

6th INTOSAI-Donor Steering Committee Meeting

Beijing, China 18-19th October 2013

Summary and Key Decisions

The opening statement was delivered by Mr Zhou Weipei, Director General of International Cooperation Department, National Audit Office of the People's Republic of China. He focused on the importance of strong SAIs for national governance, and the establishment of the Cooperation between the INTOSAI and Donor communities and its role in contributing to successes such as the SAI Capacity Development Database, the Global Calls for Proposals and the SAI Performance Measurement Framework.

The INTOSAI Chair of the Steering Committee welcomed participants, including the French Ministry of Foreign Affairs, as the 21st signatory, and noted the importance of mobilizing further funding to build on the successes of the Cooperation. The Donor Chair of the Steering Committee remarked on the fundamental importance of professional standards for strong public sector audit, and the importance of developing capacity for SAIs to implement the standards.

AGENDA ITEM 1 – Progress on the 2013 INTOSAI-Donor Cooperation Work Plan

Participants noted the successful implementation of the activities on the 2013 work plan and the successes in implementing priority global and regional initiatives from the first round of matching in 2010-11. Providers of SAI support were thanked for recent efforts to update the database, and participants re-emphasised the importance of regular and timely updates.

- **Decision 1:** Providers of support are requested to ensure the SAI Capacity Development Database is regularly updated and all initiatives are included (by 31 December 2013)

The Secretariat thanked SAI Brazil for support in implementing the 2013-15 program document, and noted that funding discussions with DFID were well advanced. "In year" funding issues has caused challenges to the Secretariat in 2013, but substantial support has been provided by existing donors and in-kind contributions to activities from within the SAI community.

AGENDA ITEM 2 – Report on Results from 2011 Global Call for Proposals (GCP) & Short Roundtable from Regions

Participants were encouraged by the updated monitoring of results from the 2011 GCP, which showed that 25/55 initiatives have had funding approved or were at an implementing stage, including all six regional proposals. This represents more than a doubling from figures reported at the 5th SC meeting in October 2012. 11/55 proposals are also in dialogue between applicants and providers. In light of the time required for dialogue and approval of funding, participants agreed that the decision at the previous meeting to hold annual GCPs should be reconsidered, and that a biannual cycle would be administratively more efficient.

- **Decision 2:** The GCP will be issued every two years
- **Decision 3:** Between GCPs, applicants may send proposals to be added to the SAI Capacity Development Database

Donors and SAI providers of support updated the SC regarding their responses to the initiatives under the 2011 GCP. Donor members noted not only their support to these initiatives, but to initiatives outside the GCP, and to the increasing prominence given to the importance of independent, well functioning and appropriately resourced SAIs in policy dialogue with country partners. Donors confirmed that a number of initiatives under the 2011 GCP were close to approval.

The INTOSAI regional and sub-regional bodies updated the SC on current initiatives and challenges. Common themes resonating across all regions included implementation of the ISSAIs, recognised by many participants as the biggest challenge facing the INTOSAI community, maintaining and strengthening SAI independence, and strengthening capacities. A number of regions mentioned the contribution towards these objectives made by donor funded initiatives, and how inter-regional knowledge sharing, cooperative audits and the SAI PMF were used to help address these challenges.

AGENDA ITEM 3 – Extractive Industries Audit

The results of the mapping report on the role of SAIs in Extractive Industries (EI) Audit were presented, based on the survey responses from 17 SAIs. Participants noted the wide variety of existing practices, and the diverse challenges faced in this area. Given the importance of the topic (revenues from which account for around 5% of global GDP), participants agreed that coordinated INTOSAI and Donor action in this area was imperative, while noting the need to recognize the existing institutional landscape.

- **Decision 4:** The INTOSAI Knowledge Sharing Committee (KSC) has agreed to propose establishment of a working group, with a supporting Secretariat, to the Governing Board
- **Decision 5:** The proposal includes setting up a community of practice, and establishing linkages to other relevant initiatives to avoid duplication of efforts

AGENDA ITEM 4 – Exploring Results of SAI Reforms

The Inter-American Development Bank presented preliminary findings from a study exploring the results of SAI reforms, covering SAIs in the CAROSAI and OLACEFS regions. Results suggest that in both regions, confidence in SAIs was increasing, audit practices were being modernised, and SAIs were becoming more efficient and effective. However, there remained challenges for such studies due to limited baselines and consistent measurement of performance over time.

- **Decision 6:** The IADB will share the project outputs of its review with the SC

AGENDA ITEM 4a – Evaluations of SAI Capacity Development Initiatives

The Secretariat presented a draft Terms of Reference (ToRs) for developing guidance on better evaluations of SAI capacity development initiatives, to enable accepted evaluation practices to be better applied in the SAI context. Participants recognised the scope for strengthening evaluation practices that the ToRs aimed to contribute towards. A number of participants expressed interest in participating in the work, following an opportunity to comment on the draft ToRs. The Secretariat also presented a short note on wider institutional issues connected to evaluations, and the SC agreed that an exploration of these issues would be useful, commencing after completion of the proposed evaluation guidance.

- **Decision 7:** SC members asked to provide written comments on the ToRs (by 19 November)
- **Decision 8:** SC members asked to express interest in participating in the work (by 19 November)
- **Decision 9:** The wider review of evaluation practices will commence after completion of the first initiative

AGENDA ITEM 5 – SAI Capacity Development Fund

Participants noted the long history of discussions on this proposed multi-donor fund, and the great interest within the INTOSAI community of seeing the fund established. SECO Switzerland emphasised the potential benefits from a pooled fund and reconfirmed their commitment to provide funding. The donor Chair and vice-Chair also called on donor members of the SC to continue to seek funding from within their respective institutions, and expressed an intention to explore the feasibility of establishing the SAI CDF, with SECO as the initial funder to a Multi-Donor Trust Fund. The World Bank reminded participants that pooled funding was one of the modalities foreseen in the INTOSAI-Donor MoU, alongside bilateral funding, and noted that total funding for SAI capacity development initiatives had increased from an average of \$41 million per annum to \$48 million per annum in recent years.

- **Decision 10:** Discussions to continue between SECO and the donor Chair and Vice-chair on establishment of the SAI CDF, with SECO as the initial funder to an MDTF
- **Decision 11:** Donor chair, vice-chair and the Secretariat to continue dialogue with other donors

AGENDA ITEM 6 – 3i Programme (ISSAI Implementation Initiative)

IDI presented an update on the 3i programme to support implementation of the ISSAIs in developing countries, being the largest programme in the history of INTOSAI. 83 SAIs from AFROSAI-E, ASOSAI, EUROSAI and PASAI are participating in phase one and a number of planned outputs have been achieved, including ISSAI Compliance Assessment Tools, ISSAI Implementation Handbooks, and large numbers of ISSAI facilitators being certified. Roll-out in Arabic, French and Spanish will start in 2014. Funding of almost \$2,5 million from World Bank and \$500 000 from USAID was kindly acknowledged, and the need for further funding for expansion and continuation for 2014-18 was noted.

AGENDA ITEM 7 – Training for Donors Working with SAIs

The Secretariat reported that the planned training course for donor staff working with SAIs was now ready, following development of materials by SAI UK and contributions from SAI France. Appreciation for the large donor group that advised on the development was also noted. Donors were asked to consider whether their organisations had appropriate e-learning platforms to support the on-line version of the tool. Participants expressed their appreciation and demand for the course, but also noted that demands vary according to the audience and hoped the modular approach to the course would enable tailored versions of different lengths to be made available, especially when delivered 'on-site'. The Secretariat reported that plans to pilot during 2013 in Egypt had to be put on

hold due to events in the country, but that it expected to conduct one or two pilots during early 2014, possibly in the ARABOSAI region and Washington, DC.

- **Decision 12:** Following revision based on the SC comments and pilot experience, an updated course outline will be presented at the 7th SC meeting

AGENDA ITEM 8 – Launch of the 2013 Global Call for Proposals

The 2013 GCP was officially launched. The Secretariat noted the GCP documentation was published on the IDI website in Arabic, English, French, Portuguese, Spanish and Russian, and applications could be submitted in any of these languages. The main change from 2011 – the introduction of a ‘Concept Note’ stage – was explained, along with the timetable and main steps. In addition to having run a number of GCP training courses in the regions, the Secretariat will provide support including review and feedback on draft applications, and the offer of in-kind assistance from SAI Norway and SAI Sweden in this process was greatly appreciated. The first concept note was immediately submitted for ISSAI implementation in the OLACEFS region.

- **Decision 13:** The 2013 GCP was officially launched
- **Decision 14:** SC members willing to support review of draft concept notes asked to contact the Secretariat (By 19 November)
- **Decision 15:** SC members willing to support GCP training in ARABOSAI asked to contact the Secretariat ASAP (including suggestions for Arabic speaking consultants)

AGENDA ITEM 9 – IDI Strategic Plan

IDI presented its new Strategic Plan 2014-18, in which the IDI mandate was updated to reflect changes in IDI's role and the environment in which it operates. Strategic changes include expansion into institutional capacity development, the possibility to provide bilateral support to SAIs at the country level – focusing on being a ‘provider of last resort’ for SAIs in fragile states, and provision of support to SAIs in developed countries on a cost recovery basis. To provide a baseline for measurement of successful implementation of the strategic plan, IDI announced the launch of a triennial Global Survey. To minimize the burden on SAIs, a single survey tool would be used for monitoring the IDI strategic plan, following up the 2010 SAI stocktaking, and ascertaining global and regional demand for capacity development initiatives.

AGENDA ITEM 10 – Citizen Engagement and SAIs

The OECD and SAI Brazil presented on work on citizen engagement in SAIs, cooperating with SAIs of Chile and South Africa and the Secretariat. A stocktaking will provide an analysis of SAI practices in engaging citizens both at various stages of the audit process as well as in regarding the governance of the SAI, including the recruitment of the head of the SAI. A first pilot survey was conducted in October 2013, and initial results were presented to the SC, showing the level of engagement of citizens in a sample of OECD and non-OECD countries.

- **Decision 16:** OECD to circulate draft stock take to SC members in early November, for comments within 15 days

AGENDA ITEM 11 – IntoSAINT

SAI Netherlands presented the IntoSAINT tool, developed to help SAIs assess and strengthen their integrity systems as a vital part of efforts to prevent corruption, and informed participants about country and regional progress in using the tool. Participants were reminded that support for the implementation of the IntoSAINT constitutes one of the proposals submitted under the 2011 GCP, and asked donors to explore opportunities to support the proposal.

AGENDA ITEM 12 – SAI Performance Measurement Framework (SAI PMF)

The Secretariat updated the SC on progress in development and roll-out of the SAI PMF, being an INTOSAI tool to enable SAIs to better measure, manage, monitor and report on their performance. Following consultation and three initial pilots, a Pilot Version has been developed, endorsed by the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS), and published. Eight training courses are being run in 2013, and the SAI PMF Pilot Version and training is being made available in all relevant languages. Successful piloting requires application in a large and diverse set of SAIs during 2013-15, and the Secretariat updated the SC on SAIs that had volunteered to participate in the pilots. SC members engaged in pilots informed participants of current progress, including a self assessment in Brazil, SAI India conducting peer assessments in Bangladesh and Nepal, and the Inter-American Development Bank financing assessments in partnership with SAI Barbados and SAI Ecuador. The Secretariat emphasised some of the key decisions to be made at the beginning of assessments, and the fundamental importance of these decisions being made by the Head of the SAI.

- **Decision 17:** Secretariat to monitor piloting to ensure appropriate representation of SAIs in phase 2 pilots

AGENDA ITEM 13 – SAI Supply Side

The Secretariat highlighted recent examples of donor procurement practices that represent barriers to SAIs competing for SAI capacity development opportunities, and thus led to a non-level playing field for SAIs and private sector providers of SAI capacity development support.

This was followed by a presentation on a concept paper on a possible SAI Supply Side Community of Practice. While acknowledging the need to address the challenges of the SAI capacity development supply side, the SC questioned whether this should be a high priority activity under the Cooperation given the large number of important ongoing and planned initiatives. It was suggested that the INTOSAI Capacity Building Committee (CBC) could be an appropriate vehicle for taking the lead on the supply side activities. It was resolved that dialogue with the CBC would continue with a view to proposing a possible way forward on the supply side activities. In addition, an analysis of challenges on the supply side would be presented at the 7th SC meeting.

- **Decision 18:** Low priority for 2014 work plan
- **Decision 19:** Dialogue with CBC to continue on how to take the supply side issues forward
- **Decision 20:** Analysis of challenges on supply side to be presented at 7th SC meeting

AGENDA ITEM 14 – SAI Independence

The INTOSAI General Secretariat reported on the progress in terms of high level dialogue on the UN Resolution on SAI Independence, including efforts to include SAI independence in the UN post 2015 Development Agenda. Information on the number of country level initiatives being taken forward to develop legal frameworks in line with the Lima and Mexico Declarations were represented, and noted by participants.

AGENDA ITEM 15 – Working with Parliaments

CREFIAC and GIZ presented together on their work to strengthen relationships between SAIs and Parliaments in the CREFIAC region, noting the many challenges especially those resulting from the diversity of institutional governance structures and SAI models within these countries. PASAI also presented on their work on strengthening relationships with Parliaments, specifically the conclusions from the 2012 Accountability Report including timeliness and independence, and the need for better understanding of oversight roles and management of expectations gaps.

Participants held a lively debate on the related issues of Parliamentary oversight, independence, the distinction between internal and external control, the relation between the strength of external audit and public financial management systems, and the different models of SAIs. The links between lack of transparency and corruption were also discussed, and the challenges this presented to the work of SAIs.

AGENDA ITEM 16 – 2014 Work Plan

Based on the 2013-15 work program, progress on current initiatives, and decisions made during the SC meeting, a work plan for 2014 was presented.

- **Decision 21:** The draft 2014 work plan was approved.

Based on agreement during the Steering Committee Meeting, the 2014 work plan for the Cooperation is included in annex A.

The 7th Steering Committee Meeting is expected to be held in June 2014. The SC Leadership, in consultation with the Secretariat, will shortly announce the location and exact dates for the next Steering Committee meeting.

Annex: INTOSAI-Donor Cooperation Work Plan 2014

No	Theme and Task	Priority 2014	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	Prepare and submit draft concept notes for GCP	High	INTOSAI applicants	31 January
2.2	Feedback on draft concept notes	High	Secretariat	28 February
2.3	Prepare and submit final concept notes	High	INTOSAI applicants	31 March
2.4	Translated concept notes shared with donors and SAI providers of support	High	Secretariat	30 April
2.5	Donors and SAI providers of support express initial interest in concept notes	High	Donors and SAI providers of support	June*
2.6	Develop full proposals and match to funding	High	INTOSAI applicants, World Bank, Secretariat	June onwards
2.7	Secure pledges for and establish SAI Capacity Development Fund	High	Donors, World Bank and Secretariat	ASAP
2.8	Reporting on progress under GCP11	High	Secretariat	Continuous
3	SAI Performance Measurement Framework			
3.1	Regional training courses for assessors provided on demand	High	Secretariat & SAI PMF facilitators	Continuous
3.2	Support and monitor progress of phase 2 pilots	High	Secretariat	Continuous
4	Knowledge Centre on Support to SAIs			
4.1	Maintenance of SAI capacity development database	High	Secretariat	Continuous
4.2	Disseminate public goods, support donor engagement with SAIs	Medium	Secretariat	Continuous
4.3	Represent INTOSAI in development fora	Medium	CBC Chair and Secretariat	Continuous
4.4	Training for donors on working with SAIs <ul style="list-style-type: none"> Pilot training course delivered Updated course outline to SC E-learning version launched 	Medium	Secretariat	<ul style="list-style-type: none"> March June * After pilot
5	Strengthening the Supply of Support to SAIs			
5.1	SAI supply side <ul style="list-style-type: none"> Agreement on way forward with CBC Present challenges in SAI supply side to SC 	Low	Secretariat, CBC & others	<ul style="list-style-type: none"> June * June *
5.2	Develop guidance on better evaluations of SAI capacity development projects <ul style="list-style-type: none"> Establish project structure & agree approach Guidance drafted and ready for piloting 	Low	Secretariat, SAI Sweden & SAI Norway	<ul style="list-style-type: none"> January December
6	SAI Research Agenda			
6.1	Citizen engagement and SAIs: stock take	Low	OECD, SAI Brazil, SAI Chile, SAI South Africa	TBC
6.2	Benchmarking of SAI funding levels: Initial data analysis based on IDI Global Survey Results	Medium	Secretariat	June*
6.3	Issue calls for, and manage, SAI research proposals	Low	Secretariat	June*
7	Monitoring and Evaluation			
7.1	Secretariat annual progress report to funders	High	Secretariat	May

No	Theme and Task	Priority 2014	Responsibility	Deadline
7.2	Global SAI Monitoring Report, based on IDI Global Survey Results	Medium	IDI	June*
7.3	Synthesis of SAI Project Evaluations	Medium	Secretariat	June*
7.4	INTOSAI-Donor Cooperation Impact Assessment <ul style="list-style-type: none"> • Terms of reference approved • Evaluator Commissioned • Inception report 	High	<ul style="list-style-type: none"> • Steering Committee • SC leadership/Secretariat • Evaluator 	<ul style="list-style-type: none"> • June* • August • October

* Timing linked to 7th SC meeting