

# INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

4<sup>th</sup> Quarterly Update  
April-June 2012

## Considerable interest from donors in the Global Call for Proposals for SAI capacity development initiatives

The INTOSAI-Donor Cooperation global call for proposals was launched in September 2011 to provide all SAIs, INTOSAI Regions and INTOSAI bodies with the opportunity to put forward demand led proposals based on the needs of SAIs in developing countries. In total 55 proposals were received. These were shared with the INTOSAI-Donor Steering Committee and other potential providers of support. Following initial consideration by these organizations, we are happy to announce that 44 (or 80 %) of the proposals have received an expression of interest from a provider of support. In five out of eight regions and sub-regions, all proposals have been met with some form of interest from providers of support, and all the regional proposals have received interest. The Pacific region (PASAI) stands out as the region with the less expressions of interest so far. A number of SAIs have

expressed an interest in providing technical support to their peers, but some need donor financing to do so.

An overview of the proposals and contact information for the interested providers and the SAIs was sent out 15 June. This information is also available on the SAI Capacity Development Database at [www.SAIdevelopment.org](http://www.SAIdevelopment.org) (under [Proposed Projects](#)). Interested providers are now encouraged to initiate dialogue with the recipients on how to take the proposals forward. The INTOSAI-Donor Secretariat will support this process, but will not make any funding decisions. It will also continue its efforts to identify support for unmatched proposals, and potential providers of support are encouraged to continue considering the proposals and contact the Secretariat if they are interested in any of them. Providers are encouraged to actively use the SAI Capacity Development Database to ensure coordination with other interested donors and with other planned and existing support programs.

## Progress in the development of a SAI Performance Measurement Framework

At its 5<sup>th</sup> meeting in Mexico City 11-13 June, the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS) endorsed the main contents of the concept note and the way forward in the development of a Performance Measurement Framework for Supreme Audit Institutions (SAI PMF). Under the

Johannesburg Accords, the aim is to table the SAI PMF at the XXI INTOSAI Congress in Beijing, China, in 2013. The WGVBS expressed satisfaction with the progress made on this challenging task. A Task Team is carrying out the detailed work on the SAI PMF. It has members from eight SAIs, two INTOSAI regional secretariats, the INTOSAI Development Initiative (IDI) and the Inter American Development Bank. The Task Team met in

May to discuss a detailed draft of the SAI PMF. A Reference Group with a wide range of stakeholders will provide input at key stages. The next steps are to carry out two waves of pilots in SAIs around the world and to obtain input from all stakeholders. Organizations interested in piloting are invited to contact the IDI at [intosai.donor.secretariat@idi.no](mailto:intosai.donor.secretariat@idi.no). A draft SAI PMF will be published for global consultation in early 2013. Please see further information on the content and concept of the SAI PMF on p. 3.



*The SAI PMF Task Team at its second workshop in Pretoria, South Africa.*

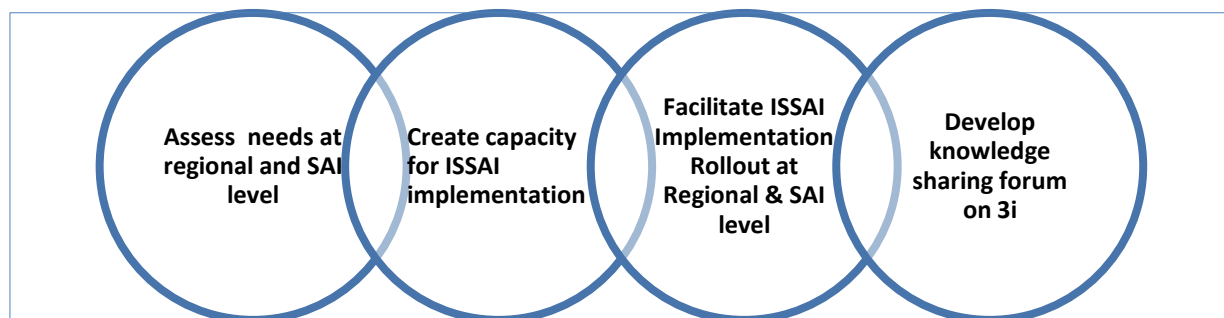
### ISSAI Implementation Initiative (3i programme)

In keeping with its mandate of 'Supporting ISSAI Implementation' the INTOSAI Development Initiative (IDI) has launched a comprehensive capacity development program, the ISSAI Implementation Initiative (3i Programme). The pilot run of this long term programme is funded by the World Bank as a result of the first round of matching of global and regional initiatives in need of funding carried out under the INTOSAI-Donor Cooperation. During its pilot run (2012-2014) the programme will focus on supporting implementation of the International Standards of Supreme Audit Institutions (ISSAIs) in financial, compliance and performance auditing at level 4 of the ISSAI framework and also consider institutional issues (level 2 of the ISSAI framework) for implementation. This pilot programme is being conducted in partnership with INTOSAI's Professional Standards Committee, Capacity Building Committee, the subcommittees on Financial, Performance and Compliance Audit and INTOSAI regional bodies. Programme activities will be initiated for developing

countries in English speaking INTOSAI regions during 2012 and for developing countries in other INTOSAI regions in 2013 & 2014. The design of the pilot programme includes a four fold strategy for supporting ISSAI implementation.

ISSAI Compliance Assessment Tools (iCATS) will be developed for assessing needs and formulating implementation strategy. This tool will be presented to SAI top management at 3i Management workshops. An ISSAI certification programme will be delivered to create a pool of ISSAI facilitators, who will be trained in the use of the iCATs, audit processes and facilitation skills. Audit Manuals and Model Audit files based on the ISSAIs will also be created. Based on the needs assessment and implementation strategy, SAIs will be supported in implementation activities. A web based portal will be developed to share knowledge and experiences with regard to implementation. The IDI is also in the process of developing a long term strategy, Strategy 2021, for supporting ISSAI implementation.

For more information, please contact [archana.shirsat@idi.no](mailto:archana.shirsat@idi.no) or [shofiqul.islam@idi.no](mailto:shofiqul.islam@idi.no)



Phases of the IDI 3i Programme.

### Invitation to comment on article about why external public auditing thrives in some countries and fails in others

Katharina Noussi, Doctoral Candidate at the Institute of Political Science at the University of Vienna, presented a paper on Supreme Audit Institutions at the 26th Annual International Conference of the *International Consortium on Governmental Financial Management* in Miami, USA on April 29-May 4, 2012. The title of the paper was "Institutionalizing Public Accountability – Why citizen-oriented, independent external public auditing thrives in some countries and fails in others." Both the quantitative and qualitative research Noussi has done suggest that a number of

factors determine the effectiveness of public auditing. For example institutional arrangements, the nature of national income, external influence on reform, local demand for public accountability and the technical and organizational capacities of SAIs. However, it is ultimately the political economy of inter-elite relations and the capacities and commitment of the SAI leadership which condition the effective institutionalization of SAIs.

The author hopes to receive feedback and critical comments to the article from the community of PFM professionals. You can access the full paper here:

<http://www.scribd.com/icgfmconference/d/93794528-Institutionalizing-Public-Accountability-white-paper>

## The SAI Performance Measurement Framework – Content and Concept

A Performance Measurement Framework for Supreme Audit Institutions (SAI PMF) is under development by the INTOSAI Working Group on the Value and Benefits of SAIs. The SAI PMF will be a tool SAIs can make use of in their efforts to enhance their performance. It is envisaged to provide a structured and consistent approach to assessment of SAIs, which can be used for self assessments, INTOSAI peer reviews or external assessments. Use of the SAI PMF will be voluntary, and the SAIs themselves will decide what to do with the results.

The SAI PMF will help SAIs to get an objective, high level assessment of their performance against established INTOSAI good practice (ISSAIs, the Frame-

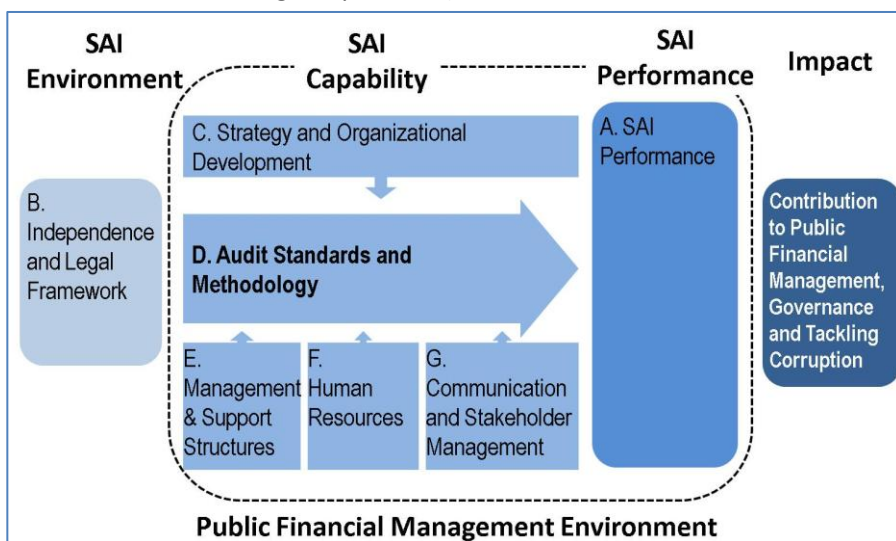
- A) SAI Performance (audit results and annual reporting);
- B) Independence and Legal Framework;
- C) Strategy and Organizational Development;
- D) Audit Standards and Methodology;
- E) Management and Support Structures;
- F) Human Resources;
- G) Communication and Stakeholder Management.

An important feature of the SAI PMF is that it will allow for measurement of progress in an SAI over time, as the intention is to have indicators which are objective and clearly defined. Repeat assessments may be a valuable source of information on whether initiatives to improve organizational performance have had the

desired effect. Consistent with the ideas and mandate of the Working Group on the Value and Benefits of SAIs, the SAI PMF aims at giving an assessment of the SAI's impact on society and public financial management – in other words its value and benefits. This is done by looking at what change specific audit reports have led to and by analyzing whether the wider environment constrains or supports the impact of the SAI's work.

An analysis of factors which lie outside the direct control of the SAI but which are critical to the contribution of the SAI to society is

also envisaged. An example is the SAI's legal framework and independence. This approach will help the SAI identify which areas need strengthening and where it should target its efforts to improve. For example, an assessment may show that an SAI's audit operations to a great extent are conducted in accordance with good practice, but that its independence from the executive is limited, thus reducing the impact of the SAI's audits. In such a case, the SAI may choose to prioritize efforts towards enhancing its independence over improving its audit standards and methodology.



*The Proposed Structure of the SAI PMF*

work on the Value and Benefits of SAIs, and guidance material from the INTOSAI community). It will consist of a set of measurable indicators and guidance for a qualitative performance analysis.

Performance is measured by indicators in seven domains. Subsequently linkages between the domains and external factors like country context and political economy, which may enable or hamper the SAI's performance, are analyzed in a narrative performance report. This will provide an overall picture of the SAI's performance. The seven performance domains are:

More information is available on [www.idi.no](http://www.idi.no) under [INTOSAI-Donor Cooperation](#)

## News from the INTOSAI-Donor Secretariat

- Head of the Secretariat, Einar Gorrissen, will be on paternity leave from 16 July to 28 September, 2012. Martin Aldcroft ([martin.aldcroft@idi.no](mailto:martin.aldcroft@idi.no)) will lead the Secretariat in his absence.
- Dr. Meike Pätzold (née Janosch) will join the INTOSAI-Donor Secretariat from October. She holds a PhD degree in political science on public finance and has worked with support to SAIs for the German International Cooperation (GIZ).

## 5th INTOSAI-Donor Steering Committee Meeting

The 5th Steering Committee meeting will kindly be hosted by the UK National Audit Office in London, 17-19 October 2012. More information will be distributed in due course. Main items on the agenda will be financing of SAI capacity development initiatives, the SAI PMF and the future direction of the Cooperation.

## Guidance Material from the IDI

The IDI has several SAI and audit related guides available on request:

- *Guide for Auditing Public Debt Management*
- *IDI Programme Management Handbook*
- *Capacity Building Needs Assessment Guide*
- *Strategic Planning Handbook*
- *Quality Assurance in Financial Auditing*
- *Learning for Impact: A Practice Guide for SAIs*

For more information on the guides and on how to order them, please see:

<http://www.idi.no/artikkel.aspx?Mid1=32&Aid=493>

## Communication Materials on the INTOSAI-Donor Cooperation

Communication materials on the INTOSAI-Donor Cooperation in the form of a Power Point presentation has been made available on [www.idi.no](http://www.idi.no), under [INTOSAI-Donor Cooperation/ Background](http://www.idi.no/INTOSAI-Donor_Cooperation/Background). The presentation gives an overview of the initiative and may be used by members of the Steering Committee and others for outreach to relevant audiences.

## SAI South Sudan New Member of AFROSAI-E

The SAI of South Sudan has recently become a member of AFROSAI-E and is currently in the process of applying for full INTOSAI membership.

## Input to the Future Direction of the INTOSAI-Donor Cooperation

A three year program document for the INTOSAI-Donor Cooperation is under development. It will be discussed at the 5th Steering Committee meeting in October 2012. Stakeholders are invited to provide the Secretariat with suggestions for potential new themes or activities of the Cooperation by 31 August.

## 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). If you would like us to include your event in the next newsletter, please contact [intosai.donor.secretariat@idi.no](mailto:intosai.donor.secretariat@idi.no).

**July 20-21:** Workshop for SAIs in CREFIAF on writing funding applications, Brazzaville, Congo.

**September 10-11:** Meeting of Subcommittee 3 of the INTOSAI Capacity Building Committee, Luxembourg.

**September 20:** Steering Committee meeting of the INTOSAI Capacity Building Committee, Oslo, Norway.

**September 21:** Seminar on strengthening peer-peer support within INTOSAI, Oslo, Norway.

**October 17-19:** 5th INTOSAI-Donor Steering Committee Meeting, London, UK.

**October 29-31:** CRECER conference, Managua, Nicaragua.

**November 4-11:** XXII General Assembly of OLACEFS, Brazil.

**November 20-21:** INTOSAI Governing Board Meeting, Chengdu, China.

**2013:**

**October 22-27:** XXI INTOSAI Congress, Beijing, China.

### INTOSAI-Donor Steering Committee Leadership

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

Chair (Donors): *Anthony Hegarty, 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

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