

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

REPORT BY THE INTOSAI GENERAL SECRETARIAT

TO THE 12TH PSC STEERING COMMITTEE

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1. UN Resolution A/69/228

Together with the ISSAIs the UN Resolutions, specifically dedicated to the role and importance of SAIs, are without any doubt the most important achievements of the whole INTOSAI community in the last 60 years.

As you all might know, thanks to our common efforts INTOSAI has managed that the 69th United Nations General Assembly adopted the Resolution A/69/228 “Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions” on 19 December 2014.

The United Nations General Assembly especially

- recognizes the important role of SAIs in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals;
- stresses the importance of continuing international cooperation to support developing countries in capacity-building, knowledge and best practices related to public accounting and auditing and
- encourages Member States to give due consideration **to the independence and capacity-building of SAIs** in a manner consistent with their national institutional structures **as well as to the improvement of public accounting systems** in accordance with national development plans in the context of the Post-2015 Development Agenda.

2. 23rd UN/INTOSAI Symposium on UN Post-2015 Development Agenda: The Role of SAIs and Means of Implementation for Sustainable Development

On occasion of the 23rd UN/INTOSAI Symposium “UN Post-2015 Development Agenda: The Role of SAIs and Means of Implementation for Sustainable Development” which was held in Vienna from 2 to 4 March 2015 we had the pleasure also to welcome more than 150 participants from more than 70 different SAIs and representatives from 6 international institutions to discuss in depth the role of SAIs and means of implementation for Sustainable Development. We managed to work out quite comprehensive conclusions and recommendations. I will in the following mention some of these all together 21 conclusions and try to cover those with reference to the role of INTOSAI regarding the UN Sustainable

Development Goals and standard setting:

The participants of the Symposium

- welcome the UN General Assembly Resolutions' encouragement to UN Member States to give due consideration to independence and capacity-building of SAIs as well as to the improvement of public accounting systems in the context of the Post-2015 Development Agenda;
- encourage INTOSAI to ensure that its standard-setting, knowledge-sharing, capacity development goals and other initiatives are effectively coordinated in order to support the fundamental professional capacity of SAIs, including their ability to audit national development goals and the related SDGs;
- Recommend that SAIs – in addition to compliance and financial audit mandates - should have a mandate, necessary resources and capacities to
 - a. conduct performance audits so as to strengthen SAIs value-adding role in general, and in particular in respect of the areas covered by the future SDGs in order to contribute effectively to the implementation of SDGs, and
 - b. address other aspects relevant to issues of national governance and sustainable development such as objectives, goals and measurable and clear key national indicators, and environmental management,thereby enabling SAIs to provide valuable insight to legislative bodies / parliaments, governments and citizens on issues of probity and transparency, but also on the outcomes of SDG policies and national governance;
- underline the need for INTOSAI and SAI leadership to take decisive steps to build the necessary capacity both at an institutional and individual auditor level for the auditing of the implementation of SDGs; and therefore takes note of the ongoing important work of the Task Group on INTOSAI Certification of Auditors, and furthermore emphasizes the critical role of sustainable, needs-based capacity development as promoted by INTOSAI' current strategic goal and with implementation support to all INTOSAI bodies by the INTOSAI Development Initiative;

- emphasize that SAIs can effectively contribute to the implementation of the Post-2015 Development Agenda as an integral part of independent oversight mechanisms and encourage the INTOSAI community can contribute to the monitoring of SDGs process
- recommend joint or collaborative audits with emphasis on comparison of policy inputs to assist in improving the strength of national policy and to strengthen SAI's capacity to audit the SDGs;

A summary of the Symposium as well as the Recommendations and Conclusions can be found on the INTOSAI website in the different INTOSAI languages.

3. On-going INTOSAI Initiatives in regard to the SDGs

We see that INTOSAI and SAIs will have to make major contributions to the monitoring and assessment of the SDGs in each nation as well as globally. A series of activities going on in INTOSAI such as:

3.1 CEPA

The annual meeting of the UN Committee of Experts on Public Administration this April on the general theme "Building trust in government in pursuit of the SDGs" has recommended to the UN Economic and Social Council to take up in its Resolution expected to be adopted in July 2015 the following paragraphs in relation to audit institutions and oversight:

"13. Recognizes that national oversight institutions have an essential role to play in the implementation of post-2015 development agenda, inter alia, by promoting transparency and monitoring the disbursement and proper utilization of public resources at all levels;

14. Encourages governments at all levels to strengthen public financial management by modernizing accounting standards and introducing more advanced systems of accounting."

3.2 KSC

The KSC has started in cooperation with the IDI an initiative to start with a Community of Practice on the SDGs and all member SAIs/ committees/ sub-committees, Task Force,

Working Groups etc. interested in participating in the Community of Practice will be welcome. On a long run this Community of Practice will replace the INTOSAI Collaboration TOOL. A Project Team will be constituted to initially develop Audit Guidelines for reviewing the preparedness of countries for implementing the SDG. Member SAIs could later take up audit of preparedness of their countries based on the guidelines.

3.3 INCOSAI 2016

Theme I of the coming XXII INOCSAI, which will be chaired by the SAI of Saudi Arabia in cooperation with the SAI of UAE, will be “How INTOSAI can contribute to the UN post 2015 agenda including good governance in order to strengthen the fight against corruption?”

In this connection several initiatives are going on, among them the one of the European Court of Audit proposing an INTOSAI SDG Audit-based Review (ISAR). It should focus on the lessons learned from the MDGs and the implications for the SDGs and all SAIs should have the opportunity to contribute. A first pilot report could will summarize and analyze SAIs’ contributions, approaches and lessons learned from auditing the implementation of the MDGs. The report could also be based on a broader desk review on publically available information on SAIs’ work in the area of the MDGs and also be linked to other initiatives being pursued by INTOSAI on good governance, key national indicators and on the audit of sustainable development as well as assessments by the UN on the MDGs and the lessons learned for the SDGs. It provide the basis for the analysis and recommendations on how INTOSAI can contribute effectively to the implementation, monitoring and evaluation of the SDGs.

3.4 SCEI

The INTOSAI Supervisory Committee on Emerging Issues is about to start research on the different roles and engagement INTOSAI and SAIs will have to confront in connection with the SDGs.

3.5 TFSP - SDG coordination effort

Since there are many efforts regarding the SDGs are going on in INTOSAI the TFSP has started an initiative to investigate and coordinate on the different initiatives in INTOSAI regarding the SDGs and bring all involved stakeholders together. In this connection questions as: What does INTOSAI currently have in place or should further develop to support knowledge sharing and SAI capacity development (including standards) on the specific capabilities governments need to support sustainable development? What more can INTOSAI do to facilitate knowledge sharing and SAI capacity development on auditing

specific capabilities governments need in order to support sustainable development? or Which fundamental role SAIs play in contributing to sustainable development by - through their audits - “building effective, accountable and inclusive institutions at all levels (proposed SDG #16.)? should be tackled.

4. INTOSAI Strategic Plan 2017-2022

The INTOSAI TFSP realized in 2014 a very broad internal and external scan regarding the expectations, requirements and challenges for the future of INTOSAI and external government auditing.

Based on the results the TF elaborated an Overarching Context for the 2017-2022 INTOSAI Strategic Plan with 17 main issues, which were discussed by the TF on occasion of a first meeting in Vienna in last November. Based on the outcome of this discussion the TF elaborated Key Decision Points we discussed last week in Vienna at the 2. TF meeting.

There was overwhelming agreement among the INTOSAI membership to keep the four main strategic goals of INTOSAI, (Accountability and Professional Standards, Institutional Capacity Building, Knowledge Sharing and Knowledge Services and Model International Organization).

The TF members agreed in principle on the following 5 strategic priorities in INTOSAI:

1. Independence of SAIs
2. Monitoring and assessment of the SDGs within the context of each nation’s specific sustainable development efforts
3. Integrated standards setting, knowledge sharing, and technical assistance to support SAI capacity development
4. A strategic and agile INTOSAI that is alert to and capable of responding to emerging opportunities and risks
5. Closer cooperation and coordination with the INTOSAI regional organizations

The above mentioned Symposium also encouraged INTOSAI to reflect in its next Strategic Plan the important role of SAIs in auditing the implementation of the SDGs. Therefore the broad issue of standard setting in INTOSAI should be linked to the new role of SAIs and INTOSAI recognized by the UN regarding the SDGs and be taken into account when planning the elaboration of new standards, guidelines and guidance for SAIs.

The next plan will include clear evaluation and risk management components as well as a high-level financing plan.

Within the next month the TFSP will define more in detail in cooperation with the TF members. It is planned to present a first complete draft of the new Strategic Plan to the INTOSAI Governing Board in November 2015 and then in late 2015 or early 2016 the new Plan will be sent out to all INTOSAI members for their comments. The XXII INCOSAI will then hopefully approve the new Plan in the second week of December 2016.

5. INTOSAI-wide Peer Review Project

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.

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 has been 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 auditors, consisting of one to three auditors from the ACA and one auditor from a SAI from the corresponding INTOSAI Region thus corresponding to the INTOSAI core value inclusiveness, cooperation and professionalism.

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.
- 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.

Four main results: • Seven peer review reports on compliance with ISSAI 10, including

recommendations for action provided to the seven SAIs, • a published comparative cross-cutting report including recommendations for further action on international level provided to INTOSAI, including IDI, and UN bodies as well as development partners, • 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 and • 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