

INTOSAI



INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS
ORGANISATION INTERNATIONALE DES INSTITUTIONS
SUPÉRIEURES DE CONTRÔLE DES FINANCES PUBLIQUES
INTERNATIONALE ORGANISATION DER
OBERSTEN RECHNUNGSKONTROLLBEHÖRDEN
ORGANIZACIÓN INTERNACIONAL DE LAS
ENTIDADES FISCALIZADORAS SUPERIORES
المنظمة الدولية للأجهزة العليا للرقابة المالية العامة والمحاسبة

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INTOSAI General Secretariat
INTOSAI wide Peer Review Project

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1. Introduction

As underlined by ISSAI 1 and 10 as well as the UN General Assembly Resolution A/66/209 and the only recently adopted Resolution A/69/228, the independence of a SAI is crucial to ensure its ability to carry out its work in a free and impartial manner, thus contributing to good governance, transparency and accountability.

BUT according to the last Global Survey of IDI over 40 % of INTOSAI member SAIs report cases of restricted independence, ranging from undue interference from the executive in the budget process to not being free to publish any reports (15%).

Against this alarming background the Austrian Court of Audit (ACA) in its capacity as the General Secretariat of INTOSAI has jointly initiated with the Austrian Development Agency an initiative for a 1st INTOSAI wide peer-review project on the subject of independence, which I already announced at the 66th Governing Board Meeting in Vienna last November.

The peer review will be realized on the basis of the 8 Principles of Independence as defined in the Mexico Declaration and in accordance with ISSAI 5600. One SAI per INTOSAI region has the possibility to be peer reviewed on a strictly voluntary basis. The selection of the SAIs is conducted upon recommendation of and in close cooperation with the Regional General Secretariats. The peer review will be conducted by a team of two to four reviewers, consisting of two to three reviewers from the ACA and one reviewer from a SAI from the corresponding INTOSAI Region thus corresponding to the INTOSAI core value inclusiveness, cooperation and professionalism.

2. Partners and coordination

The main partner for this peer-review project will be the Austrian Development Agency, which supports this project with a grant of 300,000.00 EUR covering project related costs. There will be a considerable in-kind contribution of personnel by the ACA by sending 20 reviewers and bearing the personnel costs of these reviewers as well as by the SAIs of Bahamas, Brazil, Egypt, Ghana, Japan and Moldova by sending one reviewer respectively. The time frame for each peer review is approximately six weeks (two weeks preparation, two weeks on-site fieldwork, two weeks drafting of the report). This will amount for the ACA to total cost of personnel of approx. 350,000.00 EUR.

In compliance with the INTOSAI regulation on “INTOSAI Framework for Dealing with External Funding Institutions regulations for external funding” the Secretary General has approached at the beginning of the whole process the members of the INTOSAI (Governing Board), including the members of the Finance and Administration Committee and the INTOSAI chairs of the INTOSAI Donor-Cooperation, to consult them as foreseen on this project. It was underlined that the project is in line with the priority number 1 of the current Strategic Plan and is a further step to implement ISSAI 1 and 10, the UN General Assembly Resolutions A/66/209 and A/69/228 on strengthening SAIs. It is also in accordance with the resolution of the INTOSAI Governing Board taken on occasion of its 55th meeting in

2006 on dealing with external funding as well as with the guiding principles of the MoU INTOSAI-Donor Cooperation.

The members of the Governing Board expressed their consent underlining that independence is an issue of fundamental importance and qualifying this peer-review project as a great step forward that more efforts and initiatives are invested to assist SAIs in this endeavour. Some SAIs gave us very welcome and useful recommendations like including the INTOSAI Peer Review Sub-Committee, close cooperation with CBC, taking up results and achievements of the SAI-PMF and last but not least the SAI of Saudi Arabia had asked for a discussion of this project in this FAC meeting.

The first amount of 50,000.00 EUR has already been transferred by ADA and been accounted for in a separate accounting circle earmarked for the peer-review project. The members of the FAC have been informed on it by a communication as of 15 April 2015

The INTOSAI General Secretariat will implement this project by using staff of the ACA and in a related contract between the INTOSAI General Secretariat and the ADA details have been defined.

Furthermore also the chair of the INTOSAI Sub-Committee Peer Reviews, the SAI of Slovakia (siehe Beilage 5 –Brief ORKB Slowakei) offered his support to this significant project and facilitated a list of SAIs willing to take part in peer reviews as result of a peer review survey conducted by this Sub-Committee. The SAI of Slovakia also expressed its willingness to conduct an evaluation of the project.

Most important partners are of course the participating SAIs, both as peer-reviewed SAIs and as co-peer reviewers, and the General Secretariats of the seven INTOSAI regional organizations helping us to identify the participating SAIs (see below item 3) and also expressing their full support for the project.

Needless to say that we also approached IDI both on occasion of the UN/INTOSAI Symposium in March as well as on occasion of the IDI Board meeting where we informed the whole Board, including the representatives of the INTOSAI Donor Secretariat, on the details of the project. IDI equally welcomed this project and offered cooperation.

All these involved parties show that we are speaking of a real comparative INTOSAI wide crosscutting initiative including a large number of member SAIs, development partners, IDI, INTOSAI Donor Cooperation as well as all seven INTOSAI regions.

3. Selection of SAIs

To identify the SAIs the General Secretariat of the regions were approached to assist the INTOSAI General Secretariat. The selection process of SAIs interested in participating as active partners in peer reviewing together with the ACA is finished in all regions. Here the

INTOSAI-wide list of the candidate SAIs for being peer-reviewed as well as co-peer reviewers:

REG. WG	Peer reviewed SAI	SAI – co-peer reviewers with ACA
AFROSAI	Ethiopia	Ghana
ARABOSAI	Tunisia	Egypt
ASOSAI	Bhutan	Japan
CAROSAI	Trinidad and Tobago	Bahamas
EUROSAI	Albania	Moldova
OLACEFS	Ecuador	Brazil
PASAI	Vanuatu	no SAI nominated

MoUs, which will define roles and responsibilities, have been elaborated and will be signed between the INTOSAI General Secretariat and all partner SAIs involved in the peer reviews in September 2015.

As to the SAIs which have been spot to participate as peer-reviewed SAIs, they have been informed on the details of the planned peer review and the estimated time frame (see below item 5).

4. Objective, Outcome and Results

The overall objective of the project is to enhance transparency and accountability of public finances by strengthening the independence of seven SAIs in the seven INTOSAI Regions.

The aim of this peer-review project is twofold:

- On the one hand, it will serve to identify problems and recommendations related to the 8 principles of independence as defined in the Mexico Declaration. For the peer-reviewed SAI, the report on the status of its independence shall be an instrument for enforcing the principles of independence by using the report as an effective tool to approach its Parliament and media.
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- On the other hand, it will also help the whole INTOSAI community to identify and take further necessary measures for improving the independence on the basis of the results of these peer reviews together with UN and donors.

The target groups of the project are: 1.) seven peer-reviewed national SAIs, 2.) the seven INTOSAI Regions (AFROSAI, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS, PASAI) 3.) INTOSAI itself, 4) national parliaments and governments and 5) the civil society.

We expect the following 4 main results of this INTOSAI-wide peer review project:

4.1 Result 1

Seven peer review reports on compliance with ISSAI 10, including recommendations for action provided to the seven SAIs.

These reports contain an assessment of compliance with the 8 principles of independence and recommendations for action to be taken at SAI level and at national level to strengthen those elements of independence that show room for improvement.

For the peer-reviewed SAIs the reports on the status of their independence shall be an instruments for national follow-up measures and for enforcing the principles of their independence by using the reports as effective tools to approach their Parliaments and media.

4.2. Result 2

A published comparative cross-cutting report including recommendations for further action on international level provided to INTOSAI and UN bodies as well as development partners.

This report contains an assessment of compliance with the 8 principles of independence, identifying those areas where further action on international level (INTOSAI, United Nations, international donor community) concerning further capacity building, standards development etc. is needed. There will be concrete recommendations in order to design and deliver programmes for strengthening the independence of SAIs based on the results of the peer reviews.

4.3 Result 3

A report on lessons learnt in the context of the peer reviews on independence provided to INTOSAI as basis for further like-minded peer reviews.

This report contains an analysis of usefulness and effectivity, best practices, dos and don'ts related to this peer review pilot project in terms of how to conduct further similar peer reviews best possible.

4.4 Result 4

A drafted and adopted concrete action plan based on the recommendations from the peer reviews for INTOSAI and UN bodies as well as development partners.

This action plan, which will include a to do list (drafted by the INTOSAI General Secretariat) based on the recommendations from the peer reviews, will concretely define who on international level will do what and when in order to implement the recommendations from the peer reviews. This action plan shall be agreed by all participating institutions at a conference in Vienna at the end of 2017.

Participants at the conference and partners for implementing this action plan should be inter alia ADC, peer reviewed SAIs (7), peer reviewing SAIs (8), General Secretariats of the INTOSAI Regions (7), Chairs of the INTOSAI Regions (7), Chairman of the INTOSAI Governing Board and Members of the INTOSAI Governing Board (18), INTOSAI Goal Chairs (4), IDI, INTOSAI Journal, UN Organizations, IPU, OECD, Donors as represented in the INTOSAI Donor Cooperation.

5. Timeframe for the project

The following estimate timeframe has been set out at this stage of planning:

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- Determination of SAIs July 2015
 - MoUs signed September 2015
 - Elaboration of peer review concept summer/fall 2015
 - Kick-off Workshop in Vienna with ACA and regional peer reviewers in October 2015
 - Preparation phase for single peer reviews fall 2015
 - On site visits generally February 2016
 - Finish of Peer Reviews 2016
 - Cross-cutting report and report on lessons learnt to be presented to INCOSAI 2016
 - Action plan to be agreed second half 2017
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