

INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

7th Quarterly Update
January –March 2013

INTOSAI-Donor Cooperation Reaches 20!

The Global Fund signs the INTOSAI-Donor MoU

The Global Fund to Fight AIDS, Tuberculosis and Malaria has become the 20th donor to sign the Memorandum of Understanding between INTOSAI and the donor community. It is the second of the major global funds to recognize the importance of strong SAIs for effective service delivery and poverty reduction.

Progress on the SAI PMF

The SAI Performance Measurement Framework (SAI PMF) has been updated following a one week Task Team workshop hosted by AFROSAI-E in Pretoria in January. The workshop reflected on lessons from the three pilots (Norway, Sierra Leone and Djibouti), comments from 30 organizations, and the new exposure drafts of ISSAI 100-400. A new version 2.1 has been prepared and reviewed by the task team. A SAI PMF Exposure Draft will shortly be put forward to the Working Group on The Value and Benefits of SAIs (WGVBS) for approval at its July meeting.

The first two training courses for users and future trainers of the SAI PMF, based on the new version 2.1, were held in Oslo and London in March 2013. 50 staff from 20 SAIs, as well as development partners and consultants, participated in these events. Overall feedback has been very positive.

SAI Brazil Supports INTOSAI-Donor Secretariat

Since the beginning of the year, SAI Brazil has provided in-kind support to the INTOSAI-Donor Cooperation. Horacio Saboia Vieira joined the Secretariat as a new part-time colleague. Horacio is based in Brazil, and will play a key role in the work to develop and roll out the SAI PMF, especially in the OLACEFS region. The INTOSAI-Donor Secretariat welcomes Horacio!

Launch of the 2013 Global Call for Proposals at XXI INCOSAI

Following the success of the 2011 Global Call for Proposals, a new round will be launched at the XXI INTOSAI Congress in Beijing, October 2013. The 2013 Global Call introduces a new concept note stage. This will allow applicants to explain the broad purpose of their proposals and identify potential providers of support, prior to development of full proposals. The templates and examples are available in English, Arabic, French, Portuguese, Russian and Spanish at: <http://www.idi.no/artikkel.aspx?Mid1=105&Aid=628> INTOSAI regional bodies interested in organizing training for SAIs in their region on writing funding applications, in preparation for the 2013 Global Call for Proposals, should contact the Secretariat at intosai.donor.secretariat@idi.no.

Training for Donors working with SAIs

The INTOSAI-Donor Secretariat has commissioned the development of a training course for donor agency staff working with SAIs. The training will provide an overview of SAIs and the environment in which they operate. It is targeted towards donor staff who are responsible for working on issues related to financial oversight and SAIs, or who have an interest in enhancing and sharing their knowledge of fiscal accountability and transparency. The material is currently being developed by the UK NAO in close consultation with the Secretariat and a selected donor group. It is planned to pilot the training as a face-to-face course in the second half of 2013, before rolling it out through an e-based learning and knowledge sharing platform. *(Continued on page 2)*



Attendees at the SAI PMF Training in London

Training for Donors working with SAIs

(Continued from page 1)

Internationally, there is a growing recognition of the important role SAIs can play in holding governments accountable, and fighting corruption and inefficiency. One objective of the INTOSAI-Donor Cooperation is to enhance the mutual understanding of both SAIs and their development partners for more effective cooperation and public audit. Development agencies can play an important role in helping to build the capacity of SAIs and encouraging enabling environments through dialogue with governments, parliaments and other stakeholders. The course is targeted to donor agency staff wanting to discuss, and be kept up-to-date on, recent developments in public sector audit, such as the roles of SAIs, the question of independence, international standards, the role of the INTOSAI regions and INTOSAI bodies, and performance measurement of SAIs (SAI PMF). Participants will discuss best practices in assessing needs, and designing, managing and evaluating support for SAIs, including political economy considerations and different models and mandates of SAIs. This exchange will help donor staff to better understand the role of SAIs, and how development agencies can provide capacity development support to SAIs in different legal, political, and administrative contexts. Participants will also be better able to critically review SAIs' proposals for support and how to make better use of an SAI's audit findings and recommendations.

The Roll-out of the SAI PMF: Pilots and Training

As development of the SAI PMF Exposure Draft nears completion, the focus of SAI PMF work moves towards phase 2 pilots and training.

SAI PMF: Phase 2 Pilots

The SAI PMF aims to be a global framework that can measure performance of SAIs, regardless of their levels of development, administrative heritage and legal mandate. Version 2.0 was piloted in three countries. To ensure SAI PMF can achieve its ambitious aim, it needs to be piloted in a wider variety of SAIs. This will test the global applicability of the framework. It also offers the opportunity to test that the calibration of the indicator scoring is appropriate: that indicators are neither too hard nor too soft, and can identify differences in levels of performance between SAIs.

Starting in the second half of 2013, the SAI PMF Exposure Draft will undergo a second round of pilots

covering different types of SAIs. It is envisaged that around 20 countries will participate, based on a country-led volunteer basis. This will respect the principle that the Head of the SAI will make the decision whether and how to undertake a SAI PMF. To ensure the framework is applied properly and consistently in these pilots, it is essential to train assessors and provide them with the necessary support. Developing networks of regional experts and building capacity in the INTOSAI regional bodies to support assessments constitutes key pillars in the draft SAI PMF Roll-out Strategy (see www.idi.no).

SAI PMF: Training for Assessors and Trainers

Following successful delivery of SAI PMF training in Oslo and London, SAI PMF training events are being planned in all regions during 2013-2014: course details, location and timing will be posted on www.idi.no. INTOSAI regions are invited to contact the INTOSAI-Donor Secretariat regarding planning regional training events.



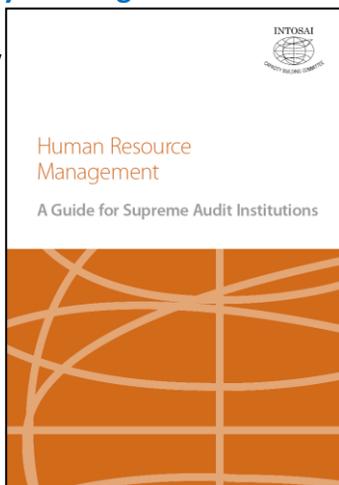
Snapshot from the SAI PMF introductory video, available at <http://www.youtube.com/watch?v=tqfftvLUOyw>

SAI PMF: Support Function

The INTOSAI-Donor Secretariat will provide a support function offering remote assistance to SAI PMF assessment teams. This will include example documents such as model terms of reference and reports, assistance in finding possible assessors, review and quality assurance of outputs from initial concept note to final report, and sharing of experiences from SAI PMF assessments. The Secretariat is also developing a guidance note for assessors on applying the SAI PMF. SAIs interested in undertaking a SAI PMF pilot assessment should contact the Secretariat at intosai.donor.secretariat@idi.no

Updates from the Capacity Building Committee

In the lead up to INCOSAI in Beijing the INTOSAI Capacity Building Committee has been busy. Two new guides have been released and are being translated into key INTOSAI languages - *Human Resource Management: A Guide for SAIs* and *Implementing the International Standards for Supreme Audit Institutions (ISSAIs): Strategic considerations*.



Copies are available on the Moroccan Court of Audit website: cbc.courdescomptes.ma. March saw the launch, at the CAROSAI Congress in Trinidad and Tobago, of a joint PASAI/CAROSAI guide – *Business continuity planning*. This guide was written to help smaller SAIs, in areas prone to natural disasters, develop emergency management systems. It is the first CBC guide written with, and for, specific INTOSAI regions. A new guide on *Managing IT systems in SAIs* is also under early stages of development. CBC has started a new series of occasional papers. The first one entitled *Building strong regions: key characteristics of an effective regional capacity building capability*, emerged from the June 2012 meeting of Sub-committee 1 and was written by AFROSAI-E. A further occasional paper is being written on *Cost effective training delivery*. The next meeting of CBC Sub-committee 1 will be hosted by the Court of Audit of Tunisia on 7-8 June – participant numbers are looking good with all regions set to send delegates.

Swedish-Tanzania Twinning: Long Term Investment Shows Positive Results

In 2004, the Swedish National Audit Office was engaged as an institutional twinning partner with the National Audit Office of Tanzania (NAOT). The National Audit Office Development Project, NAODP, is an institutional capacity building project between the National Audit Office of Tanzania (NAOT) and the Swedish NAO. The aim is to build capacity and ability to apply professional and technical skills in practice, to react and adjust to internal and external changes, and to deepen the skills and routines in internal and external communication with important stakeholders.

After two years, an external evaluation concluded that the plan was too ambitious for a three-year period. The early years were marked by some hardship for the project, especially when it comes to the too wide scope, and project-hampering vacancies at NAOT top level. In late 2006, as Mr. Ludovick Utouh was appointed as the new Auditor General. Mr. Utouh immediately took a firm grip of the NAOT's development needs and the project's intentions. The second phase, launched in early 2008, was only slightly more limited in its scope, focusing on areas such as: financial audit, performance audit, forensic audit, procurement audit, quality assurance, interaction with Parliamentary oversight committees, communication, HR, and management development. A major effort was the introduction of a regularity (financial and compliance) audit manual according to international standards, which was rolled-out to the whole NAOT.

2012 Evaluation Findings

A recent external evaluation found evidence that the quality and scope of NAOT's audit had improved significantly. Substantial capacity has been established and efforts had been made to create sustainability. The evaluation report also gave insights on how to proceed with and design a third phase; there was a need to improve the depth and quality of regularity audit, and to further utilize and practise IT audit for sustainability. *“For performance audit there is need to improve the strategic scope and coverage. NAOT's independence increased through the new Audit law, but further improvements should be introduced in terms of procedures for appointment and dismissal of the Auditor General, NAOT's human resource management powers, and budget independence.* The evaluation underlined that the NAOT has made important strides towards the set targets and this is deemed to be a result of both the NAODP and complementing efforts. Based on the findings of the external evaluation, and due to the added heavy workload on NAOT following the appointment of the organization as Member of the UN Board of Auditors for a period of six years, the partners deemed that NAOT development results need further external support to ensure sustainability. The partners have agreed on a new three-year project phase, to be implemented during 2013-2015. Institutional development and capacity building takes time, resources and efforts, and one has to accept phases of backlash and hindrance. Commitment and willingness to change, from top management and from all staff, is the key to success.

INTOSAI and the OECD-DAC Effective Institutions Platform: Exploring Citizen Engagement in Audit

The INTOSAI-Donor Secretariat within the IDI, together with the Chair of the Capacity Building Committee, has been mandated by the INTOSAI Governing Board to function as liaison office for INTOSAI's interaction with OECD-DAC and the Development Effectiveness Agenda.

The Effective Institutions Platform held a meeting in February 2013 in Johannesburg, South Africa. On behalf of the INTOSAI-Donor Secretariat, the Auditor General's Office of South Africa (AGSA) presented examples, opportunities, and challenges for citizen engagement in Supreme Audit Institutions. SAI Brazil, SAI Chile, and OECD-DAC were also involved in developing the materials. The presentation first outlined the extent to which SAIs are able to make a difference to the lives of citizens, and then focused on current practices of citizen engagement, highlighting examples from OLACEFS. Examples included citizen assistance in the detection of corruption and other irregularities, as well as more formalized levels of interaction with civil society. To date, the availability of data on this topic is limited. The OECD is currently collecting data on practices of SAIs to engage stakeholders in Chile and 13 other countries to breach this data gap. In the following discussion, participants pointed out the need for dialogue on use of country systems to include accountability institutions and civil society in the debate. The challenge of limited data in this area was met with a call for research exploring the impact of citizen engagement in audit, extending beyond SAIs already closely interacting with citizens. Participants who expressed interest in further exploring this topic included the World Bank and USAID.

OECD-DAC is currently drafting a concept note for this initiative and research is expected to begin in July 2013, with a final report presented in 2014. SAIs interested in participating in the research are invited to contact the INTOSAI-Donor Secretariat, which will be involved throughout the process.

Staffing at the INTOSAI-Donor Secretariat

Merethe Nordling has joined the Secretariat on a one year secondment from the Office of the Auditor General of Norway (OAG Norway). Yngvild Arnesen has temporarily left the Secretariat on secondment to the World Bank, based in Cairo. She is replaced by Silje Marøy Sandstad, who has been with the Secretariat on secondment from OAG Norway since February 2012.

Revision of the PEFA Framework



The Public Expenditure and Financial Accountability (PEFA) framework has been applied in over 110 countries and includes high level performance indicators on external audit. Released in 2005, it is now being revised. The INTOSAI-Donor Secretariat is participating in the revision of the external audit indicator (PI-26). Those wishing to contribute to the work should contact intosai.donor.secretariat@idi.no

Forthcoming Events

Below is a selection of key events which may be of particular interest to stakeholders. For the complete INTOSAI calendar, see www.intosai.org.

- April 16-18:** 4th EUROSAI/ARABOSAI Conference, Baku, Azerbaijan
- May 19-24:** ICGFM Conference, Miami, USA
- May 29-30:** 9th Meeting of the Finance and Administration Committee, Washington, D.C, USA
- May 30:** XXXXth EUROSAI Governing Board Meeting, Brussels, Belgium
- June 6-7:** Meeting of the Capacity Building Committee, sub-committee 1, Tunis, Tunisia
- June 13-14:** Capacity Building Committee, sub-committee 3 meeting; Bratislava, Slovak Republic
- June 18-19:** 10th PSC Steering Committee Meeting, Stockholm, Sweden
- June 23-27:** ARABOSAI General Assembly, Kuwait
- July 3-5:** 6th Meeting of the Working Group on Value and Benefits of SAIs (WGVBS), Peru
- September:** 16th PASAI Congress, Guam
- October 22-27:** XXI INTOSAI Congress, Beijing, China

INTOSAI-Donor Steering Committee Leadership

Chair (INTOSAI): *Osama Faqeeh, General Auditing Bureau, Saudi Arabia*

Chair (Donors): *Jennifer Thomson, World Bank*

Vice-Chair (INTOSAI): *Gene Dodaro, U.S. Government Accountability Office*

Vice-Chair (Donors): *Stephen Sharples, Department for International Development, UK*

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