

The INTOSAI Technical Support Function – the next steps

May 2019



INTOSAI
PSC

Professional
Standards
Committee

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A DISCUSSION PAPER FROM THE PSC SECRETARIAT

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INTRODUCTION

One of the strategic objectives for Goal 1 (Professional Standards) in the INTOSAI Strategic Plan 2017-2022 is to,

“... provide a strong organisational framework to support INTOSAI’s standard setting, including ... a technical-support function ...”.

The main benefit of establishing a Technical Support Function (TSF) is to help make the standard setting process more efficient and effective, and enable better planning and use of resources. By making dedicated staff available to work on standard setting activities, the TSF will reduce reliance on voluntary contributions from SAIs, and allow these resources to focus where they can best add value.

After extensive discussions in 2017, the PSC Chair presented a proposal for launching a TSF proof-of-concept to the PSC Steering Committee in 2018. The PSC-SC welcomed and approved the proposal, and made some recommendations for further consideration¹.

The basic model would be that the TSF would consist of between three to five staff seconded by their parent (employer) SAI, and located at a host SAI. The TSF would be funded primarily by the parent and host SAIs, with additional support by INTOSAI and any SAI that may wish to contribute voluntarily. The TSF would be managed by the PSC Chair, and the PSC-SC would be responsible for its broader governance. The original proposal to the PSC-SC also contained a shortlist of activities to be carried out by the TSF

We submitted the adjusted proposal to the INTOSAI Governing Board, accompanied by details on the role and responsibilities of the host SAI and proposed job profiles for the TSF staff.

Given the time likely to be needed to identify a host SAI, make the necessary preparations and for secondees to make the necessary travel and accommodation arrangements, the proposal included the possibility for the TSF exercise to start “virtually” (phase 1). The TSF staff would initially work remotely from their home institution, rather than at a single physical location.

¹ Notably that, i)the PSC Chair will be responsible for the direct management of the TSF; ii) Although the job descriptions will be defined later, the proposal will mention that strong skills in communication are important and iii) The parent and host SAIs should have no power in defining the activities to be performed by the TSF. We have reflected these requirements in this document.

The Governing Board approved the proposal for launching a proof-of-concept exercise by setting up a Technical Support Function and mandated the PSC Chair to adopt the necessary measures to implement it, in consultation with the other Goal Chairs, the Chair of FIPP, INTOSAI, the Secretary General and the INTOSAI Chair².

For the reasons outlined above, we therefore propose to start with the virtual model first and move to a physical host at a later date if and when circumstances allow (phase 2).

TSF ACTIVITIES

The TSF is a support resource open to all the INTOSAI community involved in standard setting. Nevertheless, the limited resources available means that we need to be realistic about what the TSF can achieve, and focus on issues and projects where it can have the most impact.

In the approved project proposal for the TSF, we shortlisted the possible tasks on which the TSF could work. We then reduced the initial list of 17 potential activities to nine, representing those with the highest priority.

However to bring more clarity and flexibility into the support the TSF can provide, the PSC Chair has decided to define its activities more simply, based around broad principles.

The TSF will provide ad hoc technical support for INTOSAI working groups³, committees or FIPP in order to help in:

- the definition of projects for inclusion in the SDP, including technical research work;
- undertaking approved SDP projects, including technical preparation and drafting support;
- analysing and processing the results of the exposure process.

Furthermore, the TSF will assist the PSC Chair in its role of oversight over the due process, and it will help to manage and maintain the IFPP more generally.

These principles will guarantee the continuity and timeliness of projects and facilitate project management. A more detailed list of activities to be undertaken by the TSF will be developed in the early stages of the TSF when a *Terms of Reference* will be developed.

² Minutes of the INTOSAI Governing Board meeting in Moscow, November 2018

³ For the sake of simplicity, we use the term "working group" throughout this document to mean any INTOSAI working group, subcommittee, task force or project group that carries out work in accordance with due process. This includes any preliminary or ad hoc working groups established for the purpose of specific tasks as well as any existing working groups (subcommittees) that form part of the general structure of the PSC, CBC or KSC. (Due process for the INTOSAI Framework of Professional Pronouncements, Section 1.1)

MANAGEMENT AND WORK STRUCTURE

The PSC Steering Committee will be responsible for the broader governance of the TSF, which includes issuing strategic guidance, developing strategy, establishing goals / priorities / initiatives, and monitoring its functioning.

On a day-to-day level, the PSC Chair will be responsible for the management of the TSF and will (in conjunction with the TSF manager) establish its priorities and select the tasks on which the TSF staff will work.

To facilitate the running of the TSF, we propose that those INTOSAI bodies wishing to use the TSF services should submit to the PSC Chair / TSF manager a short description of the task, the help required, and an estimate of the number of hours of TSF help required. This will help the PSC Chair / TSF manager manage resources effectively.

STAFF

Staff selection

The PSC-SC approved a TSF comprising between three and five full time staff. Initially, we will start with three people, and then assess ongoing staffing needs after the first period of operation when demand for the TSF's support can be better gauged. The selection of the staff will be based on an open call for expressions of interest made to all SAIs.

Concerning the professional profiles of the candidates, the PSC-SC proposal requested that collectively the TSF should have,

“... knowledge of and experience in the three audit streams, a good understanding of the IFPP and of due process and strong skills in communication and teamwork. Being fluent in English is another requirement and it would probably be helpful that at least one of the staff members had an excellent command of written English, particularly if the TSF is to provide language revisions to drafts.”

Except for the requirement for fluency in English from every member, it would not seem necessary that all members have all the other requisites. Nevertheless, we need to ensure that collectively we have candidates with experience in the three audit streams, even although individually their experience may be limited to just one audit stream.

Other aspects which we consider as advantages are: a strong understanding of the importance of standards in the audit profession and practical experience in standard setting for auditing (within INTOSAI or similar bodies).

It is essential that candidates obtain the authorisation of their employer to participate in the selection process.

The responsible body for the selection of candidates is the PSC Chair, who will consult the CBC, KSC and FIPP Chairs before finalising the selection of staff. We propose a simple evaluation grid (see annex 1) to make the evaluations in the most transparent way.

Given the nature of the secondment model, it is inherent that only those SAIs with sufficient resources are likely initially to be able to participate. We will ensure that if the TSF moves to a fully-funded model we will strive to ensure that the diversity of INTOSAI is properly represented.

Staff working conditions

The parent SAI will be responsible for paying the salary of its seconded employee.

As the TSF will start by teleworking, the staff will need to have the means to communicate frequently with the other TSF staff, with the PSC Secretariat and other INTOSAI bodies by e-mail, telephone, skype or any other technological means to make their work effective. The parent SAI should give the seconded employee the necessary infrastructure to perform his / her tasks adequately and under the same conditions as conventional employees.

In addition, staff will report to the PSC Secretariat and will work solely for the interest of the INTOSAI community as a whole, and accordingly will not take instruction from any other body, including their own SAI.

We propose that the parent SAI sign a memorandum of understanding with the PSC to this effect, and in order to formalise its commitment.

Once the TSF starts to be operational, the PSC Chair will organise an initial physical meeting with the TSF staff, and representatives of the PSC, CBC and KSC Chairs as well as the FIPP chair. The PSC Chair will decide on the need for further physical meetings.

COSTS

According to the approved TSF proposal,

“it would be wholly appropriate for INTOSAI to demonstrate its commitment to the TSF by making a meaningful financial contribution, within the limits of its budgetary resources, to the annual costs of the proof-of-concept exercise. As the TSF will support the standard-setting activities of the PSC, the CBC and the KSC, they should consider this question. The fourth goal chair – the Policy, Finance and Administration Committee (PFAC) – should also be invited to consider giving budgetary priority to this exercise.”

Phase 1: the virtual TSF

TSF staff will be seconded and thus the secondees' current employer will pay all salaries and salary-related-costs.

Taking into consideration that the secondees will be working full-time for the interest of INTOSAI, their travel costs should be funded from INTOSAI resources. This will include primarily the costs related to the TSF physical meetings. The costs of the first physical administrative meeting of the secondees will be met from the PSC resources and is likely to be in the region of €6 000 – €9 000⁴.

The PSC Chair will decide, based on the need and availability of funds, about the presence of the TSF staff in other work meetings related to standard-setting, such as FIPP and project groups' meetings, and will decide on the conditions for reimbursing such expenditure.

⁴ Assuming the costs will not be met by the secondees' employer. This estimate is based on travel and accommodation costs per secondee of between €2 000 - €3 000. Actual costs will differ depending on the location of the meeting, the home base of the secondees, and the duration of the meeting.

Phase 2: a TSF with a fixed base

The proposal approved by the PSC-SC in 2018 also outlined that it would be desirable if some SAIs consider making voluntary contributions to establishing a TSF function. In this case, the PSC will arrange for appropriate mechanisms to hold and disburse all such monies received.

The PSC-SC will determine the need and use for such financing at a later moment as part of a review whether to move the TSF to a permanent location.

TIMELINE

The Governing Board has previously approved a five year proof-of-concept exercise to set up the TSF including an intermediate evaluation by the PSC chair after three years of operation and a final evaluation after five years.

Taking into account the considerations outlined in this document, we propose to decide after the intermediate evaluation whether to move the TSF to a permanent seat. The timescale for the next five years will follow the pattern outlined in the table below.

Timeline - TSF

Activity	Deadline
Launch call for interest and select staff	Jun-Sep 2019
Communication about the implementation of the TSF at INCOSAI	September 2019
First physical meeting TSF	Late 2019
TSF starts work	Q1 2020
Interim evaluation and decision on whether to move to a permanent physical location	Q4 2022
Final evaluation	Q4 2025

CONCLUSION

The PSC-SC is requested to take note of this document.

Annex 1

Example evaluation grid TSF candidates

	Candidate 1		Candidate 2	
	Interviewer 1	Interviewer 2	Interviewer 1	Interviewer 2		
Candidate has SAI authorisation (Y/N)						
Proficiency in English (Y/N)						
Good working knowledge other INTOSAI languages (Y/N)						
	1-5*	1-5*	1-5*	1-5*		
Practical experience in standard setting for auditing (within INTOSAI or similar bodies)						
Practical experience in one or more types of audit (financial, compliance and performance)						
A strong understanding of the operation of standard setting frameworks in the auditing profession;						
A clear desire to work towards the improvement of standards applied by the auditing profession						
Experience in international relations						
Strong communication / strategic skills						
Total						

*

1. Unable to determine or not applicable to this candidate
2. Below Average—does not meet requirements
3. Competent—acceptable proficiency
4. Excellent-exceeds requirements
5. Outstanding