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The 2nd meeting of the Steering Committee of the INTOSAI Knowledge Sharing Committee (KSC) was held in Mexico City, Mexico from 11 to 13 August, 2010. The meeting was presided over by Mr. Vinod Rai, Comptroller & Auditor General of India and Chairman of the KSC. The list of delegates who attended the meeting is attached as Annexure.

Agenda item 1 and 2

Welcome Address and KSC Chair Opening Remarks

Mr. Juan M. Portal, Auditor General of Mexico and Chairman of the INTOSAI Governing Board greeted the delegates to the II KSC Meeting.

Afterwards, Mr. Vinod Rai, Comptroller and Auditor General of India and Chairman of the INTOSAI KSC Steering Committee offered his opening remarks. He informed the Committee of the decision of the INTOSAI General Secretariat about the change in procedure of presenting the activity reports by the Working Groups and Task Forces under Goal 3 at the upcoming Governing Board meeting during the XX INCOSAI. As per the new procedure, SAI-India as Chair of Goal 3 would give an overall presentation of the activities of the Working Groups and Task Forces instead of each Working Group and Task Force presenting their report separately at the meeting.

He also commented on the proposal presented by the SAI of Mexico, for the development of a specialized data base, using the INTOSAI Collaboration Tool platform, considering it a worthy initiative, and opened the possibility of establishing a Task-Force within the KSC, led by the SAI of Mexico, for this purpose. He agreed to discuss this initiative in the final part of the meeting.

The Agenda was endorsed by the members of the KSC.

Agenda item 3

Remarks by Goal 3 Liaison (SAI–Russian Federation)

Dr. Alexander Piskunov, Head of the Russian Federation Delegation, stated that, in its capacity as Goal 3 Liaison, his country had participated in most of the Goal 3 Working Groups and Task Forces. Moreover, being an ASOSAI and EUROSAI member, the Russian Federation sought to further foster communication between these two regional groups.

In response to the previous request of the KSC Chair, the Accounts Chamber of the Russian Federation offered to host the 3rd meeting of the KSC in Moscow. The dates for this meeting would be agreed after the confirmation of the KSC members.

Agenda item 4

Remarks by INTOSAI Secretary General (INTOSAI Secretary General – SAI of Austria)



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A report on the activities of the Secretariat was presented by Mrs. Monika Gonzalez on behalf of Mr. Josef Moser, President of the Austrian Rechnungshof and Secretary General of the INTOSAI. She pointed out that contact had been made with the UN in order to promote the endorsement of the INTOSAI Declarations by the United Nations, and elaborated on the progress that had been achieved.

She announced that the passwords for accessing the INTOSAI website for the 60th Governing Board Meeting would be included in the official invitation, so all participants could timely peruse the available materials.

Agenda Item 5

Report on INTOSAI Strategic Plan (Director of Strategic Planning, INTOSAI Secretariat)

The report was presented by Mrs. Monika Gonzalez, on behalf of Mrs. Kirsten Astrup, Director of Strategic Planning. She informed that the exposure period of the INTOSAI Strategic Plan Draft had already concluded, and that its final version, incorporating the comments of the INTOSAI membership, would be translated into the five official languages in September so that it could be presented for endorsement during the XX INCOSAI.

Agenda item 6

Presentation on the recent activities of the INTOSAI Development Initiative (IDI)

The report was introduced by Mr. Magnus Borge, Director General of IDI and presented by Mr. Dwita Pradana, Program Manager. Mr. Pradana presented a detailed report on the IDI Programme and Activities 2010 and also on the IDI Knowledge Management, stating that for nearly 20 years the IDI had been assisting in the capacity building and knowledge sharing efforts of INTOSAI members.

Dr. Piskunov of the Russian Federation congratulated the IDI for the work done and asked the IDI how they envisioned the future of the Initiative. Mr. Pradana mentioned that the IDI would continue supporting the INTOSAI community on achieving their targets, in line with the IDI's mission and strategic goals and the needs of stakeholders. Mr. Borge added that one of the most difficult IDI challenges was to keep the Initiative up to date with the changing situations and requirements of SAls.

Agenda item 7

Presentation on recent activities of the INTOSAI – Donor Cooperation for the INTOSAI Community (IDI)

The report presented by Mr. Magnus Borge stated that the next meeting of the INTOSAI Donor Steering Committee would take place in South Africa, preceding the INCOSAI. Donors, who might in time sign up to the Memorandum of Understanding, would be invited to this meeting. Mr. Borge commented that even though donors supporting SAls was not a



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new issue; the necessary assessment of specific needs in each country in order to design more comprehensive projects was. Therefore, the coordination of the activities in order to avoid fragmentation should be taken into account. The 2009 Memorandum of Understanding included 15 donors and contained the main objectives and purposes of the INTOSAI-Donor Cooperation.

Mr. Saar of SAI Estonia inquired on how the Donors may influence the activities of INTOSAI Working Groups and Task Forces. Mr. Borge stated that it depends on the direction of both Donor and INTOSAI and which Working Group's work attracts them. There could be a change in focus in some groups to consider cooperation, but nevertheless, the priority would be to assist SAIs in developing countries based on their needs and the concern is how to prioritise the needs in order to get support.

Dr. Piskunov of the Russian Federation asked if more developing countries would be accepted into Working Groups and Task Forces in order to attract Donors support for their activities. Mr. Borge said that though it was not the objective, it could be possible depending upon an increased participation of developing countries. Mrs. Danièle Lamarque, of the SAI France, underlined that the developing countries' SAIs should be assisted individually in order to allow them to reach a level that might then result in a more active participation within already existing Working Groups and Task Forces, an idea shared by Mr. Borge.

Agenda item 8

Report on the achievements of INTOSAI Journal of Government Auditing (SAI–USA)

The report was presented by Mrs. Muriel Forster, of the Government Accountability Office of the United States of America. Mrs. Forster stated that some technical changes had been introduced in order to ease accessibility such as the electronic journal, its printable version and the possibility of filing an automatic subscription. She mentioned that the winner of the Elmer B. Staats Award was being finalised. Given the importance of feedback, an invitation was made to all members to participate in the Journal's endeavors.

Agenda item 9

Progress Report of the Task Force on INTOSAI Communication Strategy (INTOSAI General Secretariat - SAI–Austria)

The report was presented by Mrs. Monika Gonzalez of SAI Austria. She stated that the Task Force's objective was to attain a better communication process, both inside and outside INTOSAI, in order to set the knowledge on INTOSAI at a uniform level, and likewise to offer support to its members and promote convergence.

Another goal was to increase the awareness of decision makers and opinion leaders regarding Government audit concerns as well as strengthening the standing of SAIs and of INTOSAI and convey the benefits of INTOSAI and member SAIs to partner organizations.



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A comprehensive report on the activities and projects currently under implementation by the Task Force was presented as well as the status of the Communication Plan, to be presented for discussion during their next meeting.

The use of the Collaboration Tool was also deemed important and she informed that a training session might be organized on it during the XX INCOSAI.

No further comments were made thereafter.

Agenda item 10

Progress Report of Working Group on Accountability and Audit of Disaster Related Aid (European Court of Auditors)

The report was presented by Mr. Jagbans Singh of SAI India on behalf of the European Court of Auditors. He mentioned the activities undertaken during the last meetings of the Working Group, in which a first draft of a guidance document for auditing disaster-related aid, a draft on auditing disaster – preparedness, and a draft Supplementary Practice Note to ISSAI 1240, were presented and revised. These guidelines would provide useful advice to SAIs planning to undertake audit in those areas. In addition, an Interim Report for the XX INCOSAI was presented containing the draft guidance documents mentioned above as annexures.

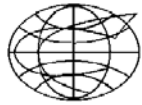
The Working Group also asked for an extension of its mandate for another three years for the development of audit guidance document and good practices in the area of accountability, concentrating on activities directed to stakeholders (multilaterals, aid organizations, governments, private auditors) and to carry out advocacy work towards international standard setting bodies.

The KSC Steering Committee agreed on endorsing the petition of the Working Group of granting an extension of the Working Group's mandate for another three years.

Agenda item 11

Progress Report of Working Group on Fight Against International Money Laundering and Corruption (SAI–Egypt)

The report was presented by Mr. Jagbans Singh from SAI India, on behalf of SAI Egypt. He stated that the Working Group considered the elaboration of a new Working Plan for 2011 – 2013, taking into account new worldwide developments, as well as submitting technical support to SAIs, searching for new means to detect and prevent corruption and money laundering and creating new mechanisms for enhancing the expertise of SAIs auditors through the development of specialized training courses in cooperation with IDI. The Working Group had already established guideline projects regarding the prevention and fight against corruption including stolen assets recovery, enhancement of integrity, transparency, accountability and rational administration of government property and challenges faced by



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SAIs when fighting money laundering. A website-update and investigation questionnaires were also presented.

Mr. Magnus Borge, Director General of the IDI, informed that the initiative required for the Working Group was to define specific guidelines and contents of their investigations before any training or capacity building program could be developed and that this might take some time. He pointed out that, nevertheless, the IDI was interested to engage in capacity building cooperation when the guidelines are available.

Agenda item 12

Progress Report of Working Group on Environmental Auditing (SAI–Estonia)

The report was presented by Mr. Tõnis Saar of the National Audit Office of Estonia, Chair of the WGEA. The report included the results of the last meeting of the Working Group in which the main topics addressed were auditing the environmental agreements and conventions, climate change, auditing the management of natural resources, emerging topics and lessons learned on environmental auditing. Interactive parallel sessions on projects of climate change, sustainable energy, fisheries, forestry, and minerals and mining were also held.

The status of the actions arising from the Working Plan 2008 – 2010 were presented as well, which included the expansion of guidance materials available to SAIs, the facilitation of concurrent, joint and coordinated audits, the enhancement of information dissemination, exchange and training, cooperation between the Working Group and international organizations and the assurance of ongoing and effective governance. The WGEA aimed to approve the new Working Plan 2011 – 2013 as well as the endorsement of documents within the Group.

Appreciating the work and accomplishment of the WGEA, Mr. Borge asked about the WGEA's key success factors and ability to mobilize the developing SAIs. Mr. Saar mentioned that there are four key success factors of the WGEA work. They are (i) inherit from good networks provided by predecessors – SAI Netherlands and SAI Canada, (ii) provide a wider opportunity to people to talk, (iii) there is example of good leadership from its member SAIs, and (iv) there are great assets of long standing and committed participants.

Agenda item 13

Progress Report of Working Group on Program Evaluation (SAI–France)

The report was presented by Mrs. Daniëlle Lamarque Director of International Relations of the Court of Account of France. Mrs. Lamarque pointed out that the Working Group had done an assessment of methodologies of evaluation and commented on the two case

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studies on program evaluation done by the SAIs of Mexico and the United States of America.

The Working Group would try to work parallel to the objectives and goals of the INTOSAI, especially Goal 3; Knowledge Sharing, regarding the identification and dissemination of best practices, using communication tools and developing research. In order to define the best practices a questionnaire was sent to five SAIs; the obtained information would be used to design a general questionnaire to be sent to all INTOSAI members to get their feedback.

Dr. Piskunov, of the Russian Federation, inquired on the topic of performance audit and wondered if there would be sufficient tools to evaluate this kind of programs properly, and stated that the Russian Federation had developed various methodologies to this end, which they were extremely interested in sharing with the Working Group.

Mrs. Lamarque answered that some groups had integrated performance audit within the evaluation. As for the proposal for exchanging experiences and best practices, the offer made by the Russian Federation was well received.

Agenda item 14

Progress Report of Working Group on IT Audit (SAI–India)

The report was presented by Mr. Jagbans Singh, Principal Director of International Relations of SAI India. He stated that the Working Group had reviewed its 'Mission Statement/ Charter' defining the roles and responsibilities of the Working Group Chair, Secretariat, Project Leads and Members; and had also designed and developed templates for Work Plan/ Project plan defining the purpose, scope, and objectives of the project and its delivered products. He also provided the status of the six ongoing projects taken up since the last INCOSAI and stated that on the basis of a survey carried out to identify future projects, the Working Group has selected the following Projects for its Work Plan 2011-2013:

- Project 1: Development of IT Performance Indicators/Index System about IT Performance Audit/ Performance measurement of IT solutions implemented in government organizations
 - Project Leader: SAI China
 - Project members: Bhutan, Japan, Kuwait, Poland, Russia and USA
- Project 2: IT Audit planning and detailed audit procedures to review IT controls
 - Project Leader: SAI South Africa
 - Project members: Bangladesh, Bhutan, Sri Lanka and Tunisia
- Project 3: Optimising IT value in Government Organisations
 - Project Leader: SAI Canada
 - Project members: Brazil, Norway, Poland, Sweden and United Kingdom
- Project 4: Green IT
 - Project Leader: SAI Norway



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- Project members: Austria, Canada, India and Sweden
- Project 5: Cloud Computing and Virtualisation
 - Project Leader: SAI United States of America
 - Project members: Australia, Canada, India, Norway, Sweden, Turkey and United Arab Emirates

Regarding the question of Dr. Piskunov on the need of special research on IT management and performance, the KSC Chair pointed out that some work on the effectiveness of IT audit has been carried out. He, however, mentioned that IT should result in better management.

Agenda item 15

Progress Report of Working Group on Public Debt (SAI–Mexico)

The report was presented by Mr. Juan M. Portal, Auditor General of Mexico. He commented on the importance and relevance that public debt will have in the near future in world economies. The input on these matters, provided by the Working Group, would therefore be of great importance. In his report, he mentioned the activities of the last two annual meetings, pointing out the updating of the Working Group's Strategic Plan, an official product of the Group currently under exposure, and the themes that would be investigated further on. He underlined the cooperation with the IDI and the ongoing trans-regional capacity building program on public debt auditing, and the INTOSAI glossary of terms to be presented at the XX INCOSAI, including a section on public debt terminology and definitions.

Mr. Magnus Borge highlighted that there are several different patterns of the IDI's working relations with the Working Group. He mentioned the active cooperation with the WGPD, going back to 2002, considering it as a success story in cooperation from the IDIs viewpoint. Also he acknowledged the Working Group's effort on the preparation of the Handbook for Meetings and the production of materials which could be developed in to ISSAIs.

He also pointed out that there is wide opportunity and possibility of more cooperation between and among Working Groups as some of them share common topics.

Agenda item 16

Progress Report of Working Group on Key National Indicators (SAI–Russian Federation)

The report was presented by Dr. Alexander Piskunov, Auditor of the Accounts Chamber of the Russian Federation. He said that Key National Indicators were not considered statistical data, but indicators of the development of countries. He stated that a special Commission in the US on Key National Indicators was formed at a Congressional level, and the OECD global project on measuring the progress of societies, based on indicator sets used to measure progress and development was indicative of the importance accorded to this theme.



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Dr. Piskunov mentioned that the Working Group was currently working on five projects and that preparation of a “White Paper” would be completed by November and presented to the XX INCOSAI. The document would be a model for reference for use of Key National Indicators, aimed at social and economical development, by all SAIs to revisit issues regarding transparency and accountability as well as progress measurement.

Agenda item 17

Progress Report of Working Group on Value and Benefits of SAIs (SAI–South Africa)

The report was presented by Mr. Jagbans Singh of SAI India on behalf of SAI South Africa. It included the outcomes of the last meeting of the Working Group, including a survey on the proposed fundamental requirements supporting the value and benefits of SAIs, as well as the discussion paper to be debated during the XX INCOSAI.

The Working Group agreed that the main focus areas in the period 2011 – 2013 would be supporting the inclusion of the Framework for Communicating and Promoting the Value and Benefits of SAIs as part of the ISSAI framework at Level 1 as potential ISSAI 2; encouraging the INTOSAI membership to fully participate in surveys on the abovementioned framework, and developing appropriate instruments and tools for communicating and promoting the value and benefits of SAIs to stakeholders, including civil society and citizens.

No additional comments were made.

Agenda item 18

Progress Report of Working Group on Audit of Privatization, Economic Regulation and PPP (SAI–United Kingdom)

The report was presented by Mr. Jagbans Singh of SAI India, on behalf of the National Audit Office of the UK. The KSC Chair thanked NAO-United Kingdom for their commendable efforts in developing an extensive and comprehensive catalogue of audit products including audit guidelines on best practices. He further informed the Committee of the decision of NAO-United Kingdom to cede the Chair of the Working Group and seek its dissolution at the XX INTOSAI Congress in November 2010.

Mr. Tönis Saar of SAI Estonia added that it would be a good idea to maintain the products of this Working Group on the Internet in electronic format for open perusal.

Agenda item 19

Progress Report of Task Force on Financial Crisis (SAI–USA)

The report was presented by Mrs. Muriel Forster, Director of International Relations of the Government Accountability Office. The Terms of Reference were discussed, proposed and



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adopted. Subgroups were formed to focus on the following areas: Subgroup 1- Causes of Financial Crises and Lessons Learned, Subgroup 2- Actions to Minimize and Avert the Crisis; What Is Working and What Is Not, and Subgroup 3- Challenges to SAIs. A teleconference was held in 2010 in which the chairs discussed the status of their subgroup's work and the next steps for circulating their papers.

Dr. Piskunov commented on the feasibility of preparing macroeconomic assessments of the crisis; Mrs. Forster said that she believed that there was going to be a discussion of that issue within the Task Force in the near future, which was confirmed by Mr. Tönis Saar.

Mr. Borge suggested that KSC may develop guidelines on how to conduct teleconferences.

OTHER ISSUES:

Agenda item 20

Presentation of the project 'Supreme Audit Institutions Database' (SAI Mexico)

The project was presented by Mr. Benjamin Fuentes Castro, on behalf of Mr. Juan M. Portal, Auditor General of Mexico. The idea of the project is to provide the INTOSAI community and the public at large with reliable information on several features of the world's SAIs. The information of the database would be obtained through specific surveys, taking advantage of the work and experience of several INTOSAI bodies. The SAI of Mexico proposed to lead a Task Force within the KSC to complete this project.

The proposal was welcomed by the KSC but Mr. Magnus Borge and several other delegates said that they would very much appreciate a more thorough presentation on the project. The KSC Chair requested SAI Mexico to prepare a comprehensive presentation to be discussed during the KSC Meeting, just before the XX INCOSAI.

Agenda item 21

Venue for the next KSC Steering Committee meeting

The KSC accepted the Russian Federation's proposition, and declared that the next meeting would be held in Moscow in 2011. The exact dates would be decided in due course.

Agenda item 22

Closing Remarks and end of session (KSC Chair, SAI-India)

Mr. Vinod Rai thanked SAI-Mexico for hosting the event and the delegates for their participation. At the same time, he expressed concern about the inability of the Chairs of different Working Groups or their representatives to attend the meeting and, make the presentations. He felt that when a presentation was made in proxy, the discussion got discouraged as ordinarily participants of only that Working Group would be able to clarify issues. He informed the members that hence forth the dates for the KSC Steering



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Committee meeting would be announced at least eight months in advance to provide Working Group members a longer lead time to plan their travel which would facilitate a more informed deliberation at the meeting. He further suggested to the Working Groups that in case due to unforeseen factors, the Chair of the Working Group was unable to attend the meeting, he should encourage some other active member of that Working Group to attend the meeting on behalf of that Working Group.

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ANNEXURE

List of Participants

#	Country	#	Name of Participant	Designation
1	Austria	1	Mrs. Monika Gonzalez-Koss	Expert in International Affairs
2	Estonia	2	Mr. Tõnis Saar	Director of Corporate Services
3	France	3	Mrs. Daniëlle Lamarque	Director of International Relations
4	India	4	Mr. Vinod Rai	Comptroller and Auditor General of India
		5	Mr. Jagbans Singh	Principal Director-International Relations
		6	Mr. S. Alok	Principal Director to CAG of India
		7	Mr. Amitabh Prasad	Director-International Relations
5	Mexico	8	Mr. Juan M. Portal, CPA	Auditor General of Mexico
		9	Mr. Benjamin Fuentes Castro	International Liaison Officer
7	Russian Federation	10	Dr. Alexander Piskunov	Auditor
		11	Dr. Yulia Poroskova	Chief Inspector
		12	Dr. Roman Senin	Chief Inspector
		13	Mr. Nikolay Zlenko	Head of the Group of Councilors
8	USA	14	Ms. Muriel Forster	Director International Relations
9	INTOSAI Development Initiative	15	Mr. Magnus Borge	Director General
		16	Mr. Dwita Pradana	Programme Manager