

# INTOSAI-Donor Cooperation

Working together to strengthen SAIs in developing countries

19<sup>th</sup> Quarterly Update  
March 2016 – May 2016

## 9<sup>th</sup> INTOSAI-Donor Steering Committee Meeting By the INTOSAI-Donor Secretariat

The 9<sup>th</sup> INTOSAI-Donor Steering Committee (IDSC) Meeting will be held in Cape Town, South Africa, on 5-6 October, 2016. The meeting is kindly hosted by the



Auditor-General of South Africa and Chair of the INTOSAI Capacity Building Committee, Kimi Makwetu, at the Cape Town International Convention Centre. This year, the meeting will be integrated with the annual meeting of the INTOSAI Capacity Building Committee (CBC), to maximize synergies between the work of the two committees. In addition to attending the IDSC sessions, members and observers of the IDSC are welcome to attend the CBC meeting sessions on 3-5 October.

The aim of an adjoining meeting is to move towards greater synergies between the two committees, while also reflecting their differences and the need for each committee to conclude its core business appropriately. The detailed agenda and further information will be shared in due course.

## PEFA Conference 2016, Hungary By the INTOSAI-Donor Secretariat

The upgraded PEFA Framework and a newly developed PEFA 2016 training program was launched in Budapest, Hungary on 26-29 April at the PEFA Conference “PEFA: Past, Future and Present”. A number of initiatives were outlined to expand guidance, launch a new website, develop an online PEFA assessment tool and hold further events in the coming year. Plans were also announced to increase exchange of information on good practices and PEFA success stories and to facilitate dialogue between users to help them achieve their PFM goals.

## Research Brief: Does Good Auditing Generate Quality of Government?

The following presents a summary of two research articles related to SAIs. The summary was written by Riselia Bezerra, IDI Evaluation Manager.

**Making Development Work: The Quality of Government Approach**, by Bo Rothstein and Marcus Tannenberg, University of Gothenburg, 2015

**Does Good Auditing Generate Quality of Government?**, by Maria Gustavson, University of Gothenburg, 2015

In what way does a country best ensure the well-being of its population? In **Making Development Work**, Rothstein and Tannenberg find that while the *quality of democracy* is important, factors related to the *quality of government* (QoG) have stronger impact on the well-being of a country population.<sup>1</sup> Taking a QoG approach that emphasizes the output side of the political system over the input side, they utilized a number of studies and international survey data as a basis for their analysis. They found that five distinct institutional changes show to have a positive effect for the QoG.

These are:

1. A functioning and legitimate system of taxation,
2. A merit-based system of recruitment and promotion of civil servants,
3. Universal and free education,
4. Gender equality in the public sphere, and
5. A professional national audit agency whose results are made publicly available.

<sup>1</sup> Quality of Government (i.e., output side) consists of things like the rule of law, the quality of the civil service, and the effectiveness of government agencies responsible for implementing public policies.

The authors recommend that the proportion of aid resources for strengthening the QoG and the capacity of the public administration increase, particularly towards improving the performance of government institutions implementing policies and delivering services in the five areas above mentioned.

In **Does Good Auditing Generate Quality of Government?**, a study by Maria Gustavson (2015), the quality of systems for national auditing in 122 countries are compared. Gustavson conceptualizes *good auditing* in three dimensions, namely:

1. The independence of the national audit agency.
2. The professionalism of the auditing personnel.
3. Communication of auditing results to the public, even when these results are inconvenient for the ruling government.

Using the QoG Expert Survey, Gustavson collected data for these three dimensions and created a comparative measure for the quality of auditing in the public sector. She finds that the bivariate correlation<sup>2</sup> between this indexed measure of “good auditing” and various measures of QoG is surprisingly strong.

Auditing independence demonstrates the weakest effect of the three principles when they are tested separately, which she notes as fairly surprising, in view of the literature that regards independence as the cornerstone in auditing.

Instead, audit professionalism demonstrates the most positive impact on public sector performance. These results are in line with previous research illustrating how a high degree of knowledge in the area being monitored by the people conducting controls is highly significant for the possibilities to have a positive impact of the control.

<sup>2</sup> Bivariate correlation is the relationship between two variables.

However, the significance of the three dimensions are not very large, which indicates that all the parts of good government auditing are central in order to create a public sector of high quality. She also noted that merely conducting audits of the public sector is not sufficient, auditing also needs to be organized according to certain principles, in order to contribute to well-functioning public administrations.

The results clearly demonstrate that good government auditing has a distinct positive and statistically significant effect on the performance of the public sector. Gustavson recommends that development cooperation partners increase their support to SAIs as a prioritized area within development aid. In particular, support for increasing the competence and skills among public auditors and their communication efforts to the general public.

To read the full studies, please click here:

[Making Development Work: The Quality of Government Approach, by Bo Rothstein and Marcus Tannenberg, University of Gothenburg, 2015](#)

[Does Good Auditing Generate Quality of Government?, by Maria Gustavson, University of Gothenburg, 2015](#)

*If you would like to have relevant research presented in the newsletter, please contact the Secretariat at [intosai.donor.secretariat@idi.no](mailto:intosai.donor.secretariat@idi.no)*

## SAI PMF Working Meeting With SAIs With Jurisdictional Functions

By the INTOSAI-Donor Secretariat



*Participants at the SAI PMF working meeting with SAIs with jurisdictional functions*

As coordinator for the SAI PMF Task Team, the INTOSAI-Donor Secretariat hosted a working meeting with representatives from SAIs with jurisdictional functions in Oslo, March 17-18.

The meeting was organised following an initiative from AISCCUF, the French-speaking Supreme Audit Institutions Association, which had appointed a working group to evaluate the applicability of SAI PMF to its member organisations. The results and observations of the working group were communicated to the SAI PMF Task Team as an input to the development of the SAI PMF Endorsement Version.

The review by the AISCCUF working group showed that the SAI PMF had opportunities to better reflect the situation of SAIs with jurisdictional functions. The working meeting was thus organised to discuss the proposals and input of the AISCCUF team, with the purpose of better accommodating the framework to the context of SAIs with jurisdictional functions.

The meeting was attended by Mr Oumar Ndiaye from SAI Senegal as head of the AISCCUF working group, representatives from SAI France as the Secretariat of AISCCUF, SAI Tunisia as member of AISCCUF, representatives from SAI Portugal and SAI Brazil, as well as members of the INTOSAI-Donor Secretariat representing the SAI PMF Task Team.

## SAI PMF Quality Review Workshop in Mexico

By the INTOSAI-Donor Secretariat

On 9-11 March 2016, a SAI PMF quality review workshop was carried out in Mexico City. The main objective of the workshop was to provide deeper training to SAI PMF experts in the OLACEFS region, to enable them to carry out quality reviews of SAI PMF assessments. High level quality reviews are seen as critical to assure adequate use of the framework and high quality of assessments, so that the credibility of SAI PMF as a global tool will be secured in the long term. The training is in line with the objective of expanding the global pool of SAI PMF experts with the necessary knowledge and experience.

The workshop was hosted by SAI Mexico, the *Auditoría Superior de la Federación de México (ASF)*, and facilitated by the INTOSAI-Donor Secretariat. SAI PMF experts from Brazil, Costa Rica and El Salvador took part in the training, all of them with previous experience and knowledge of the tool. The workshop introduced the participants to the methodology for quality review. An important part of the training was to carry out a review of the Performance Report from a SAI PMF assessment carried out by ASF.

Following the workshop, ASF completed the final version of the report, addressing the feedback from the quality review.

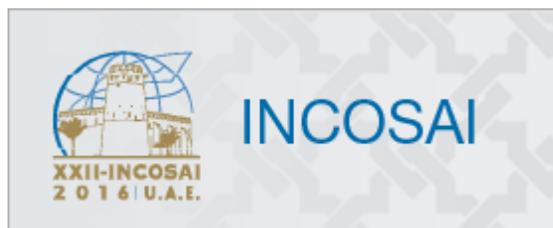
To read the guidance on SAI PMF quality reviews, please click here: [Guidance on quality assurance](#)



*Participants at the SAI PMF Quality Review workshop in Mexico*

## SAI PMF Towards Endorsement at INCOSAI

By the INTOSAI-Donor Secretariat



In line with the timelines decided by the Working Group on the Value and Benefits of SAIs (WGVBS), the SAI PMF is to be put forward for endorsement at the INTOSAI Congress in December 2016. During the first months of 2016, work has taken place to finalize the revision of the framework to reflect the experiences from the pilot phase in 2013-2015. SAI PMF draft version 3.1. was developed by the SAI PMF Task Team and piloted in two SAIs in January and February. Draft version 3.2. was shared with the WGVBS and the SAI PMF Reference Group for comments in February 2016. In addition, feedback on the indicators for SAIs with jurisdictional functions and the applicability of other indicators for such SAIs was provided by a group of SAIs represented by AISCCUF, the Association for French Speaking SAIs, and discussed during February and March (see separate story).

Following a decision by the WGVBS that a global re-exposure is not necessary given the degree of consultations and testing that has already taken place, the draft Endorsement Version of the SAI PMF will be shared with the WGVBS in May for approval ahead of its annual meeting in Tanzania in late August 2016. If approved by the Working Group, the framework will be tabled at the meeting of the INTOSAI Knowledge Sharing Committee in September,

and presented at the contiguous meetings of the INTOSAI-Donor Cooperation and the INTOSAI Capacity Building Committee in October before it is endorsed at INCOSAI. The SAI PMF will be translated into Arabic, French and Spanish, as well as other languages as required.

### 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).

**May 12:** Anti-Corruption Summit, London, United Kingdom

**May 25-27:** Meeting of the Steering Committee of the INTOSAI Professional Standards Committee, Copenhagen, Denmark.

**May 30-June 2:** CAROSAI Congress, Paramaribo, Suriname.

**July 21-22:** Meeting of the INTOSAI Finance and Administration Committee, Washington, DC, USA.

**August 29-31:** Meeting of the Working Group for Value and Benefits of SAIs, Arusha, Tanzania.

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

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

**October 17-21:** OLACEFS General Assembly, Punta Cana, Dominican Republic.

**December 8-11:** XXII INCOSAI, 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): *Laura Leyser, 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](mailto:intosai.donor.secretariat@idi.no)

Head: [Martin.Aldcroft@idi.no](mailto:Martin.Aldcroft@idi.no)

Deputy Head: [Yngvild.Arnese@idi.no](mailto:Yngvild.Arnese@idi.no)

Advisor: [Cecilie.Thue.Hansen@idi.no](mailto:Cecilie.Thue.Hansen@idi.no)

Advisor: [Camilla.Fredriksen@idi.no](mailto:Camilla.Fredriksen@idi.no)

Advisor: [Horacio.Vieira@idi.no](mailto:Horacio.Vieira@idi.no)

Advisor: [Irina.Sprenglewski@idi.no](mailto:Irina.Sprenglewski@idi.no)

Co-ordinator: [Marcela.Mora@idi.no](mailto:Marcela.Mora@idi.no)

[www.idi.no](http://www.idi.no) / [www.SAIdevelopment.org](http://www.SAIdevelopment.org)