

# INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

15<sup>th</sup> Quarterly Update  
January-March 2015

## Results of SAI PMF Consultation Period and Extension of SAI PMF Pilot Phase

By INTOSAI-Donor Secretariat  
Consultations

A 90 day consultation on the SAI PMF pilot version officially closed 31 March 2015. A number of formal submissions were received and have been published on the IDI website ([available here](#)). The comments make a positive contribution towards improvement of SAI PMF. The pilot period for SAI PMF also closed 31 March 2015. However, under advice from the Working Group on the Value and Benefits of SAIs (WGVBS), the pilot period will be extended until 8 May, to allow time for completion of a number of pilots that are currently underway.

While the SAI PMF Task Team is starting to analyse and respond to the consultation responses and pilot experiences, there remains an opportunity for further comments to be taken into consideration in the revisions to the SAI PMF. All submissions received up to 8 May will be considered by the Task Team when it meets in Oslo, 11-15 May. Submissions received after this date may be considered on a case by case basis, but will not be reflected in the Task Team's formal proposal to the WGVBS.

### Progress on SAI PMF Piloting

The WGVBS set a target of having 20 SAI PMF pilots undertaken. This was to ensure that the SAI PMF was tested in a variety of countries, covering different regions, SAI models, countries with different administrative heritage, SAIs at different levels of development and of different sizes. It was also considered necessary to analyse the indicator scores from such a sample, to ensure the measurement scale used in SAI PMF is properly calibrated.

At the time of writing, 20 SAIs had agreed terms of reference for their SAI PMF assessments. 15 had reached at least draft report stage, and four more may be expected to reach draft report stage in the forthcoming months. In addition, a number of other SAIs are known to

be applying the SAI PMF in various ways, though without informing the SAI PMF Task Team of their progress. A survey to update information on SAI PMF progress is currently underway. It appears that close to 20 SAIs will have produced at least draft SAI PMF reports before the SAI PMF Task Team meets in Oslo in May.

At present, only eight draft SAI PMF assessment reports (including the original three pilots) have been shared with the Task Team, in addition to the scores and the summary assessment from one further pilot. To complete the piloting of SAI PMF, the Task Team urgently requires access to draft or final SAI PMF assessment reports. Such reports will be treated as confidential, and not shared with any stakeholders without the written approval of the Head of the SAI.



### Planned SAI PMF Timetable, 2015-16

Mar-15: Close consultation  
May-15: Close piloting, SAI PMF Task Team Meeting (Oslo)  
Aug-15: Proposed response to consultation comments & experiences submitted to WGVBS  
Sep/Oct 2015: SAI PMF Task Team Meeting (South Africa)  
Apr-16: SAI PMF endorsement version to WGVBS  
May-16 – Jul-16: 90 day re-exposure period (if required)  
Aug-16: Endorsement version considered by WGVBS  
Sep-16: Endorsement version considered by KSC  
Dec-16: GB, INCOSAI consider endorsement version

## The SAI Capacity Development Fund – An Update

By Katrin Oschenbein, SECO

A year ago the Multi-donor Trust Fund for Capacity Building of Supreme Audit Institution (SAI CDF) was established. Switzerland became the inaugural donor to the SAI CDF by pledging a contribution of Swiss Francs 5 million (approximately USD 5.6 million) whereof 3 millions are already disbursed.

Five SAIs spread across the globe have received funding for capacity development projects.

- **Gabon (350,000 USD) Africa:** The grant supports modernization of the SAI organizational structure and operating manuals, scaling up of Performance Audit methodology to three areas identified as priorities by the Gabon SAI, and strengthening of relationships between the SAI and its external stakeholders such as parliamentarians and civil society organizations.
- **Georgia (500,000 USD) Central Europe:** The grant supports development of an IT Audit Information System and training for IT Audit.
- **Bhutan (275,000 USD) South Asia:** The grant is supporting creation of a pool of expert trainers for successful implementation of the ISSAIs.
- **Philippines (278,000 USD) East Asia:** The grant will support development of ISSAI Compliance Assessment Tools (iCATs) for all audit streams and a specialized audit manual designed to mitigate potential risks that are inherent in disaster-related transactions.

### Experience so far – A Donor Perspective

The SAI CDF management has so far worked in a flexible manner. One of the most beneficial aspect of the SAI CDF from a donor perspective is that the Financial Management Specialist (FMS), who is generally based in the country office, works with the SAI on a regular basis and is thus able to provide technical and implementation support to the SAI on a regular basis.

Another benefit from a donor perspective is that the SAI CDF mechanism enables preparation of quality projects substantially faster than through bilateral projects. Furthermore, it assures continuous technical and implementation support to the SAI, which can be difficult in bilateral projects.

SECO believes that the World Bank, as the Trust Fund Administrator, has done an outstanding job in managing the program, screening projects, and in supporting SAIs in implementing their capacity development plans.

From the two rounds of proposals, it is quite clear that the needs of SAIs are quite substantial and the Swiss contribution will be utilized soon, leaving a large unmet gap in the capacity building needs of the SAI community. More resources are needed and we encourage all interested donors to consider contributing to the SAI CDF in order to provide harmonized assistance to SAIs in developing countries and to strengthen their audit capacity to make sure that public money is used well.

For questions on the SAI CDF, please do not hesitate to contact:

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### Donor Training – Way Forward

The training course for donors «Working with SAIs» has so far been delivered four times as an onsite training event.

The Secretariat is currently developing the training course to become a blended e-learning and onsite program. The first pilot e-learning modules will be developed over the summer and piloted by a selected test group before the 8th Steering Committee Meeting to be held in Brasilia in October.



Participants at the Donor Training course, Bangkok

## SAI PMF Knowledge Sharing and Quality

### Assurance workshops

By INTOSAI-Donor Secretariat

SAIs currently engaged in SAI PMF pilots took part in SAI PMF knowledge sharing and quality assurance (QA) workshops in ASOSAI and OLACEFS in March, with a third event scheduled for EUROSAI during April 27-30<sup>th</sup>. These were held in response to observations in 2014 that there was a need for greater sharing of SAI PMF experiences, development of a wider pool of assessment team leaders and QA reviewers, and to encourage greater sharing of draft and final assessment reports. The workshops cover sharing experiences on the process of planning, implementing and reporting SAI PMF assessments; undertaking analysis to identify the factors influencing performance; and training and practice on undertaking QA reviews of SAI PMF assessments. The workshops conclude with an opportunity for interested SAIs to have their draft SAI PMF assessments quality assured by teams of participants from peer SAIs.

Feedback from the first such workshop, kindly hosted by the Office of the Auditor General of Nepal (OAGN), was very positive. SAIs and members of the assessment teams from Nepal, Bhutan and Palestine shared their assessment experiences and provided feedback for the SAI PMF task team. Participants from a further five countries, all currently planning assessments, found this session invaluable. Some key lessons learned included:

- Formulation and agreement on the ToRs for the assessment was critical to success in all cases.
- ToRs need to be based on a good understanding of the SAI, especially the way in which it combines different audit types, and be clear on how samples of audit files will be selected.
- Composition of the assessment team is crucial, particularly ensuring the team as a whole has the knowledge and experience of the audit types conducted by the SAI, as well as the non-audit domains to be covered in the assessment.
- Active involvement of the Head of the SAI and SAI staff is fundamental to a high quality assessment. Awareness raising activities for a broad cross section of stakeholders is essential prior to commencing the assessment.
- Within the scope of each possible assessment approach, SAI PMF planning should seek to maximise SAI ownership and report credibility.

- For peer and external assessments, participation of a member of the SAI in the assessment team, for example as a shadow team member (not involved in scoring indicators), adds value in understanding the SAI, its environment, and accessing information.
- QA at the ToR, draft report and final report stage adds significant value to the assessment and credibility of the results. QA needs to cover both verification of the facts, and application of the SAI PMF methodology.

The detailed design of the QA process should be agreed at the ToR stage, especially in assessments where more than two parties are involved (e.g. SAI, assessment team, external financier). It is important to know who owns the report, who will issue the report, and to whom report drafts will be sent.

Language issues need to be considered carefully at ToR stage. It is not feasible to translate audit files, so some team members must be fluent in the relevant languages. Participation of members of the SAI, or local audit experts, in the assessment is crucial.

External and peer assessments are starting to follow a similar pattern: request from the SAI, selection of team members and drafting ToRs; 1 week awareness raising mission including short SAI PMF training and agreement on the ToRs; 4-6 week desk based planning phase in which documents are obtained and initial analysis performed; 2 week field mission for scoring the indicators, first draft of the summary assessment and discussing draft findings with the SAI; desk based report writing phase followed by quality assurance and finalisation.

Drafting the final report takes considerably longer than expected, especially when the team leader returns to their 'day job' and is unable to focus full time on the report.

The workshop also enabled participants to improve their skills in writing the SAI PMF report, and undertaking a SAI PMF QA review. The workshop included using root cause analysis to identify possible causes of SAI performance in terms of internal capability and capacity within the SAI, and the external environment in which the SAI operates.



## Working with Parliaments and SAIs

By Mona El-Chami, World Bank

Recognizing the importance of the roles of both the Supreme Audit Institutions (SAIs) and Parliaments in the accountability system of government, and challenges related to the capacity of scrutiny and audit in the MENA region, the World Bank Global Governance Practice established a specialized technical practice whose mandate is to support capacity strengthening activities at the regional and country levels.

The objective of the Supreme Audit Institutions and Legislative Scrutiny (SAI-LS) Technical Practice is to strengthen SAI and parliamentary oversight in MENA through conducting country-specific baseline assessments, facilitating sharing of good practices across the region and internationally, connecting partners and stakeholders to improve linkages among practitioners, and provide technical assistance and capacity building.

The initiative aims to contribute to improving fiscal transparency and accountability in the MENA region as part of a comprehensive Public Financial Management Strategy, through (i) more accessible and relevant public finance information; (ii) increasingly independent and capable accountability institutions; (iii) the promotion of citizen engagement in public finance matters; and (iv) parliamentary openness processes.

The SAI-LS Technical Practice has supported parliaments in Iraq, Lebanon, Morocco, and Tunisia by strengthening their financial oversight capacity, and facilitating exposure to good international practices and networks. It has initiated engagement with SAIs of Egypt, Libya, Djibouti, while it continues to support SAIs of Iraq, Tunisia, Lebanon, Jordan, Yemen, and Palestine.

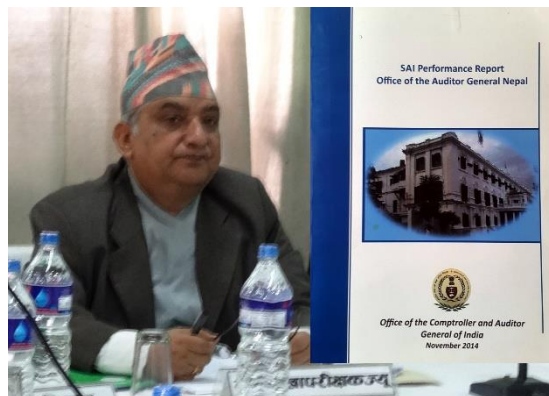


The support to SAIs has advanced to address the capacity to interact with external stakeholders such as the government, the parliament, the media, and the public.

The SAI-LS Technical Practice has been actively working on promoting the SAI PMF in the region, delivering training in Arabic to the SAIs of Egypt, Libya, and Lebanon; supporting implementation of the SAI PMF by the SAIs of Palestine and Lebanon; and helping the SAIs of Egypt and Yemen get ready for their planned implementation.

## First SAI PMF report published by SAI Nepal

At a press conference on 15<sup>th</sup> February 2015, the Office of the Auditor General of Nepal (OAGN) became the first SAI to publish the assessment results from application of the SAI Performance Measurement Framework. The report is available via the OAGN website, [www.oagnep.gov.np](http://www.oagnep.gov.np). The purpose of the assessment was to inform the next strategic plan, the content of possible future support from development partners, and create a baseline to monitor performance development.



*Bhanu Prasad, Auditor General of Nepal, launches the SAI PMF Assessment report at press conference*

The Honourable Auditor General Bhanu Prasad Acharya noted that while the report highlighted some of the current challenges faced by the office, the OAGN was strongly committed to accountability and transparency, and had a duty to lead by example in the public sector in these areas. He further noted that publication of the report was another step in enhancing the credibility of the OAGN with citizens, Parliament and other stakeholders.

## Updating the SAI Capacity Development Database

At the 7<sup>th</sup> INTOSAI-Donor Steering meeting in Paris in 2014, the Steering Committee reiterated the importance of updating information in the SAI Capacity Development to facilitate coordination and monitoring of SAI capacity development initiatives.

From 2015, the Secretariat will request database updates twice a year, in March and October. The first request was sent out to registered users in March 2015. The Secretariat reminds users to enter new or missing projects, and update existing projects as necessary. Quality control of the updates will be completed by the end of June.

The second request will be sent out in October, after the 8<sup>th</sup> SC meeting, targeted to both registered users and Steering Committee member contacts.

To improve the quality and completeness of information, the Secretariat reminds users of the following:

- Where support to a SAI is part of a broader PFM project and the value of SAI support can not be separately identified, users should mark the field “Type of support” as “Part of broader PFM reform programme”, and for the field “Total Budget”, should insert the budget for the whole PFM reform program.
- The database now includes a field “How was the project initiated?”, with drop down options for each global call for proposals (GCP), and other. All submissions received under each Global Call are entered into the database as proposed projects by the Secretariat. When these projects are matched to providers of support, they should be updated to reflect the resulting project, and the status should be changed from “Proposed” to “Planned” then “Ongoing” as appropriate.
- As part of its quality control, the Secretariat will check that progress in matching projects under the GCP is properly reflected in the database.

## Performance, Capacities and Needs of SAIs – Global SAI Stocktaking Report 2014

The Global SAI Stocktaking from 2014 was recently published. This presents the results on SAI performance, capacities and needs based on 2014 data by providing a global perspective on the performance of SAIs, identifying changes in SAI performance and needs as compared to the 2010 Stocktaking report, presenting the capacity development needs as communicated by SAIs and indicating possible areas for further research. The report can be downloaded from [www.idi.no](http://www.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](http://www.intosai.org).

**April 27-30:** SAI PMF Knowledge Sharing and Quality Assurance workshops, Ankara, Turkey

**May 4-8:** CReCER Conference, Quito, Ecuador

**May 11-15:** SAI PMF Task Team Meeting, Oslo, Norway

**May 26:** 3i Lessons Learned and Way Forward Workshop, Ottawa, Canada

**May 27-29:** INTOSAI Professional Standards Committee Meeting, Ottawa, Canada

**August/September (TBC):** INTOSAI Working Group on the Value and Benefits of SAIs, China

**September 8-10:** INTOSAI Capacity Building Committee Meeting, Stockholm, Sweden

**October 5-7:** 8<sup>th</sup> INTOSAI-Donor Steering Committee Meeting, Brasilia, Brazil

**October 26-30:** SAI PMF Task Team Meeting, Capetown, South Africa

**November 2-4:** SAI PMF Training (Part A), South Africa

**November 5-6:** SAI PMF Training (Part B), South Africa

**November 5-6 (TBC):** Working with SAIs training course, South Africa

**November 10-11:** INTOSAI Governing Board Meeting, Abu Dhabi, United Arab Emirates

### 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): *Honor Flanagan, Department for International Development, UK*

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