

# INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

18<sup>th</sup> Quarterly Update  
Nov 2015 – Feb 2016

## Program Document phase 3 approved

By the INTOSAI-Donor Secretariat

In February, the INTOSAI-Donor Steering Committee (SC) approved the Program Document for phase 3 of the Cooperation. It was developed by a working group established at the 8<sup>th</sup> SC meeting which consisted of the European Commission, SECO, IDI and the INTOSAI-Donor Secretariat.

Based on the achievements of the Cooperation to date, the findings of the external evaluation and the discussions at the 8<sup>th</sup> SC meeting, the Program Document presents the planned scope and strategic direction of the Cooperation in 2016-2018. The results of a number of working groups established at the 8<sup>th</sup> SC meeting will be incorporated into an updated Program Document for consideration by the SC at its 2016 Annual Meeting.

The Cooperation's program objective is to *optimize the joint efforts of INTOSAI and Donor partners in enhancing the capacity of SAIs in developing countries*. This will be sought achieved in phase 3 through the following key results:

1. Enhanced financial support for capacity development of SAIs in developing countries
2. Enhanced quality of knowledge on SAI development initiatives and performance
3. Enhanced tools and capacity development approaches
4. Increased awareness of the Cooperation and the needs of SAIs in developing countries
5. Strengthened donor and INTOSAI coordination and collaboration on SAI capacity development

The Program Document further presents a number of outputs which each comprise a number of activities. These will be defined in detail as part of annual work programs. The full Program Document [is available here](http://www.idi.no) ([www.idi.no](http://www.idi.no)).

## Evaluation of the INTOSAI-Donor Cooperation - A welcome input to the future direction of the Cooperation

By the INTOSAI-Donor Secretariat

The external evaluation of the INTOSAI-Donor Cooperation was presented and discussed at the 8<sup>th</sup> Steering Committee Meeting of the Cooperation. The Steering Committee welcomed the evaluation report as a strategic input into the future direction and strengthening of the Cooperation, and supported the report's conclusions and recommendations.

In its official response to the results, the Steering Committee Leadership expressed that it concurs with the evaluation's assessment that the MoU and the Cooperation remain highly relevant, as SAIs play an important role in public accountability. There is a continuing need to better coordinate support to SAIs in developing countries and to give more focus in future work programs to the key priorities stemming from the Cooperation's MoU principles. The evidence of behaviour change towards more effective support by both SAIs and donors noted by the evaluation is welcomed by the Steering Committee Leadership as an indicator of the positive impact of the Cooperation.

The Steering Committee has established working groups to review and make recommendations on the continuing relevance of each of the key activities and ways to enhance them and strengthen their impact. The INTOSAI-Donor Cooperation is committed to optimizing the joint efforts of INTOSAI and the donor communities to enhance the capacity of SAIs in developing countries. It considers the evaluation report a useful tool for reflection and discussion to meet this goal.

The evaluation report and the full response from the Steering Committee Leadership are available on the IDI website ([www.idi.no](http://www.idi.no)).

## Support to SAIs is increasing

By the INTOSAI-Donor Secretariat

The INTOSAI-Donor Cooperation seeks to improve SAI performance through scaling-up and increasing the effectiveness of support to SAIs. Based on an analysis of the projects registered in the SAI Capacity Development Database ([www.saidevelopment.org](http://www.saidevelopment.org)), the moving three year average annual financial support for the benefit of SAIs in ODA eligible countries has increased from US \$62 million in 2014 to US \$68 million in 2015. While there is some uncertainty attached to these figures, they give a strong indication that the support provided to SAIs globally is increasing.

To increase the completeness and accuracy of the data in the database, the Secretariat has worked on updating the information, including cross-checks with the 2014 Global Survey and donor databases. It is important for the accuracy of the information that users continue to check if the figures on the financial support to SAIs from their institutions are correctly registered in the database.

### New functions in the database

New functions have been added in the database so that users can register/edit information as accurately as possible, such as:

- More descriptive options to register the status of a project
- Several beneficiaries can now be selected for one regional or global project as shown in the picture below
- Details on the global and regional initiatives in which the SAI is participating are displayed accordingly.

## SAI engagement with External Stakeholders: How does it impact participative governments' scrutiny?

By Anna Piccinni and Emilie Gay, Joint EIP Secretariat, OECD

It is well established that through regular interaction with their external stakeholders, particularly parliament, media and CSOs, SAIs can increase their impact in terms of public scrutiny and accountability.

The upcoming publication of the Effective Institutions Platform (EIP) "Engagement practices between Supreme Audit Institutions and external actors: mechanisms, risks and benefits" offers a snapshot of how this happens and a checklist to orient SAIs towards effective engagement. The publication draws on the results from a global survey including SAIs from developing, middle and high income countries. The report includes the following highlights:

**The most adopted practice of interaction with external stakeholders is information disclosure** (93% of SAIs surveyed disclose some level of information and 83% publish general audit findings), however disclosing information relevant for accountability and government scrutiny remains a limited practice (for instance 17% make the list of sanctioned officials public).

SAIs would like their inclusive practices to contribute to the following **objectives**: improving their work by receiving first-hand evidence from the citizens to address issues of corruption, being more relevant for citizens who can see their suspects directly investigated, increase their credibility, and therefore independence vis-à-vis the executive, and produce more reliable information to rise civil society, media and parliament's public scrutiny capacity. *(Article continues on page 4.)*

The screenshot shows a web form titled "Beneficiary level" with a dropdown menu set to "Regional". Below the dropdown is a list of countries: Albania, American Samoa, Andorra, Antigua and Barbuda, Argentina, Armenia, Aruba, and Australia. To the right of this list is an "Add >" button. Below the list is a "< Remove" button. To the right of the "Add >" button is another list of countries: Afghanistan, Algeria, and Angola. At the bottom of the list, there is a "Choose country" label and navigation arrows.

## 5th SAI PMF Task Team Meeting in Cape Town, 2015

By the INTOSAI-Donor Secretariat

The SAI PMF Task Team held its 5th meeting in Cape Town, South Africa on 26-30th October. While the 4th meeting focused on making high level key decisions for revision of the SAI PMF based on consultations comments, feedback from SAI PMF pilots and analysis of scores of pilots, the 5th meeting focused on the concrete amendments of the framework. The Task Team discussed draft revised indicators for non-audit activities and agreed on further improvements of these, in addition to beginning the revision of audit indicators, including with regard to alignment between SAI PMF and iCATs. The Task Team also made a start on the necessary revision of SAI PMF to better reflect the activity of jurisdictional SAIs. When revising the tool, the Task Team is paying due consideration to striking the right balance between making necessary improvements and maintaining consistency.

The Task Team meeting ended with a discussion about the development of a strategy for SAI PMF after the expected endorsement at INCOSAI in December 2016. The participants highlighted the importance of ownership within INTOSAI to secure continued usage and credibility of the tool amongst SAIs. The continued necessity of a function that coordinates and provides support in connection to SAI PMF was also emphasized, in addition to increased cooperation with the INTOSAI regions in the roll-out of SAI PMF.

## Development of a Post-2016 SAI PMF Strategy

By the INTOSAI-Donor Secretariat

Within INTOSAI, it is clearly recognised that, assuming SAI PMF is endorsed at INCOSAI in December 2016, a SAI PMF Post-2016 strategy is required. The work on drafting the SAI PMF strategy will be undertaken by INTOSAI, through a collaboration of all bodies involved in the strategy (e.g. CBC, PSC, KSC, FAC, WGVBS, SAI PMF task team, INTOSAI regions, IDI). The draft SAI PMF Post-2016 Strategy will be published for public consultation, and put forward for endorsement at INCOSAI in December 2016 together with the SAI PMF. When agreed across the INTOSAI community the SAI PMF post-2016 strategy will be reflected in the INTOSAI Strategic Plan.

A SAI PMF working group was established at the 8th INTOSAI-Donor Steering Committee meeting in Brasilia (October 2015), tasked with making recommendations to the Steering Committee (SC) on the future role of the INTOSAI-Donor Cooperation and Secretariat in relation to SAI PMF, as a foundation for INTOSAI's development of a SAI PMF Post-2016 Strategy. Under this mandate, the group, composed by the Inter-American Development Bank, TCU (SAI Brazil), NORAD, GAO (SAI USA) and the INTOSAI-Donor Secretariat, has held discussions based on an options paper for the future of SAI PMF that the working group requested the Secretariat to produce. The SAI PMF working group will send its recommendation to the full SC for comment and approval. Once the draft SAI PMF Post-2016 Strategy is published for consultation, the working group will facilitate consultation with SC members, and produce a report of the consolidated comments from the SC, for consideration by INTOSAI.



*Participants at the SAI PMF Task Team Meeting in Cape Town, including representatives from AFROSAI-E Secretariat, SAI India, SAI Germany and SAI Brazil.*



## PEFA 2016 – What it means for Supreme Audit Institutions

By the INTOSAI-Donor Secretariat

The PEFA Partners announced the release of the revised PEFA framework for assessing public financial management (PFM) performance on 1 February. The following are the key changes in the new framework in relation to SAIs:

- *PI-30 External Audit (formerly PI-26)*

The focal point for external audit within the framework continues to be one indicator within the domain on External Scrutiny and Audit. Two key points are: first, as before, the indicator measures the functioning of the external audit system as a whole, not only the SAI's role; and second, PEFA 2016 clarifies that the indicator relates specifically to the audit of the government's annual financial reports and that it is likely that the assessment will examine the SAI's financial and/or compliance audit work.

- *SAI Independence (PI-30.4)*

This is an entirely new dimension, focused on SAI independence. This topic was barely covered in the previous version of the framework.

In addition, changes to indicators *PI-8.4 Performance Evaluation for Service Delivery*, *PI-9 Public Access to Fiscal Information*, *PI-23.4 Payroll Audit* are relevant as they cover aspects of the SAI's work.

### Areas Impacting on the Ability of the SAI to Deliver Impact

PEFA-2016 measures the functioning of a number of other parts of the PFM system, which are essential for the SAI to function effectively and deliver impact, notably PI-26, PI-29 and PI-31.

As can be seen, PEFA continues to provide a rich source of information to better understand and monitor the performance of SAIs, within the context of national PFM systems. To read a more elaborate article on this topic, please see:

<http://www.idi.no/Filnedlasting.aspx?MId1=139&Fillid=1220>

### SAI engagement with External Stakeholders... (continued from page 1).

The publication highlights some practices that have contributed to significant governance results at country level, demonstrating the advantage of inclusive participation mechanisms. For example in Colombia, the parliament convened hearings of the agencies responsible for land restitution and reparation to the victims of the armed conflict based on the SAI's audit report and in collaboration with the SAI. In the Philippines, a Citizen Participation unit within the SAI designs audits based on citizens' complaints and includes them in the audit team. In the Netherlands, crowdsourcing was used to gather information on users' satisfaction for performance audit on the quality of school building.

There are multiple complex incentives and barriers underpinning engagement practices. These include limits provided by financial resources and normative frameworks, but also perceived risks associated with engaging external actors.

According to the report SAIs should develop a systematic and thoughtful approach around engagement with external actors, in order to assess the governance results that inclusive participation mechanisms can bring. For this reason, the EIP proposes a peer learning alliance in order to disseminate experiences of engagement innovations amongst countries and actors, including SAIs, media, parliaments and CSOs. The first alliance will take place in Latin America in 2016 and 6 countries have expressed their interest in participating so far.

#### Planned SAI PMF Timetable, 2016

Jan–March: Testing of SAI PMF version 3.1 in two SAIs, plus further limited desk testing  
 Feb–March: Version 3.2 shared with Reference Group and WGVBS for comments  
 April: Endorsement version shared with WGVBS for decision on necessity of re-exposure  
 May–June: Re-exposure (if required)  
 August: Endorsement version considered and approved by WGVBS  
 September: Endorsement version considered by KSC  
 December: GB, INCOSAI consider endorsement version

## PASAI SAI-PMF Kick-Off Meeting

By the INTOSAI-Donor Secretariat

The Department of Foreign Affairs and Trade (DFAT), Australia, signed an agreement in 2015 to support the use of the SAI Performance Measurement Framework in the Pacific region. The project is implemented by the Secretariat in partnership with the Pacific Association of Supreme Audit Institutions (PASAI).

Because of the small size of most Pacific SAIs, a decision was made to develop a “Lite” version of the SAI PMF, that would maintain the holistic assessment, but using fewer indicators and dimensions. A pilot assessment was done in Cook Islands, in order to test the framework in a typical Pacific SAI.

The project has been divided in two stages. In the first stage, the focus will be on the Pacific South region, and a SAI PMF assessment, based on the Lite version, will be carried out in five SAIs of that area: Cook Islands, Samoa, Tonga, Tuvalu and Solomon Islands. The New Zealand SAI has joined the project, but will use the full version of the framework. In the second stage, five SAIs of the North region of the Pacific will be assessed.

To launch the first phase, a workshop was organized in Auckland, February 1-4. The Heads of SAIs from all five SAIs took part in the workshop, and each SAI scored the two indicators of the domain on SAI Independence and Mandate. Also, each team wrote the ToR for the assessment, and an overall schedule was established. Both indicators and ToRs were peer reviewed in the workshop. The final performance report of each SAI should be ready in the beginning of 2017.

The PASAI Secretariat will facilitate the involvement of SAIs within PASAI as necessary, and ensure appropriate engagement with the PASAI Governing Board.

PASAI has provided invaluable support, involving their staff in the assessments and playing a coordinating role. All participants worked with enthusiasm, and all the objectives of the meeting were achieved.

## Increased SAI PMF Activity in the AFROSAI region

By the INTOSAI-Donor Secretariat

In the last quarter of 2015, the INTOSAI-Donor Secretariat organized two SAI PMF training events in Africa in French and English, and in cooperation with the CREFIAF and AFROSAI-E Secretariats. These were the first trainings to be directed specifically at the members of these regional organizations, held in the region, and in the common language for the regional members.

The training held in French was organized in connection with the CREFIAF General Assembly in Chad. The results of the training, as well as the work on developing the framework, were reported to the Heads of SAIs during the Assembly.

The event in English, organized in South Africa, attracted more than fifty participants, so that two parallel trainings were held in order to accommodate the participants. The Secretariat benefitted from support from regional facilitators from Benin and Cameroun for the CREFIAF event, and Ghana and Tanzania for the AFROSAI-E event. The trainings were also open to donor representatives, working with the SAIs in the region.

Earlier in 2015 a training course was also held in Portuguese in Mozambique directed at members of the African Portuguese Speaking (PALOP), through the project Pro PALOP-TL SAI.

In the last quarter of 2015, two SAI PMF pilot assessment were completed in the region, respectively in Burkina Faso and Swaziland. Earlier in 2015 an assessment of the SAI of Mozambique was also carried out. The three assessment were made possible through the support from the donors working with these SAIs, respectively SECO, European Commission and GIZ. Furthermore, Sierra Leone has once again contributed to the piloting of the framework, as the SAI PMF framework version 3.1. was tested in the Audit Service. Sierra Leone was one of the first pilots assessments carried out, based on SAI PMF version 2.0 in 2013.

## Steering Committee Working Groups

By the INTOSAI-Donor Secretariat

At the 8th Steering Committee Meeting in Brasilia, The Steering Committee agreed to establish a number of working groups to develop the strategic direction and activities of the Cooperation in line with the input received at the meeting and the evaluation findings. Terms of Reference for each working group were developed and approved following the Meeting. The first working group consisting of members from European Commission, SECO, IDI and the Secretariat successfully fulfilled the first task in developing the INTOSAI-Donor Cooperation Program Document 2016-2018 in February (see article on page 1).

The other working groups will be continuing their work in producing strategic inputs according to their mandates in the first six months of 2016.

The working groups with their members are;

- **Global Call for Proposals**

Members: SAI USA (GAO), Irish Aid, Asian Development Bank, US AID and the Swedish National Audit Office

- **SAI Capacity Development Database**

Members: World Bank, Canadian Department for Foreign Affairs, Trade and Development, and SAI Mexico.

- **SAI PMF Post 2016 Strategy** (see article on page 2).

Members: Inter-American Development Bank, NORAD, SAI Brazil (TCU), SAI USA (GAO).

- **Results Framework and indicators for the Cooperation**

Members: World Bank, SAI USA (GAO), SAI UK (NAO).

- **Communications**

Members: World Bank, SAI USA (GAO).

The results of their work will be presented to and approved by the INTOSAI-Donor Steering Committee.

## UK NAO with New Channels for Dissemination of International Products and Good Practices

By David Goldsworthy, UK NAO

The UK National Audit Office produces a regular monthly international e:newsletter highlighting some of their major products. The January edition focuses on some of the NAO's recent international reports. The newsletter will be of interest to other SAIs, development organisations and public sector managers who may find that some of the observations and recommendations in the NAO reports resonate with their own areas of work and concerns.

Please visit the browser version to read and subscribe to the newsletter: <http://nao-mail.org.uk/t/1SL2-3ZNIT-7EGR9BJPEC/cr.aspx>

You can also contact UK NAO Communications on [marketingemail@nao.gsi.gov.uk](mailto:marketingemail@nao.gsi.gov.uk) to be put on the subscriptions list.

UK NAO also has a blog which features a post on how UK NAO is engaged internationally and the breath of that engagement. Please find it by following the link: (<https://www.nao.org.uk/naoblog/think-global-act-local/>).

## 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](http://www.intosai.org).

**March 7-11:** SAI-PMF Quality Assurance and Knowledge Sharing Workshop, Mexico.

**August:** Meeting of the Working Group for Value and Benefits of SAIs, Tanzania.

**September 7-9:** Meeting of the INTOSAI Knowledge Sharing Committee, Mexico.

**October 3-6:** Capacity Building Committee and INTOSAI-Donor Cooperation contiguous meetings, Cape Town, South Africa .

### 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): *Laura Leyser, Department for International Development, UK*

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