



**4th Meeting of the
INTOSAI KSC Steering Committee
(Luxembourg, 25-26 September 2012)**



Minutes

The 4th meeting of the Steering Committee of the INTOSAI Knowledge Sharing Committee (KSC) was hosted by the European Court of Auditors in Luxembourg from 25 to 26 September, 2012. The meeting was presided over by Mr. Vinod Rai, Comptroller and Auditor General of India and the Chairman of the KSC. The list of delegates who attended the meeting is attached as Annexure.

Agenda items 1 and 2

Welcome Address and KSC Chair Opening Remarks

Mr. Vítor CALDEIRA, President of the European Court of Auditors greeted the delegates to the 4th Steering Committee meeting of KSC. Mr. CALDEIRA stated that knowledge sharing not only benefits our respective institutions but also ultimately benefits the citizens. He then apprised the committee of the contribution being made by the European Court of Auditors. He also stated that the European Court of Auditors had been actively involved within the Knowledge Sharing Committee since its establishment through its membership of various Working Groups and Task Forces.

The welcome address was followed by opening remarks from Mr. Vinod Rai, Comptroller and Auditor General of India and the Chairman of the INTOSAI KSC Steering Committee. He informed the Committee that the progress reports of Working Groups and Task Forces discussed at the meeting would form the basis of their reports to the 63rd Governing Board meeting.

Mr. Rai stated that the focus of the INTOSAI KSC is on the management of diverse audit methodologies as a strategic asset and encouraging its sharing amongst SAIs. Mr. Rai also encouraged the member SAIs to use some of the features of the KSC website such as 'Form', 'Survey System' and 'Archives'. He added that it was KSC's aim to develop the website as a central repository of knowledge which would help the auditors working in individual SAIs to leverage the expertise of people across INTOSAI. This would in turn also enable them to manage fast changing audit environments and assist them in obtaining relevant insights and ideas appropriate to their work.

The Agenda was endorsed by the members of the Steering Committee.



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Agenda item 3

Report by the INTOSAI Secretary General

Ms. Elfriede Hammelmüller presented the report of the INTOSAI General Secretariat on behalf of the Secretary General. She stated that since 2008, the Secretary General of INTOSAI together with all INTOSAI member SAIs had been in continuous contact with main United Nations stakeholders to emphasize the importance of adopting the Lima and the Mexico Declaration as a UN-Document in order to continue ensuring Good Governance, Transparency, and Accountability by Strengthening Public Sector auditing. In this regard, on 22 December, 2011, the 66th United Nations General Assembly adopted the Resolution A/66/209 “Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions”. The UN General Assembly Resolution was the outcome of the common efforts of all SAIs to strengthen their independence and for recognition of the Lima and Mexico Declaration.

She also emphasized on the usefulness of a proposal of the General Secretariat to form an “INTOSAI information sharing network”. This would make possible for SAIs to state which capacity building measures or other support services they could offer to/or receive from other SAIs. An information sharing network where SAIs could report their strengths, weaknesses, and needs would contribute to the ability of individual SAIs to provide sound explanations mainly to external stakeholders as to the role SAIs had been performing.

She also informed the Committee that the General Secretariat, in cooperation with relevant INTOSAI Groups, would put up on the INTOSAI website, all executive summaries of existing guidelines and standards of INTOSAI for the benefit of the auditors and the stake holders. The first such set of executive summaries would be available on the INTOSAI website by the end of 2012.

Agenda item 4

Report on INTOSAI Strategic Plan by the Director of Strategic Planning

Mrs. Monika Gonzalez-Koss, Director of INTOSAI Strategic Planning (DSTP), presented a report on the implementation of the Strategic Plan 2011-2016 by all the four Goal Chairs.



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The DSTP expressed her thanks and appreciation to all those involved in the rapidly progressing implementation of the Strategic Plan, notably the Steering Committee Chairs and the Goal Liaisons with their Teams.

She also made a special mention of how all INTOSAI stakeholders including many of the Regional Working Groups were actively including the strategic priorities first defined in the Strategic Plan 2011-2016 in their work i.e. promoting SAI independence, implementation of the ISSAIs, enhanced capacity-building of SAIs, presentation of the value and benefits of SAIs, fighting corruption and better SAI communication.

Agenda Item 5

Presentation on the recent activities of INTOSAI Development Initiative

The report was presented by Ms Elizabeth Laura Walmann, Project Manager-Information. Ms. Elizabeth Laura gave an account of the progress and achievements of the IDI in the fields of the ISSAI Implementation programme, capacity building activities and knowledge sharing efforts, and update on developments in the INTOSAI-Donor Cooperation.

She informed that during the previous year, the IDI had worked in cooperation with all INTOSAI regions to meet the capacity building needs of the SAIs. The IDI had taken an active part in the developments within INTOSAI and had enjoyed a fruitful cooperation with several INTOSAI Committees and Working Groups. The IDI was confident that this cooperation would continue in the future and that the close relationship with different INTOSAI bodies would continue as the IDI embarked on new capacity building programmes and activities.

She also mentioned that the IDI was confident that cooperation with the INTOSAI Knowledge Sharing Committee would continue in the future. ISSAI implementation would be a major, long term task for the IDI. Within the KSC structure, there were working groups which had developed, or were in the process of developing ISSAIs. IDI envisaged that this would lead to a more closer relationship and cooperation between IDI and KSC on new capacity development programmes and activities. She also informed the KSC Steering Committee that the IDI Board's Annual Report 2011 in the four working languages of the IDI



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was available at www.idi.no. Regular updates on IDI activities would also be found in each edition of the INTOSAI Journal of Government Auditing.

Agenda item 6

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

The report was presented by Mr. Stephen Sanford, Advisor in the Government Accountability Office of the United States of America on behalf of Ms. Muriel J. Forster, Editor of INTOSAI Journal of Government Auditing. Mr. Stephen presented the Annual Report of 2011 and the audited financial statements of the International Journal of Government Auditing for the year ended 31 December 2011. He informed the members that the Journal had received a clean audit opinion from their external auditors and that it continued to maintain adequate financial reserves. He also apprised the members of the decision of the Finance and Administrative Committee to reduce the transfer to the Journal from the members' dues from 25% to 20%.

Agenda item 7

Report by the Professional Standards Committee – Goal 1 (PSC Secretariat)

Ms. Nanna Schnipper, Head of the PSC Secretariat at Denmark presented the PSC Report on 'Maintenance of the ISSAIs and Awareness raising of the ISSAIs'. She informed the Committee that Ms. Bettina Jakobsen had taken over charge as new Chairperson of the PSC. She also intimated that new MoU had been signed between PSC and IFAC in the last meeting of the PSC held at Johannesburg, South Africa in June, 2012. She also gave a brief about the 'The South Africa Declaration'. The highlights of the South Africa Declaration were use of ISSAI frame work as a common frame of reference for public sector auditing and raising the awareness of the ISSAIs and INTOSAI Govs globally, regionally and at the national level.

Ms. Schnipper elaborated on the 'Due Process for INTOSAI's Professional Standards' which defined the responsibility of the chairs and subcommittees of the PSC, the Knowledge Sharing Committee (KSC) and the Capacity Building Committee (CBC) for ensuring appropriate maintenance of the ISSAIs and INTOSAI GOVs. She informed the Committee that the frequency of maintenance reviews of the ISSAIs and INTOSAI GOVs at level 4 of the



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ISSAI framework would be the responsibility of all relevant subcommittees of PSC, KSC and CBC and this information would be published on the ISSAI website www.issai.org. The PSC Chair would be responsible for appropriate maintenance of ISSAIs at levels 1 to 3 of the ISSAI framework, for which there were no standing subcommittees.

Thereafter, Mr Kristoffer Blegvad, Advisor (Project chair, ISSAI Harmonisation) presented the work of the PSC's project on the Harmonisation of the ISSAIs and suggested two options for classification of ISSAIs 5000-5999 i.e. (i) re-alignment with the fundamental auditing principles i.e. ISSAIs 100-400; and (ii) conversion of these specific audit guidelines into a new class of documents. Mr. Gijs de Vries suggested a third option of retaining the current classification for all ISSAIs with the advantage that they would continue to follow the 'Due Process', which includes the valuable exposure draft period to encourage consultation on the documents produced. The distinction between the 100-400 series of ISSAIs (standards) and the 5000-9999 series (guidance) should be made clearer on the website.

Mr. Jagbans Singh from SAI-India stated that these should remain as part of INTOSAI documents and within ISSAI framework. Mr. Vinod Rai requested all members to express their views on this issue up to 3rd October 2012 so that an appropriate decision could be taken prior to the next meeting of the Harmonisation Project Group.

Agenda item 8

Progress Report of Task Force on SAIs Information Database (SAI-Mexico)

Mrs Eshana Manichand of SAI-South Africa presented the report of the Task Force on behalf of SAI-Mexico. She reminded the members of the Committee that the Task Force was established at the 60th Governing Board meeting of INTOSAI for creating an updated and specialized information database regarding SAIs. She also informed that the mission of the Task Force included drafting of an appropriate procedure for identifying, gathering, organizing, updating and disseminating most relevant data on SAIs' organizations, mandates and audit practice. The support already provided by the SAI-India could be seen on the KSC's website, which included a section dedicated to the Task Force's Terms of Reference and Work Plan. The Task Force's Secretariat had been working on updating the contents so as to reflect all relevant reports, and the revised versions of the documents and products.



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Additionally, the Task Force Chair had also presented reports on mandate, objectives, activities, work plan, liaison with entities, and potential contribution of SAIs globally to both the INTOSAI community and its stakeholders comprising diverse authorities and working entities. She also clarified that the creation of the SAIs' Information Database was aimed exclusively at strengthening the communication and knowledge sharing among SAIs and stakeholders. The initiative was neither expected to evaluate nor to judge the INTOSAI members' audit practices, products, organizations, and relationships with other entities.

Agenda item 9

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

Ms. Mona Boraie, Deputy President of SAI-Egypt presented the progress report of the Working Group. She informed that the Working Group comprised 24 member SAIs considering the recent membership of both SAIs of United Arab Emirates and Iran. This continuous increase in the number of members reflected the growing appreciation of INTOSAI member SAIs to the role of the Working Group in the field of fighting corruption and money laundering. She apprised the committee of the progress made by the Working Group in respect of the four main objectives of the Work Plan 2011-2013.

Agenda item 10

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

Ms. Tuuli Rasso of the National Audit Office of Estonia presented the progress report of the Working Group on Environmental Auditing. The report included the status of the actions arising from the Work Plan 2011–2013. She informed the KSC that the INTOSAI WGEA had currently 72 members SAIs, forming one of the largest interest groups operating under the INTOSAI. Good cooperation and frequent communication with the regional coordinators was one the cornerstones of the work of INTOSAI WGEA. Mutual participation at each other's meetings and continuous information sharing were essential for maximizing the effectiveness of work carried out in different regions and on the INTOSAI level. Encouraging regional undertakings was an important Goal for the Chair of the WGEA.

Ms. Tuuli Rasso also informed about the transition of the WGEA's Chair from SAI of Estonia



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to SAI of Indonesia. The Steering Committee had supported the candidature of SAI Indonesia at the SC 11 in Buenos Aires in November 2011 and decided to place a resolution before the Governing Board in its 63rd meeting in Chengdu, China in November 2012. The SAI of Estonia proposed to hand over the chairmanship of INTOSAI WGEA to the SAI of Indonesia during the XXI INCOSAI in 2013.

Agenda item 11

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

Mr. Arnold Migus, Magistrate in the Court of Audit of France presented the progress report of the Working Group. The Program Evaluation Working Group last met in Paris on 25 June, 2012. The purpose of the meeting was to review whether or not it was feasible in a reasonable timescale to converge towards a common definition of evaluation and to ultimately draw up a common set of reference material. If not, the Group had to consider if its work should stop. In this context, 44 answers to a recent questionnaire on evaluations practices sent to all 191 SAIs were analyzed. They confirmed the WG's earlier conclusions that as long as the mandate of the SAI was not limited to compliance auditing, but extended to analyzing the efficiency and effectiveness of action taken by government administrations, the institution was perfectly capable of assuming a broader scope of analysis, should the SAI be ready to make necessary changes in its method of work and own culture. At the end of the meeting, participants decided to continue their involvement within the group in order to define pragmatic common principles and, in this respect, work closely with the Performance Audit Standards Group.

Agenda item 12

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

Mr. Jagbans Singh of SAI India presented the report of the Working Group. He informed the Committee that the new members who joined this Working Group since the XX INCOSAI of November 2010 were SAIs of Cambodia, Indonesia and Iraq, whereas SAI Netherlands had opted to withdraw owing to other commitments in INTOSAI. The Working Group had held two meetings since the XX INCOSAI 2010. The 20th meeting of the Working Group was held in the Sun City, South Africa in April 2011. The 21st meeting was held in Kuala Lumpur,



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Malaysia in January 2012. SAI of Republic of Lithuania would host the 22nd meeting of WGITA and 7th Performance Auditing Seminar in 2013. He further gave an account of the progress of the five research projects undertaken by the Project Leads under the WGITA Work Plan 2011-2013.

Mr. Jagbans Singh also apprised the Committee of recent initiatives by SAI-India to improve the availability of the INTOSAI Collaboration Tool (ICT).

Agenda item 13

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

Mr. Jagbans Singh of SAI India presented the report of the Working Group on behalf of SAI Mexico. He presented a brief report of the latest activities of the Working Group which included modifications in its membership, which now also consisted SAIs of China, Indonesia, Romania, and most recently, India, which have received the unanimous support from the member SAIs to join the activities of the Working Group. In the last meeting, interest was shown by the INTOSAI community to deepen the study on the implications of public debt, and to strengthen the contribution of supreme auditing in order to ensure the long-term financial sustainability. Mr. Singh informed the Committee of the three ongoing investigation themes (i) “Risk Assessment and reduction of probable effects on debt structure” led by the SAI of Yemen; (ii) “Assessment of human resources employed in debt contracting” conducted by the SAI of Fiji, which had been included as sub-theme of the investigation on Debt Management Office led by the Mexican SAI; and (iii) Government Support during Financial Crisis: Impact on Public Debt and Potential Roles for SAIs led by the Auditor General of Canada.

He also informed the Committee that in view of the ongoing initiative of ISSAIs’ harmonization, the Working Group was conducting a revision of its existing ISSAIs. The Working Group had conducted a preliminary revision of the ISSAIs. This analysis paved the way for the Working Group to define a specific programme for the revision of certain Working Group’s products.

Agenda item 14

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



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The report was presented by Mr Valery Goreglyad, Deputy Chairman of the Accounts Chamber of the Russian Federation. He informed that the Working Group had managed to accomplish all their plans and reach concrete and significant results. Mr Valery Goreglyad also mentioned that the Working Group had prepared the final draft of Methodology on the selection of KNI for the use in SAIs' activity; development of a White Paper on KNI as a guideline project on SAI's activity development and performance, and also a number of other important themes and the projects that have important practical value.

In the end, Mr Valery Goreglyad also informed the Committee that all materials of the Working Group, including the results of the sub-projects were available on the website of the Working Group (www.ach.gov.ru/en/intosaikni).

Agenda item 15

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

Mr. Gijs De Vries, Chair of the Working Group and Member of the European Court of Auditors, presented the progress report. Since the 3rd KSC meeting in October 2011, the Working Group had drafted five ISSAIs on auditing disaster-related aid, gained three new Members (China, Romania and the Russian Federation), had held its Fifth meeting hosted by the SAI of Turkey and its Sixth meeting hosted by the SAI of Indonesia. Mr De Vries presented the activities of the Working Group during this period, which included carrying out parallel audits and surveys on disaster-related aid and developing a tool for harmonizing the financial reporting of all humanitarian aid. The objectives of the Seventh meeting of the Working Group, to be hosted by the SAI of Chile in May 2013, are to endorse the final versions of the five ISSAIs on auditing disaster-related aid, to present an INTOSAI GOV on reporting humanitarian aid and to approve the final report of the Working Group. At the XXI INCOSAI, the Working Group will seek endorsement of the five ISSAIs and INTOSAI GOV, acceptance of its final report and the dissolution of the Working Group.

Agenda item 16

Approval of the exposure drafts of the five ISSAIs developed by the Working Group on Accountability for and Audit of Disaster Related Aid (European Court of Auditors)

Mr. Gijs De Vries, Chair of the Working Group on Accountability for and the Audit of Disaster



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Related Aid, presented the exposure drafts of the five ISSAIs developed by the Working Group and asked the Steering Committee to approve them for publication as exposure drafts by the PSC. The draft ISSAIs covered the topics of auditing disaster preparedness, auditing disaster-related aid, adapting audits to take account of the risks of fraud and corruption and the use of geospatial information. The exposure draft period would run from 1 October to 31 December 2012. Following this the Working Group would produce endorsement drafts of the ISSAIs, taking account of comments received. The KSC Steering Committee would be asked to approve the endorsement drafts in July 2013 by written procedure before their presentation for final endorsement by INCOSAI in October 2013. The Steering Committee approved the draft ISSAIs and proposed to report on this to the 63rd Governing Board.

Agenda item 17

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

Mr. Terence Nombembe, Auditor General of South Africa and the Chair of the Working Group on Value and benefits of SAIs, introduced the progress report of the Working Group and the same was presented by Ms. Lelanie Vermeulen of SAI-South Africa. The aim of the progress report was to update the KSC on developments that had taken place since the last progress report was submitted to the KSC in Moscow in October 2011. The Working Group also presented the planned deliverables of the WGVBS for the XXI INCOSAI 2013.

Ms. Vermeulen also informed the Committee that INTOSAI structures and external stakeholder remained relevant to the work of the WGVBS, with the addition of the Global Initiative on Fiscal Transparency (GIFT). The WGVBS also envisaged making extensive use of INTOSAI's Online Collaboration Tool. The project coordinators within the WGVBS would be encouraged to explore optimal utilization of the Collaboration Tool to maximise the efficient achievement of their project milestones.

She also presented the exposure draft of ISSAI on the "Value and Benefits of Supreme Audit Institutions- making a difference to the lives of citizens" before the Committee. The Steering Committee approved the exposure draft of the ISSAI.



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She further stated that during the 5th meeting of WGVBS, the project groups had an opportunity to provide feedback on the progress made by each of the projects in completing the identified deliverables. The draft deliverables were discussed and participants had an opportunity to comment on the draft deliverables presented.

Agenda item 18

Progress Report of Task Force on Global Financial Crisis – Challenges to SAIs (SAI–USA)

Mr. Stephen Sanford of SAI-United States of America presented the report of the Task Force. He informed that the Task Force was established in the 58th Governing Board in November 2008 for examining and reporting on the causes of the financial crisis and lessons learned, the actions taken by countries to avert or minimize the crises concerning financial systems and the real economy, and the challenge such crises present to SAIs.

He also discussed the formation of subgroups 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.

Agenda item 19

Venue for the next KSC Steering Committee meeting

SAI-Egypt very graciously agreed to host the next KSC Steering Committee meeting. Venue and dates of the meeting would be communicated separately.

Agenda item 20

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

Mr. Vinod Rai thanked Mr. Vítor CALDEIRA, President of the European Court of Auditors and his staff for organising the event and the delegates for their active participation. He expressed the view that the participation of all the principal players of INTOSAI, viz., the General Secretariat, the International Journal of Government Auditing, the INTOSAI Development Initiatives and the Professional Standards Committee made these annual meetings of the Steering Committee an important forum for exchange of information and ideas.

He then declared the meeting closed.



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ANNEXURE

List of participants

#	Country SAI	Name of the participant	Designation
1.	India (Chair)	Mr Vinod Rai	Comptroller and Auditor General of India
		Mr Jagbans Singh	Director General-International Relations
		Mr S. Alok	Principal Director
		Mr Saurabh Narain	Director-International Relations
2.	Egypt	Ms Mona Boraie	President Deputy
		Ms Shahinda Galal	Auditor
3.	Estonia	Ms Tuuli Rasso	Head of International Relations Service
4.	European Court of Auditors	Mr Gijs De Vries	Member of the Court
5.	France	Mr Arnold Migus	Conseiller-maître
		Ms Pascale Fenech	International Relations
6.	Russian Federation	Mr Valery Goreglyad	Deputy Chairman
		Mr Nilolay Surikov	Head of the Secretariat of the Deputy Chairman
		Mr Vladimir Kuleshov	Deputy Director of the Department
		Mr. Boris Osokin	Interpreter
7.	South Africa	Mr Terence Nombembe	Auditor General
		Mrs Lelanie Vermeulen	Senior Manager
		Mrs Eshana Manichand	
8.	United States of America	Mr Stephen Sanford	Senior Advisor
9.	Denmark	Ms Nanna Schnipper	Head of Section, PSC Secretariat
		Mr Kristoffer Blegvad	Advisor (Project chair, ISSAI Harmonisation)
10.	INTOSAI General Secretariat	Ms Monika Gonzalez-Koss	Director of Strategic Planning
		Ms Elfriede Hammelmüller	Auditor
11.	INTOSAI Development Initiative	Ms Elizabeth Laura Walmann	Project Manager - Information