

INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

6th Quarterly Update
October-December 2012

New Signatories to the MoU

During the 5th Meeting of the Steering Committee of the INTOSAI-Donor Cooperation, a ceremony celebrated three new signatories to the INTOSAI-Donor Memorandum of Understanding (MoU); Australia (AusAID), the Asian Development Bank, and the GAVI Alliance. The number of donor signatories thereby increased to 19. The MoU states that INTOSAI and the donor community share common goals of enhancing accountability, transparency, good governance and the sound utilization of public funds, recognizing the potential value of SAIs in strengthening governance, accountability and reducing poverty.



5th INTOSAI-Donor Steering Committee Meeting and Work Program for 2013-2015

The 5th Meeting of the Steering Committee was hosted by the National Audit Office of the United Kingdom in London from 17th to 19th of October 2012, with record attendance of over 60 representatives from 19 SAIs and INTOSAI bodies and 17 development partners.

Discussion items included:

- SAI Performance Measurement Framework
- Future Global Calls for Proposals
- SAI Independence and the UN-resolution A/66/209
- ISSAI implementation, and
- Strengthening the supply side and capacities to develop funding proposals

The Meeting also discussed the future direction of the INTOSAI-Donor Cooperation, including the 2013-2015 program document and the 2013 annual work plan. A moderate scaling-up of activities was agreed. It will allow the Cooperation to value and utilize recent achievements and further enhance collaboration with other INTOSAI bodies and international partners.

Agreed themes for 2013-2015 are:

1. INTOSAI-Donor Cooperation Management,
2. Funding Mechanisms and Project Identification,
3. SAI Performance Measurement Framework,
4. Knowledge Center on Support to SAIs,
5. Strengthening the Supply of Support to SAIs,
6. Research and Evidence, and
7. Monitoring, Evaluation and Lesson Learning.

As donors to the Secretariat, Norway, Ireland and Austria expressed their appreciation and interest in continuing their support. A number of donors, SAIs and INTOSAI regions indicated interest in contributing to phase 2 of the Cooperation.

More information on several discussion items of the 5th Steering Committee Meeting is available throughout the newsletter. Key summary points, press release, meeting summary, and the 2013-2015 Program Document are available on: www.idi.no.



Attendants of the 5th Steering Committee Meeting

SAI PMF Piloted, Timetable Updated

Pilots of SAI Performance Measurement Framework (PMF) version 2.0 were conducted between September and November 2012 in Norway, Sierra Leone and Djibouti. First responses from the SAIs hosting the pilots confirm the relevance of the framework's rationale and indicators.

The pilot in Norway showed that the framework can be useful for well developed SAIs and that it provides an overall picture of the organization and its strengths and weaknesses. The results will be used in the strategic planning process.

The pilot in Sierra Leone documented the relevance for SAIs in fragile and post conflict countries, producing an overall assessment which can be of value both to the SAI and its stakeholders. It demonstrated that an SAI can deliver value and benefits to society and work towards international standards even in such a difficult environment.

Piloting the SAI PMF in Djibouti gave the Task Team the chance to gather evidence from a francophone SAI and public finance system. While the SAI PMF was highly welcomed as tool for identifying needs and challenges, there were also some recommendations towards the applicability of the framework for SAIs of the Court model.

The Working Group on the Value and Benefits of SAIs has agreed on an update to the timetable for the SAI PMF. The exposure draft (version 3.0) shall be available by April 2013 and distributed for global pre-consultations between May and October 2013. It will also be presented at the XXI INCOSAI in China. Further pilots will be carried out from 2013, and the first generation of SAI PMF trainers and assessors will be trained in different INTOSAI languages.

Communication activities for the SAI PMF in the fourth quarter of 2012 included meetings with the sub-committees of the Professional Standards Committee as well as presentations at the CRECER conference in Nicaragua and the ICGFM Winter Conference in the US.

The results of the three first pilots and comments to version 2.0 provided by stakeholders will inform version 3.0 of the SAI PMF. The SAI PMF Task Team will discuss the comments, experiences from the pilots and the way forward at its next meeting in January 2013, hosted by AFROSIAI-E.

For more information on the SAI PMF see www.idi.no.

CREFIAC and AfDB Working Jointly to Enhance Performance Audit Capacities

In response to the 2011 INTOSAI-Donor Cooperation Global Call for Proposals, CREFIAC submitted a proposal on performance audit capacity development for 23 SAIs in Francophone Sub-Saharan Africa, covering the time period from 2013 to 2016. The proposal was welcomed by the donor community and the African Development Bank (AfDB) offered support. Until now, the SAIs of CREFIAC have mainly focused on the rendering of accounts and on regularity audits. However, with evolving policies in these countries and a change in the pattern of government spending to socio-economic sustainable development projects, industrial growth and poverty alleviation activities, transactional audits alone are inadequate to ensure accountability and promote good governance. Using regional performance audit champions and thus building on previous support from the Canadian International Development Agency (CIDA), the program aims to:

- Build capacity in performance audit within member SAIs of CREFIAC;
- Enable participating SAIs to develop a performance audit plan;
- Encourage each member SAI to set up a structure in charge of performance audits.

In order to achieve these goals, the program is expected to run in three phases:

PHASE I (2013-14): Performance audit workshops organized in all 23 member SAIs, supervised by CREFIAC instructors.

PHASE II (2013-14): Planning meetings for pilot performance audits in an initial number of 10 SAIs, supervised by experts.

PHASE III (2014-15): Pilot performance audits, supported by experts from CREFIAC.

For phase I and II, AfDB initiated talks with CREFIAC that lead to a Grant Agreement between CREFIAC and AfDB. This Grant Agreement covers the period of January 1st to December 31st 2013 and enables CREFIAC to launch key activities in the process of strengthening performance audit in Francophone African SAIs.

The African Development Bank has agreed to provide more than \$US 430.000 for the first two phases in 2013.

For more information contact alfred.enoh@crefiac.org

OLACEFS: Promoting Synergies Among SAIs and Multilateral Organizations

Multilateral organizations are increasingly aware of SAIs' contribution to social and economic development, for example by auditing infrastructure, income transfer programs for poverty reduction, or health and education programs, all related to the achievement of the Millennium Development Goals. These policy areas require constant attention from SAIs and are also key areas for donor agencies. In line with the principle of "capacity-building as a tool to promote development" of the 2011 UN Resolution, SAIs in Latin America have been developing a high-impact learning strategy, focusing on projects that provide opportunities for practical application of knowledge and skills.

Traditionally, a coordinated audit is the combination of several audits conducted by different SAIs in their respective countries on the same subject following a coordinated planning approach. This strategy has been used to study transnational topics such as the environment. Recently, coordinated audits have also been used as an important capacity-building instrument, since they allow methodological and technical knowledge to be applied to a real-life problem, resulting in a concrete product—the audit report—that is specific to the sector and region. Coordinated audits can be an important component of cooperation between SAIs and multilateral organization: They provide (i) a good balance between commitments and benefits among participants, (ii) gains of scale and cost sharing, (iii) a methodology which provides indicators to measure concrete results,

fitting well in the scope of cooperation projects. Coordinated audits also allow SAIs to examine critical policy areas through joint efforts, not only because they account for a significant amount of public expenditure, but also due to their critical impact on general welfare. Overlapping objectives of SAIs and multilateral organizations in these areas provide a wealth of opportunities for cooperation, and the accumulated knowledge and experience of multilateral organizations can be instrumental to an improvement in the quality and depth of SAI audits. Using coordinated audits as a capacity-building strategy also demonstrates that audit work demands not only methodological skills, but increasingly some kind of expertise in key policy areas in which SAIs operate. By working alongside international organizations, SAIs can have access to cutting-edge knowledge through international organizations' experts, in addition to having contact with stakeholders with a long history of work in critical policy areas.

Cooperation between SAIs and multilateral organizations to strengthen capacity building using coordinated audits as part of a cooperation strategy can build important networks and synergies, as well as open new multilateral communication channels in many different policy areas. SAIs and multilateral organizations can create a common agenda, including new approaches and priority areas, working together to strengthen good governance and improving the lives of citizens.

For more information contact Luciano Dos Santos Danni: LUCIANOSD@tcu.gov.br.

AFROSAI-E 7th Annual Technical Update: Guideline on Audit of Extractive Industries

AFROSAI-E hosted its 7th Annual Technical Update from 14 to 16 November, 2012, in South Africa. AFROSAI-E's work plan focuses on a wide range of topics and capacity building areas, and each year AFROSAI-E develops new material which is launched at the Technical Update. This year 99 delegates from 19 African SAIs, institutional partners and other international representatives attended the event. Among these were 11 Auditors-General, representatives from the Swedish National Audit Office, the Office of the Auditor General of Norway, the Canadian Comprehensive Auditing Foundation, the INTOSAI Development Initiative, the African Tax Administration Forum, and the Collaborative Africa Budget Reform Initiative.

Various guidelines were released, including auditing Information Technology, auditing the budget process, and an exposure draft handbook on performance auditing and guidance on report writing. Participants shared their practical experiences, challenges, and progress since the previous technical update.

Significant interest and attention was directed to the Guideline on Audit of Extractive Industries. The guideline was presented as an exposure draft with initial focus on the petroleum sector. Further extractive industries will be added to the guideline in 2013. Audit of extractive industries is one of the most important emerging issues in public sector auditing. At the 5th Steering Committee Meeting of the INTOSAI-Donor Cooperation, AFROSAI-E and the INTOSAI-Donor Secretariat agreed on jointly mapping SAI involvement in audit of extractive industries.

Jennifer Thomson New Co-Chair of the Steering Committee

We are pleased to inform you of the appointment of Ms. Jennifer Thomson as Chief Financial Management Officer of the World Bank. She will assume her new position in early February, 2013.



Jennifer, an Australian national, joined the World Bank in 2004 as a Senior Financial Management Specialist in the East Asia and Pacific Region. She has since held a number of positions, most recently as Regional Financial Management Manager in the South Asia Region, based in New Delhi, India. Prior to joining the Bank, Jennifer worked in financial management positions in both government and the private sector. She began her career in the Australian National Audit Office, held senior financial management positions in organizations and worked in a variety of roles in supporting development initiatives in the South East Asia and Pacific regions.

As part of her new responsibilities, Jennifer will be representing the World Bank in the INTOSAI-Donor Cooperation as well as other global partnerships. It goes without saying that her direct experience in both government auditing and provision of development assistance will be particularly relevant for the initiative.

We welcome Jennifer Thomson to the INTOSAI-Donor Cooperation and very much look forward to working together.

Increased Use of the SAI Capacity Development Database

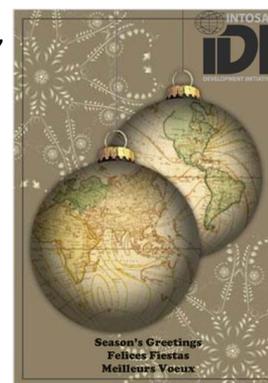
The SAI Capacity Development Database (www.SAIdevelopment.org) was launched in January 2012. Since then, it has developed rapidly. To date, 245 ongoing, planned and proposed projects are registered, and the site has had more than 2,500 visits

from 106 countries. About half of the visits in the past six months were by new users, which shows that awareness of and interest in the database are growing. Providers of support are encouraged to check their entries by 1 February 2013 to see if there is a need to update the information available or add new projects. For questions, please do not hesitate to contact the Secretariat.

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. If you would like us to include your event in the next newsletter, please contact intosai.donor.secretariat@idi.no.

- February 12-13:** 8th PASAI Governing Board Meeting, Auckland, New Zealand
- March 5-7:** 22nd UN/INTOSAI Symposium, Vienna, Austria
- March 18-21:** XI CAROSAI Congress, Trinidad and Tobago
- April 16-18:** 4th EUROSAI/ARABOSAI Conference, Baku, Azerbaijan
- May 19-24:** 27th Annual ICGFM Conference, Miami, USA
- May 23-27:** ARABOSAI General Assembly, Kuwait
- May 30:** XXXXth EUROSAI Governing Board Meeting, Brussels, Belgium
- June 18-19:** 10th PSC Steering Committee meeting, Stockholm, Sweden
- September:** 16th PASAI Congress, Guam
- October 22-27:** XXI INTOSAI Congress, Beijing, China



Wishing you all a happy 2013!

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*

INTOSAI-Donor Secretariat

INTOSAI Development Initiative, c/o Riksrevisjonen Pilestredet 42 Postbox 8130 Dep N-0032 Oslo, Norway

INTOSAI-Donor Secretariat Contacts

intosai.donor.secretariat@idi.no
 Head: Einar.Gorrissen@idi.no
 Advisor: Martin.Aldcroft@idi.no
 Advisor: Yngvild.Herje.Arnese@idi.no
 Advisor: Silje.Maroy.Sandstad@idi.no
 Advisor: Meike.Patzold@idi.no
www.idi.no / www.SAIdevelopment.org