

# INTOSAI-Donor Cooperation

Working together to strengthen  
Supreme Audit Institutions in  
developing countries

Presented by:

# INTOSAI-Donor Cooperation

## Presentation outline

1. Importance of SAIs and the INTOSAI-Donor Cooperation
2. Update on Key Efforts
3. Matching of High Priority Needs
4. 2013-2015 Program Document
5. Contact Information

# (1) Importance of SAIs

- Supreme Audit Institutions (SAIs) provide external oversight of the use of public funds.
- They constitute a key component of accountability and the separation of powers between the executive, legislative and judiciary.

Effective public sector auditing matters because it:

- Promotes transparency and accountability
- Strengthens state-society relations
- Contributes to managing donor's fiduciary and development effectiveness risk

# (1) Past and Continuing Challenges for SAIs

## Unclear Global Picture

- How much support do SAIs need, how much is provided, and what is the resource gap?
- Has support provided been effective?
- Have SAIs become more independent?
- Have SAIs improved the quality and coverage of their audit work?
- Have SAIs contributed to improved accountability, transparency, governance and sound utilization of public funds?

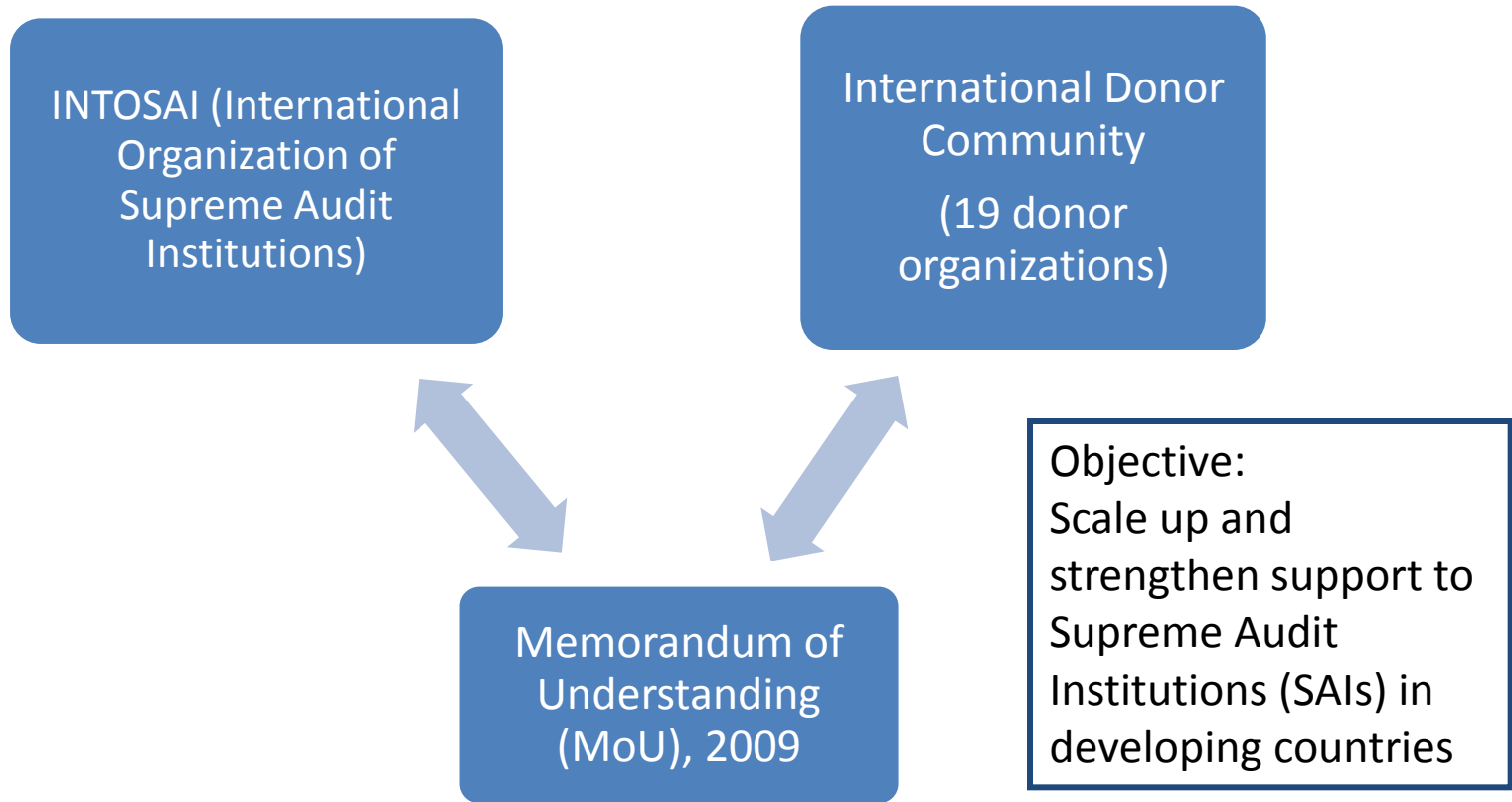
## Weak Resource Allocation

- Some SAIs & regions with major needs received little support
- Other SAIs had overlapping support projects
- Support sometimes driven by donor priorities, not SAI priorities
- Many SAIs had not developed strategic or development action plans

## Poor Coordination at Country Level

- INTOSAI and Donor communities operated in isolation
- Uncoordinated projects working on the same tasks
- Different projects proposing different solutions to same challenge
- Different SAIs and consultancy firms competing to deliver support
- Piecemeal support rather than long term partnerships

# (1) The INTOSAI-Donor Cooperation



INTOSAI African Development Bank Asian Development Bank  
Australia Austria Belgium Canada European Commission GAVI Alliance  
Inter-American Development Bank International Monetary Fund Ireland  
Islamic Development Bank Netherlands Norway Sweden Switzerland  
United Kingdom United States of America World Bank

# (1) The INTOSAI-Donor Cooperation

## Objectives of the Memorandum of Understanding (MoU)

- Strategic cooperation between donors and the SAI community to strengthen SAI capacity in developing countries
- Donors to mobilize additional funding for SAI capacity development, through a variety of funding mechanisms
- Consistent with aid effectiveness principles agreed in the **Paris Declaration** and **Accra Agenda for Action**
- A Global Peer Partnership approach to development, consistent with the **Busan Global Partnership for Effective Development Cooperation**

# (1) The INTOSAI-Donor Cooperation Governance Structure



# (1) The INTOSAI-Donor Secretariat

- Hosted by the INTOSAI Development Initiative (IDI) in Oslo, Norway
- 4,5 positions
- Financial support from:
  - Austria
  - Ireland
  - Norway
  - World Bank
- In-kind support from:
  - SAI of Norway
  - SAI of Brazil
- Supports the Steering Committee in the implementation of the MoU and the Program Document/annual work plans





## (2) Update on Key Efforts

1

- **Establishment (2008–2010):**
- MoU and governance structure

2

- **Laying the Foundation (2010–2011):**
- Global stocktaking of SAI development needs
- Matching identified global and regional needs with donor financing

3

- **Implementation and Expansion (2011–2012):**
- Global Call for Proposals
- Pooled Fund
- Database on SAI Capacity Development Support
- Performance Measurement Framework for SAIs

## (2) 2010 Stocktaking Effort

### What?

- First global mapping of SAI capacity development initiatives and needs
- Carried out by the INTOSAI-Donor Secretariat through the INTOSAI (sub)regions
- Response rate was above 90%, covering 183 SAIs and 8 INTOSAI (sub)regions

### Key Findings

- Estimated funding gap of 269 million US\$ for capacity development initiatives; 85% in LI & LMI countries
- SAIs see an added value in receiving peer support
- 59 % of SAIs from LI & LMI countries report a financial audit coverage above 50%, but one in six audit less than 10%.
- Many SAIs report they do not meet their own expectations in performance auditing
- Marginal improvement in SAI performance over time (PEFA data)

### Conclusion

- A clear need to scale up the levels of support to SAIs in developing countries and to improve the coordination of the support provided

### (3) 2010-2011 Matching of High Priority Needs

Prioritized regional and global capacity development activities matched with providers of support (donors and from within INTOSAI):



# (4) 2013-2015 Program Document

- ✓ Program document for phase 2 of the Cooperation was approved at the 5<sup>th</sup> Steering Committee Meeting in London, October 2012
- ✓ Entails a moderate scaling up of activities compared to first phase

Consists of 7 themes:

- 1) INTOSAI-Donor Cooperation Management
- 2) Funding Mechanisms and Project Identification
- 3) SAI Performance Measurement Framework
- 4) Knowledge Centre on Support to SAIs
- 5) Strengthening the Supply of Support to SAIs
- 6) SAI Research Agenda
- 7) Monitoring and Evaluation

# (4.1) INTOSAI-Donor Cooperation Management

- Facilitate Steering Committee meetings and Leadership teleconferences
- Communication and outreach on INTOSAI-Donor Cooperation:
  - Quarterly newsletters
  - Articles in INTOSAI Journal and other publications
  - Presentations in various forums
  - Website: [www.idi.no](http://www.idi.no)



## (4.2) Funding Mechanisms and Project Identification

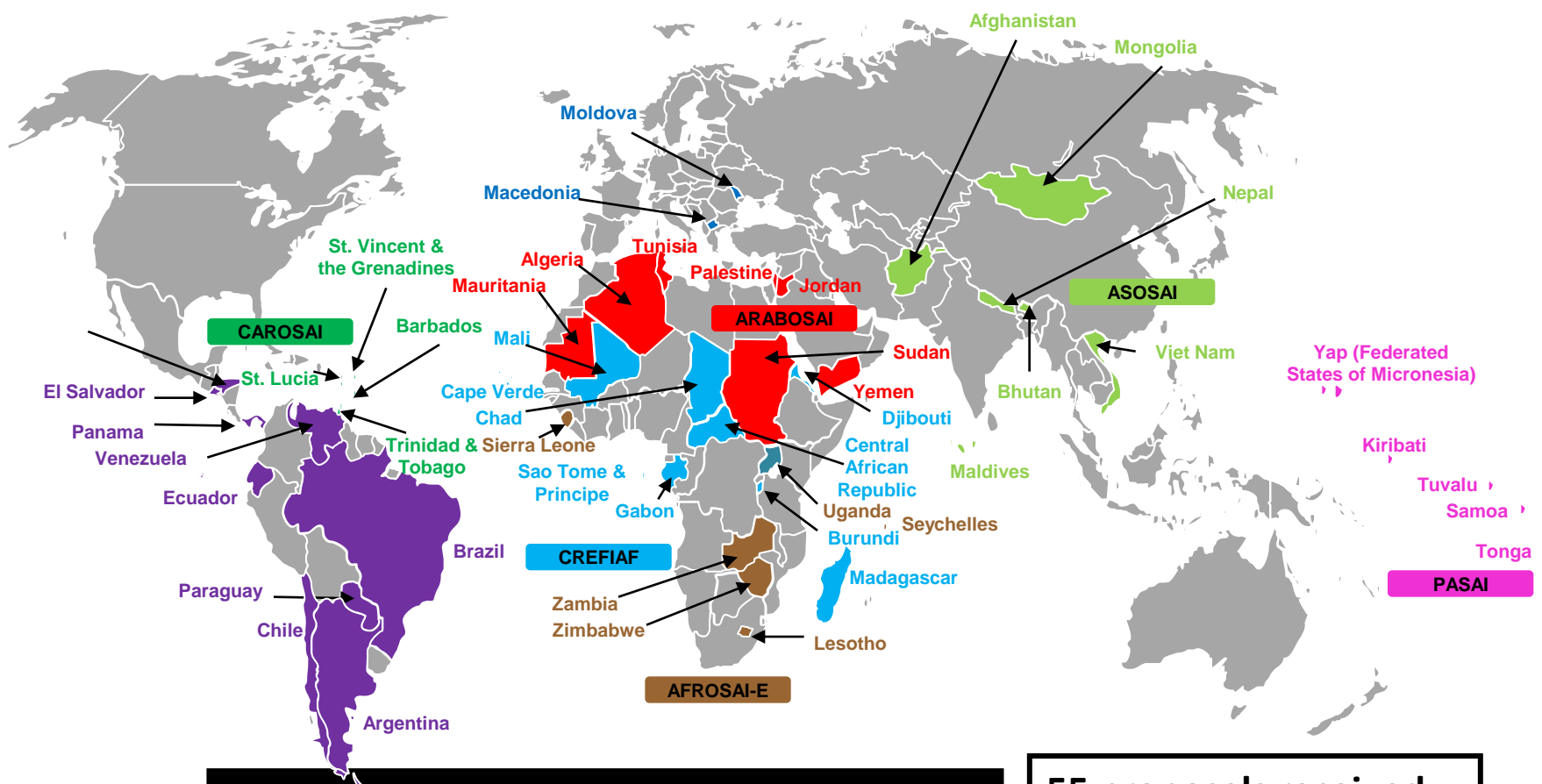
### Global Call for Proposals

- **What:** Coordinated effort allowing SAIs globally to identify and articulate capacity development initiatives in need of additional financing
- **Why:** Identify needs of the global SAI community and mobilize support from development partners;
  - Better coordination of support
  - Well-informed funding decisions
  - Better programs based on SAIs' identification of needs
- **How:** INTOSAI-Donor Secretariat facilitates the process:
  - Invitation to submit proposals September 2011 and October 2013
  - Secretariat provides guidance in writing proposals/concept notes
  - Summary of proposals shared with Steering Committee
  - Donors make individual funding decisions
  - Secretariat coordinates matching process

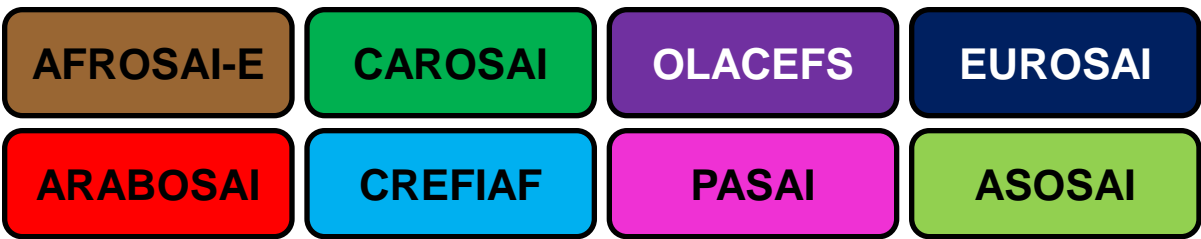


# (4.2) Funding Mechanisms and Project Identification

## 2011 Global Call for Proposals



**Global - INTOSAI**



**55 proposals received**

- 1 global
- 6 regional
- 48 country level

# (4.2) Funding Mechanisms and Project Identification

## 2011 Global Call for Proposals

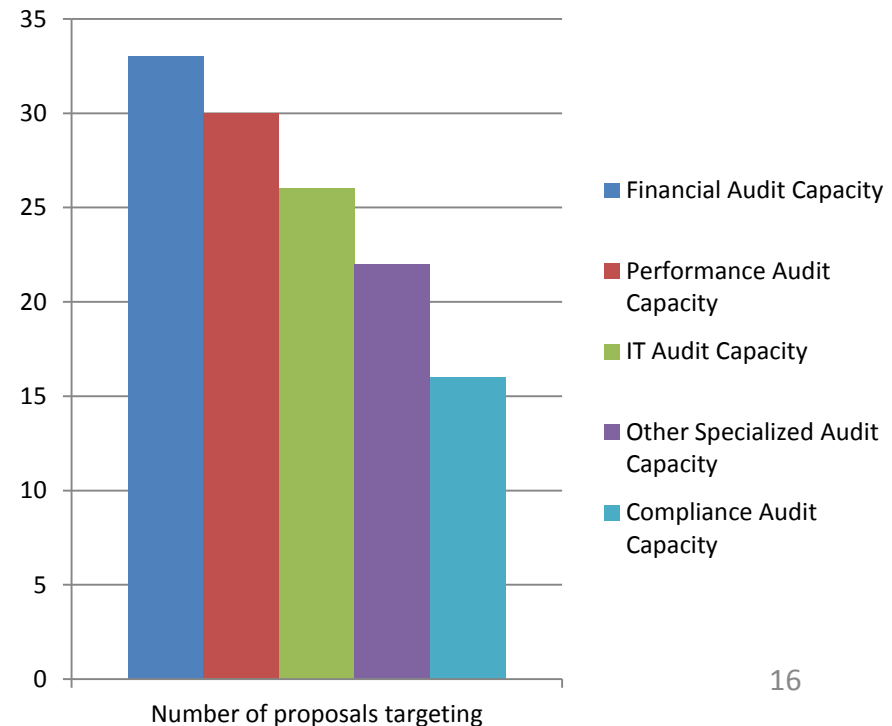
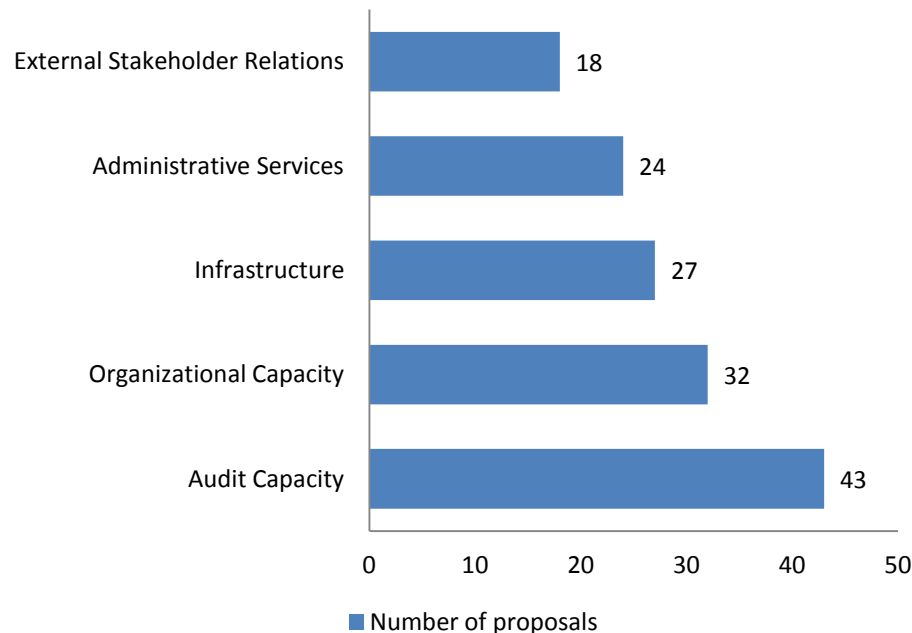
### Proposals Received

- ✓ Aggregate financial support sought is 90 million US\$
- ✓ Africa represents the bulk; 50,5 million US\$
- ✓ 75 % of proposals request INTOSAI peer as implementing partner
- ✓ 15 proposals are aimed at ISSAI implementation

### Proposals Matched per January 2013

- ✓ 12 of 55 proposals (22 %) have materialized (projects in progress)
- ✓ 3 proposals (6 %) have had financing approved
- ✓ dialogue with potential providers ongoing for 14 proposals (26 %)

### What do the SAIs seek support for?





## (4.2) Funding Mechanisms and Project Identification

### SAI Capacity Development Fund

#### **Rationale for Pooled Funding**

- Scale up support to SAIs in developing countries
- Enhance effectiveness of support:
  - Allocative efficiency – global flow of funds reflects need and agreed priorities, not individual donor preferences
  - Support aligned and harmonized with SAI-led plans
  - Reduced transaction costs for SAIs and donors
- Enable donors with a presence in a small number of countries to have a wider global impact

#### **The pooled fund will:**

- be complementary to, not replace, bilateral support
- be hosted by the World Bank
- have a Funding Board which will make the funding decisions
- not allow for direct earmarking

## (4.3) SAI Performance Measurement Framework

Mandate: Johannesburg Accords (INCOSAI XX, 2010)

### Responsibility

- Working Group on the Value and Benefits of SAI

### Task

- Develop further credible measurement tools to support evaluations in terms of the framework for Communicating and Promoting the Value and Benefits of SAIs

### Collaborating with

- INTOSAI Capacity Building Committee
- INTOSAI-Donor Steering Committee

### Cognizance of

- Tools that are already available at the level of (...) international organizations

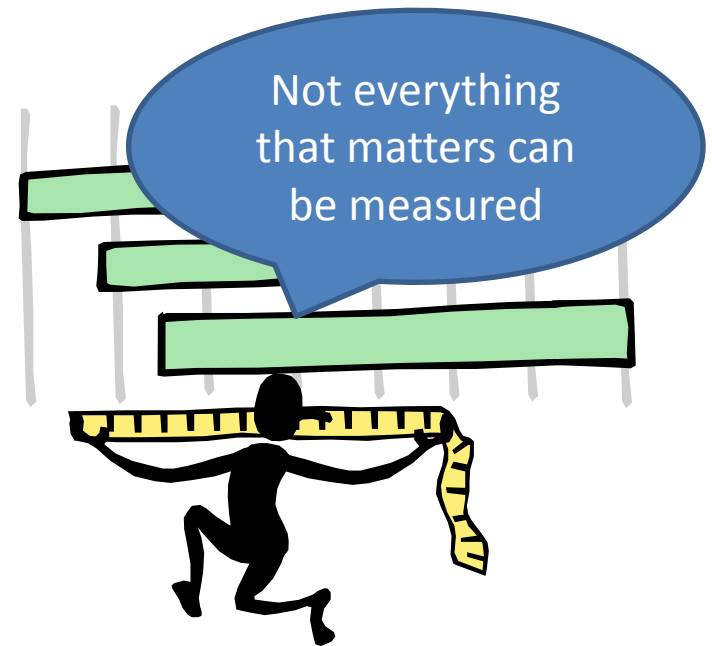
### Timetable

- For information at XXI INCOSAI in 2013, for approval at XXII INCOSAI in 2016

## (4.3) SAI Performance Measurement Framework

### What is a Performance Measurement Framework (PMF)?

- Tool for measuring performance
  - ...of an individual, system or organization
  - ...against an agreed performance scale
  - ...accommodating local circumstances
- To enable
  - Better management of performance
  - Monitoring over time
  - Evaluation and lesson learning
- Contributing to
  - Understanding performance
  - Improving performance



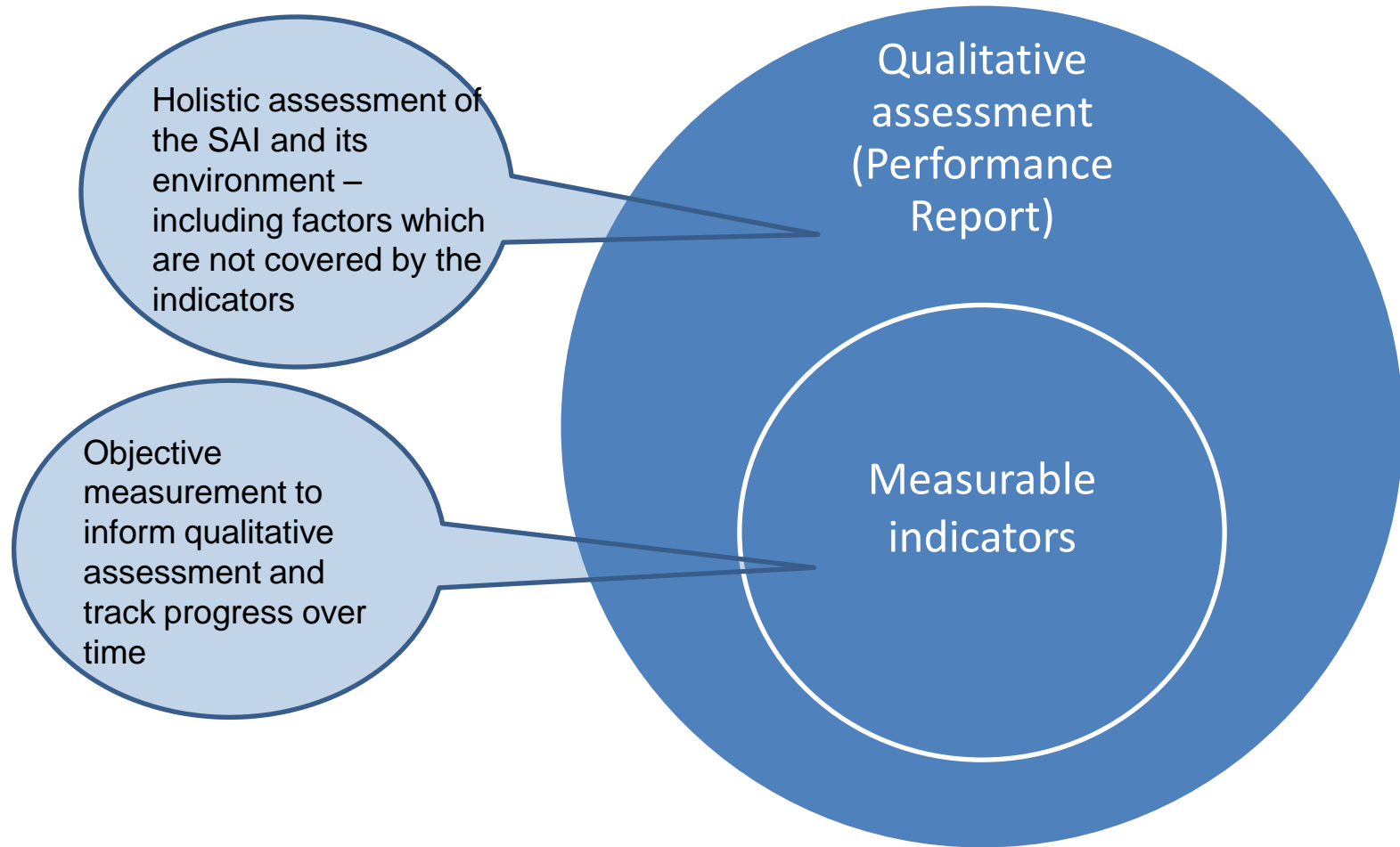
## (4.3) SAI Performance Measurement Framework

What is a **SAI** Performance Measurement Framework ?

- A Performance Measurement Framework tailored to SAIs
- Intended to give a holistic, high level assessment of SAI performance against established INTOSAI good practice:
  - The International Standards of Supreme Audit Institutions (ISSAI) framework
  - The Framework on the Value and Benefits of SAIs
  - Other INTOSAI guidance material
- Combination of objective measurement and qualitative assessment – aims to follow the 12 criteria for an effective SAI PMF
- Covers the SAI's internal capabilities, as well as its external performance
- Assesses SAI performance in the country context and aims at identifying the value and benefits of the SAI to society (impact)

# (4.3) SAI Performance Measurement Framework

## Evidence Based Assessment of Performance



## (4.3) SAI Performance Measurement Framework

### SAI PMF – How will it be done in Practice?

1. Using the SAI PMF will be **voluntary** for the SAIs – the tool will be a public good which SAIs can make use of if it helps them achieve their objectives
2. The SAIs themselves will make the key decisions regarding the assessment
3. The SAI will also decide **whether or not to publish** results
4. Because it is voluntary, the SAI PMF is **not intended to replace any internal** performance measurement or reporting procedures

Who decides to initiate a SAI PMF?

Head of SAI

Who decides when to do a SAI PMF?

Head of SAI

- Consulting with INTOSAI regions & donors as appropriate
- Every 3-5 years recommended

Who decides how to do a SAI PMF?

Head of SAI

- Approach selected to meet the SAI's objectives
- 3 broad approaches
- Quality assurance to promote objectivity and credibility

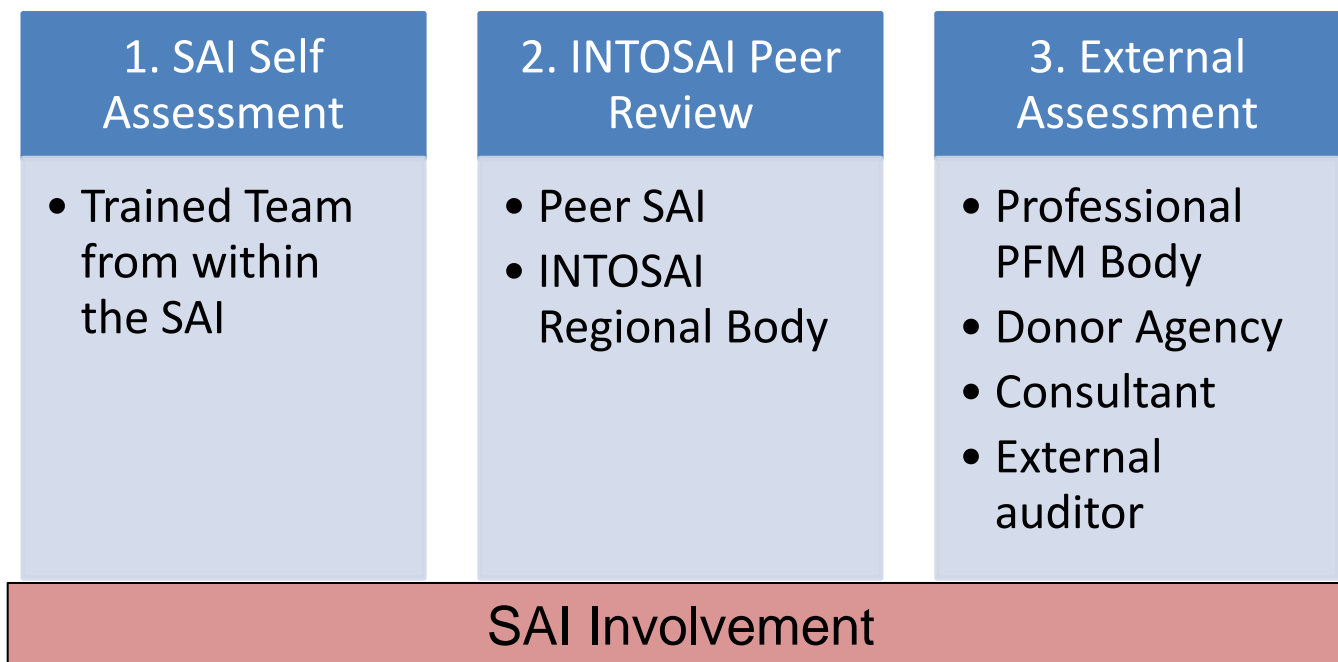
Who decides if, when and how to publish a SAI PMF?

Head of SAI

## (4.3) SAI Performance Measurement Framework

### 3 Approaches to Conducting an SAI PMF Assessment

There are three main approaches to conducting an assessment using the SAI PMF. The PMF will be equally well suited for all three:



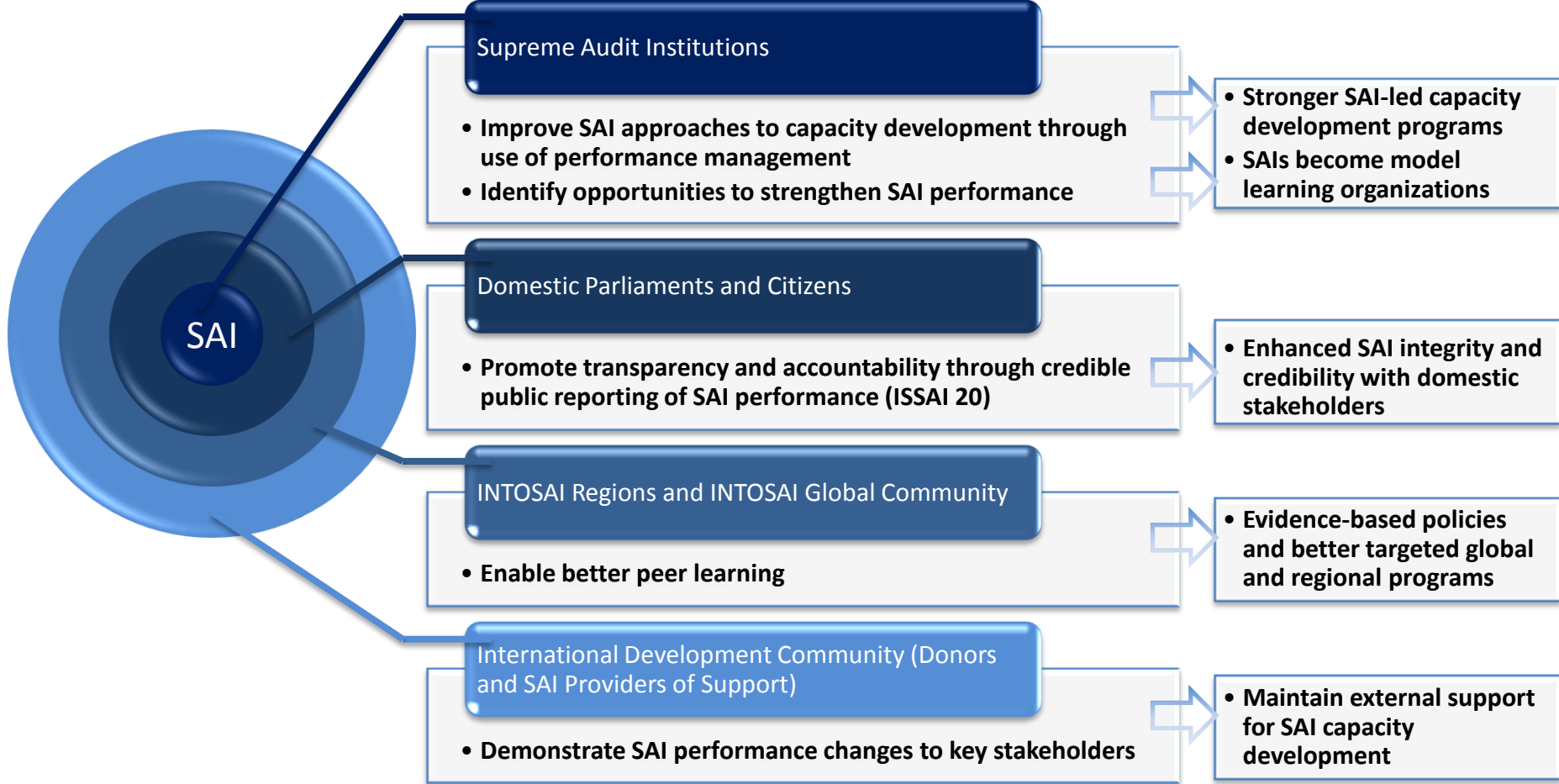
- The approach will not necessarily affect how the assessment is carried out...
- ... but the SAI may use the results for different purposes depending on the approach

# (4.3) SAI Performance Measurement Framework

## Rationale for Developing a SAI PMF

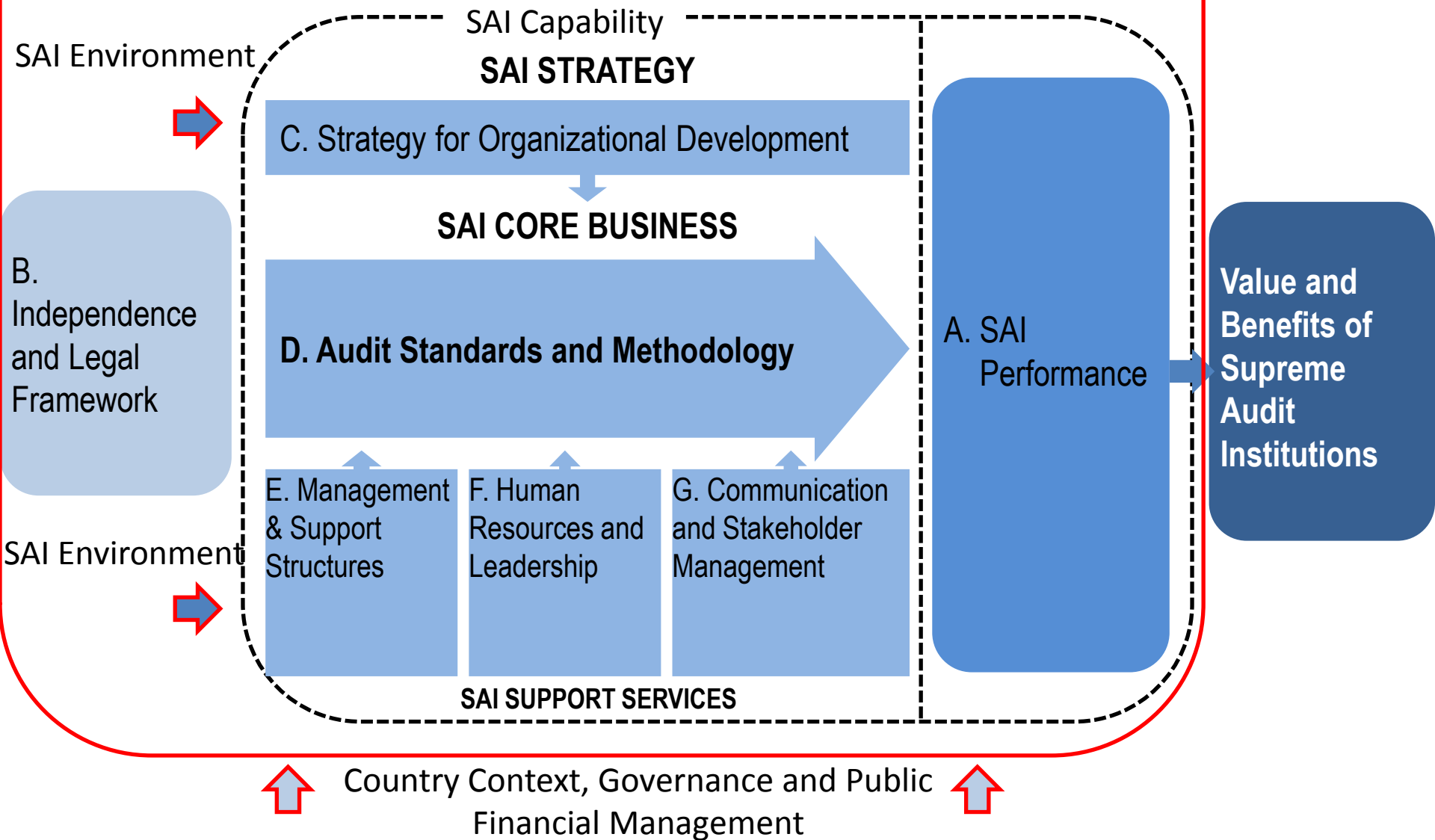
### SAI PMF Stakeholders and Purpose

### Benefit to the SAI





# SAI Performance Measurement Framework



## (4.4) Knowledge Center on Support to SAIs

### SAI Capacity Development Database

- Launched at [www.SAIdevelopment.org](http://www.SAIdevelopment.org) in January 2012
- Administered by the IDI
- Builds on the CBC Directory of the INTOSAI Capacity Building Committee

#### **Contains information on:**

- All projects/programs targeting SAIs globally, regardless of size
- Ongoing, planned and proposed initiatives
- Donors and SAI providers asked to enter and update projects
- 275 projects registered to date - 2,750 visits from 149 countries since January 2012

#### **Purpose:**

- Better coordination of support to SAIs
- Making better decisions on support to SAIs
- Gives opportunity to analyze the support provided to SAIs

**INTOSAI**

International Organization of Supreme Audit Institutions

## SAI Capacity Development Database

### Directory of Projects

All Projects  
INTOSAI Global Level Projects  
INTOSAI Regional Level Projects  
Country Level Projects  
Proposed Projects

### Search and Analysis

Project Search  
Export Data for Analysis

### Enter data

Add or update project (Sign in)  
Register as New User

### Guidance

About the Database  
User Guide  
Frequently Asked Questions  
Contact Us

### Links

INTOSAI  
INTOSAI Capacity Building  
Committee  
INTOSAI Development Initiative  
INTOSAI-Donor Cooperation



Photo: Scanpix



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**Welcome to the SAI Capacity Development Database.**

**The database contains information on capacity development projects and initiatives targeting Supreme Audit Institutions (SAIs) at the INTOSAI global, INTOSAI regional and country levels.**

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[www.SAIdevelopment.org](http://www.SAIdevelopment.org)

## (4.4) Knowledge Center on Support to SAIs

- ✓ Repository of knowledge about SAI capacity development – based on experience, network, the 2010 Stocktaking, the database and the Global Call for Proposals
- ✓ Dissemination of global public goods
- ✓ Provide information to and connecting donors and SAIs

### **Training for donors on working with SAIs:**

- Develop and deliver first specific, detailed course for donors on SAIs – in response to interest from several donor agencies

### **Training for SAIs on engagement with donors and writing funding applications:**

- Need identified through 2011 Global Call for Proposals
- Training and workshops, including to help SAIs better articulate and communicate their capacity building needs to donors
- First course held for French speaking SAIs in Congo Brazzaville in July 2012

## (4.5) Strengthening the Supply Side of Support to SAIs

- **Establishing a community of practice:** knowledge sharing seminars and networking opportunities for current and potential SAI providers
- **More evidence-based knowledge** about success factors of support to SAIs – using and improving project evaluations



### Why?

- Need for increased volume of peer to peer support
- Better allocation of peer-peer support to match demand
- Improved quality and impact of the support provided

## (4.6) Research and Evidence on SAIs

- Research and generation of evidence relevant to SAIs in developing countries
- Agenda to evolve during 2013-2015
- Possibly establish a mechanism for identifying and funding research: Issuing calls for research proposals, managing research grants and arranging events for dissemination of results

### **Focus areas 2013:**

- Mapping of SAI involvement in the audit of extractive industries (oil & gas, mining etc.)
- Explore levels and adequacy of funding for SAIs

## (4.7) Monitoring, Evaluation and Lesson Learning

Update of 2010  
Stocktaking Report

- Update of selected topics – not entire report
- To allow comparison to baselines from 2010

Synthesis of SAI project  
evaluations

- To facilitate learning in support to SAIs
- Identify common lessons and good practices

Impact assessment of  
INTOSAI-Donor  
Cooperation

- To be carried out in 2014
- Inform decisions on way forward

Program monitoring

- Updates on activities at SC meetings
- Annual written progress report

## (5) INTOSAI-Donor Cooperation Contacts

For further information on the INTOSAI-Donor Cooperation, please contact the Secretariat:

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SAI Capacity Development Database: [www.SAIdevelopment.org](http://www.SAIdevelopment.org)