

Summary of the Fifth INTOSAI-Donor Steering Committee Meeting

London, United Kingdom, October 18-19, 2012

List of participants

INTOSAI Community

Wessel Pretorius	AFROSAI-E Secretariat/ Auditor General of South Africa
Joohyung Lee	ASOSAI Secretariat / Board of Audit and Inspection, Korea
Rachel Han	ASOSAI Secretariat / Board of Audit and Inspection, Korea
Rudi Sinaga	Audit Board of Indonesia
Tornanda Syaifullah	Audit Board of Indonesia
Arief Fadillah	Audit Board of Indonesia
Abdul Latief	Audit Board of Indonesia
Terence Nombembe	Auditor General of South Africa
Hideatsu Tomisawa	Board of Audit of Japan
Antonio Valmir Campelo	Brazilian Court of Audit
Luciano Danni	Brazilian Court of Audit
Claudia Mancebo	Brazilian Court of Audit
Zhou Weipei	Chinese National Audit Office
Luo Quan	Chinese National Audit Office
Helena A. Lopes	EUROSAI Presidency/ Portuguese Court of Audit
María José De la Fuente	EUROSAI Secretariat/ Spanish Court of Audit
Adeline Baldacchino	French Court of Audit
Caroline Coz	French Court of Audit
Osama Faquih	General Auditing Bureau of Saudi Arabia
Mohammed Al-Nofaie	General Auditing Bureau of Saudi Arabia
Rashad Kassim	General Auditing Bureau of Saudi Arabia
Abdullah Al-Hamdani	General Auditing Bureau of Saudi Arabia
Patricia Arriagada	General Comptroller Office of the Republic of Chile
Jørgen Kosmo	INTOSAI Development Initiative /SAI Norway
Einar Gørrissen	INTOSAI Development Initiative / INTOSAI-Donor Secretariat
Martin Aldcroft	INTOSAI Development Initiative / INTOSAI-Donor Secretariat
Yngvild H. Arnesen	INTOSAI Development Initiative / INTOSAI-Donor Secretariat
Silje M. Sandstad	INTOSAI Development Initiative / INTOSAI-Donor Secretariat
Dr. Meike Pätzold	INTOSAI Development Initiative / INTOSAI-Donor Secretariat
Monika Gonzalez-Koss	INTOSAI General Secretariat /Austrian Court of Audit
Dr. Robert Sattler	INTOSAI General Secretariat / Austrian Court of Audit
Mohammed Kamal Daoudi	Moroccan Court of Audit
Bettina Jakobsen	National Audit Office of Denmark
Arvind Kumar Awasthi	Office of the Comptroller and Auditor General of India
Jagbans Singh	Office of the Comptroller and Auditor General of India

Dr. Carlos Polit Faggoni	OLACEFS Presidency / Office of the Comptroller General of Ecuador
Paul Williams	OLACEFS Presidency / Office of the Comptroller General of Ecuador
Bruce Robertson	PASAI Secretariat /Office of the Auditor General of New Zealand
David Goldsworthy	United Kingdom National Audit Office
Martin Sinclair	United Kingdom National Audit Office
Gene Dodaro	U.S. Government Accountability Office

Development Community

Youssouf Loum	African Development Bank
Etienne Nkoa	African Development Bank
Radhakrishna Narasimham	Asian Development Bank
Dylan Roux	Australian Agency for International Development
Mathieu Lafrenière	Canadian International Development Agency
Lars Wilke	EuropeAid
Nicole Botha	German International Cooperation
Bernardin Assiene	GAVI Alliance
Deborah Williams	IFAC
Gabriella Kusz	IFAC
Deborah Sprietzer	Inter-American Development Bank
Anne Barry	IrishAid
Håkon Mundal	Norwegian Agency for Development Cooperation
Sara Fyson	OECD DAC
Rosmarie Schlup	State Secretariat for Economic Affairs, Switzerland
Magnus Lindell	Swedish National Audit Office
Stephen Sharples	United Kingdom Department for International Development
Mark Bowman	United Kingdom Department for International Development
Clinton White	U.S. Agency for International Development
Anthony Hegarty	World Bank
Manuel Vargas	World Bank
Jennifer Thomson	World Bank

Day 1

Welcome and Opening Remarks

1. Osama Faquih, INTOSAI Chair of the Steering Committee, welcomed the participants to the 5th INTOSAI-Donor Steering Committee Meeting. He emphasized the progress that continues to be made under the Cooperation, the growing number of signatories to the Memorandum of Understanding (MoU) between INTOSAI and the Donor Community, as well as the record attendance at the meeting.

Martin Sinclair, Assistant Auditor General of the United Kingdom, also welcomed participants and commented on the challenges of implementing the International Standards of Supreme Audit Institutions (ISSAIs) and delivering sustainable outcomes on the ground. He further noted the challenges in strengthening the supply of support available to SAIs.

Mark Bowman, Director General at the UK Department for International Development DFID, recognized the key role of Supreme Audit Institutions (SAIs) for governance of partner countries, their critical role in fighting corruption and ensuring value for money in the delivery of services, whether funded by development partners or domestic budgets. He also called participants' attention to the many other stakeholders in public governance, pointing out parliaments, civil society and the media, and expressed how the development of the SAI Performance Measurement Framework (PMF) was well aligned with DFID's focus.

Anthony Hegarty, Donor Chair of the Steering Committee, expressed optimism on the growing number of participants, encouraged the current observing donor agencies to sign the MoU, and expressed hope that the governments of Brazil, Russia, India, China and South Africa (BRICS) will join the Cooperation during the course of 2013. He also emphasized the importance of country ownership and leadership, and noted that strengthening institutions such as SAIs, as part of the system of public financial management and good governance, was a medium to long term effort.

Update on INTOSAI-Donor Activities

2. The INTOSAI-Donor Secretariat (Secretariat) provided an overview of the progress made on the 2012 Work Program of the INTOSAI-Donor Cooperation.
3. Participants were encouraged by the progress that continues to be made, including the implementation of eight regional and global initiatives from the first round of matching. The Secretariat agreed to develop a short summary of the Cooperation's achievements to date that could be used by stakeholders for further outreach.
4. Significant progress on the SAI Capacity Development Database was noted, with around 240 projects now registered, and the database being actively used by Steering Committee members for coordination and planning of support to SAIs. Participants were thanked for their efforts in populating the database and reminded of the need to continue to update and use the database going forward. The database is available at: www.saidevelopment.org
5. The Secretariat is increasingly being turned to as a knowledge and competence center on SAI capacity development and receives and handles requests from both INTOSAI and the donor communities. Further, the Secretariat, jointly with SAI Morocco, as Chair of INTOSAI's Capacity Building Committee, is acting as a focal point for contact with the development community, including the OECD-DAC, PEFA and Train4Dev. This is an interim arrangement until the forthcoming INTOSAI Governing Board meeting, but both the Secretariat and SAI Morocco are willing to continue this role if requested to do so.

Update and Way Forward on the SAI Performance Measurement Framework

6. The Secretariat presented the current draft (version 2.0) of the SAI PMF and informed participants on the ongoing piloting phase and the way forward. The work on developing the SAI PMF is being conducted by a Task Team under the auspices of the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS). The Secretariat is coordinating the project.
7. Participants expressed appreciation for the considerable work done to date in developing a concept note for the SAI PMF, the draft SAI PMF, and commencement of phase 1 pilots in the SAIs of Norway, Sierra Leone and Djibouti. There was agreement on the importance of allowing sufficient time for phase 2 pilots and global consultation, as reflected in the revised timetable. In discussing the timeframe and estimated final endorsement of the SAI PMF planned for INCOSAI 2016, the Secretariat agreed to look at options to expedite the process, but underlined that the SAI PMF can be used by SAIs before its final proposed endorsement.
8. The SAI PMF will enable better measurement of SAI performance over time, and assessment results may be used as input to the strategic plans of INTOSAI regions and individual SAIs. A suggestion was made to include indicators measuring the use of SAI outputs by donors, similar to PEFA's assessment of donors' use of partner countries' public finance systems. The importance of SAI ownership of the SAI PMF assessments to be undertaken was also underlined.
9. Participants emphasized that understanding the context in which the SAI operates is crucial to appropriate assessments, and appreciated that a qualitative assessment of the public financial management and governance environment of the SAI is foreseen in the SAI PMF. They also welcomed and underlined the importance of the fact that the tool is intended to be applicable in SAIs of different administrative heritages. It was noted that the SAI PMF performance report can be used to demonstrate the value and benefits of the SAI to its external stakeholders and the public.

Working with Parliaments

10. UK NAO presented success factors noted in the support they provide to SAIs in strengthening relations with their respective legislative bodies. Suggestions for possible further engagement by INTOSAI and donors include encouraging more effective and transparent use of audit reports by parliaments, building parliamentary financial oversight into SAI support projects, and promoting the use of the INTOSAI Capacity Building Committee Guide on: "*How to Increase the Use and Impact of Audit Reports*".
11. The recent UN-INTOSAI symposium included discussions on linkages between SAIs and parliaments, demonstrating efforts by INTOSAI in this area.

Global Call for Proposals

12. Roundtable discussions showed the considerable progress of initiatives under the 2011 Global Call for Proposals (GCP), and illuminated the successive integration of the GCP into donors' planning of support to SAIs.
13. Proposals from the 2011 GCP in the process of being matched with providers of support include, but are not limited to:
 - African Development Bank funding for CREFIAF
 - USAID and IDI joint efforts to support ARABOSAI
 - SAI Sweden partnering with SAI Uganda
 - World Bank confirmed approval of support to SAI Moldova and the SAI of the Maldives, and ongoing dialogue related to 16 further projects
 - The European Commission provided an update on five projects
 - Inter-American Development Bank emphasized their expansion of work with SAIs
 - NORAD (Norway), IDI, SAI India and DFID provided further information on planned activities and ongoing dialogue on projects
14. Participants agreed to the following timetable for providing GCP updates:
 - Providers will send written progress updates on the status of the matching to the Secretariat by **16 November 2012**.
 - The Secretariat will update the SAI Capacity Development Database with the status on the projects by **30 November 2012**.
15. A discussion paper on future GCPs was presented. The recommendations from the discussion paper were broadly endorsed by the Steering Committee. A single mechanism for annual GCPs will be established for both individual providers and the SAI Capacity Development Fund (SAI CDF). Eligible applicants will be SAIs in ODA eligible countries, as well as INTOSAI regions and other INTOSAI bodies and networks if initiatives are designed to predominantly benefit SAIs in ODA eligible countries. The GCPs will be launched at the same time each year. Applicants will first submit a concept note with an outline of the suggested project, to be developed into a more comprehensive proposal if there is interest from providers of support. The Secretariat will coordinate the process and support applicants in developing concept notes and proposals.
16. The participants discussed the different distribution options for submitted concept notes which were presented in the discussion paper:
 - Option A - Concept notes would be distributed first to the SAI CDF. While feasible, this option did not meet the needs of some donors and SAI providers of support.
 - Option B - Concept notes would be distributed first to individual providers. This option undermined the incentives for pooled funding and would not be supported by those donors interested in providing pooled funds.
 - Option C - Concept notes would be distributed in parallel to the SAI CDF and individual providers. This option was most consistent with the spirit of the INTOSAI-Donor MoU, without the noted disadvantages of the other two options.

Coordination arrangements and timetables will need to be further developed and clearly communicated among all parties, to support this option and enable both pooled funding and bilateral support decisions to be made effectively and in a coordinated manner. In the event that both the SAI CDF funding board and individual donors express an interest in supporting the same concept note or proposal, it was agreed that then applicants would decide which avenue to pursue.

The Steering Committee agreed to pursue option C as outlined in the paper.

17. Decision on the timing of the next GCP:

- INTOSAI participants expressed an interest for a second GCP in the near future.
- It was noted that the XXI INTOSAI Congress in Beijing in October 2013 was a major event in the INTOSAI calendar and represented a critical milestone. The aim should be to launch the next GCP and announce the establishment of the SAI CDF by no later than the date of this event.
- The Steering Committee Leadership will propose a specific timeframe for launching the second GCP in due course.

SAI Capacity Development Fund (CDF)

18. Donors interested in providing funding to the SAI CDF had met prior to the meeting to finalize the draft operating arrangements of the SAI CDF. These allow for development partners whose mandate focuses on specific regions to participate in pooled funding arrangements. Donors were at different stages with regards to making firm commitments and pledges to contribute to the SAI CDF.

19. Reflecting the long discussions on pooled funding within the INTOSAI-Donor Cooperation, donors were requested to indicate their agreement in principle to provide funding as soon as possible, and by the **30 November latest**. Donors were encouraged to pledge as soon as possible, even if disbursement was scheduled for a later point in time.

Building Capacity of SAIs to Develop Funding Proposals

20. The Secretariat presented experiences from a workshop it had organized in CREFIAF in July 2012 aimed at building the capacity of SAIs to develop funding proposals, and proposed possible ways to proceed with this work, recognizing that there is a need for support in this area in other INTOSAI regions as well.

21. Participants agreed on the continuing need to support SAIs in some regions, subject to demand, to be able to better engage with development partners. It was agreed that in taking forward this agenda, the primary focus should be to develop the skills and capacities of INTOSAI regional bodies and regional networks to support their members, and that this work should be integrated with other efforts to strengthen the INTOSAI regions, including work of the INTOSAI Capacity Building Committee.

Closing of Day 1

22. The INTOSAI Chair of the Steering Committee called the attendees' attention to the great progress the Cooperation has achieved since its last meeting in Jaipur in February 2012.

Day 2

Implementation of the UN Resolution on SAI Independence

23. The INTOSAI General Secretariat presented information on UN resolution A/66/209 "*Promoting the efficiency, accountability, effectiveness, and transparency of public administration by strengthening supreme audit institutions*", and described the process leading to its adoption in December 2011. The importance of the UN Resolution was emphasized, and tools for advocacy efforts to strengthen the independence of SAIs were presented. Concrete examples of efforts to support SAIs at the national level in pursuing increased independence were also provided.
24. Participating SAIs highlighted the importance of the resolution and the significance of real autonomy and independence of SAIs, emphasizing the crucial role of parliaments who need to set and enforce the legal framework of SAI independence. There was discussion by some SAIs on concrete examples of interference with independence and limited mandates, as well as of efforts aimed at improving SAI independence.
25. Donors congratulated the SAI community on their efforts in this area, but commented that more still is needed to be done to ensure actual implementation of the UN resolution. Representatives of the international development banks emphasized that although they can and will engage in policy dialogue with partner governments, the national sovereignty prevents them from intervening with government, the judiciary system or the legislative body to ensure SAI independence.
26. Participants proposed that SAIs should be encouraged to report publicly on their independence and to bring any restrictions to the attention of relevant stakeholders at the national level.

ISSAI Implementation Initiative (3i)

27. The INTOSAI Development Initiative (IDI) presented the ISSAI Implementation Initiative (3i Program), designed to support the implementation of the International Standards for Supreme Audit Institutions (ISSAIs) in developing country SAIs. The program was launched in late 2011 and constitutes the most ambitious capacity development program in the history of INTOSAI. The program has the potential to significantly enhance the quality, uniformity, professionalism and credibility of the work of developing country SAIs globally. The initial phase focuses on supporting developing

country SAIs in English speaking regions in their implementation efforts, but the program will be launched in Arabic, French and Spanish in 2013.

28. Participants underlined the importance of the initiative, as it supports SAIs in meeting the significant challenges they are facing in implementing the ISSAIs. The meeting called for additional donors to support role out of the 3i program, and underlined that implementation of the ISSAIs should be seen as a long term endeavor that should be supported both by INTOSAI and the donor community. Through the regional approach of 3i, donors will be able to channel support into regions of specific interest.

Strengthening the SAI Capacity Development Supply Side

29. A seminar on the supply side of SAI support was held in September 2012 in Oslo. The representative of the Chair of the INTOSAI Capacity Building Committee (CBC) provided the attendees with a summary of the conclusions of the seminar.
30. The seminar focused on the quality and quantity of the supply of capacity development support and opportunities to strengthen the market for support. While a number of SAIs are looking to become providers of support to their peers or scale up support, there is a need to address resource barriers. SAIs interested in providing support face common constraints, including a need for support to be provided on a cost recovery basis, shortages of human resources, lack of language skills, and narrow geographical focus. In terms of the quantity of the peer-peer support provided, the access to funding and to sufficient human resources marked the most urgent needs.
31. The SAI supply side seminar agreed that the issue of strengthening the SAI supply side was of considerable importance, and should be lifted to the INTOSAI Governing Board for strategic consideration. A number of concrete ways to augment the supply side were also agreed. This included the proposal to establish a community of practice of providers of support to SAIs. This would bring together SAIs, other providers, as well as those commissioning support to share experiences, challenges and opportunities, and to stay abreast of developments in public sector auditing. In addition, the development of guidance material for evaluations of SAI capacity development initiatives was proposed.
32. The work will be taken forward by the INTOSAI CBC with support from the Secretariat.

Good Practices in Supporting Supreme Audit Institutions

33. The UK NAO provided a summary of the OECD-DAC Task Force on Public Financial Management Guide *Good Practices in Supporting Supreme Audit Institutions*, which was presented at the 4th High-level Forum in Busan last year. The report is based on feedback from donors as well as three country cases; Tanzania, Bangladesh and Indonesia. Highlights of the guide include recommendations on design and execution of projects, audit of donor funds, and advocacy by donors to strengthen the role of SAIs.

34. The presentation ended with proposed issues to the INTOSAI-Donor Cooperation specifically addressed towards donors, including implementing a communication strategy to inform Heads of Missions about the value and benefits of SAIs and the importance of their independence.
35. Participants expressed their appreciation of the guide on supporting SAIs, and recognized the need to support donor staff through training and other means.

Future Direction of the INTOSAI-Donor Cooperation

36. The Steering Committee discussed the draft INTOSAI-Donor Cooperation Program Document 2013-2015, which presented nine potential themes for the cooperation going forward, as well as three broad options for different ambition levels.
37. Recognizing the successful work carried out under the Cooperation so far, the Steering Committee agreed in principle on option 2, which entails a small scaling up of activities in the period 2013-2015. Option 2 entails that the focus in phase two will be on the following themes:
 - a) INTOSAI-Donor Cooperation Management,
 - b) Funding Mechanisms and Project Identification,
 - c) SAI PMF,
 - d) Knowledge Center on Support to SAIs,
 - e) Strengthening the Supply of Support to SAIs,
 - f) Research and Evidence, and
 - g) Monitoring, Evaluation and Lesson Learning.
38. Participants underlined the Secretariat's role in the future to facilitate activities, but not necessary to execute all activities.
39. Donors were encouraged to look into the possibility of providing funding for the Secretariat to facilitate implementation of the Program Document. This could be in the form of core funding, or ring fenced support for specific themes. The INTOSAI participants were also encouraged to provide support in the form of human resources to support the work of the Secretariat. Several donors and INTOSAI participants expressed an interest in looking into ways and means of supporting the Secretariat.
40. Representatives present from the current donors to the Secretariat expressed their satisfaction with the work of the Secretariat, and informed the meeting that they were interested in continuing the support. The Secretariat agreed to finalize the Program Document in close cooperation with the current funding partners and the Steering Committee Leadership.

41. Based on the decision in principle on the way forward, a Work Program for 2013 for the Cooperation is included in Annex 1. The implementation of the Work Program is subject to appropriate financing of the Secretariat.

Any other business, Summary and Conclusions

42. The Steering Committee Leadership, in consultation with the Secretariat, will in due course announce the timing and location for the next Steering Committee meeting.

Annex 1 – INTOSAI-Donor Cooperation Work Program 2013

No.	Theme and Task	Priority for 2013	Responsibility	Deadline
1	INTOSAI-Donor Cooperation Management			
1.1	Facilitate SC meeting and SC leadership teleconferences	High	Secretariat	Continuous
1.2	Communication and outreach on INTOSAI-Donor Cooperation (inc. newsletters)	High	Secretariat	Continuous
2	Funding Mechanisms and Project Identification			
2.1	Secure pledges for and establish SAI Capacity Development Fund	High	Donors and Secretariat	ASAP
2.2	Launch 2 nd Global Call for Proposals	High	Secretariat	TBC
2.3	Prepare and submit concept notes	High	INTOSAI applicants, Secretariat	TBC
2.4	For those concept notes where Capacity Development Fund or individual donors have indicated possible support, develop full proposals	High	INTOSAI applicants, World Bank, Secretariat	TBC
3	SAI Performance Measurement Framework			
3.1	Exposure draft SAI PMF published on WGVBS website	High	SAI PMF Task Team	April
3.2	Training courses for assessors run in all INTOSAI regions	High	SAI PMF Task Team	June
3.3	Phase 2 pilots in progress	High	SAIs, INTOSAI bodies, donors	Continuous
3.4	Exposure draft SAI PMF presented at 6 th SC meeting and INCOSAI XXI	High	SAI PMF Task Team	October
4	Knowledge Centre on Support to SAIs			
4.1	Maintenance of SAI capacity development database	High	Secretariat	Continuous
4.2	Disseminate public goods, support to donor engagement with SAIs, represent INTOSAI in development fora	Medium	Secretariat	Continuous
4.3	Training for donors on working with SAIs <ul style="list-style-type: none"> • Training material drafted • Pilot training course completed • Proposal for roll-out completed 	Medium	Secretariat	<ul style="list-style-type: none"> • March • June • October
4.4	Training for SAIs on engagement with donors and writing funding applications	Medium	Secretariat	TBC – linked to timing of Global Call for Proposals
5	Strengthening the Supply of Support to SAIs			
5.1	<ul style="list-style-type: none"> • Establish SAI Supply Side Community of Practice • Hold first technical update 	Medium	Secretariat	<ul style="list-style-type: none"> • July • December
5.2	Develop guidance on better evaluations of SAI capacity development projects <ul style="list-style-type: none"> • Terms of reference approved 	Medium	Secretariat, SAI Sweden & SAI Norway	<ul style="list-style-type: none"> • September
6	SAI Research Agenda			
6.1	SAI involvement in audit of extractive industries – mapping and way forward	Low	Secretariat and AFROSAI E	April
6.2	Benchmarking of SAI funding levels <ul style="list-style-type: none"> • Decision on way forward (including whether to cover in possible 2013 stocktaking) 	Low	Secretariat	TBC
7	Monitoring and Evaluation			
7.1	Annual progress report	High	Secretariat	May
7.2	Stock taking update <ul style="list-style-type: none"> • Decision on added value from possible 2013 stocktaking, and way forward 	Medium	Secretariat	TBC, subject to progress on INTOSAI Information Database
7.3	External evaluation of IDI	Medium	IDI	June