



**ACHIEVING AUDIT QUALITY:
Good Practices in
Managing Quality within SAls**

FOREWORD

About EUROSAI

EUROSAI (European Organisation of Supreme Audit Institutions) is one of the Regional Working Groups of the International Organisation of Supreme Audit Institutions (INTOSAI). EUROSAI was established in 1990 with 30 members. Membership currently stands at 50 SAIs (the SAIs of 49 states and the European Court of Auditors).

From its very beginning, EUROSAI has been active in organising fruitful and mutually beneficial cooperation in the field of public audit. The objectives of the EUROSAI, as defined in Article 1 of its statutes, include to:

- promote professional co-operation among SAI members;
- encourage the exchange of information and documentation;
- advance the study of public sector audit;
- stimulate the creating of University Professorships in this subject; and
- work towards the harmonisation of terminology in the field of public audit.

About the Document

This document has been prepared by a EUROSAI working group which was given a mandate by the VII EUROSAI Congress to look at ways of helping Supreme Audit Institutions to be more effective in achieving high quality audits through the selection and communication of proven good practices. The document is intended only as a guide for those running SAIs and not as being binding.

The working group was established in 2008 and is led by the State Audit Office of Hungary. Its members include experts from the Supreme Audit Institutions of Denmark, Malta, Poland and the Russian Federation, as well as from the European Court of Auditors.

The group would like to thank the following organisations for their support: the EUROSAI Secretariat; all EUROSAI member SAIs; as well as the SAIs of Australia, Canada, India, New Zealand and USA.

This document is also available on the internet at <http://www.eurosai.org>. In addition, the working group intends to establish a good practices database to ensure that SAI experts concerned with quality management can have on-line access to related materials. It will contain good practices of SAIs submitted in a uniform format and organized in line with the structure of this document. The electronic database of good practices will be updated and amended on a regular basis.

Madrid, 4 November 2010

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INTRODUCTION

The VII EUROSAI Congress held in Krakow between 2 and 5 June 2008 discussed the theme 'Establishing an Audit Quality Management System within a Supreme Audit Institution' and in its Conclusions and Recommendations supported the development of a good practices guide on audit quality. A working group was established to produce the guide.

In preparing the good practices guide, the working group:

- i examined the submissions¹ to the EUROSAI Congress in respect of Theme 1 'Establishing an Audit Quality Management System within a Supreme Audit Institution';
- ii identified a list of good practices considered suitable for inclusion in the guide;
- iii contacted a sample of non-EUROSAI SAIs for examples of good practice in the selected areas;
- iv collated and described the good practices following a standard approach including the identification of challenges; and
- v circulated the draft document to all EUROSAI members for comment.

The working group did not consider it necessary to repeat the practices required by International Standards for Supreme Audit Institutions (ISSAIs)² – in particular [draft] ISSAI 40 - and by the International Federation of Accountants (IFAC)³ as well as by the Guidelines on Audit Quality⁴.

Although several of the good practices presented in this document relate to the principles set out in these standards, the aim of this guide is inherently different. These good practices are complementary to requirements of the standards and are aimed at providing practical proven ways of achieving quality. For ease of reference the relation between the topics covered by the guide and the relevant element of ISSAI 40/ISQC 1 is set out in Annex I.

Basic Principles

It is vital that a Supreme Audit Institution (SAI) operates at high quality. In some ways the arguments for achieving excellence are more compelling for SAIs than for other institutions because of the nature of their work: judging the actions of others. The reputation of SAIs is based on the quality of their output. SAIs can only achieve respect and authority if they can demonstrate that it itself is managed to high standards. This means that SAIs should:

- adhere to professional standards of approach and evidence;
- achieve their objectives in the most efficient and effective way; and
- be - and be seen as - a well run organisation, operating to the highest administrative and financial management standards.

Quality is rarely achieved spontaneously but needs to be managed into the organisation and should be based on continuous improvement. Specific procedures should be applied at all levels using a quality management system based on appropriate objectives, principles and strategy. The ultimate responsibility for establishing and ensuring the running of the quality management system within an organisation lies with its leadership, and should be one of their key priorities. A quality management system is most effective when it covers all aspects

¹ Principal Paper, Country Papers, Discussion Paper, Congress presentations and discussions

² The Lima Declaration of Guidelines on Auditing Precepts (ISSAI1), Code of Ethics (ISSAI30), INTOSAI Auditing Standards (ISSAI 100, 200, 300, 400), Quality Control for Audits of Historical Financial Information (ISSAI 1220), [Draft] Quality Control for SAIs (ISSAI 40)

³ International Standard on Quality Control (ISQC) 1, Quality Control for an Audit of Financial Statements (ISA 220)

⁴ The document was approved by the Contact Committee of Heads of the Supreme Audit Institutions of the Member States of the European Union at its meeting in 2004 in Luxembourg

of SAIs' activities, and integrates the various sub-systems through the application of common principles and standards. Establishing an effective quality management system is an evolutionary process with SAIs currently at different stages of development. Some SAIs may be at an initial stage with quality processes being unstructured and undocumented. Others may be more advanced with quality processes in regular operation as well as being regularly monitored, measured and continuously improved.

Quality is needed in both the professional work of the SAI, and its administration (giving it the authority to lead by example). In order to be effective the following conditions are necessary:

- leadership sets strategy, acknowledges and communicates to all staff the importance of meeting ethical standards and quality, sets the objectives of the quality management system and defines roles and responsibilities;
- risks to meeting objectives are identified and managed.
- the organisation adopts the international standards on quality control, and establishes the appropriate systems and practices to comply with them;
- formal rules and requirements (including review) are established within the organisation to help ensure quality is achieved in professional and administrative (including financial management) processes, as well as providing a standard against which the quality of implementation can be judged;
- staff are recruited and trained to ensure they have adequate knowledge of professional standards and adhere to ethical and legal requirements;
- sufficient financial resources are provided⁵;
- sufficient investment in information technology and communication is made to support the SAI;
- the operation of quality control procedures is documented, to ensure a clear record and trail;
- the implementation of the quality management system is regularly reviewed and evaluated both by management through an effective quality assurance (monitoring and inspection) function, and by external experts to provide independent assurance on its operation.

Furthermore, it is of interest for SAIs to consider obtaining an independent recognition of their quality, such as an accredited quality standard.

One of the main strategic goals of SAIs is to contribute effectively to the transparency and accountability of the management of public funds. This is achieved by carrying out high quality audits resulting in clear, reliable and useful reports.

- *Clarity* of audit reports is ensured by clear and accurate drafting; setting out the audit objectives and criteria; clearly describing the findings, conclusions and recommendations; and presenting easily distinguishable main messages.
- *Reliability* of audit reports is ensured by complying with professional standards including independence and objectivity; as well as providing findings and conclusions based on sufficient, relevant and reliable audit evidence.
- *Utility* of audit reports is ensured by covering topics of relevance to stakeholders, presenting up-to-date findings; timing audits to contribute to upcoming changes in the legislation or budget execution; and recommending cost-effective remedial action.

Structure of the Document

The good practice guide covers 14 separate topics based on submissions received from EUROSAI members and selected by the working group as likely to make a useful contribution to challenges currently facing SAIs.

⁵ Although this will not generally be within the direct control of the SAI.

They are presented under the following headings:

- GOVERNANCE – *how the organisation and its work is organised and managed.*
- AUDIT MATTERS – *how the organisation undertakes its audit work.*
- HUMAN RESOURCES – *how the organisation manages its main resource.*
- COMMUNICATION – *how the organisation establishes and manages internal and external communication.*

Each topic is presented using the following format to facilitate reading and comprehension:

- CHALLENGE – *description of the issue addressed;*
- RESPONSE – *description of the way(s) the challenge can be addressed;*
- GOOD PRACTICES – *proven ways the response can be implemented effectively.*

The good practices guide is aimed at senior management of Supreme Audit Institutions. Its use is not compulsory and it does not intend to make a complete or detailed presentation of all good practices but rather an overview of specific approaches which may be useful or of interest.

I. GOVERNANCE

I.1 Risk Management System

CHALLENGE

Like any other organisation, SAIs face a number of risks in fulfilling their mandate, such as:

- failure to achieve their strategic goals (strategic risks);
- inadequacies or deficiencies in the management of internal processes and resources, as well as risks arising from external events that could negatively impact on their operations (operational risks);
- failure to fulfil judicial responsibilities or other legal requirements (legal risks)
- failure to maintain effective financial management and accountability arrangements (financial risks); and
- risks that could impact negatively on the credibility and reputation of the organisation (reputational risks).

RESPONSE

A risk management system should be established as a strategic and operational management tool in order to identify, measure, monitor and control the key risks that the organisation faces in pursuing its mission and objectives. The system should cover all risks, from high-level corporate issues down to the risks related to individual audit tasks.

The SAI can determine the levels of risk exposure it is willing to tolerate for different areas, as well as establish appropriate controls to manage risk to the required level. The tolerance levels may vary between different risks and circumstances. Whenever there are changes to the identified risks, or when controls are found to be inadequate, the risk management system should be adapted accordingly.

GOOD PRACTICES

1. It is good practice to **embed risk management into the operation and culture of SAIs**, and to assign clear responsibilities for and within the risk management system.
2. SAIs can develop a **risk management policy**. The policy should identify the different types of risks that the organisation faces, what can be done to mitigate these risks, and how the responsibility for risk management is to be allocated. It is recommended that the policy is communicated to stakeholders.
3. An internal **risk management committee** can be established by SAIs to facilitate and oversee the introduction, implementation and monitoring of the risk management process. The committee should contribute to major decisions affecting the organisation's risk profile and exposure, as well as include senior managers representing the different functions of the organisation. In order to ensure consistency and continuity it is good practice to minimise frequent changes to the composition of the committee. Furthermore, the risk management committee should be independent from other organisational units and sufficiently empowered to exercise its functions effectively.

4. A **risk register** can be created to document and keep track of high priority risks. It can contain:
 - a description of the nature of each identified risk;
 - details of the risk monitoring system, such as information on the early warning mechanism in place to raise the alert that a risk is increasing, as well as details on how improvements are to be reported;
 - a risk assessment rating of the possible impact of an event, should it actually occur, as well as the likelihood of its occurrence with existing controls;
 - an overall assessment of residual risk based on the combination of likelihood and impact;
 - a list of the agreed controls or appropriate responses established to manage the risk;
 - identification of the risk owner who is given the responsibility for assessing and managing specific risks.
5. It is also good practice to **review periodically** the effectiveness of the risk management arrangements, as well as identifying and assessing new or additional risks that the SAI faces. Externally facilitated workshops can be held as necessary to support the review. Planned actions resulting from this process can be incorporated into the SAI's standard business planning cycle.

I. GOVERNANCE

I.2 Performance Indicators

CHALLENGE

SAIs need to measure achievement of key strategic objectives in order to track performance, identify problems or weaknesses and, where necessary, propose corrective action.

RESPONSE

Relevant, practical and reliable performance indicators aim to provide SAIs with a timely and balanced view of the organisation's performance in undertaking audit tasks and running administrative processes. The number and type of indicators required depends on the complexity of the result being measured, the level of resources available for monitoring performance and the amount of information required. Performance indicators can relate to inputs, processes, outputs and impact and can be either quantitative (numerical) or qualitative (descriptive observations or opinions).

GOOD PRACTICES

1. Selecting appropriate and relevant indicators requires careful preparation, iterative refinement and collaboration involving all levels of the organisation. It is good practice to link the **development of performance indicators** to the objectives and/or targets of the organisation's strategic planning process. The indicators should be clearly defined and cover the critical aspects of the SAI activities. Established models (such as the Balanced Scorecard) can be used to guide SAIs to develop an appropriate framework. It is important that such models are adapted to the specific mandates, objectives and structures of the SAI.

Development of specific indicators depends, to a considerable extent, on the ability of the SAI's information system to provide reliable, complete and accurate information at a reasonable cost. Changes may need to be made to SAIs' information system in order to better support the collection of data for the selected indicators.

2. **Performance indicators** should be accompanied by a definition of the expected results and the respective strategic objectives to be measured. Indicators should also outline details on the methods to be used to collect information, on who will be responsible for collecting the information for each specific area, as well as on how and when the indicators will be reported and to whom.
3. Performance indicators work best when they address single issues, thereby ensuring clarity of what is being measured. This simplifies the collection of information for each indicator and facilitates the allocation of responsibilities.

When developing performance indicators, an SAI should select a range of indicators which provide a balanced assessment of the overall performance of the organisation. Also, when introducing performance indicators, attention should be given towards avoiding the development of perverse incentives.

Indicators should focus on the achievement of objectives and/or targets as well as on the relevant aspects of performance such as inputs, processes, outputs and impact. The following are examples of different **types of indicators** that can be used by SAIs to monitor and measure progress in achieving objectives. These can be prepared for individual audits or classes of similar audits.

▪ **Input and process indicators:**

- *Time-related measures*, such as the average time spent to complete specific audits or types of audits, the proportion of audits completed within the planned timeframe, and timeliness of internal decisions;
- *Cost factors*, such as the cost of individual audit tasks, and/or the average cost of each type of audit; and
- *Human resource issues*, including staff turnover rate, time allocated to training and employee satisfaction levels.

▪ **Output indicators:**

- *Quantity*, such as the percentage of audited expenditure on executing each state function or the number of audit reports published in a year; and
- *Quality*, for example the results of internal and external quality assessments of audit work and published reports, as well as post-audit review.

▪ **Impact indicators:**

- views of stakeholders on the contribution and value-added of audit work;
- percentage of audit recommendations that have been implemented within specified time periods;
- number of times SAIs are featured in the media and the type of coverage ;
- number of audit reports that were discussed in Parliament in a given year; and
- improvements and/or monetary savings arising from audits;
- level of auditees' satisfaction with the quality of audits.

4. A performance indicator is a measure of the level of achievement of an objective against targets. The results of a performance indicator need to be analysed in order to determine if any remedial action is needed, including a revision of objectives and/or targets. It is good practice to have general agreement within the organisation over the **interpretation of results**. SAIs need to take into consideration that the achievement of some indicators (such as the duration of an audit) may depend on circumstances entirely or partly beyond their control. For example, auditees can exceed the deadlines set by SAIs for their written comments on management letters and reports.
5. It is good practice that SAIs **report to stakeholders** on the progress made in the achievement of their objectives.
 - **Internally:** progress on the achievement of key indicators should be reported to the appropriate levels within the organisation using standard forms, graphs, scorecards and other visual techniques. The reports should be timely and compiled at regular intervals depending on the requirements of the organisation and the need to take corrective action.
 - **Externally:** it is good practice to report progress on key indicators in annual reports or in communications to the principal stakeholders (such as Parliament). The information can also be communicated in other publications and placed on the SAI's website. External communication of performance indicators enhances transparency and accountability.
6. The development of performance indicators is a continuous process. The measures should be **periodically reviewed** and adjusted to reflect new requirements or developments in the audit field or to the SAI mandate.

I. GOVERNANCE

I.3 Self-Assessment of the Organisation

CHALLENGE

SAIs are required to judge the management of other institutions through their audits, yet rarely come under close scrutiny themselves. This creates a risk that the SAI is not as effective or efficient as it should be, which in turn risks undermining its credibility in the eyes of its stakeholders.

RESPONSE

The SAI can undertake a self-assessment. This involves a structured analysis of an organisation's strengths and weaknesses by its staff and management, which allows areas for improvement to be identified, as well as recommendations for doing so. Self-assessment can take many different forms depending on the purpose or context. It can either be wide-ranging, or focused on specific issues or aspects of the organisation.

Any organisation's human resources are a key source of informed insights to its operations. In SAIs, this resource is particularly strong as many staff members will be trained auditors.

GOOD PRACTICES

1. It is good practice to **use an established approach** such as the Common Assessment Framework (CAF⁶) based on the EFQM Excellence Model. Examples of assessment topics under this model include: leadership; strategy and planning; people; partnership and resources; processes; auditees and citizens/customer-oriented result; society results; and key performance results.
2. The **objectives** of the self-assessment should be clearly defined and can be **communicated** to the participants, together with the **criteria** to be applied. This allows the key points to be addressed and the results presented in a systematic and balanced way.
3. The self-assessment can be **undertaken by** relatively small **teams representing the different levels of staff and management**. This allows the evaluative issues to be discussed in detail and a balanced consensus formed, thereby increasing the robustness of the results. Parallel assessment carried out by a number of teams working on the same issues helps reduce the risk of bias in the process. Including staff of all levels in the self-assessment exercise not only makes use of their skills and experience but also sends a visible message about their importance to the organisation and provides a sense of empowerment. The resulting visibility can help underline the legitimacy of the process and encourage the acceptance of recommendations.
4. The main strength of self-assessments is in the identification of weaknesses and the definition of the recommendations to correct them. If the recommendations are not implemented the process will ultimately be ineffective. In order to facilitate the implementation of the recommendations, an **action plan** can be established.
5. It is good practice to perform a self-assessment before embarking on a [peer review](#) (see topic I.4). This gives the organisation the opportunity to identify areas for improvement and allow changes to be made before the peer review takes place. When undertaken together in this way, the two review processes make a more effective contribution to the promotion of improvement.

⁶ Developed by the European Institute of Public Administration (EIPA).

I. GOVERNANCE

I.4 Peer Review

CHALLENGE

SAIs perform a difficult high profile task within a fast moving professional environment but in the absence of competition. While they all carry out comparable work very few have a comparable institution in their home country against which to benchmark their activities.

RESPONSE

A peer review is a process of subjecting the organisation and methods of SAIs to the scrutiny of recognised experts from other SAI(s). It provides assurance to the outside world on the high standards met by the SAI and identifies where improvements can be made to procedures and output, thereby contributing to the overall effectiveness of the organisation. The SAI may decide to limit the peer review to specific aspects of management or activities.

GOOD PRACTICES

1. It is good practice to carry out a [self-assessment](#) (see topic I.3) before embarking on a peer review in order to identify weaknesses and how improvements can be made. The peer review can then take place once the recommendations of the self-assessment have started to be implemented. This gives the possibility for the peer review to assess the adequacy of the measures taken.
2. The **objectives and scope** (terms of reference) of the peer review should be clearly **defined** and **documented** before the decision to carry it out is taken. Peer review objectives may be comprehensive, for example compliance of SAIs' audit activity with professional standards, or limited to specific types of audit (performance, compliance or financial) or area of activity. They may also cover cross-sectional issues such as the system of quality control applied to audit work.
3. The process is likely to be effective if the **selected peers** are well respected, have the necessary skills and experience, as well as sufficient resources for conducting the review. In peer reviews performed on court-type SAIs, teams should include peers from similar organisations.
4. The peer review is normally covered by a **written agreement**, typically including: objectives and scope, timetable, staffing, procedural matters, reporting issues, cost and practical support.
5. When embarking on a peer review, the selected **reviewing team** needs to be adequately prepared for the task. They should be provided with full information on the applicable legal principles, organisation charts, glossary of the terms and concepts used and the major procedures necessary for an effective review. Members of the reviewing team should either be familiar with the working language of the reviewee organisation or be provided with sufficient linguistic support.
6. The reviewee SAI should establish an **internal support team** to assist the peer team in its work, including explaining all aspects, structure, scope, approach and methods of the organisation.
7. For the process to be effective it is necessary to **analyse the peer review findings, conclusions and recommendations** in the light of the objectives that were initially set, as well as other issues that may have emerged during the process. Internal discussion within the reviewee SAI on the peer review findings can help to establish the best way to **follow up on recommendations** and **prepare an action plan**.

8. The **staff** of the SAI can **be informed** about the peer review and its progress throughout the process.
9. Peer review **reports** as well as the **action plan** for improvement can be **disseminated** to Parliament, the media, and/or made public through the organisation's website to promote accountability and transparency.
10. A **subsequent peer review** with similar scope can be undertaken after an appropriate interval (such as three years) to ensure that the identified weaknesses have been addressed completely and effectively.

II. AUDIT MATTERS

II.1 Selection of Audit Tasks

CHALLENGE

SAIs undertake both obligatory (following legal requirements) and discretionary (left to the choice of the organisation) audit tasks. The challenge is to carry out the obligatory tasks as efficiently and effectively as possible in order to maximise the resources available for undertaking the discretionary tasks. The latter should be selected in a way which address important issues and thereby optimises the impact of the resources available.

RESPONSE

SAIs should establish a sound audit activity planning process (both long- and medium-term), taking into account legal obligations as well as considerations of risk, materiality and the time since the last audit. In this process particular attention should be given to the selection of discretionary audit tasks, which are highly relevant to stakeholders and have good potential for impact. Properly designed and coordinated planning process should ensure the most effective use of SAI's resources.

GOOD PRACTICES

1. Carrying out **risk assessments** within the specific audit fields allows the identification of high risk areas and therefore audit tasks which are likely to have the highest impact. A standardised **risk assessment approach** can be used to rank and prioritise potential audit tasks.
2. **Lessons learned from previous audits** as well as action taken on recommendations can be highly valuable when selecting and planning future audits. SAIs can use [monitoring system](#) (see topic II.4) to collect this information in a structured and regular manner. In addition, [communication with the auditee](#) (see topic IV.2) during this process can also increase efficiency and help to improve the selection of audit tasks.
3. SAIs can also carry out **regular analysis of macroeconomic issues and trends** and **prepare preliminary studies** on the more relevant topics. These studies can be used by SAIs to identify those audit tasks that are more relevant and potentially of a higher impact. In these analyses results of audit activities of other SAIs could be taken into account.
4. It is good practice for SAIs to **monitor public interest** and **stakeholder expectations** and use these insights to contribute to the audit selection process. Issues that can be collected through monitoring can include those of current interest to parliament and government, those resulting from media monitoring as well as those raised by the general public, including complaint letters sent to SAIs.
5. The planning of audit tasks requires cooperation between the audit departments of SAIs. A **planning unit** responsible for coordinating activities can ensure efficiency and effectiveness in planning throughout the organisation and minimise any overlap in the selection of audit tasks.
6. It is good practice to prepare **planning guidelines or principles** to serve as the basis for establishing relevant selection criteria for use when planning audits. In this document, appropriate weightings can be given to different overall issues or concerns according to priority, such as materiality, auditability (feasibility), risks, timeliness, potential impact, overall balance of different topics in the overall plan, and added value. The resulting **audit plan** should contain a list of audits to be carried out, an indicative timetable, monitoring indicators, allocated responsibilities for each audit, and resource requirements.

II. AUDIT MATTERS

II.2 Supporting the Audit Process

CHALLENGE

Auditors work in a complex environment and are required to face different and varied professional situations depending on the type of tasks and nature of the audit target. SAIs need to identify the type and level of support required for each audit task and define ways of how and when to provide these tools, resources and technical support.

RESPONSE

In order for an audit team to have all the expertise, skills and resources necessary to carry out an audit to the highest standard, the SAI should identify before each audit task the level of professional and technical support required. Moreover, the SAI should determine whether the required support will be provided in-house or outsourced. It is also essential to achieve and maintain high quality throughout the audit cycle by ensuring that auditors follow professional standards and appropriate guidelines, procedures and methods.

GOOD PRACTICES

1. **IT-based systems** can help to structure the documentation and analysis of audit evidence, facilitate the documenting of the audit work including the scanning and recording of audit evidence. These systems can guide the auditor throughout the audit process, providing access to support (guidelines, standards etc.) at all stages.
2. It is important that the audit evidence is obtained using reliable tests and methods. A good practice is to establish/develop **IT-platformed libraries** of standardised and suggested tests, designed to ensure compliance with audit methodology and standards as well as improving efficiency. Teams can use such systems to access relevant material to support the audit process, including standardised forms for recording judgments and conclusions.
3. It is good practice to provide auditors with **access to experts** such as a legal advisers, accountants, actuaries, methodologists, statisticians, data analysts, and economists. In addition, working co-operation with auditors from other SAIs could be useful.
4. Experts can advise the audit team when developing audit methods, criteria and approaches to help ensure audit design is legally, technically, methodologically, and analytically sound. Furthermore, they can **provide specialised expertise** for implementing individual audits when needed. In addition, drafting experts can assist in reporting the audit results.
5. A **strategy** can be **established** for determining when and how to use different types of expertise. Depending on the SAI, the required expertise can be either sourced **in-house or outsourced** (in which case the SAI continues to retain responsibility for the quality of the work produced). SAIs can also build a **register of external experts** recording the different areas in which they have been used successfully in the past. This can help the audit team to quickly identify reliable experts who are appropriate for the provision of specific expertise.
6. It is good practice to offer regular **training** (see topic III.2) and updates to all staff to ensure that auditors have the required knowledge and skills to carry out planned audit tasks and identify where experts could or should be used.
7. In order to ascertain that the audit team follows professional standards and guidelines throughout the audit process, it is good practice to have available standards, guidelines, checklists and other **methodological support documents in the respective national language**. Moreover, SAIs can compile a **glossary** containing all relevant professional terms to further guide audit staff.

II. AUDIT MATTERS

II.3 Cooperation with the Auditee during the Audit Process

CHALLENGE

In order to be objective an auditor needs to remain independent of the auditee. Nonetheless, achieving efficient and successful completion of an audit requires the cooperation of the auditee, in particular to facilitate access to required data and information. In addition, such cooperation can increase the likelihood that the auditee acts upon the audit findings, conclusions and recommendations.

RESPONSE

The SAI needs to identify how to cooperate effectively with the auditee to facilitate the different stages of the audit process and to increase the likelihood that audit findings, conclusions and recommendations are followed up. In addition, continuous and close coordination through ongoing dialogue with the auditee can help minimise interference with the day-to-day work of the auditee.

GOOD PRACTICES

1. In order to increase auditee's acceptance of the audit, it is good practice to present the audit subject, method and criteria to the auditee at an **opening meeting**. By doing so, the auditee can facilitate the audit team's efforts to identify ways of how to obtain the relevant audit evidence.
2. SAIs can also give the auditee the possibility to **respond to the findings, conclusions and recommendations** of the audit during the process and prior to finalising the audit report so as to avoid errors of fact and misinterpretations. This is sometimes referred to as the contradictory procedure. For some SAIs the views of the auditees are required to be reflected in the report or provided as a formal reply. An appropriate deadline should be set for the auditee to provide comments on the audit report, taking into account the opportunity already given to the auditee to comment.
3. As auditees are important stakeholders, follow-up action can be taken by SAIs to collect **feedback** from them **on the quality of the audit report and the audit process**. A questionnaire can be circulated to the auditee after the finalisation of the audit report. **Constructive feedback** (see topic IV.2) can be used as input when assessing the quality of the audit and identifying improvements that could be made. However, the auditor should be aware that the auditee might object to the fact that weaknesses or errors were identified by the audit, despite these being justified.

II. AUDIT MATTERS

II.4 Monitoring Audit Impact

CHALLENGE

It is important for SAs to be informed on how their work has contributed to achieving good governance and efficiency in auditees and the extent to which it adds value for stakeholders. SAs need to systematically keep track of how their findings are being used and their recommendations implemented.

RESPONSE

SAs can establish a comprehensive system for monitoring the implementation of audit recommendations and assessing their impact using reliable sources of information. The results can be presented to top management on a regular basis, as well as periodically to Parliament and the general public. Monitoring of audit impact can be done through appropriate [indicators](#) (see topic I.2).

GOOD PRACTICES

1. It is good practice for SAs to carry out **periodic reviews of the degree of implementation of audit recommendations or judicial activities**. SAs can also include the information gathered from these reviews in a **database of audit recommendations** and their implementation **for access by auditors**. The database should be updated regularly. This can be of use in audit planning and formulation of future recommendations. The database may include various details such as: whether or not the auditees accepted the recommendations and the feedback received; which areas of activity were affected by the audit and how; indications about the level of difficulty that auditees encountered in adopting the recommendations; the level of Parliamentary support; and the period of time required for the respective recommendations to be taken up.

Relevant extracts of the database can also be made **available to managers of the auditees** or parliamentary committees.

2. The practice of **collecting feedback from auditees** about the implementation of audit recommendations can take a variety of forms, such as:
 - **written official responses** from auditees on audit reports and opinions, with information on whether, and how, they plan to adopt the audit recommendations;
 - [questionnaires](#) (see topic IV.2) to auditees asking for their reaction to various aspects of the audit findings, conclusions and recommendations;
 - **interviews** with the employees of the auditee; and
 - **meetings** with various management levels of the auditee.
3. It is good practice to **verify the reliability of information** received from auditees. This can be done by:
 - carrying out **specific follow-up audits** of findings, conclusions and recommendations presented in previous reports and which are of continuing interest and/or pose a significant risk;
 - checking on the implementation of audit recommendations during **subsequent audits** with the same auditee;
 - **using other sources of information**, such as Parliament, media, and the general public.

4. In most cases SAIs present the results of their audits to Parliament and take into account the level of interest that their audit work raises and the opinions it generates. SAIs can use appropriate methods to **solicit feedback from Parliament**. Examples include:
 - **presenting the audit results to standing committees**, particularly to the committee responsible for public accounts;
 - **participating in, or supporting, Parliamentary debates**;
 - **establishing direct contacts with MPs** in order to provide them with explanatory information on specific audit reports; and
 - **publishing a list of unimplemented audit recommendations** in the SAI's annual reports and, where possible, disclosing the reasons why.
5. SAIs can also obtain **feedback from the general public** on the outcomes of their audits. This can be done in the form of **surveys, monitoring of media reaction** to audits and enabling stakeholders to **comment via the SAI's [website](#)** (see topic IV.2).
6. It is good practice to prepare and publish **periodic reports on the impact of audit findings, conclusions and recommendations**, including information on financial and other benefits resulting from the SAI's audit activity for the state and the general public.

II. AUDIT MATTERS

II.5 Quality Review of Completed Audits

CHALLENGE

It is important for the credibility of the SAI that its audits are of the highest standard and that this can be demonstrated to stakeholders. Review procedures on completed audits are needed to provide assurance on the quality of the audit process and its output, and contribute to improvement when required complementing the supervision and review during the audit process.

RESPONSE

Reviews of completed audits can lead to the achievement of higher audit quality and therefore enhance the credibility of audit results. Moreover, reviews of completed audits can be used to identify possible improvements, corrective measures or changes to working procedures and/or manuals. Finally, these types of review can be used to measure and document audit quality, and to compile information for [performance indicators](#) (see topic I.2).

The reviews can be undertaken by external or internal reviewers, as long as the latter are not part of the audit team. Some SAIs might choose to carry out internal reviews of particular issues while allocating other issues to external reviewers.

GOOD PRACTICES

1. The SAI may choose to undertake reviews of completed audits for **all or a sample of audit tasks**. In the latter case, the selection of tasks might be based on criteria intended to ensure the coverage of key strategic activities, including different audit types.
2. The post-audit reviews can focus on **general systematic issues** or specific **issues related to particular audits**. Reviews can also target individual elements of the audit procedure rather than the whole process.
3. The **objectives of the reviews** may vary. The review can cover issues such as whether the audit approach and the applied methodology complied with professional standards, whether the methods chosen were appropriate for the audit subject(s) and objective(s); and whether the audit findings were based on solid, well argued and clearly presented evidence.
4. In the case of **internal reviews** it is good practice to focus on consistency with internal procedures, professional standards and recommended methodology. Internal reviews can take the form of:
 - **cross-reviews**, carried out by a group of experienced auditors working in a cross section of organisational units, who did not participate in the particular audit to be reviewed; or
 - **reviews carried out by a specialised quality assurance function (unit)** established within SAIs independent from the execution of audit tasks. This organisational unit should report directly to the Head of SAI or to those with responsibility for audit quality and/or methodology.
5. In case of **external reviews** of audits SAIs can engage a suitably qualified expert from financial management associations, academic institutions, external audit firms or other SAIs. In the particular case of performance audits, the SAI may establish **focus or expert groups**, representing different disciplines, to undertake regular reviews of its audits.

6. It is important that **top management is made aware of the results of the reviews**. If these contain recommendations regarding future audit work, it is good practice to also communicate these results to all staff members so that they can apply them when carrying out their work.
7. It is also good practice to **publish the results of reviews** in order to increase the transparency and credibility of the SAI. This could be done, for example, by asking reviewers to rate the particular audits and by publishing these ratings on a regular basis, thus informing stakeholder of progress made.

III. HUMAN RESOURCES

III.1 Staff Performance Appraisal

CHALLENGE

One of the main resources of SAIs is their employees. SAIs need to align the skills and knowledge of the staff to the objectives of the organisation. They should therefore fairly and appropriately assess how far their employees are adequately knowledgeable, skilled, satisfied and motivated.

RESPONSE

Performance appraisal is a management tool by which the performance and ability of employees are evaluated (in terms of output quality and quantity, efficiency and timeliness). It is an important tool for use in managing career development. Performance appraisal addresses institutional needs, as well as the needs, abilities, motivation, and expectations of staff members.

Staff performance appraisal is a system of highly interactive processes aimed at:

- making an objective assessment of staff performance;
- increasing staff motivation and self-esteem;
- providing opportunities for organisational development particularly through the definition of human resource strategy and goals;
- identifying training needs and developing training programmes;
- developing and facilitating effective communication; and
- distributing rewards and other incentives on a fair and transparent basis.

GOOD PRACTICES

1. The performance appraisal process typically starts with setting the objectives for each staff member for a given period. These targets should be based on the objectives of the organisation and the personal development needs of the individual. There are several **practical approaches** to performance appraisal, such as the **results-focused** and the **behaviour-based** models. In the first case, performance plans are prepared and compared with achieved performance objectives at the end of the appraisal period. In case of the behaviour-based approach, performance reviews focus on an assessment of the knowledge and skills of employees.
2. It is good practice to **establish** appropriate **appraisal criteria** against which to assess performance. Appraisal criteria should comprise clearly defined responsibilities for all functions, written job descriptions and expectations. Performance appraisals using these criteria can be undertaken by applying standardised checklists, templates and forms.
3. The staff performance appraisal can take the following **forms**:
 - It can be based on **self-assessment by the individuals involved**. Self-assessment gives the staff member the formal opportunity to evaluate his or her performance, which can then serve as a basis for discussion between appraiser and appraisee.
 - The traditional performance appraisal is a **one-way evaluation** in which each employee is judged by the hierarchical superior following specified criteria.
 - **Two-way evaluation** has the benefits of dialogue which takes place between appraiser and appraisee. This form of evaluation includes personal interviews and is frequently based on self-assessment.
 - The **`360 degree` appraisal** is different to the traditional manager-subordinate appraisal since anonymous feedback is provided by other members of staff working with the appraisee. It

includes self-assessment, reviews by other colleagues and assessment of hierarchical superiors.

4. The **timing of the performance appraisal** can vary. It can be carried out on a regular basis, covering tasks completed during a particular period (usually annually) or upon completing a particular task. The main benefit of the latter is that it provides focused and immediate feedback. It is however more time consuming and disruptive than annual performance appraisals.
5. In order to facilitate the appraisal of staff, a **rating scale method** can be introduced to provide a basis for a more objective and comparable evaluation of performance derived from established principles. The rating scale can also serve as a basis for promotion and remuneration decisions.

III. HUMAN RESOURCES

III.2 Professional Training

CHALLENGE

All organisations depend on the knowledge, skills, expertise and motivation of their human resources to perform effectively. Training and staff development are critical for creating the work environment and culture that is conducive to achieving high levels of professionalism and quality. SAIs can face several challenges when organising training for staff including what training to provide for the development of the required competences, who will deliver the training, how and when. The organisation also needs to ensure that the training it provides is relevant, cost-effective and useful in reaching the organisation's objectives.

RESPONSE

SAIs can develop human resource development policies, systems, strategies and plans to implement integrated training and organisational learning activities. These initiatives should be justified and clearly linked to development strategy and/or operational requirements. Training is not effective unless it has a purpose and meets the needs of the SAI and its employees.

GOOD PRACTICES

- 1. Training needs analyses** address how SAIs are performing and what is needed to improve performance. They also assess the skills and abilities of their work force and whether they are sufficient to meet the organisation's needs. Training needs should firstly be determined for the organisation as a whole, secondly for groups or units with particular functions, and thirdly for the individual employees. Various sources can be used to determine training needs including staff performance appraisals, quality control processes, audit plans, employee suggestions as well as human resources development and organisational strategies. The results of the training needs analysis can then serve as the basis for establishing the required areas and priorities for training, as well as the form it should take.
- 2.** Once training needs have been identified, the SAI can **establish a training policy** and use a **standard process to plan and design the learning events**, including defining learning objectives and drawing up an annual training plan. In addition, appropriate learning methods, training materials and techniques need to be developed.
- 3. A range of training methods** can be used by SAIs. If appropriately applied, these measures can have a powerful impact on the individual and ultimately on organisational performance and behaviour. They can increase motivation, prepare employees for promotion to more senior positions and encourage staff retention. The following are examples of good practices in this area:
 - A structured programme can be designed by SAIs to provide **induction training** to new staff on the organisation, its culture, as well as on the internal procedures and work practices. It can take place soon after an individual is employed in order to maximise the benefit of the training.
 - SAIs can require staff to participate in specific **in-house or external training events**, including training courses aimed at reinforcing skills and competences in audit techniques and procedures, courses on the use of information technology, as well as training on communication skills and personal effectiveness. Training sessions can also be held to familiarise staff with new methodologies. The SAI can use **various training methods** including learning on the job, lectures, workshops, seminars, secondments, as well as online learning and support through the

SAI's intranet. It is good practice to require participants of training courses to actively share the knowledge gained with their colleagues.

- SAls aiming to raise their number of qualified staff can **support employees** who wish to study for a relevant University degree or obtain professional audit qualifications.
 - **Coaching** can be used to assess and improve a particular area of an individual's ability or performance. It is a 'time bound' relationship aimed at meeting specific goals.
 - **Mentoring** is a more open-ended approach through which experienced colleagues can use their knowledge and understanding of the work and workplace to regularly support, guide and advise less experienced staff. SAls can create specific mentoring programmes to enhance workplace support.
 - SAls can also strengthen the training process by drawing up **personal development plans** for staff members. These should be reviewed annually during staff appraisal interviews. The plans can also be used to match employees' interests and career aspirations with the present and future needs of the SAI, including the identification of potential leaders/managers.
 - SAls can take a further step and develop their own cadre of internal trainers through **'train the trainers' programmes**.
4. **Evaluation** is important to the training process as a means of understanding where training has succeeded, and where it has failed. It also allows the SAI to pinpoint areas for improvement. Moreover, evaluation serves to assess whether the organisation achieved its objectives and whether the investment in training was effective. There are several methods that can be used to collect and analyse data on the outcome of training and to determine whether the training led to the development of new skills and desired changes in work practices or behaviour. These include holding **post-event meetings** (such as group discussions or one-to-one interviews), **questionnaires**, and **systematic monitoring** of improvements in the workplace.

III. HUMAN RESOURCES

III.3 Staff Satisfaction

CHALLENGE

To operate effectively, SAls need to ensure that staff members have a high degree of job satisfaction and work towards achieving the objectives and interests of the organisation. High levels of staff satisfaction have a positive impact on both the organisation and its employees. Satisfied employees tend to be more productive, creative and committed to the organisation making it indispensable for SAls to consider satisfaction and motivation levels of their staff as a priority.

RESPONSE

Achieving a high quality product requires motivated and adequately remunerated employees who act in the organisation's interests. Satisfaction levels usually increase when employees know that they are listened to, their issues of concern are being addressed and they are offered adequate career opportunities and incentives.

SAls should offer an appropriate range of flexible schemes and work-life benefits that pay due attention to the promotion of gender equality, give each individual the opportunity to fulfil their personal potential and make the best possible contribution towards the organisation.

GOOD PRACTICES

1. It is good practice for SAls to make sure that they have **appropriate policies related to salaries, incentives and career opportunities**. Employees at all levels of the organisation appreciate being recognised and acknowledged for their commitment, contribution and output. It is therefore important for the organisation to identify and show appreciation for the individual and collective contribution of employees in the achievement of its goals.
2. **Financial rewards and non-monetary incentives** can help keep the workforce motivated and satisfied, and raise staff morale and increase loyalty. SAls can provide **family-friendly measures, including childcare and healthcare support**. To attract and retain staff, some SAls also offer other benefits such as **meal vouchers** and the possibility to participate in a **supplementary pension scheme**.
3. In order to contribute to staff satisfaction, the **work environment** needs to be safe, friendly, ergonomically comfortable and keep stress to an acceptable level. It is important to have modern and adequate office equipment and facilities, as well as easy access for the disabled.
4. **Interpersonal relations** are also a key element of overall staff satisfaction. Promoting a good working relationship among colleagues, positive thinking, trust and cooperation encourages a sense of teamwork among employees and increases job satisfaction.
5. It is good practice for staff representatives (e.g. unions) to be involved from the outset in the design and introduction of staff-related schemes such as **flexible working arrangements**, which can be in the form of:
 - **Flexi-time**, which offer staff flexibility in the times for starting and finishing work while respecting core hours and the length of lunch break.

- **Compressed working hours** to enable staff to work their total number of hours over fewer days. This working pattern can be limited to a maximum number of hours worked in one day (e.g. ten hours) and to ensure that a minimum time is allocated for lunch break.
 - **Time off in lieu** or unpaid leave to allow the extra time away from work to coincide with personal needs.
 - **Reduced hours** allowing staff members to work less hours in a week.
 - **Telework or a Work From Home** arrangement can be offered to those employees who have jobs that can be carried out equally well from alternative location. Tasks that require a high level of concentration and minimum interruption, such as report writing, can be performed efficiently from home.
6. It is good practice to carry out regular **staff satisfaction surveys**. The survey should be anonymised to encourage honest feedback and to obtain a better indication of staff satisfaction.
- The questionnaire can cover **all aspects** of employment, e.g. organisational issues, work environment, culture and management leadership styles. It may also focus on **particular aspects** on which feedback is required, such as on the level of assistance provided by internal support services to facilitate their work or improve the quality of their working life.
 - It is good practice to provide quick **feedback** about the overall results to employees, both positive and negative. This helps to demonstrate management's commitment to the process.
 - Holding **exit interviews** of staff leaving the organisation is a good opportunity to obtain feedback and identify specific problems.

IV. COMMUNICATION

IV.1 Internal Communication and Dialogue

CHALLENGE

An organisation which has insufficient internal communication and dialogue risks isolating and demotivating its staff, which in turn can jeopardise audit quality and lead to inefficiencies.

RESPONSE

SAIs should disseminate to all employees, through appropriate channels, sufficient and appropriate information about their operations, policies, programmes, and work-life activities. Developing various means to communicate and share information encourages and strengthens the quality of internal communication and dialogue.

SAIs should establish strategy and procedures aimed at the creation of a friendly and constructive communication environment and encourage management and staff to actively use these mechanisms.

GOOD PRACTICES

1. It is good practice to hold regular and frequent **meetings between top management and staff**. These meetings can provide the opportunity to discuss points of common interest and share information, as well as make proposals for improvement.
2. **Meetings of senior executives** organised on a regular basis provide an opportunity to discuss major developments and upcoming initiatives. These meetings can include discussion of what is working well, the challenges managers and the SAI face, possible ways to increase communication within the organisation, and options for better supporting managers in their work.
3. The **intranet** is a key platform for providing internal information and dialogue. It is good practice to provide information on organisational structure, strategic plans, methodological guidance, work in progress and published reports, administrative and building services, internal vacancies, internal social news and items of personal interests, government and research links, and links to various news services.
4. It is good practice to use an **electronic document management system** to store professional information and make this available to all employees as part of a knowledge management approach.
5. **Professional forums** could be organised to provide adequate orientation to newly recruited staff, enhance their job satisfaction and encourage their retention.
6. SAIs can also distribute a **regular newspaper** covering topics of interest to management and staff including, for example, details of staff suggestions that have been taken up, information on recently issued reports, technical articles, recruitment of staff, information on awards, as well as details of staff transfers and promotions.

IV. COMMUNICATION

IV.2 External Communication and Relationship with Stakeholders

CHALLENGE

SAIs are most effective if their work is known, read and understood outside the organisation. They need to identify effective external communication channels to ensure sufficient transparency and accountability, including enhancing their authority, credibility and reputation.

RESPONSE

Information on the results of SAIs` activities are made available to auditees, Parliament, media, public, academics and research institutions. SAIs can also establish fruitful relationships with national control bodies, other SAIs and international organisations.

It is important to establish and maintain continuous, positive and constructive dialogue with main stakeholders through press conferences, press releases, statements to parliamentary committees, the availability of sufficient information on the website and other forms of communication. Effective use of constructive feedback from stakeholders can lead to improved audit quality and the development of the professional activity of the SAI.

GOOD PRACTICES

1. It is good practice for SAIs to focus on **relations with Parliament as a principal stakeholder**. This can be done through various means, including the organisation of conferences, working groups, committees, as well as initiatives to promote the role and work of the SAI. A **special parliamentary liaison unit** can be established to facilitate communication between the SAI and Parliament. These measures are important to ensure that SAIs` work remains relevant, credible and useful to parliamentarians
2. SAIs can forward [questionnaires to auditees](#) (see topic II.4) to elicit their opinion on the way audits have been conducted and to identify areas where improvements can be made.
3. An **external advisory panel or board** can be established to advise SAIs on professional issues. The board, under the chairmanship of the SAI, could be comprised of recognised professionals from different areas of expertise and background representing key stakeholders.
4. It is good practice for SAIs to establish a **media centre** with primary responsibility for managing relations with the media and other organisations. The SAI can use this as a focal point to ensure a policy of fair and equal treatment of the press, as well as to enhance credibility of the SAI through increased transparency in its relations with Parliament, press and the public.

The media centre can ensure the day-to-day coordination of the public release of reports and statements. It can also be used to build strong working relationships with the media, assist parliamentary press staff on SAIs` work and monitor press coverage of audit reports. Moreover, the centre can issue guidance to staff and conduct media training for SAI officials involved in responding to press inquiries.

5. The SAI's **website** can also include comprehensive information on the organisation's mission, core values, strategy, activities, audit reports, careers opportunities, as well as speeches and professional events. It could also provide links to other SAIs and other organisations.

6. It is useful for SAs to [keep track of public opinion](#) (see topic II.4) on their activities through monitoring information from publications, articles, and the media. In addition, some SAs provide feedback forms on their websites to encourage the public to give their comments on the SAI activities.
7. SAs can **cooperate with national control and law enforcement bodies** (or other relevant ministries, state committees and entities), in a way that does not compromise their independence.
8. **Participation in initiatives of international organisations**, such as INTOSAI and EUROSAs, allow SAs to keep abreast of good practices and current trends. These can be disseminated and applied within the individual SAI.

CONCLUDING RECOMMENDATIONS

This document sets out various good practices covering many topics that are considered highly relevant to improve quality. It is recommended for SAIs to take account of the good practices presented in this document when establishing and operating a quality management system. The selected good practices reflect the current situation, but are likely to develop and change over time. Within the framework of a step-by-step and continuous learning process, SAIs should strive to extend the good practices related to an effective quality management system to all aspects of their activities.

An effective quality management system covers enablers that are concerned with how the organisation undertakes its activities (such as leadership; human, financial, and information resources, operational processes), as well as results that are concerned with what results are being achieved (with special regard to the needs of stakeholders and the general public).

These good practices could be applied individually. However – as the Introduction sets out – they will be more effective if applied within the context of an integrated system, whereby they apply to all SAI activities and the different elements complement each other based on common standards and principles.

Achieving quality in SAIs is important in order to provide credible, reliable and useful results, to allow the organisations to lead by example, to provide a rewarding working environment, as well as to make efficient use of resources. The overall purpose is to work effectively in the interests of the general public.

Quality within any organisation is not achieved spontaneously but requires a specific approach led by management. They should be aware of the importance of, and be committed to, achieving the highest quality standards.

The commitment to quality is important enough to be included in the SAI's mission statement, making clear that quality is required during the performance of all tasks of the organisation, and at all stages of those tasks. It gives appropriate weight to the significance of the establishment or further development of a quality management system, and increases the probability that all necessary measures – defined in internal regulatory documents – are taken.

As a further step, it is recommended that the top management of SAIs establishes a plan to achieve high quality, in the course of which they should:

- take stock of current quality arrangements and identify the measures still needed to achieve an effective quality management system;
- define objectives and principles;
- set priorities;
- programme actions to be taken along with a defined timetable and details of the persons assigned with responsibilities.

In the course of executing quality related plans, it is proposed to

- identify and assess the risks related to the implementation of actions and to be addressed for within professional and administrative activities, as well as to establish control measures to mitigate these risks;
- set up the required processes and procedures;
- ensure the allocation of appropriate resources and the availability of information necessary to support the operation and monitoring of these processes and procedures.

Plans are recommended to be published in the interest of transparency and as an incentive for those required to implement the measures. This helps underline the credibility (and authority) of the SAI by demonstrating good practice in its own management.

Link between Good Practice Topics and Related ISSAI 40/ISQC 1 Element

Good practice topic	ISSAI 40/ISQC 1 element
I.1 Risk Management System	Element 1: Leadership responsibilities for quality within the firm
I.2 Performance Indicators	Element 1: Leadership responsibilities for quality within the firm
I.3 Self-Assessment of the Organisation	Element 1: Leadership responsibilities for quality within the firm
I.4 Peer Review	Element 6: Monitoring
II.1 Selection of Audit Tasks	Element 3: Acceptance and continuance of client relationships and specific engagements
II.2 Supporting the Audit Process	Element 5: Engagement performance
II.3 Cooperation with the Auditee during the Audit Process	Element 5: Engagement performance
II.4 Monitoring Audit Impact	Element 6: Monitoring
II.5 Quality Review of Completed Audits	Element 6: Monitoring
III.1 Staff Performance Appraisal	Element 4: Human resources
III.2 Professional Training	Element 4: Human resources
III.3 Staff Satisfaction	Element 4: Human resources
IV.1 Internal Communication and Dialogue	Element 1: Leadership responsibilities for quality within the firm
IV.2 External Communication and Relationship with Stakeholders	Element 1: Leadership responsibilities for quality within the firm