**Report of the INTOSAI Working Group on Key National Indicators
at the 6-th meeting of the Steering Committee of the Committee on Knowledge Sharing and Knowledge Services (KSC)**

**(Cairo, 14-15October 2014)**

Distinguished chairman,

colleagues,

Today I’d like to present you the outcomes of the Working group on key national indicators over the period from May 2013 to October 2014.

The 7th meeting of the Working group was held in Indonesia in February 2014.

At the meeting in Indonesia the Working group endorsed 3 annexes to the White Paper on key national indicators. These are, first of all, “The principles of the development and use of key national indicators in SAIs’ activity” - being a result of the Working group members’ teamwork, and 2 annexes developed upon the implementation of the Working group’s subprojects.

The annexes based on the subprojects are the followings:

“Analysis of opportunities on the use of KNI for international comparisons in the context of sustainable developmentand recommendations”, coordinated by the State Audit Office of Hungary; and

“SAI's role in development and use of key indicators for research and development evaluation” coordinated by the National Audit Office of Finland;

At the 64th meeting of the Governing Board of INTOSAI in Beijing in 2013 the Accounts Chamber of the Russian Federation reported the decision to prepare an international standard of INTOSAI on the development and use of the key national indicators in the SAIs’ activities on the base of the White Paper.

In 2014 in Indonesia the Secretariat of the Working group presented a detailed report on the new standard’s development stages in compliance with the Due process for INTOSAI Professional Standards. The process of the standard development consists of 4 stages and is scheduled to be completed in 2016.

At the first stage the Secretariat has prepared the Project proposal which justifies the future standard and describes its objectives, the structure and the target audience.

The main purpose of the Standard is the enhancing SAIs’ role in the performance audit of the government on the basis of key national indicators. It is assumed that the Standard is being developed for the chairpersons and auditors of SAIs. The future standard includes a description of the application of key national indicators’ principles, the SAIs’ role in developing and using the key national indicators, as well as a manual on using the terminology.

The second stage presupposes the presentation of the draft standard in 2015 to the Committee on Knowledge Sharing and Knowledge Services. Then it should be agreed with the Professional Standards Committee.

The third stage implies the draft standard to be posted on issai.org for getting comments. By October 2016 the endorsement version of the Standard will be submitted to the Knowledge sharing committee and then it will be referred to the Governing Board of INTOSAI.

The forth last stage is the adoption of the standard by INCOSAI in November 2016.

We need concerted actions from all members of the Working group and the INTOSAI community. And I believe you will all be committed to these actions, resulting in the completion within the time frame.

Besides, I would like to touch on the issue of development of the Knowledge Base on Key National Indicators. The Knowledge Base is an electronic resource of the INTOSAI Working group, it’s a set of statistical tables with key national economic indicators as well as indicators of the UN and the World Bank.

This year, the Knowledge Base has been complemented by the “Global Competitiveness” Composite Index prepared by the World Economic Forum, covering the information from 144 countries.

Many countries are now facing institutional problems. They also feel a lack of financial resources and skilled staff who participate in the process of the KNI development and assessment.

In Indonesia this year we discussed the initiative from the Finnish delegation on researching the preparedness of the members of the Working group to implement KNIs and we have prepared a questionnaire for the members of the Working group. Upon this survey we will create a risk map which will give a picture of legal, administrative and resource risks and other issues which emerge when we implement KNIs.

I would like to draw you attention to the regional aspect of the Working group activity.

Within the framework of knowledge sharing between SAIs, the SAI of the Russian Federation heads the Expert group on KNIs by the board of the chairpersons of the Commonwealth of Independent States’ SAIs. The Russian Federation informs the members of the Expert group about the activity of the Working group of INTOSAI and disseminates documents and information of the Working group. During the meeting of this group in Yerevan earlier this year the Expert group decided to join the survey concerning the preparedness of the countries to implement the KNIs in the SAIs’ activity.

One of the objectives indicated in the Terms of Reference of the INTOSAI Working group, is to promote the work of governments in countries with a lack of Key Indicators System towards development and use of Key Indicators, through publicity and counseling by INTOSAI member-countries and international organizations involved in development and use of Key Indicators. Representatives of the member states of the group are working to incorporate KNIs in the legislative base in their own countries. The example to follow is from the Accounts Chamber of the Russian Federation. This summer a federal law on strategic planning within the Russian Federation has been adopted. It ascribes to the government commissions the determination of the order of formation and agreement of the performance targets indicated in the strategic planning documents proceeding from the priorities of the social and economic development. So the performance targets’ system set up by the federal executives will be a source of information about the implementation of strategic plans and may also be a basis for the KNI system development. In compliance with this law the Accounts Chamber of the Russian Federation is one of the main stakeholders of strategic planning. The Accounts Chamber of the Russian Federation is in charge of monitoring and analysis of development and use of the common performance targets’ system.

And in conclusion I would like to add that in 2014 the SAIs of India and Zambia became members of the Working group. Besides, at the 7th meeting the Working plan for 2014 was adopted and it also was decided that the next meeting of the Working group will be held in Bulgaria in spring 2015.

Summing up, I would like to say that the members of the INTOSAI Working group on Key National Indicators were committed to the work and demonstrated high professionalism and they are interested in the progress of the Working group. So it will contribute to dealing with the challenges that the SAIs are faced with and allow to effectively assess the performance of national governments.

Thank you for your attention!