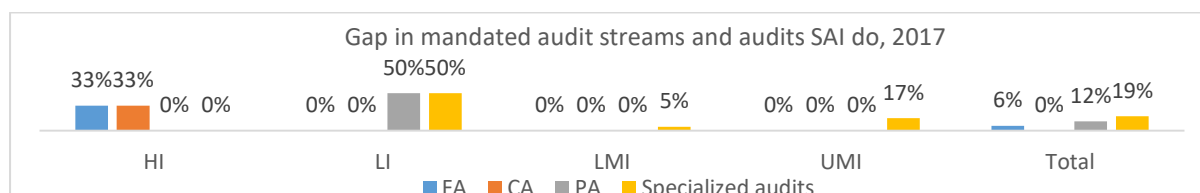
In the 2017 Global Survey, 94% of SAIs in PASAI confirmed that they are mandated to carry out financial audits (FA) and compliance audits (CA), 89% performance audits (PA), and 78% specialized audits. In 2014, SAIs reported a higher percentages of mandated audit streams, what is mostly probably due to a slight difference in the sample of respondent SAIs (20% different SAIs in 2014 and 2017 surveys).



The majority of SAIs do financial audits (88%) and compliance audits (94%), and 76% conduct performance audits. In addition, 59% of the respondent SAIs conduct specialized audits. There are variations among income groups regarding the audits they conduct.



As shown below, the gap in 2017 between mandated audit streams and audits SAIs do shows that 6% of SAIs do not carry financial audit as they are mandated, 12% for performance audit and 19% of SAIs for specialized audits. There is no gap for compliance audit. In terms of income groups, the largest gaps are in SAIs in High Income countries and particularly in Low Income countries.



The 2017 Global Survey asked SAIs about the extent to which they meet a set of benchmarks for finance, compliance, and performance audit coverage, described on the table below. The benchmark levels were set out by the SAI PMF criteria on audit coverage.¹ The 2014 Global survey used these criteria. The findings in 2017 are examined and compared against the 2014 data.

Audit coverage in PASAI, 2014 and 2017

Benchmarks for coverage	Year	n	HI	LI	LMI	UMI	Total
FA: At least 75% of financial statements received are audited (including the consolidated fund / public accounts or where there is no consolidated fund, the three largest ministries).	2014	17	100%	100%	100%	100%	100%
	2017	16	100%	100%	75%	67%	81%

¹ The SAI PMF is an assessment tool developed specifically for SAIs. The level for the benchmark refers to the criteria for obtaining a score of 3 on a scale from 0-4.

CA: The SAI has a documented risk basis for selecting compliance audits that ensures all entities face the possibility of being subject to a compliance audit, and at least 60% (by value) of the audited entities within the SAI's mandate were subject to a compliance audit in the last audit year.	2014	17	0%	0%	83%	67%	53%
	2017	15	50%	25%	50%	80%	53%
PA: On average in the past three years, the SAI has issued at least ten performance audits and/or 20% of the SAI's audit resources have been used for performance auditing.	2014	17	50%	33%	67%	50%	53%
	2017	16	67%	0%	50%	40%	38%

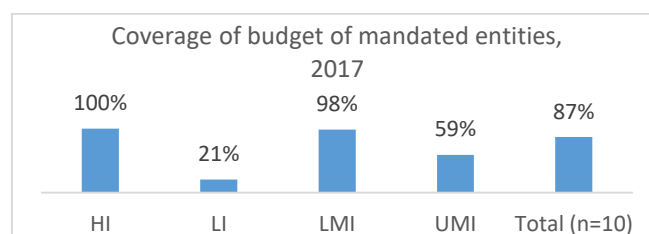
For financial audit coverage, the results show 81% of 17 SAIs reported meeting the benchmark in 2017, a lower percentage than the 100% reported in the 2014 global survey. The decline in overall coverage is attributed to lower coverage by SAIs in Low and Upper Middle Income countries.

For compliance audit, the Global Survey results show no change, with 53% of SAIs in 2014 and 2017 that reported meeting the criteria for adequate compliance audit coverage. SAIs in Low Middle Income countries reported a decrease in their coverage.

For Performance audit, the results show a decrease from 53% in 2014 to 38% of SAIs in 2017 that reported meeting the criteria. The decline in coverage is attributed to lower coverage by SAIs in all income groups, except in High Income countries.

Examining the budgets of the entities SAIs are mandated to audit and those they have actually audited also gives a picture of audit coverage. In the 2017 Global Survey, SAIs were asked to provide budget figures for the mandated entities and those they audited from 2014 to 2016. Among the 20 participating members of PASAI respondents to the Global Survey, 14 SAIs provided budget figures for their mandated entities and 10 SAIs for the audited entities. The analysis of audit coverage was made with the budget figures of only the 10 SAIs that provided budget figures for both mandated and audited entities.

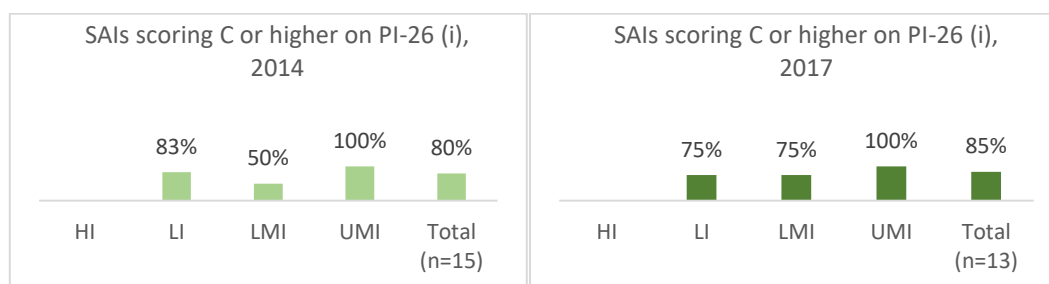
Examining the ratio in the average budget of mandated entities and the average budget of the entities SAIs audited, the data show an audit coverage of 87%. This represents a much higher rate than the average coverage of 57% reported for benchmarks for coverage just discussed above. SAIs in High Income and Low Middle Income countries have reported the highest budget coverage for the period, 100% and 98% coverage respectively. SAIs in Low Income countries reported a low coverage, 21%.



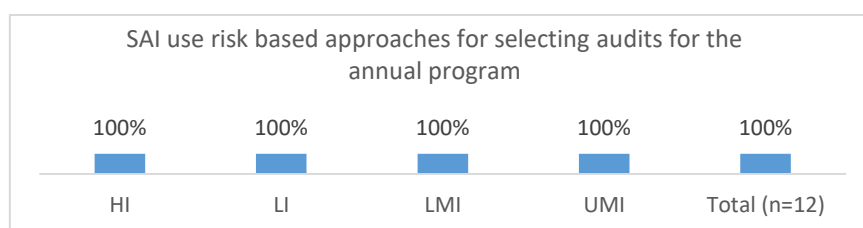
Analysis of the relevant PEFA data provides additional perspective on audit coverage. The PEFA indicator PI-26 for external audit contains three separate dimensions, one of which is concerned with 'the scope/nature of audit performed', including adherence to auditing standards. The benchmark measurement set is a score of C or higher, which requires that central government entities representing at least 50% of total expenditures are audited annually.

As illustrated in the graph below, the data show that the overall performance of SAIs from PASAI

countries scoring a C or higher on PI-26 dimension (i) slightly increased from 80% in 2014 to 85% in 2017. The results from PEFA data reinforces the findings from the Global Survey data for coverage of budget of mandated entities, but it is much higher than the average coverage of 57% for the benchmarks for finance, compliance, and performance audit coverage.

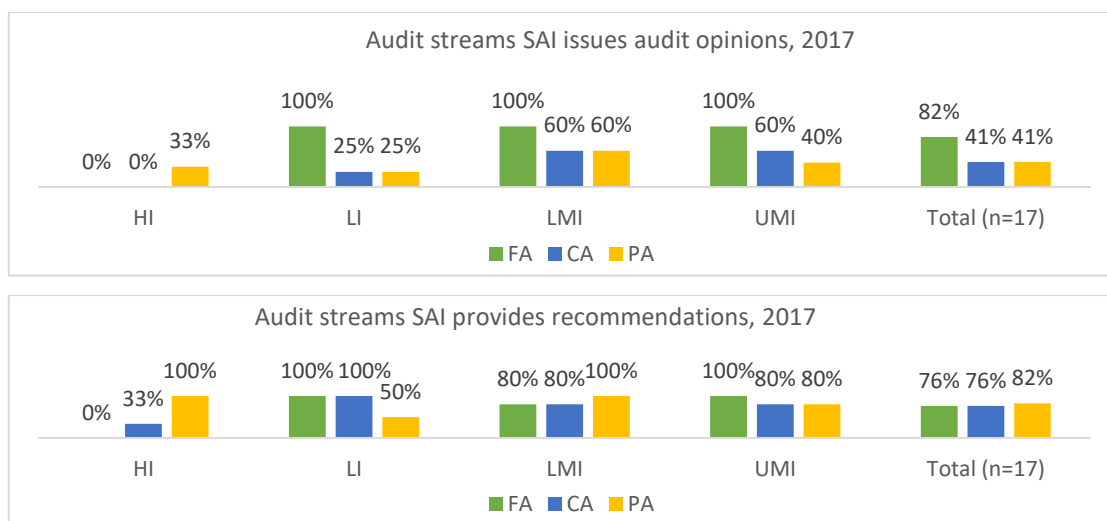


In the 2017 Global SAI Survey, all SAIs confirmed that they use risk-based approaches for selecting audits for the annual program.



4.1.2 Issuing audit opinion and providing recommendations

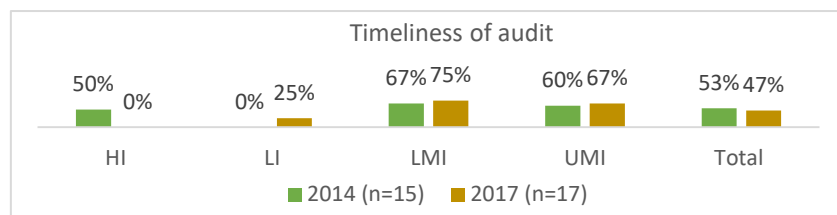
Most SAIs in all income groups confirmed they issue audit opinion for financial audit (82%), but fewer SAIs do for compliance (41%) and performance (41%) audits, noting differences among SAIs in the region. Most SAIs confirmed that they issue recommendations in their audits as well, as shown on the figure below. Fewer SAIs in High and Low Income groups reported issuing recommendations.



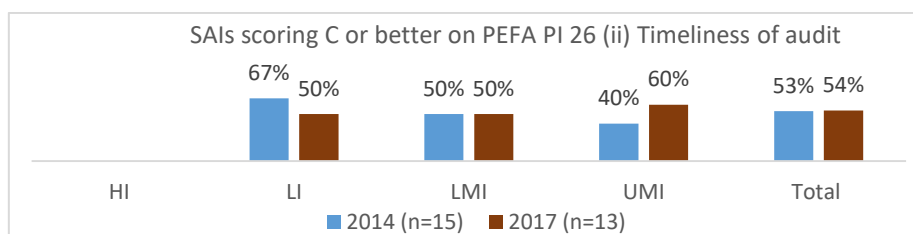
4.1.3 Timely submission of Reports

The Global SAI Survey shows a slight decrease from 53% in 2014 to 47% in 2017 in the number of SAIs that reported issuing their annual audit reports to the Parliament or other recipients determined by

law within the established legal time frame.² The decrease was mostly due to SAIs in High Income countries. In 2017, 24% of SAIs reported that there is no time stipulation for issuing the consolidated annual audit report.



PEFA data show a slightly higher percentage for the 2017 results. PI-26 dimension (ii) measures the timeliness of the submission of audit reports to the legislature. The benchmark measurement set is a score of C or higher, which requires that audit reports are submitted to the legislature at least within 12 months of the end of the period covered (for audit of financial statements from their receipt by the auditors). As the figure below shows, this increased from 53% of SAIs scoring C or better in 2014 to 54% in 2017.



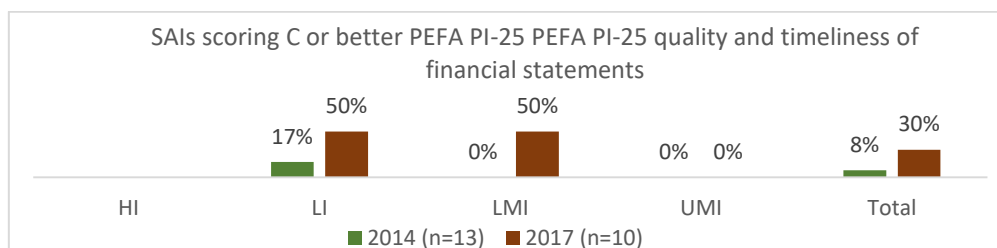
The timeliness of audit is linked to timely completion of consolidated government statement at good standard, and its submission to SAIs. PEFA PI-25 examines the quality and timeliness of annual financial statements. The PI-25 indicator has three dimensions: (i) Completeness of the financial statements (ii) Timeliness of submission of the financial statements, and (iii) Accounting standards used. The scores follow:

A	A consolidated government statement is prepared annually and includes full information on revenue, expenditure and financial assets/liabilities and submitted for external audit within 6 months of the end of the fiscal year. IPSAS or corresponding national standards are applied for all statements.
B	A consolidated government statement is prepared annually with most required information and the consolidated government statement is submitted for external audit within 10 months. IPSAS or corresponding national standards are applied.
C	A consolidated government statement is prepared annually, but information may not always be complete, although the omissions are not significant, and statements are submitted for external audit within 15 months. Statements are presented in consistent format over time with some disclosure of accounting standards.
D	A consolidated government statement is not prepared annually, OR essential information is missing from the financial statements OR the financial records are too poor to enable audit. If annual statements are prepared, they are generally not submitted for external audit within 15 months of the end of the fiscal year. Statements are not presented in a consistent format over time or accounting standards are not disclosed.

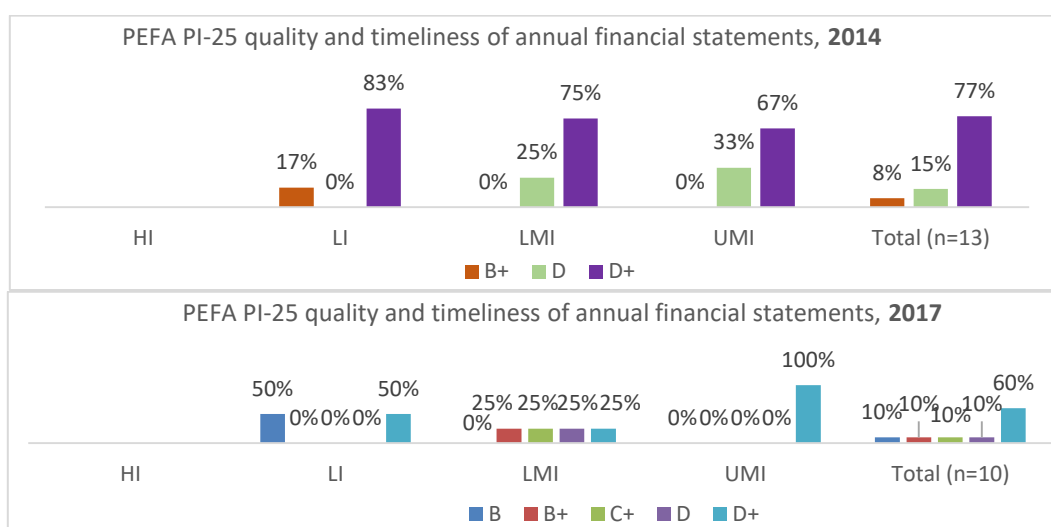
The results of PEFA PI-25 for countries in PASAI scoring C or better shows an increase from 8% in 2014 to 30% in 2017. The increase is due to improved quality and timeliness of annual financial statements

² Legal time limit is usually specified in the legal framework of the SAI or determined by the SAI.

in some Low Income and Low Middle Income countries.



Examining PEFA PI-25 data for 2014, the results show that in most countries (77%) consolidated government statement were either not prepared annually or they were significantly incomplete. This posed a major challenge to SAIs. The data for 2017 show a some positive development for the region, although in more than half (70%) of the countries consolidated government statements are neither prepared annually or they are significantly incomplete. Some improvements happened in Low Income and Low Middle Income countries.



As seen in the table below, overall positive developments with completeness of the financial statements contributed to improving PI-25. The results show that the quality of annual financial statements improved particularly in Upper Middle Income countries.

PI 25 (i) Completeness of the financial statements				
2014	A	B	C	D
HI				
LI	17%	0%	50%	33%
LMI	0%	25%	25%	50%
UMI	0%	0%	100%	0%
Total (n=13)	8%	8%	54%	31%
2017	A	B	C	D
HI				
LI	0%	50%	50%	0%
LMI	0%	25%	25%	50%
UMI	25%	25%	50%	0%
Total (n=10)	10%	30%	40%	20%

Timeliness of submission of the financial statements was also a contributing factor for the

improvement of PI-25, but to a much lesser extent. Positive developments in the timely submission of government statements took place in Low Middle Income countries.

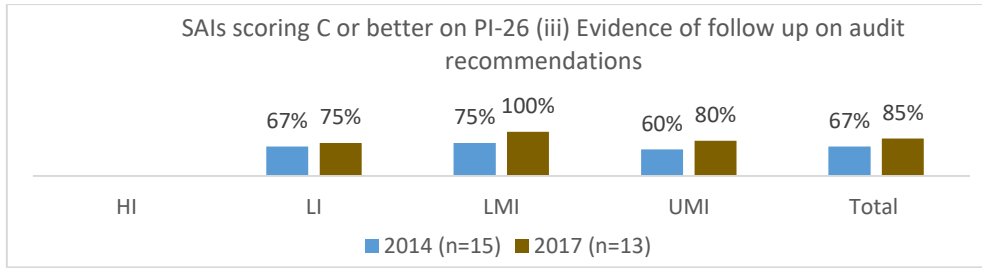
PI 25 (ii) Timeliness of submission of the financial statements				
2014	A	B	C	D
HI				
LI		67%	0%	33%
LMI		25%	25%	50%
UMI		50%	0%	50%
Total (n=14)		50%	7%	43%
2017	A	B	C	D
HI				
LI	0%	50%		50%
LMI	50%	25%		25%
UMI	0%	40%		60%
Total (n=11)	18%	36%		45%

The data shows improved accounting standards in government statements was also a contributing factor for the improvement of PI-25, particularly positive developments in Low Income and Upper Middle Income countries.

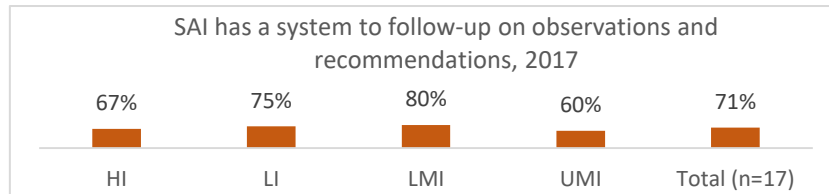
PI25 (iii) Accounting standards used				
2014	A	B	C	D
HI				
LI	17%		0%	83%
LMI	0%		100%	0%
UMI	25%		50%	25%
Total (n=14)	14%		43%	43%
2017	A	B	C	D
HI				
LI	0%	50%	0%	50%
LMI	25%	0%	50%	25%
UMI	40%	20%	20%	20%
Total (n=11)	27%	18%	27%	27%

4.1.4 Follow up on audit recommendations and sanctions

The PEFA data for indicator PI-26 for external audit contains three separate dimensions, one of which is concerned with 'evidence of follow up on audit recommendations'. The benchmark measurement set is a score of C or higher, which requires that at minimum formal response is made to audit recommendations, though delayed or not very thorough, but there is evidence of any follow up. The results for countries in PASAI show an increase in the number of countries scoring C or higher, from 67% in 2014 to 85% in 2017.

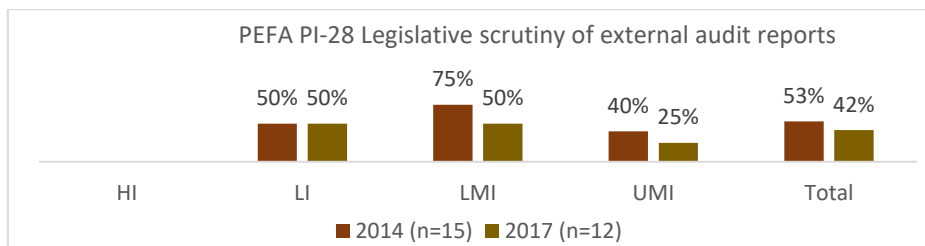


The 2017 Global Survey results shows that 71% of the SAIs in PASAI confirmed having an internal system to follow-up on the observations and recommendations made to the audited entities, including the actions taken by the auditees' relevant authorities.



PEFA PI-28 examines legislative scrutiny of external audit reports. A common way in which this is done is through a legislative committee or commission that examines the external audit reports and questions responsible parties about the findings of the reports. This indicator has three dimensions: (i) timeliness of examination of audit reports by the legislature; (ii) extent of hearings on key findings undertaken by the legislature; and, (iii) issuance of recommended actions by the legislature and implementation by the executive. The benchmark is C or higher, which requires that at minimum in-depth hearings on key findings take place occasionally, covering a few audited entities or may include with ministry of finance officials only.

The results of the PEFA PI-28 shows a decrease from 53% in 2014 to 42% in 2017 in legislative scrutiny of external audit reports. Overall the percentage of countries that achieve the benchmark remains low.



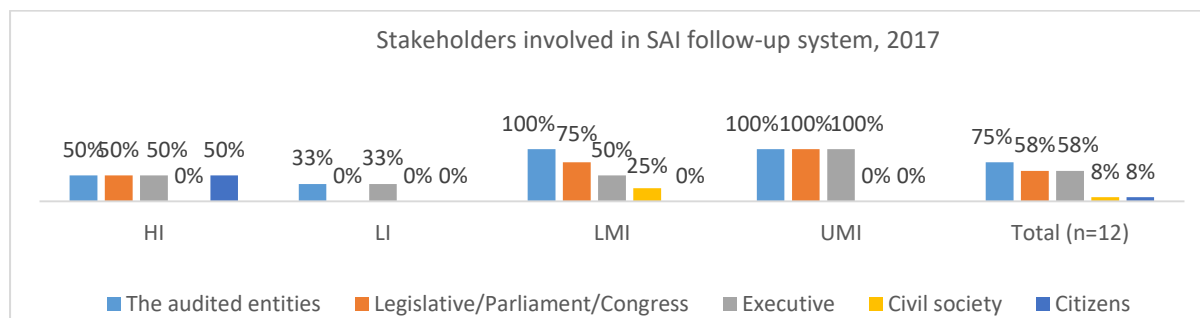
The table below shows results for the three dimensions of PI-28. There were negative developments in the three dimensions for the region. The data shows a decrease from 60% in 2014 to 50% in 2017 in the number of the legislatures in the assessed countries that held hearings on main audit findings. The decrease in the overall score for the timeliness of examination of audit reports by the legislature shows that scrutiny of audits have increasingly taken place later. Moreover, the issuance of recommended actions as well as implementation by the executive lowered the overall scores.

SAIs scoring C or better on PEFA PI-28 dimensions (2014-2017)

	Year	HI	LI	LMI	UMI	Total	n
(i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years).	2014	na	50%	75%	40%	53%	15
	2017	na	50%	50%	25%	42%	12
(ii) Extent of hearings on key findings	2014	na	67%	75%	40%	60%	15

undertaken by the legislature.	2017	na	75%	50%	25%	50%	12
(iii) Issuance of recommended actions by the legislature and implementation by the executive.	2014	na	50%	100%	40%	60%	15
	2017	na	50%	50%	25%	42%	12

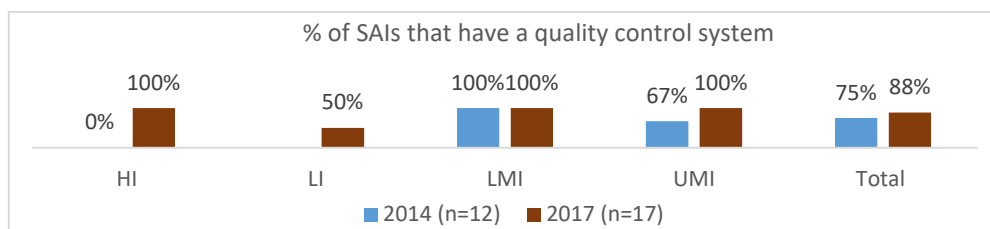
The 2017 Global Survey data also shows that 75% of respondent SAIs involve at least sometimes audited entities in their audit follow-up system. The extent to which SAIs involve the executive, legislative and judiciary varies, although 58% of SAIs do involve the legislature and 58% the executive in their countries either consistently or occasionally. The least involved groups of SAI's stakeholders are civil society (8%) and citizens (8%).



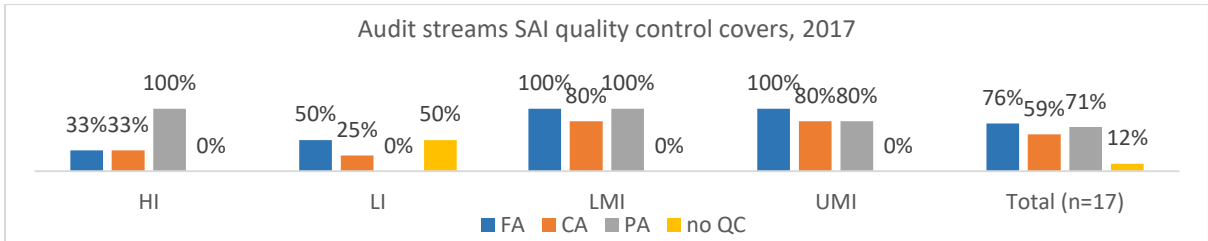
4.1.5 Quality Control and Assurance

The Global Survey asked SAIs a number of questions about their quality control and quality assurance systems. “Quality Controls” encompasses the policies and procedures that are put in place in a SAI to assure that its audit work is consistently high quality. “Quality Assurance” is the process established by a SAI to ensure that their quality controls are being properly implemented and that potential ways for improving controls and thereby the quality of audit work are identified. Quality assurance can be done externally or internally within the SAI, as long as it is carried out in an independent manner. ISSAI 40 establishes an overall framework for quality control and assurance to achieving high quality in the public sector.

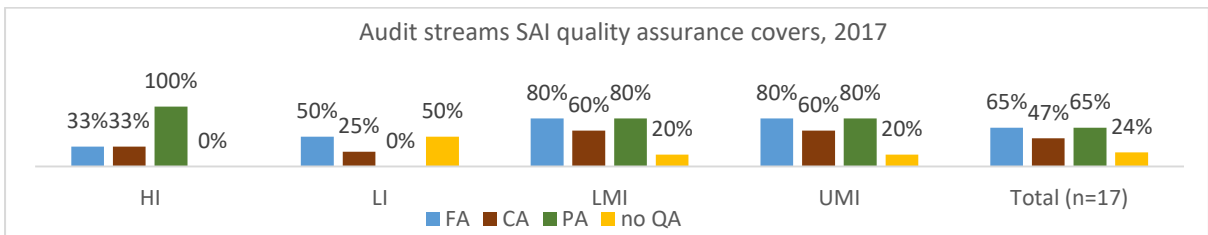
The results of the survey show a positive development for quality control in SAIs in PASAI, with an increase in the number of SAIs that have quality control system, from 75% in 2014 to 88% in 2017. The development is mostly credited to SAIs in High Income and Upper Middle Income countries establishing quality control systems in their SAIs. Of concern, the figures for the 2017 survey also shows that 12% of the SAIs in PASAI do not yet have a quality control system.



The quality control system of 76% of SAIs cover financial audit, 59% of SAIs compliance audit and 71% performance audit.



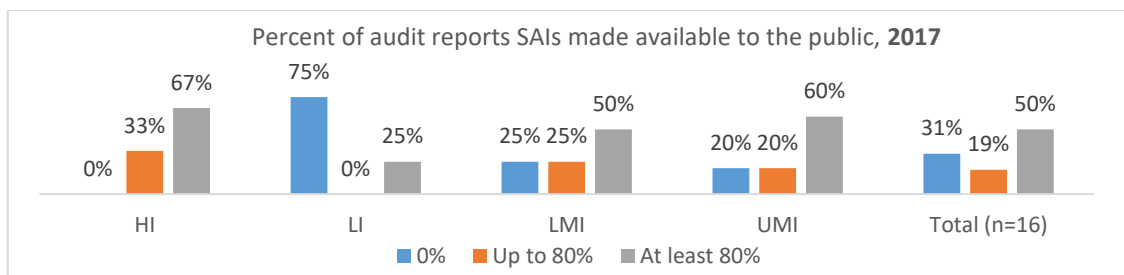
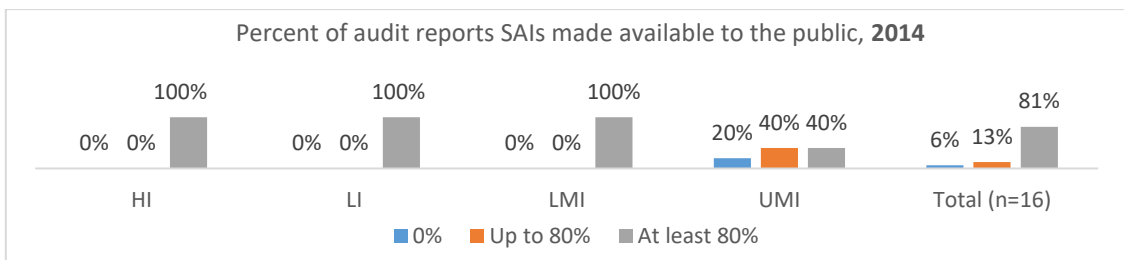
Most SAIs (76%) confirmed having a quality assurance mechanism in place, of which 65% cover financial and performance audit streams, but only in 47% of the SAIs it covers compliance audits. However, the results from the 2017 survey shows that 24% of the SAIs in PASAI do not do quality assurance.



4.1.6 Making audits publicly available

In the Global SAI Survey, SAIs were asked to provide information on the number of reports they produced in the last complete audited year, and the number of reports they made available to the public. The results in 2017 represents a substantive reduction in the number of SAIs that made at least 80% of their completed audit reports available to the general public, from 81% in 2014 to 50% in 2017.

There has been a significant reduction in the number of reports SAIs make available to the public, from 81% of SAIs making at least 80% of reports publicly available in 2014 to 50% in 2017. As the below graphic shows, there has been an increase from 6% in 2014 to 31% in 2017 in the percent of SAI that made no reports public in the previous financial year. The data shows that reduction in audit reports made publicly available took place in all income groups.

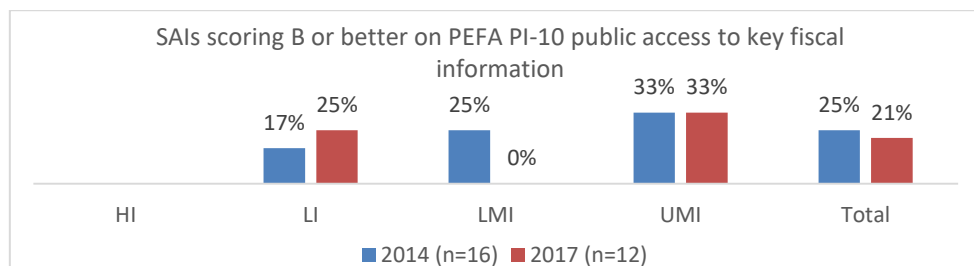


What, when and how the SAI publishes may be under the control of the SAI. However, as emphasized

in the Mexico Declaration³, a SAI must also have a legal framework giving it the right and obligation to publish its reports, and be free from undue pressure to prevent such publication. Submission can be caused by lack of legal powers and interference from outside bodies. An examination of the reports SAIs made public in relation to their legal right to make reports publicly available can be found in section 3.2 “Managerial and Administrative Autonomy” of the “SAI Independence” chapter of this report. The finding is that many SAIs do not fully exercise the right to make the results of their audit work available to the public.

The PEFA indicator PI-10 examines public access to key fiscal information: (i) Annual budget documentation when it is submitted to the legislature. (ii) In-year budget execution reports. (iii) Year-end financial statements. (iv) External audit reports: All reports on central government consolidated operations are made available to the public through appropriate means within six months of completed audit. (v) Contract awards with value above approx. USD 100,000 equiv. For a score of A the government makes available to the public 5-6 of the 6 listed types, for B 3-4 of the 6 listed types of information, and for a score of C 1-2 of the 6 listed types of information. A D score, none of the 6 types are made publicly available.

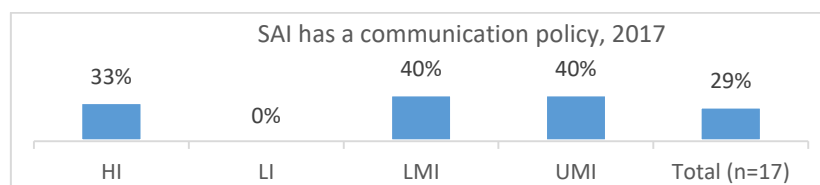
Examining PI-10 results for countries in PASAI, there a small decline from 25% in 2014 to 21% in 2017 in the number of countries that scored B or better on PI-10, noting that overall the percentage for the region remains low for the region. The number of key documents governments made available to the public in Low Income countries increased significantly, but this was offset by a steep decrease in Low Middle Income countries.



4.2 Communication and Stakeholder Management

The 2015 Accountability and Transparency study found that citizens and sometimes even government ministries are unclear about the role of the SAI and what it does. Communication of the role of the SAI is therefore an important element of the SAI’s activities, contributing to enhanced accountability and transparency.

In the 2017 Global Survey, 17 SAIs responded questions about communication with their stakeholders (e.g. civil society, citizens). Five (29%) confirmed that they had a communication policy, 40% of the SAIs in Low Middle and Upper Middle Income countries and 33% of the SAIs in High Income countries. No SAI in Low Income countries reported having a communication policy.



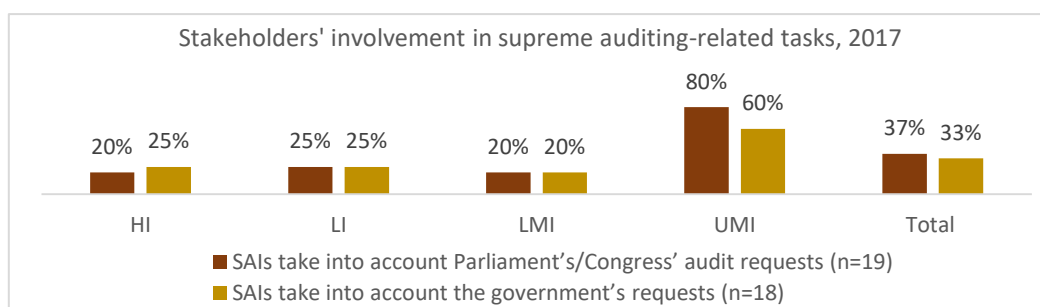
As shown in the following table, the internet is the mass media SAIs use mostly to report and

³ Mexico Declaration on SAI Independence, Principle 6

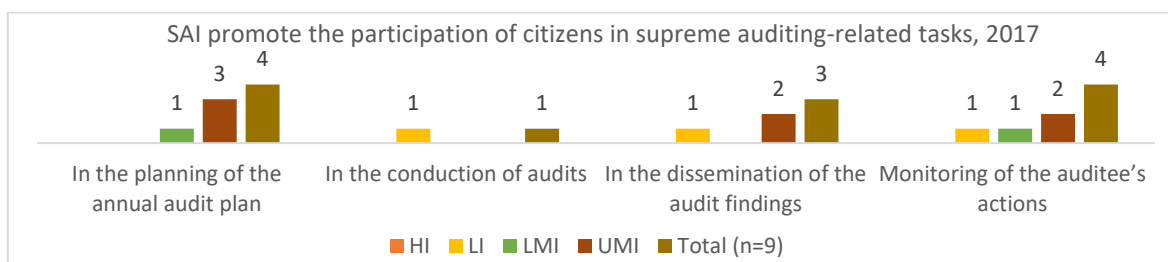
disseminate their audit work, particularly the SAI's webpage. The 2015 Accountability and Transparency report notes that 12 SAIs had websites providing different degrees of information. Only 18% of the SAIs make full use of the press and 35% sometimes. SAIs also make use of the radio, 12% fully and 41% sometimes. Just 6% of the SAIs make full use of television to disseminate their audit work and 24% sometimes.

Mass media your SAI uses to report/disseminate its audit work (n=17)			
	Not at all	Sometimes	To the fullest
Television	71%	24%	6%
Radio	47%	41%	12%
Press	47%	35%	18%
Internet	18%	41%	41%
Gazettes or magazines	76%	18%	6%

The 2017 Global Survey data shows that 37% of respondent SAIs do take the audit requests of their Parliaments/Congress into account and 33% take into consideration the government's audit requests.



Nine SAIs in PASAI confirmed that they promote the participation of citizens in audit-related tasks. Four SAIs reported involving citizens in the planning of the annual audit plan through, for example, following-up on citizens' complaints, denunciations and suggestions. One SAI reported involving citizens in the conduct of audits while three SAIs in the dissemination of audit results (33%). Four SAIs involve citizens in the monitoring of auditee's actions.



4.3 Implementation of ISSAIs

In the 2014 Global SAI Survey, results showed that 71% of SAIs reported having adopted the ISSAI standards for financial audit, 59% for compliance audit and 71% for performance audit. SAIs reporting on their adoption of standards based on or comparable to ISSAIs should be understood in the context that SAIs have overtime built a stronger understanding of what the ISSAIs actually require.

In the 2017 Global Survey, the results shows that that 75% of SAIs reported having adopted the ISSAI standards for financial audit, 75% for compliance audit and 62% for performance audit. However, SAIs confirmed having adopted the ISSAI standards as a reference, but stated that their actual audit standards are not yet consistent with the ISSAIs. If we count only the SAIs that confirmed adopting

ISSAI standards de facto, then the results would represent a decrease in adoption from 2014, 38% for financial audit, 31% for compliance audit and 31% for performance audit. These latter figures are a more realistic representation of the ISSAI adoption in practice.

SAIs that developed or adopted audit standards based on or consistent with level 3 or 4 ISSAIs						
	FA		CA		PA	
	2014 (n=17)	2017 (n=16)	2014 (n=17)	2017 (n=16)	2014 (n=17)	2017 (n=16)
HI	100%	33%	50%	33%	100%	33%
LI	67%	50%	0%	50%	33%	50%
LMI	67%	0%	83%	0%	83%	0%
UMI	67%	60%	67%	60%	67%	40%
Total	71%	37%	59%	37%	71%	31%
Standards adopted, but not yet consistent with ISSAIs						
HI		0%		0%		33%
LI		50%		25%		0%
LMI		75%		75%		75%
UMI		20%		20%		20%
Total		38%		31%		31%
ISSAI adoption 2017 (including those that are not yet consistent with ISSAIs)						
		75%		75%		62%

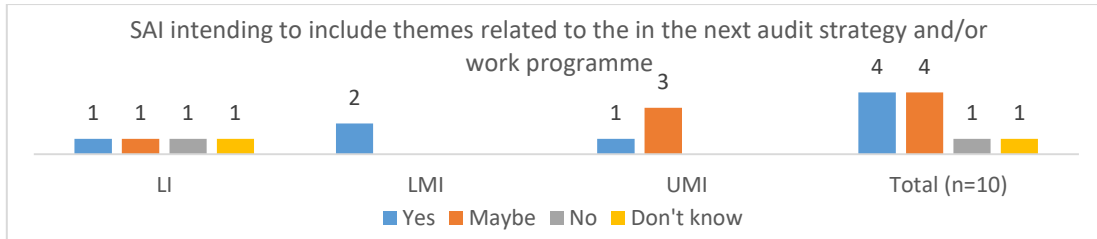
As the table below shows, in 2017, 37% of SAIs reported having audit manuals consistent with level 3 or 4 ISSAIs for financial audit, 44% for compliance and 37% for performance audits.

% of SAIs that have audit manuals consistent with level 3 or 4 ISSAIs			
	FA	CA	PA
HI	0%	0%	33%
LI	50%	50%	50%
LMI	25%	25%	25%
UMI	60%	80%	40%
Total (n=16)	37%	44%	37%

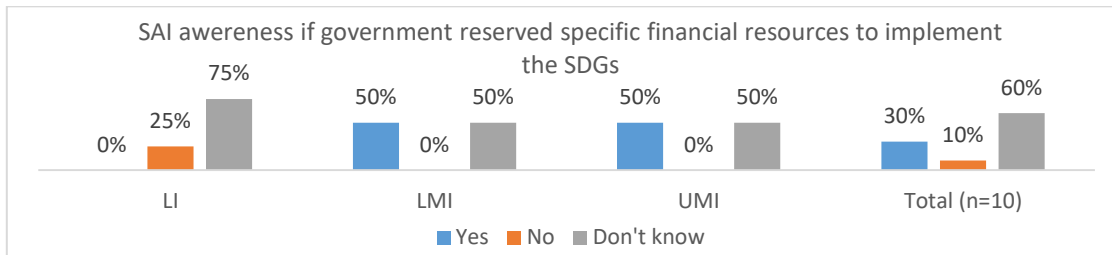
4.4 Focus on the Sustainable Development Goals

This section on the Sustainable Development Goals (SDGs) uses only the data collected through the global survey administered by the SAI in the United Arab Emirates about the two themes at the XXII-INCOSAI, held in Abu Dhabi in December 2016. The analysis in this section includes all respondent SAIs in PASAI.

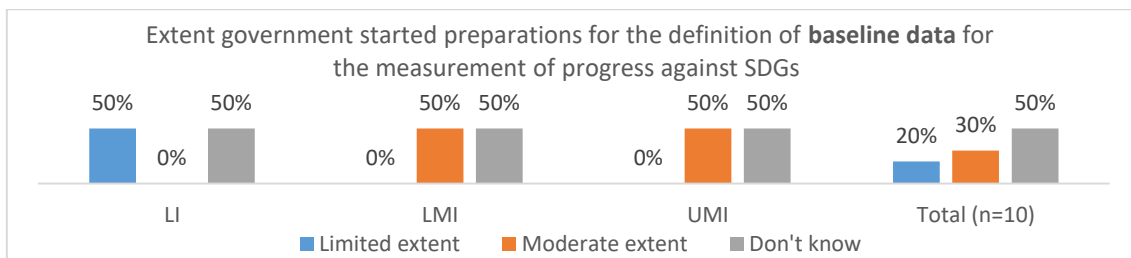
Less than half (40%) of the survey respondent SAIs in PASAI expressed their intention to include themes related to the preparation for and/or implementation of the SDGs in their next audit strategy and/or work program.



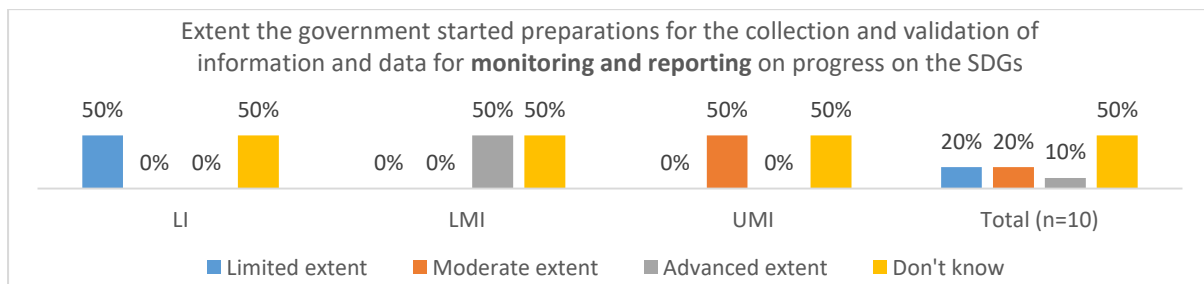
Just 30% of SAIs confirmed being aware whether the governments in their countries reserved specific financial resources to implement the SDG commitments, while 60% stated not knowing.



Half of the 10 respondent SAIs confirmed that the government in their country started, to some extent, preparations for the definition of baseline data for the measurement of progress against the UN's 2030 Agenda for Sustainable Development. Half of the SAIs did not know.

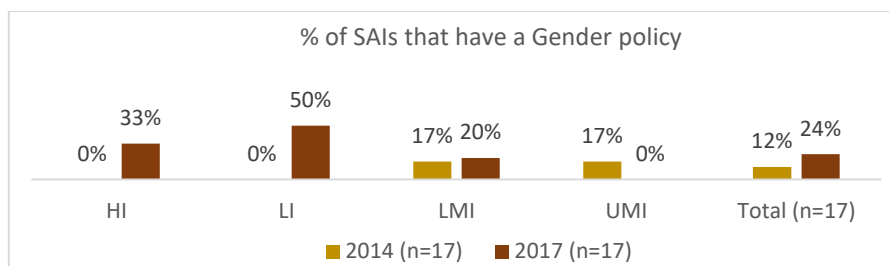


Half of the SAIs are unaware of whether the government their country started preparations for the collection and validation of information and data for monitoring and reporting on progress on the UN's 2030 Agenda for Sustainable Development.



4.5 SAIs addressing gender equity

The results of the Global SAI Survey shows an increase in the number of SAIs that have a gender policy, from 12% in 2014 to 24% in 2017. No SAI among the 17 SAI respondents in PASAI has a manual on auditing gender issues and no SAI did a dedicated audit on gender or include gender assessments in audit work in the past three years.



Box 1: Practice Guide to Auditing Gender Equality

The guide aims to help public sector auditors in conducting performance audits on gender equality policies and programs, and on gender equality issues within broader audit topics. It includes information and guidance on the following topics:

- Gender equality concepts and contextual information;
- Applying a "gender lens" to audit topic selection;
- Gender-based analysis and gender-responsive budgeting;
- Methodology to be used in auditing gender equality, including guidance on developing audit objectives and criteria; and
- Suggestions for overcoming challenges to auditing gender equality.

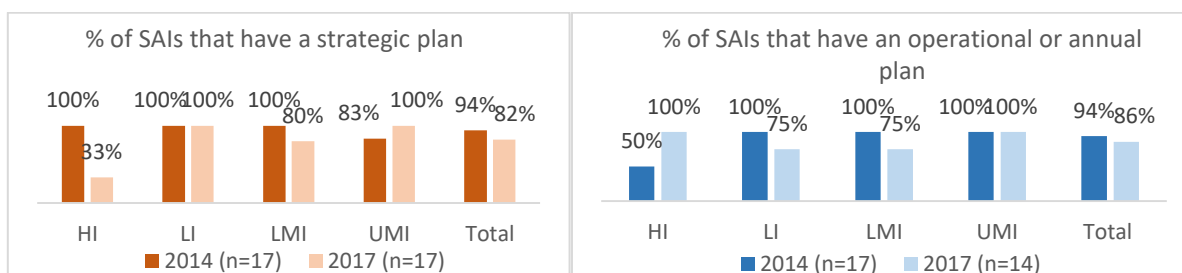
The English and French versions of the guide can be accessed at http://www.ccaf-fcvi.com/index.php?option=com_content&view=article&id=1013:methodology&catid=34:performance-audit&Itemid=533&lang=en#GENDER-EQUALITY.

5 Capacity Development

This chapter uses data from the 2014 and 2017 INTOSAI Global Survey to analyze aspects of SAI capacity development and efforts in PASAI.

5.1 SAI Strategic and Operational Plans

The results of the Global Survey shows a decrease in the number of SAIs that reported having strategic and operational plans. The number of SAIs that confirmed having strategic plans decreased from 94% in 2014 to 82% in 2017. For operational plans, the decreased is from 94% in 2014 to 86% in 2017.



Regarding the organization of professional development within SAIs, the three most utilized approach SAIs use for training in PASAI are external training courses (94%), on-the-job training (94%) and support to attend certification programs (71%). Internal training courses is utilized by over half of the SAIs (53%).

Internal training	External training courses	On-the-job training	Job rotation	Mentoring	Support to attend certification programs
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HI	0%	100%	100%	33%	0%	100%
LI	75%	100%	100%	25%	50%	75%
LMI	60%	80%	100%	0%	40%	40%
UMI	60%	100%	80%	20%	20%	80%
Total (n=17)	53%	94%	94%	18%	29%	71%

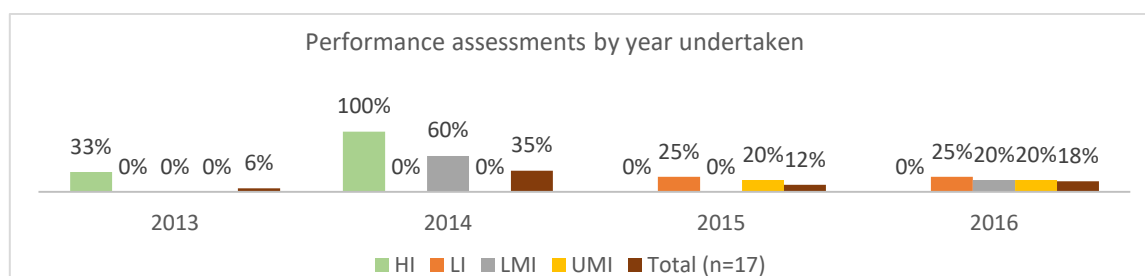
There are differences across the region about approaches SAIs use for staff to transfer knowledge and skills from participation in external capacity development programmes. The most utilized approaches are staff running presentation to peers about the training experiences, used by 47% of the SAIs, and on the job training within the trained staffs' unit/department staff, used by 35% of the SAIs.

	Staff run formal training courses to peers	Staff run presentation to peers about the training experiences	Staff run presentation to management about the training experiences	Staff help to develop or update audit methodology tools and/or manuals	Through on the job training within the trained staffs' unit/department
HI	0%	33%	0%	67%	33%
LI	25%	25%	25%	50%	25%
LMI	20%	60%	40%	0%	60%
UMI	60%	60%	20%	20%	20%
Total (n=19)	29%	47%	24%	29%	35%

The maximization and sustainability of training administered internally and externally by SAIs and their capacity development partners are also affected by sufficient stability in SAI staff. Rate of staff turnover affects efforts to improve the professional capacities of staff and overall morale of employees. The results of the 2017 Global Survey shows that staff turnover in 65% of the SAIs in PASAI is at a good level, between 0% and 20%. However, the picture is different for SAI in Low Income and Upper Middle Income countries, as shown below.

5.2 SAI performance assessment

The 2017 Global SAI Survey data shows that 76% of the SAIs in PASAI have undertaken an assessment of their performance between 2013 to June 2017. Overall, an increase in performance assessments took place in PASAI from 6% of SAIs assessing their performance in 2013 to 35% in 2014 to 18% in 2016. However, 24% of SAIs in PASAI have not undertaken an assessment of their performance since 2013, most of which are in Upper Middle Income countries.

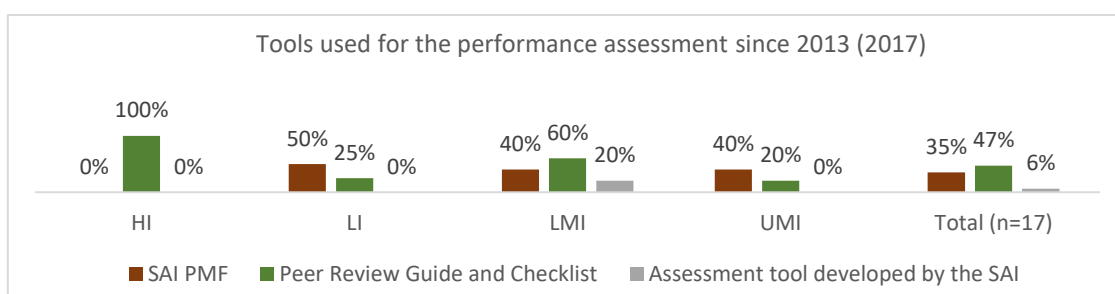


Most (93%) of the performance assessments SAI undertook were externally quality assured and 57% of the SAIs confirmed they reported on the performance assessment externally to stakeholders (e.g. legislative, development partners, made publicly available).

SAI carried out an	Performance	SAI report on the
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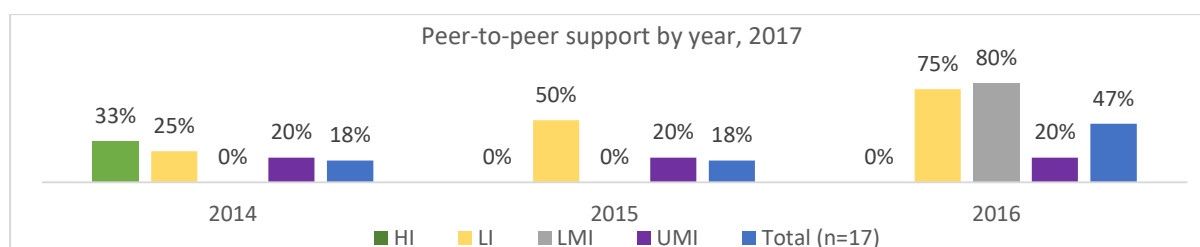
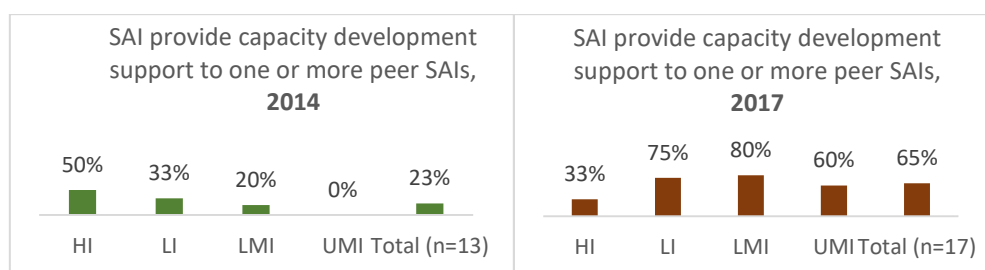
	assessment of its performance in recent years (n=17)	assessment externally quality assured (n=14)	performance assessment externally to stakeholders (n=14)
HI	100%	100%	100%
LI	75%	100%	67%
LMI	80%	80%	40%
UMI	60%	100%	33%
Total	76%	93%	57%

Among the 76% of the SAIs that carried out a performance assessment since 2013, 47% have used Peer Review Guide and Checklist as a tool for conducting performance assessments, and 35% used the SAI Performance Measurement Framework (SAI PMF), as shown in the graphic below.

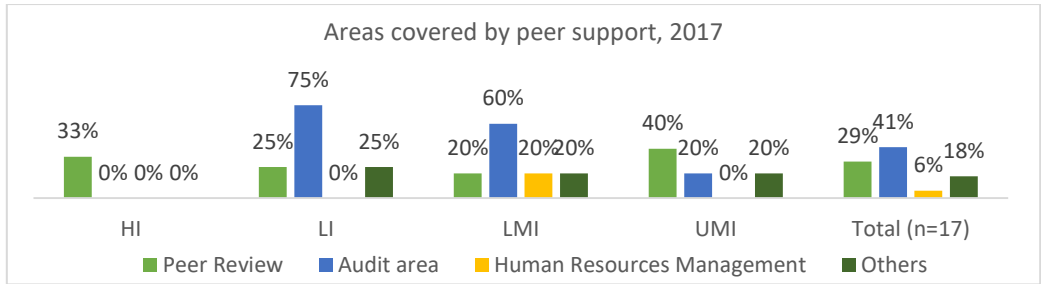


5.3 Support provided to Peers

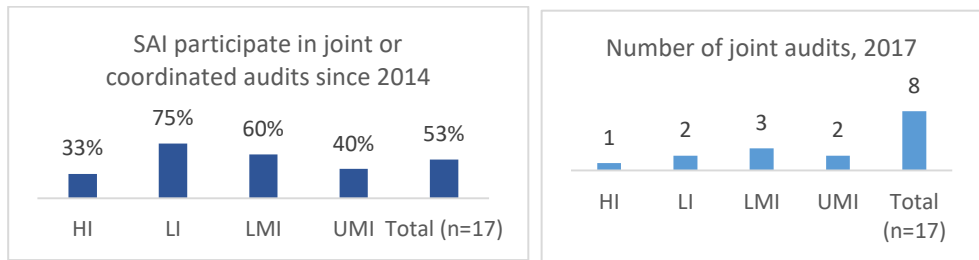
There has been an increase in peer-to-peer cooperation among SAIs in PASAI. The results of the 2017 Global Survey shows an increase from 23% in 2014 to 65% of SAIs in PASAI providing capacity development to one or more peer SAI. The increase in peer-to-peer support has taken place in SAI in all income groups, except in High Income countries, where the number of peer-to-peer support decreased



Most of the peer-to-peer support has been in audit streams and areas (41%) and for peer review (29%). The great majority of support (71%) has been between SAIs in PASAI, with one SAI reporting a peer-to-peer cooperation with a SAI in AFROSAL.



Just over half (53%) of the respondent SAIs to the 2017 Global SAI Survey participated in coordinated or joint audits with peers. These SAIs confirmed they have participated in at least 8 joint audits from 2014 to June 2017. As shown on figure below, most joint audits have taken place in SAIs in Low Income and Low Middle Income countries.



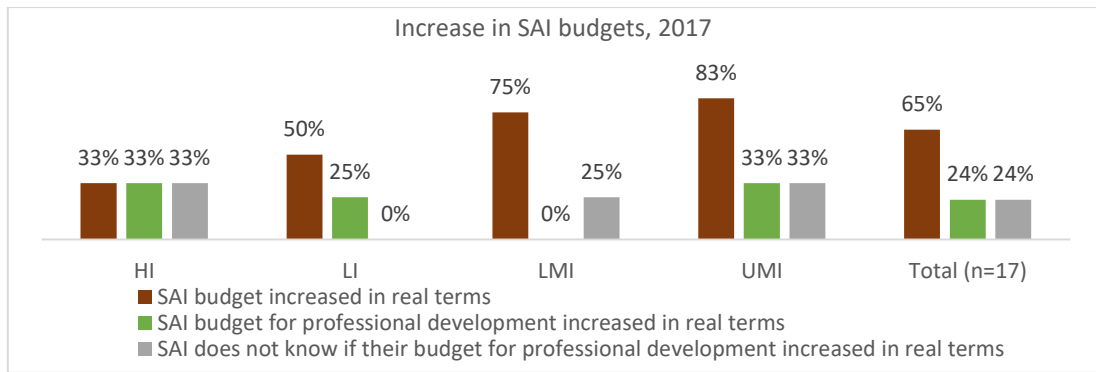
5.4 Products Developed by the INTOSAI Regional Organisations

The capacity development products developed by the regional organisations between 2014 and 2016 are numerous and cover a wide range of topics. In the 2017 Global Survey, 59% of the SAIs confirmed using or having used technical guides developed by a regional organisation in the past three years. Publications produced by the regional organisations are used by SAIs in all income groups in PASAI, except in High Income countries.



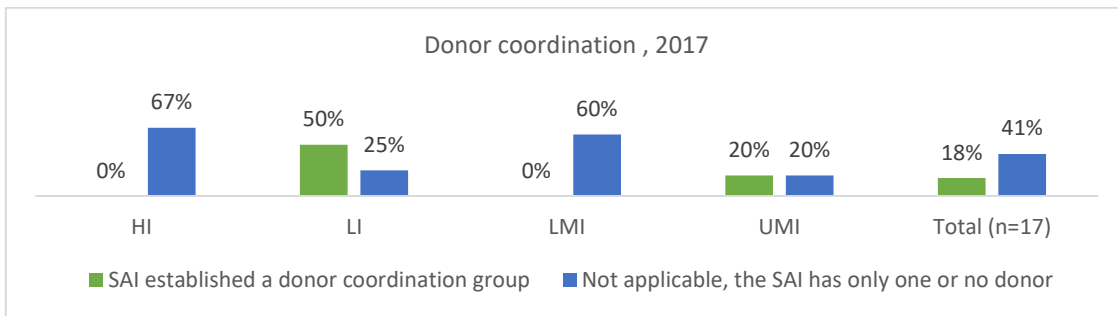
5.5 Annual SAI budget for professional development

The results of the 2017 Global Survey shows that the budget of 65% of the respondent SAIs in PASAI increased in real terms (adjusted for inflation) in the past three years. It also shows that just 24% of the SAIs confirmed that their budget for professional development did increase in real terms during the same period. Such increase took place in SAIs across all income groups, except for SAIs in Low Middle Income countries. However, 24% of the SAIs did not know whether their budget for professional development had increased.



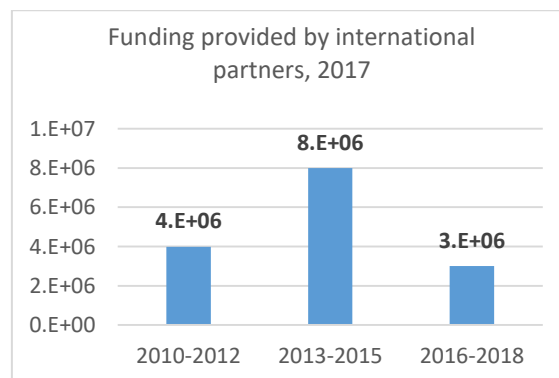
5.6 Support provided by international development partners

In the 2017 Global Survey, SAIs were asked if they had an established donor coordination group to facilitate coordination of capacity development support to their SAI, in which all providers of support participate. From among 17 SAIs that responded, 7 SAIs reported that they had one or no donor and such coordination group was not pertinent. Among the other 10 SAIs, three (18%) confirmed they have a donor group to coordinate support.



According to data from the 2017 Global Survey, the annual financial support for SAI capacity development globally increased by 10% from 2014 to 2015, and increased slightly (1%) from 2015 to 2016, reaching USD 68.7 million. However, the percentage of developing countries benefitting from a substantial capacity development initiative (in size or duration) fell from 51% in 2015 to 41% in 2016, reflecting a reduction of support provided to Low Middle Income Countries.

For SAIs in PASAI, the financial support doubled from the 2010-2012 period to the 2013-2015 period and then decreased by 62% to the 2016-2018 period.



As a percentage of the total funding for externally financed support projects globally, funding for projects in PASAI has been steadily decreasing since 2010. During the 2010-2012 period, SAIs in PASAI received 10% of the total sum of funding for externally financed support projects, 9% for the 2013-2015 period and 5% for the 2016-2018 period.

6 Main Findings

This chapter presents the main findings from each of the proceeding chapters.

6.1 Profile of SAIs

SAIs in PASAI have a wide **mandate** in terms of auditing levels of government, institutions, organisations and scope of funds. All SAIs cover local level of government and 88% national/federal level, with 54% covering regional level. Funds from international and supranational organizations are the less covered by SAIs. In PASAI, SAIs have a wide scope in their mandate to cover anti-corruption and fraud issues, with 78% of the SAIs having a mandate to investigate corruption and fraud issues and 72% to share information with specialized anti-corruption institutions.

In the 2017 Global Survey, SAIs reported different degrees of control over their **recruitment and deployment practices**, with 35% of SAIs having full control of personnel recruitment and 29% have a moderate degree of control. In the 2015 Accountability and Transparency Report, it is noted that SAIs find it difficult to recruit staff, mainly due to having a small talent pool to draw on, being locked into low pay rates compared to other government ministries or private sector auditing firms, and younger people choosing careers other than auditing or finance.

In the 2015 Accountability and Transparency Report, SAIs reported difficulty in **retaining staff**. However, in the 2017 Global SAI Survey, most SAIs reported that they enjoy a stable staff, 65% with staff turnover up to 20%. Looking at income groups, 100% of SAIs in High Income and 80% in Low Middle Income countries have a low staff turnover. On the other hand, for 60% of the SAIs in Upper Middle Income countries and for 50% of the SAIs and in Low Income countries, staff turnover is high.

As in 2014, SAIs are balanced in terms of gender when looking at the total number of staff, the 2017 data showing that the **gender gap** between male and female employees happens more significantly for Heads of SAI, where 75% is male. The overall gender gap for professional and support staff found in 2014 decreased, with slightly more male staff in professional positions and more female staff in supporting positions. However, looking from the perspective of income classification, there are significant variations in gender gap for professional staff.

Electronic tools (software) are used by 65% of SAIs for conducting and documenting financial audits. Over half of the SAIs (53%) use electronic tools for compliance audits and 35% for performance audits. There are, however, great variations among SAIs of all income groups regarding their use of electronic tools.

6.2 SAI Independence

Independence is central to enable SAIs to fulfil their oversight roles and to deliver impact for citizens. The 2017 Global Survey found that only 33% of the SAIs in PASAI confirmed that the **legal act regulating their mandate** fully secure their independence, and 39% to a moderate degree. It also shows that 77% of SAIs in PASAI regard that their **legislation protects the independence of the Head(s) of SAI** from executive interference. Likewise, 67% of SAIs declared that they are **free to select their audit program** and to decide the content and timing of the audit reports.

Most SAIs (61%) confirmed their **independence to publishing and disseminating audit reports** in the public domain, 11% of the SAIs had no independence to make their report public and 28% had restrictions in publishing their reports.

For 56% of SAIs in PASAI, the legislative body in their countries **approve their budgets**. The 2015 Accountability and Transparency survey confirm such results, noting that 53% of SAIs reported a specific legislative provision for the SAI's budget. Nevertheless, the results from the Global Survey

points to a sharp increase from 41% in 2014 to 67% in 2017 in the percentage of SAIs in PASAI reporting that they had experienced **interference from the executive** in the process of formulating their budget in the past three years.

In the 2015 Accountability and Transparency survey, 65% of the 17 respondent SAIs in PASAI confirmed having **sufficient resources to undertake their work**. Moreover, data from the Global SAI Survey shows an increase from 50% in 2014 to 71% of SAIs in 2017 that have the **opportunity to appeal** to the legislature, parliament or congress if the resources provided are insufficient to fulfil their mandate. These are a positive development for SAIs in PASAI.

Of concern, most SAIs (72%) confirmed they experienced, to various degrees, government and other authorities interfering on **how they manage their own budget**. Regarding SAI independence to **access human, material and/or monetary resources**, 61% of SAIs confirmed experiencing external interference to various degrees. SAI in High Income countries reported full freedom in the **organization and management of their offices**, but only 53% of SAIs in developing countries experience such independence.

6.3 Developments in SAI Organizational Systems

As in 2014, the majority of SAIs are mandated to conduct all three audit streams and most of them do. For financial audit coverage, the results show 81% of SAIs reported meeting the benchmark for **audit coverage** in 2017, a lower percentage than the 100% reported in 2014. The data show no change for compliance audit coverage against the benchmark, with 53% of SAIs in 2014 and 2017 that reported meeting the criteria for adequate compliance audit coverage. For Performance audit, the results show a decrease from 53% in 2014 to 38% of SAIs in 2017 that reported meeting the criteria. The results from PEFA data shows a much higher coverage, with a slight increase from 80% in 2014 to 85% in 2017 (countries scoring a C or higher on PI-26 dimension (i) 'the scope/nature of audit performed'). Examining the ratio in the average budget of mandated entities and the average budget of the entities SAIs audited, the data show an audit coverage of 87%, which is closer to the PEFA data.

Most SAIs in all income groups confirmed they **issue audit opinion** for financial audit (82%), but fewer SAIs do for compliance audits (41%) and performance audits (41%).

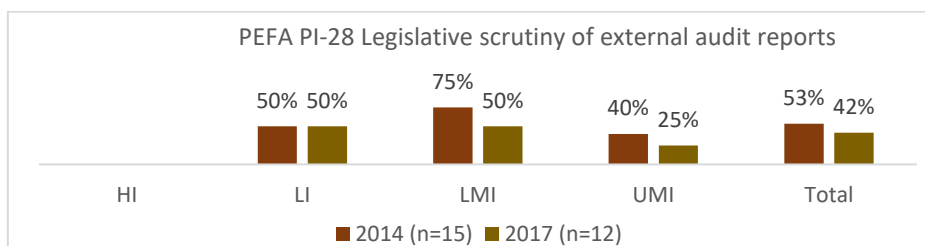
PEFA data show no significant change in SAI's **timeliness of the submission of audit reports to the legislature**, from 53% of SAIs in 2014 to 54% in 2017 scoring on the benchmark on PEFA PI-26 d (ii)). The timeliness of audit is linked to timely completion of consolidated government statements at good standard, and their submission to SAIs. PEFA PI-25 examines the quality and timeliness of annual financial statements and the results for countries in PASAI scoring C or better shows an increase from 8% in 2014 to 30% in 2017.

The PEFA data for indicator PI-26 for external audit contains three separate dimensions, one of which is concerned with 'evidence of **follow up on audit recommendations**'. The results show an increase in the number of countries scoring C or higher on PI-26 (iii), from 67% in 2014 to 85% in 2017. The 2017 Global Survey results shows that 71% of the SAIs in PASAI have an internal system to follow-up on audit observations and recommendations.

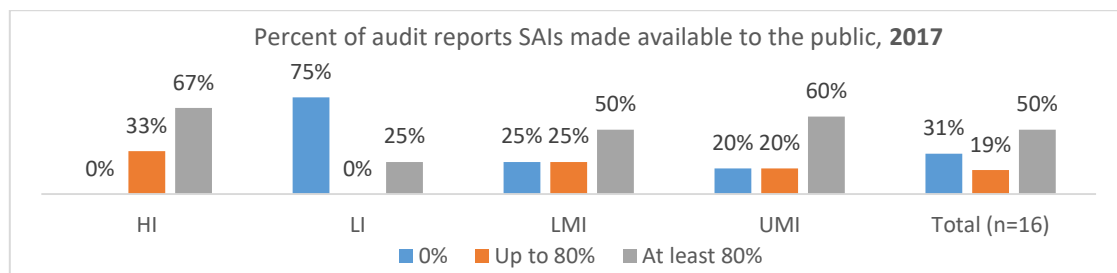
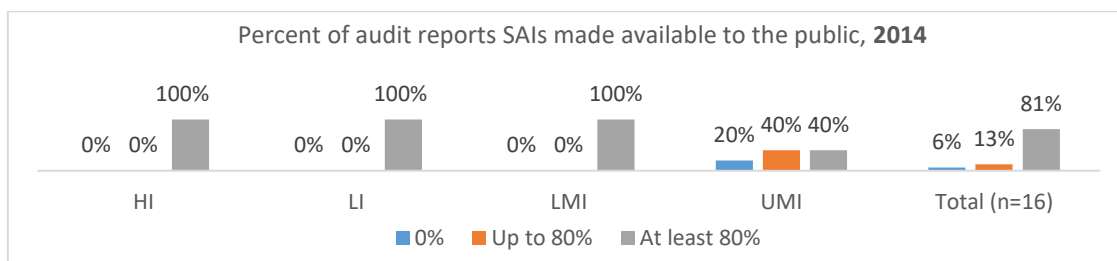
The 2017 Global Survey data shows that the extent to which SAIs involve the executive, legislative and judiciary in following up on audit observations and recommendation varies across the region. Most SAIs (75%) involve at least sometimes audited entities in their audit follow-up system and 58% involve the legislative/Parliament either consistently or occasionally. The least involved groups of SAI's stakeholders are civil society (8%) and citizens (8%).

PEFA PI-28 examines **legislative scrutiny of external audit reports**. The results of the PEFA PI-28 shows

a decrease from 53% in 2014 to 42% in 2017 in legislative scrutiny of external audit reports. An examination of the three dimensions of PI-28 indicates negative developments for the region, showing decrease in the timeliness of examination of audit reports by the legislature, hearings on key findings undertaken by the legislature and in the issuance of recommended actions by legislature.

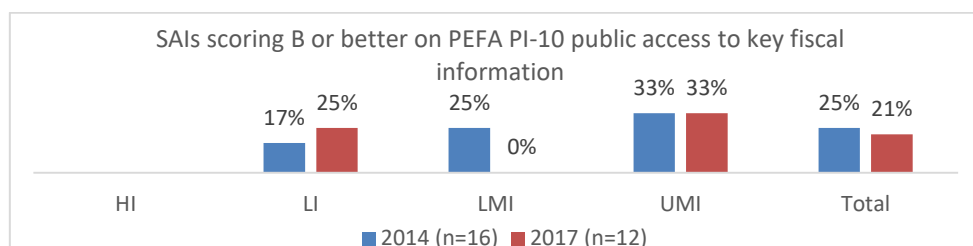


The 2017 INTOSAI Global Survey results show a substantive reduction in the number of SAIs that made at least 80% of their completed audit reports available to the general public, from 81% in 2014 to 50% in 2017. There has been an increase from 6% in 2014 to 31% in 2017 in the number of SAI that made no reports public in the previous financial year.



The data shows that legal restrictions is a limiting factor for SAIs to publish reports, but that it does not account alone for SAIs not making audit reports public. Examining the percentage of audit work SAIs made available to the public and the percentage of SAIs that experience restrictions in their right to publish audit reports, it becomes apparent that **many SAIs do not fully exercise the right to make the results of their audit work available to the public.**

The data also show the just 25% of governments made available to the public sufficient number of key fiscal information. The PEFA indicator PI-10 examines **public access to key fiscal information.** Examining PI-10 results for countries in PASAI, there was a small decline in the number of countries that scored B or better in PI-10, from 25% in 2014 to 21% in 2017, noting that the overall result shows no significant change as the percentage for the region remains low.



The results of the survey show a positive development for **quality control** in SAIs in PASAI, with an increase in the number of SAIs that have quality control system, from 75% in 2014 to 88% in 2017. Most SAIs (76%) confirmed having a **quality assurance** mechanism in place, of which in 65% of SAIs it covers financial audits, 47% compliance audits and 65% performance audits.

Data from the 2017 Global Survey show that 38% of the SAIs **developed or adopted audit standards** based on or consistent with level 3 or 4 ISSAIs for financial audit, 31% for compliance audit and 31% for performance audit. In 2017, 37% of SAIs reported having audit manuals consistent with level 3 or 4 ISSAIs for financial audit stream, 44% for compliance and 37% for performance audit.

The results of the Global SAI Survey shows an increase in the number of SAIs that have a gender policy, from 12% in 2014 to 24% in 2017. No SAI among the 17 SAI respondents in PASAI has a manual on auditing gender issues and no SAI did a dedicated audit on gender or include gender assessments in audit work in the past three years.

The data in 2017 shows that there are a significant number of SAIs in PASAI that are not prepared to monitor the commitments made by their government to the UN's 2030 Agenda for Sustainable Development. Less than half (40%) of the SAIs in PASAI expressed their intention to include themes related to the preparation for and/or implementation of the Sustainable Development Goals (SDGs) in their next audit strategy and/or work program.⁴

6.4 Capacity Development

The results of the Global Survey 2017 shows that the number of SAIs that confirmed having **strategic plans** decreased from 94% in 2014 to 82% in 2017, and for operational or annual plans the decreased also from 94% in 2014 to 86% in 2017.

The 2017 Global SAI Survey data show a sharp increase in SAIs undergoing **performance assessments** since 2013, with 76% of SAIs having undertaken at least one assessment of their own performance between 2013 and 2016. Most (93%) of the performance assessments were externally quality assured and 57% of the SAIs confirmed they reported on the performance assessment externally to stakeholders (e.g. legislative, development partners, made publicly available).

The results of the 2017 Global Survey shows that the **budget** of 65% of SAIs in PASAI increased in real terms (adjusted for inflation) in the past three years. It also shows that just 24% of the SAIs confirmed that their budget for professional development did increase in real terms during the same period.

The three most utilized **approach SAIs use for training** in PASAI are external training courses (94%), on-the-job training (94%) and support to attend certification programs (71%). Internal training courses are utilized by over half of the SAIs (53%). The most utilized approaches SAIs use for staff to transfer knowledge and skills from participation in external capacity development programmes are staff running presentation to peers about the training experiences, used by 47% of the SAIs, and on the job training within the trained staffs' unit/department, used by 35% of the SAIs.

There has been an increase in **peer-to-peer cooperation** among SAIs in PASAI, from 23% in 2014 to 65% of SAIs providing capacity development to one or more peer SAI. Most of the peer-to-peer support has been in audit streams and areas (41%) and for peer review (29%). The great majority of support (71%) has been between SAIs in PASAI. Just over half (53%) of the respondent SAIs to the 2017 Global SAI Survey participated in coordinated or joint audits with peers.

⁴ Data from the global survey administered by the SAI in the United Arab Emirates about the two themes at the XXII-INCOSAI, held in Abu Dhabi in December 2016

More than half of the SAIs (59%) confirmed using or having used technical **guides developed by a regional organisation** in the past three years.

Examining **support from international partners** to SAIs in PASAI,⁵ the financial support doubled from the 2010-2012 period to the 2013-2015 period and then decreased by 62% to the 2016-2018 period. As a percentage of the total funding for externally financed support projects globally, funding for projects in PASAI has been steadily decreasing since 2010.

While the data indicate a decrease in financial support by international development partners to SAIs in PASAI in the past three years, the data also show the possibility that **decrease in funding did not necessarily meant a decrease in the support SAIs receive from PASAI and other organisations**. The increase in peer-to-peer cooperation among SAIs in PASAI may indicate that funding is either being channeled differently in the past three years, or that the data is not fully capturing all the financial resources SAIs have been receiving. Another data strength the later hypothesis, showing that most SAIs still utilizing capacity development modalities that are dependent on a continuous stream of funding dedicated to SAI capacity development in the region.⁶ Since only 24% of the SAIs confirmed that their budget for capacity development increased in real terms in the past three years, we can hypothesize that external funding are covering most of the costs associated with capacity development. There is, therefore, a strong possibility that the overall funding to support capacity development of SAIs in the PASAI region are not being capture by the source data, indicating a strong possibility that there has not been much change in the funding scenario for capacity development of SAIs in the region.

7 Conclusions

The conclusions from the data analysis presented in this report follows. In addition, the development of the accountability and transparency indicators used by the Accountability and Transparency Report since 2011 is presented at the end of this section.

7.1 SAI Independence

In terms of independence, SAIs in PASAI confront similar problems as SAIs globally. In the aggregate, the most pressing issue for 67% of SAIs in PASAI is achieving a legal framework that fully secures the independence of their SAIs. Another area of unease for 89% of SAIs is achieving full freedom on how they manage their own budget, including freedom from interference from the executive regarding SAI's budget. While 65% of the SAIs in PASAI confirmed having sufficient resources to undertake their work, all SAIs need to be sufficiently budgeted to be able to deliver on their mandates.

Given the importance of making audit work public, it is concerning that 11% of the SAIs had no independence to make their report public while 28% experienced restrictions.

There were two areas of positive development in PASAI. The first is that more SAIs enjoy freedom to obtaining timely and free access to all necessary documents and information for the proper discharge of their duties. Although 78% of the SAIs in PASAI do enjoy such freedom, this should apply to all SAIs. The other area is that more SAIs in the region achieved the right to appeal to the Legislature if the resources provided are insufficient to fulfil its mandate, an increase from 50% in 2014 to 71% of SAIs in 2017.

⁵ Data from the 2017 INTOSAI Global Survey.

⁶ The three most utilized approaches SAIs use in PASAI are external training courses (94%), on-the-job training (94%) and support to attend certification programs (71%).

7.2 Transparency and accountability in PASAI

The finding from the 2017 quantitative data analysis indicates a trend towards weakening transparency and accountability in the Pacific region. The findings emphasized the need to reinvigorate and strengthen the 'accountability chain', involving SAIs, legislatures and other accountability bodies. Given limitations in independence and resources many SAIs face in PASAI, SAIs could use closer partnerships to improve their contributions to transparency and accountability in their countries. SAIs' oversight and advocacy capacities can potentially be complemented through efforts to forge stronger relationship with the legislature and to reach out to civil society organisations and make better use of the media.

There has been a slight increase in audit coverage in PASAI, from 80% in 2014 to 85% in 2017.⁷ There has been no significant change in the number of SAIs submitting their annual audit reports to the legislature or mandated authority within the established legal timeframe, from 53% of SAIs in 2014 to 54% in 2017.⁸ Audit coverage and timely submission of reports can be related to SAIs having insufficient human and financial resources to undertake their work.

The timeliness of audit is linked to timely completion of consolidated government statement at good standard, and its submission to SAIs. PEFA PI-25 examines the quality and timeliness of annual financial statements and the results for countries in PASAI shows a significant increase from 8% in 2014 to 33% of countries achieving the benchmark in 2017.⁹ Although this result is a positive development for SAIs to be able to improve the timeliness of their annual audit reports to the legislature, the overall rate of PI-25 for the region remains low.

The 2017 data shows that both governments and SAIs have decreased the amount of information made available to the public, key fiscal information and results of audit work. This is a negative development for accountability and transparency in the region.

The PEFA indicator PI-10 examines public access to key fiscal information. Examining PI-10 results for countries in PASAI, there was a small decline in the number of SAIs scoring B or better, from 25% in 2014 to 21% in 2017 of governments making sufficient key fiscal information available to the public.

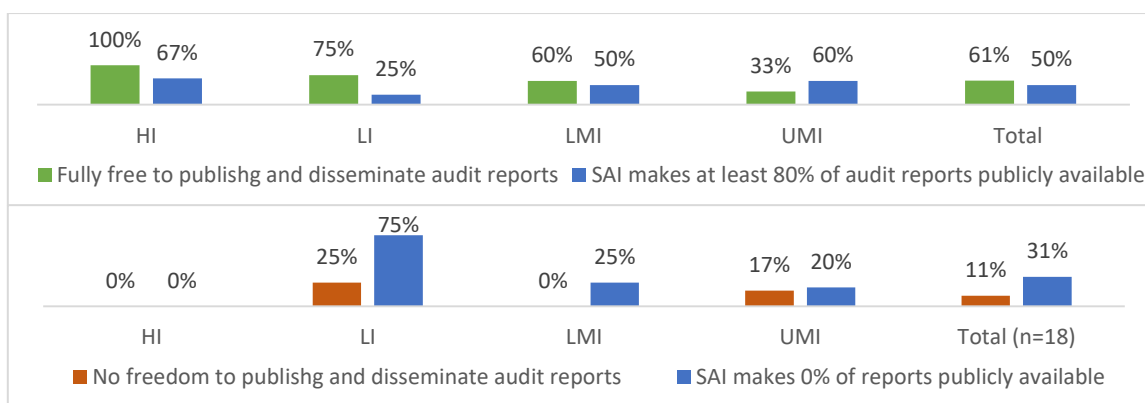
The 2017 INTOSAI Global Survey results show a substantive reduction in the number of SAIs that made at least 80% of their completed audit reports available to the general public, from 81% in 2014 to 50% in 2017. There has been an increase from 6% in 2014 to 31% in 2017 in the percent of SAI that made no reports public in the previous financial year.

The data from the Global SAI survey show that legal restrictions is a limiting factor, but that it does not alone account for SAIs not making audit reports public. Examining the percentage of audit work SAIs made available to the public and the percentage of SAIs that experience restrictions in their right to publish audit reports, it becomes apparent that many SAIs do not fully exercise the right to make the results of their audit work available to the public. The exception is SAIs in Upper Middle Income countries, where 60% of the SAIs make at least 80% of their reports available to the public while only 33% reported having no restrictions in publishing their reports.

⁷ PEFA data for PI26 (i), concurring with the Global Survey data.

⁸ PEFA data for PI-26 d (ii), which contradicts the Global Survey data.

⁹ The benchmark is a score of C or higher in PI-25.



The number of countries where the legislature examines audit work has decreased. In addition to diminish the value of SAIs to citizens, this is a negative development for transparency and accountability in the region. PEFA PI-28 examines legislative scrutiny of external audit reports. The results shows a decrease from 53% in 2014 to 42% in 2017 for PI-28. The table below shows a decrease in all three dimensions of PI-28 and that overall the percentage of countries that achieve the benchmark remains low.

Countries scoring C or better on the 3 dimensions under PI-28	2014	2017
(i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years).	53%	42%
(ii) Extent of hearings on key findings undertaken by the legislature.	60%	50%
(iii) Issuance of recommended actions by the legislature and implementation by the executive.	60%	42%

The 2017 Global SAI Survey results also show that the stakeholders' groups SAIs least involve in audit work are civil society (8%) and citizens (8%). Few SAIs (29%) have a communication policy and the mass media SAIs mostly use to report and disseminate their audit work is the internet, or the SAI' webpage. In a scenario where less key information are been made available to the public, efforts to build a more fluent communication and partnership with civil society organisations and the media can improve SAI's contributions to citizens.

Finally, if social inclusion is a relevant aspect of good governance for PASAI countries, SAIs need to upscale their preparedness to monitor and audit their country's commitments to the UN's 2030 Agenda for Sustainable Development. This includes becoming familiar with auditing gender and including such issues in their audit work.

7.3 Quality of audits completed by Pacific SAIs on a timely basis

The data from the Global SAI Survey and PEFA do not enable a robust assessment of the developments related to the quality of audit. Nonetheless, SAIs in PASAI have increasingly assessed their own performance using the SAI Performance Measurement Framework assessment tool and there has been an increase in the number of SAI's that has a quality control system and quality assurance mechanisms. These developments are positive for improving audit standards and practices. There has also been significant improvements on SAI follow up on audit recommendations. Areas that can be improved are audit coverage and timeliness of audits submitted to the legislature.

7.4 Capacity Development of SAIs

The 2017 data show that SAIs in PASAI count with less funding for their capacity development needs since 2014, as funding from international partners decreased. In addition, funding for PASAI

Secretariat has increased but at a much smaller rate in the 2015-2016 period than before.

While the data indicate a decrease in financial support by international development partners to SAIs in PASAI in the past three years, the data also show the possibility that decrease in funding did not necessarily mean a decrease in the support SAIs receive from other organisations besides PASAI. The increase in peer-to-peer cooperation among SAIs in the region may indicate that funding may either be channeled differently in the past three years, or that the data is not fully capturing all the financial resources SAIs have been receiving.

Another data strength the later hypothesis, showing that most SAIs still utilizing capacity development modalities that are dependent on a continuous stream of funding dedicated to SAI capacity development in the region.¹⁰ Since only 24% of the SAIs confirmed that their budget for capacity development increased in real terms in the past three years, we can hypothesize that external funding are covering most of the costs associated with capacity development. There is, therefore, a strong possibility that the overall funding to support capacity development of SAIs in the PASAI region is not being captured by the data, strengthening the possibility that the funding scenario for capacity development of SAIs in the region might have not changed negatively.

The data indicates that many SAIs could benefit from devising a strategy for staff development, particularly a good approach to knowledge dissemination that can maximize current level of external support.

7.5 What does the negative trend say?

As shown in the table below, the development in accountability and transparency indicators show not much change in PASAI region since 2011, with the data pointing to a slight trend downwards. Why has the development been negative? What happened in the past three years?

Understanding the context in which governance indicators have begun curving negatively in the Pacific region is important for PASAI and other organisations dedicated to support the development of SAIs and related institutions for accountability and transparency in the region. The contribution of SAIs to developments in accountability and transparency in the region is only part of the equation, as SAIs are but one institution in the chain.

Understanding the factors associated with the lack of development in the governance indicators in the region, the causes of the ongoing trend, is beyond the scope of this study. However, understanding the roles SAIs are playing in the ongoing development is the business of PASAI, given its strategic objectives and goal.

¹⁰ The three most utilized **approach SAIs use** in PASAI are external training courses (94%), on-the-job training (94%) and support to attend certification programs (71%).

7.6 Development on the Accountability and Transparency indicators since 2011

Findings and recommendations made in the 2011 Accountability and Transparency Report	The 2015 Accountability and Transparency study found ...	The data in 2017 shows...
<p>Scrutiny role of the legislature and committees: Scrutiny by the legislature of the use of public funds varied across the twenty jurisdictions, due to the different nature of the legislature’s role under the three systems of government in the Pacific.</p> <ul style="list-style-type: none"> • SAIs should encourage their legislature and its committees to review existing audit legislation to make provision for the timely publication of audit reports. • PASAI should work with multilateral donors to offer professional training programs to legislatures and their committees, to enable committee members to effectively scrutinize and review public accounts and follow up on audit reports. • SAIs should consider whether outsourcing of audit work, where possible and practicable, offers a means of improving the timeliness of audit reporting. 	<ul style="list-style-type: none"> • 14 SAIs now have enabling legislation for the timely publication of audit reports. • 2 SAIs have since reviewed its existing audit legislation adding amendments to enable the SAIs to more independent financially and operationally (i.e. Fiji and Samoa) • 4 countries have received training from the UNDP for members of their legislature on strengthening accountability and transparency 	<p>The number of countries in PASAI where the legislature examines audit work has decreased. The results of PEFA PI-28 shows a decrease from 53% in 2014 to 42% in 2017 in legislative scrutiny of external audit reports. There was a decrease in all three dimensions of PI-28: timeliness of examination of audit reports by legislature, Extent of hearings on key findings, and Issuance of recommended actions.</p>
<p>Control of corruption: Promoting accession to UNCAC was seen as a useful point of advocacy for transparency and accountability as well as promoting other direct anti-corruption measures. Eight countries had acceded to the United Nations Convention Against Corruption (UNCAC), and accession was under active consideration by 3 others.</p> <ul style="list-style-type: none"> • SAIs should use UNCAC as an advocacy entry-point when promoting the adoption of new laws 	<p>According to the 2015 Accountability and Transparency study, 30% percent of SAIs in PASAI were involved in fraud awareness and anti-corruption activities.</p> <ul style="list-style-type: none"> • 1 Pacific Island country (the Cook Islands) has ratified UNCAC • 3 SAIs have formed a working group to combat corruption in their jurisdictions • 3 SAIs have carried out workshops on anti-corruption 	<p>The 2017 Global SAI Survey shows that:</p> <ul style="list-style-type: none"> 72% of SAIs have the mandate to share information with specialized anti-corruption institutions. 78% of SAIs have the mandate to investigate corruption and fraud issues 33% of SAIs have the mandate to exercise oversight of national institutions whose mandate is to investigate corruption and fraud issues. 50% of SAIs have the mandate to sanction officials

Findings and recommendations made in the 2011 Accountability and Transparency Report	The 2015 Accountability and Transparency study found ...	The data in 2017 shows...
<p>and practices.</p> <ul style="list-style-type: none"> • SAIs should encourage co-operation with other key integrity agencies. • SAIs should hold fraud training and workshops for their staff and civil servants. 	<ul style="list-style-type: none"> • 9 SAIs have not made any progress on combating anti-corruption, nor have their countries acceded to or ratified UNCAC 	<p>responsible for mismanagement of public funds.</p>
<p>Public availability of information: Access to public information or public documents was fairly limited across the region. Freedom of information legislation existed in two Pacific Island countries (the Cook Islands, Guam) and Tonga was progressing a major freedom of information initiative.</p> <ul style="list-style-type: none"> • SAIs should promote the interests of access to information, and enhance transparency and accountability, by adopting initiatives to improve the accessibility of their audit reports and audit findings • SAIs should establish and/or maintain their own website, on which their audit reports are made available, using languages other than English and French to communicate key messages • SAIs should have a working relationship with media organisations, to report and inform the public of the status of accountability and transparency within their jurisdiction 	<ul style="list-style-type: none"> • 1 SAI (Fiji) now has a provision in its constitution providing for a freedom of information • 12 SAIs' countries still have no freedom of information legislation and no progress has been made in drafting such legislation • 7 SAIs now make their audit reports available online via their websites 	<p>The PEFA indicator PI-10 examines public access to key fiscal information. Examining PI-10 results for countries in PASAI, there was a small decline from 25% in 2014 to 21% in 2017 of countries assessed as sharing sufficient key fiscal information with the public. The percentage for the region remains low.</p>
<p>Corporate governance: Good corporate governance, while recognized as an essential element of public sector governance, was still in the developmental stage in many Pacific jurisdictions. Only one-quarter of SAIs had developed their own standards, guidelines and indicators to assess</p>	<ul style="list-style-type: none"> • 4 SAIs have now incorporated principles of corporate governance into their audit planning and strategic planning, in line with the ISSAIs 50 • 13 SAIs have made no progress in developing their own understanding of corporate 	<p>There is no reliable data from the Global Surveys to comment on the status of SAIs approach to corporate governance. Currently, the SAI PMF is the best tool available for such assessment. To date, the evaluation team did not have access to sufficient number of SAI PMF results to perform</p>

Findings and recommendations made in the 2011 Accountability and Transparency Report	The 2015 Accountability and Transparency study found ...	The data in 2017 shows...
<p>public entities' compliance with the principles and practices of corporate governance.</p> <ul style="list-style-type: none"> • SAIs should continue to develop their understanding of corporate governance principles and practices, and seek to apply them in their auditing work. 	<p>governance principles, and/or improved the quality of their own corporate governance</p>	<p>such analysis. The data from the 2015 Accountability and Transparency Report stands as a source.</p>
<p>Community and civil society participation in government decision making: The inclusion of civil society and non-governmental organizations (NGOs) in government decision making and public management was still an area under development in many jurisdictions.</p> <ul style="list-style-type: none"> • PASAI and individual SAIs should encourage the establishment of more Transparency International chapters in Pacific jurisdictions, along with umbrella organisations of NGOs which can advocate for closer ties with their respective governments as well as providing training and support to their members to help meet accountability requirements and standards. 	<ul style="list-style-type: none"> • 7 SAIs have formed partnerships and working relationships with civil society organizations to improve government accountability within their jurisdictions • 10 SAIs have not made any progress in this area. 	<p>The 2017 Global SAI Survey results also show that the stakeholders' groups SAIs least involve in audit follow up are civil society (8%) and citizens (8%). Nine SAIs in PASAI confirmed that they promote the participation of citizens in audit-related tasks. Four SAIs reported involving citizens in the planning of the annual audit plan through, for example, following-up on citizens' complaints, denunciations and suggestions. One SAI reported involving citizens in the conduct of audits while three SAIs in the dissemination of audit results (33%). Four SAIs involve citizens in the monitoring of auditee's actions.</p>
<p>Media freedom and independence: The media play a very active role in the Pacific, including in the promotion of accountability and transparency relating to the use of public funds.</p> <ul style="list-style-type: none"> • PASAI should encourage SAIs to develop communications strategies and relationships with media organisations • Where resources exist, provide media training for the Head of SAI and other staff who interact with the media. 	<ul style="list-style-type: none"> • 3 SAIs have developed a communication strategy, or have one in draft form • 6 SAIs have developed a direct and active relationship with media organisations, and publish press releases • 6 SAIs still have no direct engagement with the media or issue press releases. 	<p>In the 2017 Global Survey, 19 SAIs responded questions about communication with their stakeholders (e.g. civil society, citizens). Seven (29%) confirmed that they had a communication policy, 40% of the SAIs in Low Middle and Upper Middle Income countries and 33% of the SAIs in High Income countries. No SAI in Low Income countries reported having a communication policy.</p> <p>The internet is the mass media SAIs mostly use to report and disseminate their audit work,</p>

Findings and recommendations made in the 2011 Accountability and Transparency Report	The 2015 Accountability and Transparency study found ...	The data in 2017 shows...
		<p>particularly the SAI's webpage. Only 18% of the SAIs use the press often and 35% sometimes. SAIs also make use of the radio, 12% fully and 41% sometimes. Just 6% of the SAIs make full use of television to disseminate their audit work and 24% sometimes.</p>
<p>Conclusion The 2011 Accountability and Transparency Report stated that the picture of accountability and transparency was mixed across the region and called for a concerted and a well-coordinated effort from PASAI and its member SAIs, and from other institutions with an interest in good governance. The findings emphasized the value of a coherent and well-functioning 'accountability chain', involving not only SAIs and legislatures but through other accountability bodies and into the private sector, civil society, and the media.</p>	<p>The findings in 2015 suggest that not a lot has changed in the intervening four years. The key message to come from the 2015 report is that the primary way for SAIs to have an impact on transparency and accountability is that SAIs must lead by example. As SAIs develop capacity and capability and clear their financial auditing backlogs, SAIs are capable of taking a broader role</p> <ul style="list-style-type: none"> • PASAI's member SAIs should start a conversation with their governments and legislatures about their own status and independence, especially their independence in relation to their budgets and operations. 	<p>The findings emphasize the need to reinvigorate and strengthen the 'accountability chain' involving SAIs, legislatures and other accountability bodies. Given limitations in independence and resources many SAIs face in PASAI, SAIs could use closer partnerships to improve their contributions to transparency and accountability in their countries. SAIs' oversight and advocacy capacities can potentially be complemented through efforts to forge stronger relationship with the legislature and to reach out to civil society organisations and make better use of the media.</p>

8 Indicator Summary Matrix

	Indicator NA: not available or not applicable	Data Source	2014						2017						2017 PASAI	2017 Global data
			Data on participating members of the PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti						Data on participating members of the PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti							
			n	HI	LI	LMI	UMI	Total	n	HI	LI	LMI	UMI	Total		
	SAI Independence		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		
1	SAI present its budget directly to the Legislature	OBI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	67%	72%
2	Strength of SAI Independence (4 indicators) - "Adequate" score	OBI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	33%	58%
3	% of SAIs that have generally implemented the ISSAIs, in practice, for:	Analysis of SAI PMFs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		
4	% of SAI whose legal act/s regulating the SAI secure their independence to the full extent	INTOSAI global survey 2017, question 5	NA	NA	NA	NA	NA	NA	18	33%	25%	20%	50%	33%	43%	52%
5	% of SAIs whose legal act/s protects the conditions of appointments, reappointments, employment and retirement of the Head(s) of SAI	INTOSAI global survey 2017, question 7	NA	NA	NA	NA	NA	NA	18	100%	50%	80%	100%	83%	86%	92%
6	% of SAIs whose legal act/s protects the Head(s) of SAI pertaining to dismissal, security of tenure and legal immunity	INTOSAI global survey 2017, question 8	NA	NA	NA	NA	NA	NA	17	100%	33%	60%	83%	71%	79%	
7	% of SAI is fully free from direction or interference from the Legislature and/or the Executive to select its audit program	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	67%	75%	80%	50%	67%	71%	75%
9	% of SAIs that are fully free from direction or interference from the Legislature and/or the Executive to deciding the content and timing of the	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	100%	75%	80%	50%	72%	76%	82%
10	% of SAIs that are fully free to publishing and disseminating audit reports in the public domain.	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	100%	75%	60%	33%	61%	67%	69%
11	% of SAIs that are fully free to obtaining timely, unconstrained and free access to all necessary documents and information for the proper discharge	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	67%	75%	80%	83%	78%	81%	70%
12	% of SAIs that are fully independent in managing its own budget without interference or control from government and other authorities.	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	33%	0%	20%	50%	28%	38%	39%
13	% of SAIs that are independent in the organization and management of its office.	INTOSAI global survey 2017, question 9	NA	NA	NA	NA	NA	NA	18	100%	25%	80%	50%	61%	67%	72%
14	% of SAIs reporting cases of interference from the executive regarding SAI's budget in the past three years.	INTOSAI global survey 2014 and 2017	17	0%	67%	33%	50%	41%	18	33%	75%	80%	67%	67%	57%	64%
15	SAI present its budget directly to the Legislature	INTOSAI global survey 2014	16	100%	33%	17%	0%	19%	NA	NA	NA	NA	NA	NA		
16	Legislature approves the budget of the SAI?	INTOSAI global survey 2014	17	50%	100%	67%	83%	76%	NA	NA	NA	NA	NA	NA		
17	% of SAIs that can appeal to the Legislature/Parliament/Congress if the resources provided are insufficient to fulfil its mandate.	INTOSAI global survey 2014 and 2017	16	0%	0%	83%	50%	50%	17	67%	50%	100%	67%	71%	75%	65%
18	The Legislature (or one of the Parliament/Congress commissions) is responsible for ensuring that the SAI has the proper resources to fulfil its mandate.	INTOSAI global survey 2017, question 11	NA	NA	NA	NA	NA	NA	18	0%	75%	60%	67%	56%	57%	60%
19	% of SAIs whose Legislature/Parliament/Congress count on a panel of parliamentarians or congressional representatives to oversee the SAI's	INTOSAI global survey 2017, question 13	NA	NA	NA	NA	NA	NA	18	33%	50%	60%	17%	39%	43%	46%
20	Budgetary independence of SAI - OBI (two highest score, 67 to 100)	OBI indicator 118 (93 pre	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	33%	55%

Indicator	Data Source	2014						2017						2017 PASAI	2017 Global data	
		Data on participating members of the PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti						Data on participating members of the PASAI, excluding New Zealand, Australia and states, New Caledonia and Tahiti								
		n	HI	LI	LMI	UMI	Total	n	HI	LI	LMI	UMI	Total	All SAIs in PASAI	All Countries (171 SAIs)	
Audit standards and SAI professionalisation																
21	% of SAIs meeting the financial audit coverage criteria: at least 75% of financial statements received are audited (including the consolidated fund / public accounts or where there is no consolidated fund, the three largest	INTOSAI global survey 2014 and 2017	17	100%	100%	100%	100%	100%	16	100%	100%	75%	67%	81%	79%	66%
22	% of SAIs meeting the compliance audit coverage criteria: the SAI has a documented risk basis for selecting compliance audits that ensures all entities face the possibility of being subject to a compliance audit, and at least 60% (by value) of the audited entities within the SAI's mandate were subject to a compliance audit in the last audit year.	INTOSAI Global Survey 2014 and 2017	17	0%	0%	83%	67%	53%	15	50%	25%	50%	80%	53%	53%	58%
23	% of SAIs meeting the performance audit coverage criteria: on average in the past three years, the SAI has issued at least ten performance audits and/or	INTOSAI global survey 2014 and 2017	17	50%	33%	67%	50%	53%	16	67%	0%	50%	40%	38%	47%	54%
24	Coverage of budget of mandated entities (ratio of the average budget of man	INTOSAI Global Survey 2017, questions 22 and	NA	NA	NA	NA	NA	NA	10	100%	21%	98%	59%	87%	94%	81%
25	% of SAIs issuing their annual audit reports to the Parliament or other recipients determined by law within the established legal time frame	INTOSAI Global Survey 2017, question 43	15	50%	0%	67%	60%	53%	17	na	25%	75%	67%	47%	53%	69%
26	% of SAIs scoring a C or higher on PEFA PI-26, scope, nature and follow-up of external audit.	PEFA	15	na	50%	25%	40%	40%	13	na	50%	25%	60%	46%	36%	49%
27	% of SAIs scoring C or better on PI-26 (i), 'scope/nature of audit performed (in	PEFA	15	na	83%	50%	100%	80%	13	na	75%	75%	100%	85%	71%	72%
28	% of SAIs scoring C or better on PI-26 (ii), timeliness of submission of audit re	PEFA	15	na	67%	50%	40%	53%	13	na	50%	50%	60%	54%	33%	63%
29	% of SAIs scoring C or better on PI-26 (iii), evidence of follow up on audit reco	PEFA	15	na	67%	75%	60%	67%	13	na	75%	100%	80%	85%	75%	74%
30	% of SAIs scoring a C or higher on PEFA PI-28 (i), timeliness of examination of	PEFA	15	na	50%	75%	40%	53%	12	na	50%	50%	25%	42%	38%	45%
31	% of SAIs that have ISSAI compliant manuals and policies in place for: Quality Control (ISSAI 40) - Quality control SAI PMF (Pilot): SAI-9 dim (iii) score 3 or higher, or SAI PMF (Final): SAI-4 dim (iii) score 3 or higher	Analysis of SAI PMFs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
32	% of SAIs that have generally implemented the ISSAIs, in practice, for: Transparency and accountability (ISSAI 20) - measure and report publicly on their annual performance. SAI PMF (Pilot): SAI-5 dim (iii), score 3 or higher, or SAI PMF (Final): SAI-3 dim (iv), score 3 or higher.	Analysis of SAI PMFs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
33	% of SAIs that have a quality control system	Global Survey 2017, ques	12	0%	na	100%	67%	75%	17	100%	50%	100%	100%	88%	90%	87%
34	% of SAI whose quality assurance system covers financial audits	INTOSAI Global Survey 2017, question 49	NA	NA	NA	NA	NA	NA	17	33%	50%	100%	100%	76%	70%	75%
35	% of SAI whose quality assurance system covers compliance audits	INTOSAI Global Survey 2017, question 49	NA	NA	NA	NA	NA	NA	17	33%	25%	80%	80%	59%	50%	70%
36	% of SAIs whose quality assurance system covers performance audits	INTOSAI Global Survey 2017, question 49	NA	NA	NA	NA	NA	NA	17	100%	0%	100%	80%	71%	70%	67%

37	% of SAIs that have an internal system to follow-up on the observations and recommendations made to the audited entities, including the actions taken	INTOSAI Global Survey 2017, question 55	NA	NA	NA	NA	NA	NA	17	67%	75%	80%	60%	71%	75%	86%
38	% of SAIs whose financial statements are subjected to external audit	INTOSAI Global Survey	NA	NA	NA	NA	NA	NA	16	50%	50%	75%	67%	63%	68%	62%
39	% of SAIs that carried out an assessment of their performance (from 2013 to 2017)	INTOSAI Global Survey 2017, question 87	NA	NA	NA	NA	NA	NA	17	100%	75%	80%	60%	76%	75%	66%
40	% of SAIs whose performance assessment were externally quality assured	INTOSAI Global Survey 2017, question 92	NA	NA	NA	NA	NA	NA	14	100%	100%	80%	100%	93%	94%	63%
41	% of SAIs that report on their performance assessment to external stakeholders (e.g. legislative, publicly, etc)	INTOSAI Global Survey 2017, question 93	NA	NA	NA	NA	NA	NA	14	100%	67%	40%	33%	57%	63%	46%
42	% of SAIs that made at least 80% of their reports available to the public	INTOSAI Global Survey 2017, questions 44 and	16	100%	100%	100%	40%	81%	16	67%	25%	50%	60%	50%	58%	51%
43	% of SAIs that developed or adopted audit standards based on or consistent with level 3 or 4 ISSAIs for financial audit	INTOSAI Global Survey 20	17	100%	67%	67%	67%	71%	16	33%	50%	0%	60%	37%	44%	72%
44	% of SAIs that developed or adopted audit standards based on or consistent with level 3 or 4 ISSAIs for compliance audit	INTOSAI Global Survey 20	17	50%	0%	83%	67%	59%	16	33%	50%	0%	60%	37%	44%	64%
45	% of SAIs that developed or adopted audit standards based on or consistent with level 3 or 4 ISSAIs for performance audit	INTOSAI Global Survey 20	17	100%	33%	83%	67%	71%	16	33%	50%	0%	40%	31%	53%	69%
46	% of SAIs that have audit manuals consistent with level 3 or 4 ISSAIs for	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	16	0%	50%	25%	60%	37%	50%	71%
47	% of SAIs that have audit manuals consistent with level 3 or 4 ISSAIs for	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	16	0%	50%	25%	80%	44%	53%	63%
48	% of SAIs that have audit manuals consistent with level 3 or 4 ISSAIs for	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	16	33%	50%	25%	40%	37%	60%	67%
49	% of SAIs scoring a C or higher on PEFA PI-28, legislative scrutiny of external	PEFA	15	na	50%	75%	40%	53%	12	na	50%	50%	25%	42%	36%	31%
50	% of SAIs scoring a C or higher on PEFA PI-28 (ii), extent of hearings on key au	PEFA	15	na	67%	75%	40%	60%	12	na	75%	50%	25%	50%	46%	59%
51	% of countries scoring a C or higher on PEFA PI-28 (iii), issuance of recommen	PEFA	15	na	50%	100%	40%	60%	12	na	50%	50%	25%	42%	38%	51%
52	% of countries scoring B or better on PEFA PI-10 public access to key fiscal inf	PEFA	16	na	17%	25%	33%	25%	12	na	50%	0%	33%	25%	36%	45%
53	% of countries scoring C or better in PEFA PI-25 quality and timeliness of annu	PEFA	13	na	17%	0%	0%	8%	10	na	50%	50%	0%	30%		
	Capacity development															
54	% of SAIs that have a strategic plan	INTOSAI Global Survey 2017, question 64	17	100%	100%	100%	83%	94%	17	33%	100%	80%	100%	82%	80%	91%
55	% of SAIs that have an operational or annual plan	Global Survey 2017, question 66	17	50%	100%	100%	100%	94%	14	100%	75%	75%	100%	86%	80%	86%
56	% of SAIs that develop and implement a training plan	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	33%	75%	40%	60%	53%		
57	% of SAIs that have leadership training available to management staff	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	100%	75%	20%	40%	53%		
58	% of SAIs whose budget for professional development increase in real terms	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	33%	25%	0%	33%	24%	20%	36%
59	% of SAIs that have an established donor coordination group to facilitate coord	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	0%	50%	0%	20%	18%	15%	33%
60	% of SAIs that do not have an established donor coordination group to facilita	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	19	20%	25%	40%	60%	37%		
61	% of SAIs that have only one or no donor	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	67%	25%	60%	20%	41%		
62	% of SAIs that used the SAI PMF	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	0%	50%	40%	40%	35%	60%	45%
63	% of SAIs that have a gender policy	INTOSAI Global Survey 20	17	0%	0%	17%	17%	12%	17	33%	50%	20%	0%	24%	25%	41%
64	% of SAIs that included gender assessments in audit work (from a limited to a	INTOSAI Global Survey 20	NA	NA	NA	NA	NA	NA	17	0%	0%	0%	0%	0%	0%	19%