

7th INTOSAI-Donor Cooperation Steering Committee Meeting

September 16-17th 2014

Agenda Item 1: Progress Report

The Secretariat reported on delivery of the 2014 work plan, and challenges following a period of staff shortages. This had resulted in some delays in the activities agreed on in the last SC meeting in Beijing 2013. However, the majority of the activities are now on track. The main activities are presented in specific agenda items in the Meeting.

The Secretariat highlighted some other activities not covered later on the agenda, such as the SAI Capacity Development Database. The Secretariat encouraged all members to enter relevant information into the SAI Capacity Building Database, to ensure the database remains relevant and provides substantial information on planned and ongoing projects. A new feature of the database is a search function that allows users to track and search by the origin of the project, such as specific Global Call for Proposals. The Secretariat also emphasized their work in leading the update on the PEFA performance indicator on external audit (PI-26).

Decision:

Given the importance of the SAI Capacity Development database for aiding coordination and monitoring, the Secretariat will establish a regular procedure for database updates, and reissue guidance on the recording of support to SAIs that is part of broader PFM and other support.

Agenda Item 2: 2013 Global Survey

The Secretariat gave a presentation of the initial results of the 2013 Global Survey.

Initially, the process of producing and conducting the survey was elaborated on, as well as lessons learned from the process so far. Out of the total population of 210 SAIs and 9 regions and sub-regions, 84 % responded. This is a decline from the last survey, however, the number of respondents has increased.

The Secretariat reported that some lessons learned have already been extracted during the work. One positive experience was the level of stakeholder engagement with the survey, which facilitates the communication with SAIs when distributing the survey. However, to ensure timely and committed response, initial letters about the survey should be more formal and directed at Heads of SAIs.

Regarding timing, it should be ensured that the survey distribution and deadline does not overlap with important holidays. Timing should also not coincide with the Global Call for Proposals, and the difference between these two should be communicated clearly, as some confusion arose.

SAIs from all the regions responded. However, responses were often due to the repeated efforts of the Secretariat as well as the regions, sending out reminders through e-mail and letters, and contacting SAIs directly by telephone. The Secretariat especially emphasized that the effort of the regions had been important in this process of follow up, going on all the way through June 2014, two months after the deadline for responses. The issue of coordination with regions was also commented on by regional groups, which emphasized the importance of coordinating survey efforts through cooperation and use of common survey tool to facilitate this process.

The Secretariat also reported on the survey design and the preliminary analysis of the received data. The Secretariat recognized that the chosen survey tool was not the appropriate one for this amount

of data, and therefore proved difficult to apply. There were issues with export of the data from the chosen tool, and with the import of it into the analysis tool. One key challenge of the analysis is the huge amount of data. For the analysis the fact that the technical set-up in 2013 was different to the one used in the 2011 Global Survey has resulted in difficulties in treating the responses in the applied software selected for the analysis. Several partners expressed their gratitude towards the Secretariat for the work carried out.

Another important issue was the design of the questions. There were questions that were formulated in a way that made it difficult to assess the validity of the replies. This is an important lesson to take onboard for the next survey. Especially for the questions concerning ISSAI implementation, where the results so far were contradictory.

Finally, the Secretariat presented some of the initial results. On the high level indicator of SAI performance, there would appear to have been a global improvement since 2010. At the same time, there would appear to be areas which have worsened. In terms of the submission of timely audit reports, while there had been improvements in lower-middle income countries, there has been a decline in the performance of SAIs in low income and developed countries.

Perhaps the most striking finding was that 15% of SAIs don't publish any reports. Participants agreed that this issue needs to be investigated further.

Regarding SAI independence and mandate, the survey showed global improvements in mandates, but significant concerns on SAI independence. The SC agreed also that this should be further investigated.

Finally emerging needs identified through the survey were presented. While ISSAI implementation is still of interest, 5 additional areas were identified:

- Fraud and Corruption
- SAI stakeholder relations (civil society, impact)
- SAI performance, measurement and reporting (including Strategic Planning, use of SAI PMF and iCATs)
- Institutional Capacity Building for SAIs (including independence and legal frameworks)
- Professionalization of SAIs, through auditor certification programs

Interest in these areas as shown by submissions under the global call for proposals, was also discussed.

Decisions:

IDI will work towards finalizing and publishing the Global Survey Report by the end of 2014. The report will recommend specific areas for further research, such as country-level coordination, financial independence and publication of SAI reports.

IDI will conduct a post-survey review¹ including lessons learned to be applied in preparing the next Global Survey, planned for 2016.

The Secretariat will liaise with the relevant INTOSAI committees, working groups and regions to explore the possibilities of coordinating survey efforts and where possible, identifying common survey tools to maximize efficiency and reduce survey fatigue.

¹ An internal exercise, rather than a further survey

Agenda Item 3 Global Call for Proposals

The Secretariat summed up the 2011 Global Call for Proposals. Of the 55 proposals received, over 50% of the projects have received approved funding or are in progress. Some projects still have ongoing interest, but have not been approved, due to security and country governance challenges. Regarding projects from the 2011 Global Call that are not yet supported, the Secretariat gave applicants the option for projects to be retained, removed, or refreshed in the SAI Capacity Development Database.

The Secretariat then presented the results of the 2013 Global Call for Proposals. In total 47 concept notes were received. So far there has been indicative interest expressed in 24 of the proposals. The requested funding totals 57 million US Dollars. The Secretariat also elaborated how these funds were divided between the regions.

Support requested covers proposals for professional, organizational and institutional capacity building. The bulk of all proposals sought support to strengthen professional audit capacity. The use of the Capacity Development Database was also discussed and donors were encouraged to re-check that they have entered all relevant projects in order for all providers of support to have a complete picture of the situation, and enhance coordination.

GCP 2015 will be the third round of the global call. The Secretariat noted that in the early rounds, it was considered important to accept all proposals, because those most in need of assistance were those least capable of developing sound proposals. The Secretariat noted that while the quality of concept notes was improving, there was still considerable room for improvement. The SC discussed whether the core principles of the INTOSAI-Donor MoU should be applied in future, and whether final concept notes not meeting these principles should be rejected. Participants noted that disseminating weak concept notes, especially requests for proposals that overlapped with ongoing projects, risked reputational damage to the Cooperation.

Decision:

The Steering Committee agreed that the MoU principles, especially coordination, should be further reinforced within the Global Call for Proposals. The Secretariat was requested to develop a detailed proposal to do this, for decision at the next Steering Committee meeting (prior to launch of the 2015 Global Call for Proposals).

Agenda Item 4 Launch of SAI Capacity Development Fund

Representatives from SECO and the World Bank presented the recent launch of the SAI Capacity Development Fund (CDF), and the criteria for selecting projects to support. The SAI CDF funding board announced the award of the first two grants, for capacity development support for SAI Gabon and SAI Georgia. Details of these projects and planned results were summarized.

SECO presented their positive experiences of the SAI CDF so far, including several additional benefits in channeling support through SAI CDF, such as synergies with bilateral support and the flexibility of the CDF as a tool. SECO reinforced the importance of increasing levels of funding in order to be able to support more proposals through the fund. The SC discussed the relationship between bilateral support and the SAI CDF, and emphasized that the SAI CDF was not a lender of last resort after bilateral funding, but a mechanism to ensure that high quality projects can receive support, regardless of the geographical interest of individual donors. Several donors reiterated their continued interest in supporting the SAI CDF going forward.

Decision:

The SC encouraged partners to consider or continue efforts to secure financial support for the SAI CDF.

Agenda Item 5 Benchmarking SAI Funding Levels

A research project on benchmarking of SAI funding levels was put forward by the Secretariat. The proposal is to develop a model that will provide information both for SAIs in preparing budget requests, as well as donors as advocates for sufficient SAI funding levels. By testing variables, the objective is to identify what factors are affecting fund levels, which can help make meaningful comparisons across similar countries, to establish what is sufficient funding for SAIs to discharge their mandates.

The suggestion was met with interest, but also with expression of concern of what added value such results will give. Especially, it was advised to consider whether this work was of sufficient priority for the INTOSAI-Donor Cooperation. It was noted that there are other challenges regarding SAI independence that such a model would not cover. It was further cautioned that the numbers alone could be difficult to interpret without qualitative analysis at the country-level to explore causes for the levels identified.

It was also thought that it may be useful for SAIs to be provided with a model for identifying their own resource needs so that they can use this to examine the extent to which they have sufficient resources and to justify subsequent resource bids to their parliaments or governments.

Decision:

The SC noted that while benchmarking SAI funding levels could be a useful advocacy tool to ensure sufficiency of SAI funding, at this stage it was not clear whether the end results would justify the inputs. The Secretariat will explore whether others might take this forward as a research proposal, perhaps on a smaller, pilot basis such as within a single region.

Agenda Item 6 Training for Donors on Working with SAIs

The Secretariat provided an update regarding Training for Donors on Working with SAIs, and thanked the hosts of these training events. The course evaluation results and feedback were discussed. The program aims at giving donors an understanding of SAIs and their capacity building needs, and how to work more effectively with SAIs. The overall feedback on the training events were positive, and most participants saw the training as relevant for their work. The Secretariat presented plans to develop and implement an e-learning course, with options to further enhance material by adding a toolkit of possible elective topics to the basic course. The Secretariat emphasized that all such courses would be on a cost-recovery basis. Participants noted the increasing and constant demand for such courses from development partners, and discussed the need to develop longer term capacity to deliver such training.

Decision:

The Secretariat will continue delivery of the on-site courses on a cost recovery basis, on request.

Based on the SC's input, the Secretariat will develop a detailed, costed proposal to pilot the on-line course, for approval by the leadership, deliver this course, and report on the results at the next SC meeting.

The Secretariat will consider options to enable others to deliver this training in the longer term.

Agenda Item 7: Evaluation of the INTOSAI-Donor Cooperation

The Secretariat presented the background for carrying out an external evaluation of the INTOSAI-Donor Cooperation. Then, the selected evaluation team from ECORYS presented the plans for carrying out the evaluation and the evaluation methodology.

The Secretariat and the evaluation team asked the Steering Committee for input on selection of country case studies for pillar three of the evaluation. Feedback from the Steering Committee focused on questions regarding causal attribution of improvement in SAIs to the INTOSAI-Donor Cooperation, with such a limited number of cases. However, it was underlined by the Secretariat and the evaluation team that this is an initial evaluation and that demonstration of results to date, as well as a methodology for future evaluations, was also important.

Decision:

The evaluation team will continue to develop criteria to select country case studies, and make a proposal for discussion at the next SC leadership meeting.

The Secretariat will facilitate contact between the evaluation team and members of the INTOSAI and Donor communities.

The final evaluation report will be published.

Agenda Item 8 SAI PMF Piloting

The Secretariat presented the roll-out of the SAI PMF pilot courses conducted during 2013 and 2014, presenting statistics on participation by regions and gender balance as well as training of facilitators. The Secretariat directed their gratitude toward SAIs that have supported the roll-out by providing facilitators and other support. Such facilitators will also be able to carry out SAI PMF assessments in support of the pilot phase. The status on the progress on the SAI PMF assessment pilots was also elaborated on. The Secretariat highlighted the importance of the quality assurance of the assessments, from terms of reference to final report stage, as well as sharing final assessment reports and feedback on pilots with the SAI PMF task team.

Lessons learned based on assessments carried out were presented for the Steering Committee, and these gave useful pointers for future conduct of the SAI PMF. For example, establishing support for the SAI PMF by the head of SAI is a prerequisite for being able to carry out an effective assessment. Reviews of the reports produced shows that indicators are generally scored correctly. However, there is still room for improvements both for the process of assessment and the content and structure of the reports. Three SAIs and donors that have been involved in SAI PMF assessment also presented their experiences. During the group discussion it was agreed that the SAI PMF adds value compared to other assessment schemes, as it provides a high-level assessment of the functioning of the SAI. The importance of composing teams with the necessary audit and language skills were pointed out by several partners, and it was advised to prioritize training team leaders, including consultants, to meet the future need for carrying out SAI PMF Assessments. The SAI PMF task team will continue the development of a final version of the assessment tool.

Participants questioned whether SAI PMF assessment reports would be available for circulation to donors. The Secretariat reiterated the value of publication, in support of principles such as ISSAI 12 and ISSAI 20, but noted that the decision on publication of a SAI PMF assessment rests with the Head of the SAI.

Decision

The SC encouraged further participation in the SAI PMF pilot process and greater sharing of information on pilots with the SAI PMF task team.

The Secretariat will increase its focus on identifying and training future SAI PMF assessment team leaders and quality assurance reviewers, in relevant languages.

Agenda Item 9 Promoting Research on SAIs

The Secretariat started by emphasizing the increased importance and interest in carrying out research on the role of SAIs in society. The Steering Committee had previously agreed to include research as a theme in the program document. The previous and ongoing projects were presented to the Steering Committee, including the Stocktaking on Extractive Industries, the benchmarking of SAI funding levels, and Citizens Engagement with SAI. All projects are presented in separate agenda items. Proposals for possible future research topics were also presented and discussed. The Steering Committee was asked to consider whether regular calls for research proposals should be issued.

Several partners pointed out that the role of SAIs in society was an under-researched area, and that it has been difficult to identify academic institutions that are able to conduct research in this area, especially without assistance from INTOSAI bodies to provide access to information. Therefore, research initiatives are needed. However, the Steering Committee expressed a need to further elaborate on what value such research projects could add, before agreeing to support projects, given the amount of resources needed to carry out such projects.

Decision

SC members are encouraged to suggest possible future research topics, for consideration by relevant bodies (INTOSAI working groups, regions, global development fora and development partners) and to contribute to the creation of a list of research institutions with a proven track record of interest in this kind of research.

Agenda Item 10 Synthesis of Evaluations of SAI Capacity Development Projects

The consultant that carried out the synthesis presented the results of the study. The basis for the work was 22 evaluation reports on SAI capacity development projects provided by members of the Steering Committee, and further studies and research papers. The evaluations were assessed against the five OECD-DAC evaluation criteria. The synthesis also identified some lessons learned related to project design and implementation of projects, as well as the selected methodology.

The results show that it was seldom that evaluation covered all 5 OECD-DAC criteria, usually covering only relevancy and effectiveness. Budget utilization and timely implementation have been the two most researched aspects when it comes to the efficiency of SAI capacity. Another important result is coverage of impact and outcome sustainability has been limited. The synthesis also identified 5 factors that seem to influence the quality of the evaluation such as the quality of the Terms of Reference and the application of different evaluation methods. Finally the synthesis gives recommendations on how future evaluation work can be improved. One important aspect is the need for methodological guidance on how methods can be used and combined to be able to improve data validity and improve ability to assess effectiveness and impacts of projects. After the presentation the donors and SAIs expressed that these results were perceived as useful, and that many intended to disseminate the results with their organizations. Regarding the need to develop a guide, it was noted that many of the findings were similar for other areas of development, and that

such a guide should focus on the challenges unique to the evaluation of SAI capacity development projects.

Decisions:

The Secretariat will finalize and disseminate the Synthesis report.

The Secretariat will take forward the planned work on development of guidance on better evaluations of SAI capacity development projects, focusing solely on the needs specific to evaluation of SAI capacity development.

Agenda Item 11 Citizen Engagement and SAIs

Representatives from the OECD and the SAIs of Brazil and South Africa, presented the overall conclusion from the stock taking of SAI citizen engagement practices, and the experiences from the citizen engagement projects carried out in the SAIs. The study concludes that goals on citizen engagement are rarely linked to long-term strategic goals, and that SAI autonomy and capacity of civil society influence outcomes. Although transparency is being mainstreamed, participation is still scattered, specific, unique and less institutionalized. Donors and SAIs can facilitate and promote peer exchange and knowledge sharing between SAIs.

Agenda Item 12 Update from IDI and the CBC

The IDI emphasized the importance of the implementation of the 3i, as the standards are the basis for every other activity implemented within SAIs. Ownership of top management has been identified as one of the crucial aspects for this implementation to be successful. The ISSAI Certification Programs are comprehensive programs that aim at certifying auditors within the 3 main audit disciplines. In addition ISSAI based cooperative audits have been launched. The program has provided a feedback loop for the standards and their potential improvement. Gratitude was expressed towards donors and SAIs that has provided in-kind support. ISSAI Implementation will be a continued priority of the IDI.

Next the Chair of the CBC described how the committee strives to lead by example by being a model community of practice. The recent meeting in Lima resulted in a “wish list” of activities the committee wants to become involved in, as well as a description of what can actually be achieved by this committee. The recent meeting also contributed to clarifying the role of the CBC compared to other relevant stakeholders. As chair of a task force, the CBC is currently leading development of a white paper that aims to establish a common understanding among stakeholders of key terms, requirements and objective for professionalization and certification of auditors. The importance of this work was strongly supported by participants.

Agenda Item 13 The INTOSAI Working Group on Extractive Industries

Several studies have identified a need for a working group on extractive industries, due to the complexity of the area, and the high risk connected with management of public income from such industries, and administration of natural resources. The working group consists of 30 members and 2 observers. The first meeting of the working group took place in August 2014. Of the current members 88 percent have the mandate to audit extractive industries. Results from a survey distributed among members reports of challenges related to transparency, value creation and accountability. One of the prioritized areas for the working group would be to promote these areas within Extractive Industries, through auditing, and establish good practices that can contribute to such outcomes. The Steering Committee expressed their intention to continue the support of the working group.

Agenda Item 14 SAI Independence, Work with the IPU and the post-2015 Development Agenda

The Secretary General of INTOSAI provided an update on challenges for sustainable development and INTOSAI involvement in discussions on the post-2015 Development Agenda. This highlighted the support for common goals of creating transparency, enhancing accountability, fighting corruption and contributing to sustainable development.

Agenda Item 15 Capacity Development among French Speaking SAIs

SAI France gave an overview of how it organizes itself when working with other francophone SAIs. It has recently implemented a strategy on how to approach capacity building provided by the SAI. Key priorities are defining the role that the SAI can play, so that efforts are not duplicated, as well as professionalizing the approaches towards capacity building.

The SAI of France represents a court model, and emphasized the importance in creating a forum for SAIs adhering to this model. SAI of France is steering their efforts towards identified challenges for such SAIs, including that court model SAIs in many countries have not progressed towards covering all audit disciplines. SAI France also identifies the necessity of directing its efforts toward the French speaking SAI community and is involved in the communities that represents Francophone SAIs. In addition, the Ministry of Foreign Affairs of France provided an update about projects involving SAIs in Francophone countries, and reiterated France's commitment to the INTOSAI-Donor Cooperation.

Agenda Item 16 Forging Strategic Partnerships for Institutional Development

The UK NAO presented a paper on strengthening SAIs through forging strategic partnerships, which looked at the different national and international partners for SAIs and the INTOSAI community. The paper further sought to identify the common interests between INTOSAI and potential partners, as a basis for building partnerships to support strengthening the environments in which SAIs operate. It recommended that the INTOSAI Strategic Planning Task Force ensure that it seeks the views of a wide range of external partners as it develops INTOSAI's new strategic plan, it encouraged donors to ensure that country based staff interested in supporting SAIs foster partnerships with the key stakeholders able to help support and use the work of SAIs and it urged the INTOSAI regions to map and work with regional partners able to promote and support the work of SAIs.

Agenda Item 17 INTOSAI Strategic Plan

The INTOSAI strategic planning task force provided an update on the development of the INTOSAI strategic plan, for 2017-22. The task force emphasized that the major strategic goals for the current plan, such as establishing the ISSAIs and increasing cooperation with donors, had been achieved. Further, the next strategic plan would be more ambitious, , more measurable and include a financing plan. It would also be more outward looking, seeking to understand and respond to the key governance challenges facing major partners.

Agenda Item 18 2015 Work Plan

The draft work plan for 2015 was presented to the Steering Committee. Given the need to ensure balancing of work plan ambition to available resources, the Secretariat and SC leadership will review the draft work plan and prioritization of activities at the next SC leadership teleconference, prior to approval of the work plan.

INTOSAI-Donor Cooperation: 2015 Work Plan

No .	Theme and Task	Priority 2015	Responsibility	Target Date
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 (including newsletters)	High	Secretariat	Continuous
1.3	Develop phase 3 program document, based on evaluation findings	High	Secretariat	Oct, SC meeting
1.4	Agree financial and in-kind support for phase 3	High	Donors and SAIs	December 2015
2	Funding Mechanisms and Project Identification			
2.1	Dialogue between providers of support & applicants	High	Providers and applicants	Continuous
2.2	Assistance in Coordination of support as required	High	Secretariat	Continuous
2.3	Reporting on progress under GCP2013	High	Secretariat	Oct, SC meeting
2.4	Launch of GCP 2015	High	Secretariat	Oct, SC meeting
2.5	Training on developing concept notes, as requested	High	Secretariat	December 2015
2.6	Secure pledges for and establish SAI CDF	High	Donors, World Bank	Continuous
3	SAI Performance Measurement Framework			
3.1	Regional training courses for assessors provided on demand	High	Secretariat & SAI PMF facilitators	Continuous
3.2	Expand network of SAI PMF assessment team leaders and quality assurance reviewers	High	Secretariat & SAI PMF facilitators	Continuous
3.3	Support and monitor progress of phase 2 pilots	High	Secretariat	Continuous
3.4	Closure of Pilot and Consultation Periods, subject to sufficient number of pilots	High	Secretariat	31 March 2015
3.5	Publication of comments received and feedback from pilots	High	Secretariat & Task Team	14 April 2015
3.6	Publication of response to comments and pilots	High	Secretariat & Task Team	August 2015
3.7	SAI PMF Version 3.1 developed	High	SAI PMF task team	December 2015
4	Knowledge Centre on Support to SAIs			
4.1	Maintenance of SAI capacity development database	High	Secretariat	Periodic - TBD
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

No .	Theme and Task	Priority 2015	Responsibility	Target Date
4.4	Training for donors on working with SAIs <ul style="list-style-type: none"> Courses delivered on cost recovery basis Proposal to SC leadership on e-learning First pilot of e-learning course 	Medium	Secretariat, facilitators & mentors	<ul style="list-style-type: none"> Ongoing Jan 2015 Jun 2015
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"> Jun Oct SC meeting
5.2	Guidance on better evaluations of SAI capacity development projects ready for piloting	Medium	Secretariat	March 2014
6	SAI Research Agenda			
6.1	Citizen engagement and SAIs: phase 2	Low	OECD, SAI Brazil, SAI Chile, SAI South Africa	TBC
6.2	Benchmarking of SAI funding levels, on a smaller, pilot basis such as within a region	Low	TBC	Oct SC meeting
6.3	Suggest research proposals for others to take forward	Low	SC members	Oct SC meeting
7	Monitoring and Evaluation			
7.1	Secretariat annual progress report to funders	High	Secretariat	31 May 2015
7.2	Evaluation of the INTOSAI-Donor Cooperation <ul style="list-style-type: none"> Draft report to SC leadership Final Report to SC 	High	Evaluator, Secretariat & Leadership	<ul style="list-style-type: none"> March 2015 April 2015