

**INTOSAI Capacity Building Committee**

**Sub-Committee 3:**

**Promote Best Practices and Quality Assurance  
through Voluntary Peer Reviews**

***Report to the Steering Committee***

***of the INTOSAI Capacity Building Committee***

***Marrakech, 22 September 2011***

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## **Annexes**

1. Peer Review Overview
2. Action Plan 2011-2016

## **I. Tasks**

According to Goal 2 of the INTOSAI Strategic Plan 2011 – 2016, Sub-Committee 3 shall promote best practices and quality assurance through voluntary peer reviews. To achieve this goal the Sub-Committee will

- a. continue to assess and document existing peer review arrangements in the INTOSAI community;
- b. continue to foster an environment where such voluntary reviews are seen as beneficial to both the SAI undertaking the review and the SAI choosing to undergo it and establish global and regional mechanisms for initiating peer reviews;
- c. where necessary, update the CBC guidelines on peer reviews and the developed checklist on the basis of the experience of SAIs and provide further good practices on how to undertake voluntary peer reviews;
- d. disseminate the results of peer reviews, as appropriate and as agreed to by participating SAIs.

## **II. Members and observers**

Members: Austria, Bangladesh (Vice Chair), Croatia, Estonia, European Court of Auditors, France, Germany (Chair), Morocco, Poland, Slovak Republic, USA

Observers: Hungary, Sweden

## **III. Meetings**

So far, Sub-Committee 3 has met on four occasions:

- 14 June 2007, Bonn
- 27 August 2008, Bonn
- 20/21 May 2010, Bonn
- 8/9 September 2011, Vienna

#### IV. Current status

##### 1) Tasks a. and d.: Assess and document existing peer review arrangements and disseminate peer review results

The Sub-Committee is informed about **33 completed, ongoing or planned peer review projects** (annex 1). 24 peer reviews have been completed since 1999, 9 projects are under way or proposed for 2011/2012.

The **peer review documentation** administered by the Sub-Committee currently comprises papers on 21 peer review exercises (MoUs, final reports, executive summaries, etc.). In the past, such papers served as a pool for drawing on best practice case studies that were included in the peer review guide. In November 2011, the documentation was published on the Capacity Building Committee (CBC) website (<http://cbc.courdescomptes.ma/>) after permission of the involved SAIs.

To manage and further develop the documentation, the Sub-Committee will carry out an **annual email survey** addressed to all INTOSAI members asking them to furnish pertinent papers. In addition, the Sub-Committee plans to collect supplementary information on the individual peer review projects, e.g. regarding focus, timeframe, number of staff involved, working days, key recommendations and changes (within the SAI, in the legal framework, in the SAI's environment) based on these recommendations. In order to gather such information, the questionnaire for the annual e-mail survey on current/new peer review projects will be supplemented by respective questions. This questionnaire is proposed to be distributed by the end of 2011.

An update of the peer review documentation reflecting the responses received has been scheduled for April 2012, along with a revised structure in order to enhance user-friendliness.

##### 2) Task b.: Foster an environment where voluntary peer reviews are seen as beneficial

In addition to publishing peer review papers (see tasks a. and d.) several initiatives have been launched, in order to promote the conduct of voluntary peer reviews:

- the October 2011 issue of the **INTOSAI Journal** of Government Auditing focuses on the subject peer review; several Sub-Committee members furnished their articles to this issue; including references to the Peer Review Guide and Checklist and to the peer review documentation;
- in March 2011, the Sub-Committee chair gave a **presentation at the III EUROSAI-ARABOSAI-Conference** with a special focus on the key elements of a peer review as outlined in the Peer Review Guide and Checklist as well as on peer reviews as a tool for ensuring quality, transparency and accountability;
- by having integrated the Peer Review Guide into the ISSAI framework as **ISSAI 5600**, INTOSAI has made the document more easily accessible and ensured that more focus is placed on voluntary peer reviews;
- **print versions** of the Peer Review Guide with Checklist were distributed to all delegations at the XX INCOSAI;

- in collaboration with Sub-Committees 1 and 2 Sub-Committee 3 developed a **CBC flyer** briefly explaining the tasks and products of the CBC and its Sub-Committees; the flyer was distributed at the XX INCOSAI.

At its recent meeting in Vienna, the Sub-Committee discussed further options for raising awareness of the Peer Review Guide and for distributing peer review experiences. As a first step, the Sub-Committee will send a **letter to the General Secretariats of all regional groups** of INTOSAI describing the benefits of peer reviews, presenting the Guide and offering support in promoting peer reviews in the regions (e.g. in regional seminars). Depending on the success of this approach in the INTOSAI regions further steps may be taken (e.g. standard presentation, case studies).

It is essential that the Heads of SAIs are fully convinced of the benefits of peer reviews. Therefore, the Sub-Committee will endeavour to **use events on top management level** for distributing and promoting the Peer Review Guide (such as the presentation at the EUROSAI-ARABOSAI-Conference).

The Sub-Committee also wishes to provide INTOSAI members with more detailed information on the activities of the Sub-Committee. Therefore, meeting agendas and minutes, the action plan 2011-2016 as well as some meeting documents shall be published in the respective column of the **CBC website**.

### **3) Task c.: Update the peer review guidelines and provide best practice examples**

#### Peer Review Guide and Checklist:

In November 2011, the XX INCOSAI endorsed the Peer Review Guide with the Checklist developed by the Sub-Committee as ISSAI 5600. By now, the document has been translated into seven languages: Arabic, English, French, German, Portuguese, Slovak and Spanish.

In order to further develop Guide and Checklist, all SAIs involved in a peer review exercise are invited to share information on their experiences with the two documents and to make proposals for improvement and modification. For this purpose, the guide includes a concise feedback questionnaire at its end.

The **first feedback** on the use of ISSAI 5600 was provided by the SAI of the Slovak Republic as reviewed SAI and of the SAI of Poland as reviewing SAI. At the past Sub-Committee's meeting, the representatives of both SAIs confirmed the usefulness of Guide and Checklist, but also defined a number of user problems and proposals for improvement.

The Sub-Committee concluded that the Checklist of the Peer Review Guide should be updated based on the feedback to be collected from the feedback questionnaire in accordance with the ISSAI Due Process. A **first draft of the revised checklist** is to be discussed at the next Sub-Committee's meeting.

A revision of the peer review guide including further detailed guidance regarding the individual phases of the peer review process may be taken into account at a later stage.

New guidelines on assessing internal/external evaluation of quality assurance:

At the initiative of the SAI of Morocco, the Sub-Committee discussed the idea of developing a tool for self-assessment as a step for SAIs before being reviewed by a peer. Such a tool was recognised as an important instrument for quality assurance. However, it was stated that there are instruments in place serving for this purpose (e.g. Common Assessment Framework, European Foundation for Quality Management Model). In addition, the development of a self-assessment tool might go beyond the mandate of Sub-Committee 3 which is restricted to peer reviews. Other INTOSAI bodies, such as the Project Group on Audit Quality or CBC Sub-Committee 1, also deal with quality assurance aspects giving rise to the risk of overlapping. Therefore, Sub-Committee members were rather reluctant regarding the development of such a self-assessment tool, but saw the need for being aware of other assessment tools that might be in place in addition to the peer review instrument.

It was concluded that the proposal of the SAI Morocco should be discussed at the CBC Steering Committee meeting, since representatives of the Professional Standards Committee as well as of CBC Sub-Committee 1 would be present there.

**4) Other issues:**

Contribution to the SAI Performance Measurement Framework (PMF)

The Working Group on Value and Benefits of SAIs has been tasked by the XX INCOSAI to develop further credible measurement tools in collaboration with the Capacity Building Committee and the INTOSAI Donor Steering Committee (see Johannesburg Accords, no. 34). The aim is to develop a single, global performance measurement framework (PMF) on the basis of the assessment tools already in place that have been developed by INTOSAI and donor communities (e.g. ISSAI, PEFA, and also the Peer Review Checklist).

At the past meeting of the Working Group Value and Benefits of SAIs in August 2011 it became evident that the PMF project was linked to a certain extent to the activities of Sub-Committee 3. Therefore, the Working Group sought the participation of the Sub-Committee chair and members in the Task Team/Reference Group for the development of the PMF. Currently, the Sub-Committee members **are checking a possible contribution** of their SAIs to this project.

Invitation of new members

The Sub-Committee plans to invite further members in order to reach a broader representation of INTOSAI regions. Especially SAIs with peer review experience should be contacted. In addition, SIGMA and OECD should be invited as observers.

**V. Future tasks**

The future tasks of Sub-Committee 3 are defined in its Action Plan 2011-2016 (Annex 2). In summary, these are:

- further develop and update the peer review documentation;

- further promote and disseminate peer review records, e.g. by a letter to all Regional Working Groups, presentations at conferences/seminars, more information on the CBC website;
- gather feedback on the Peer Review Guide and Checklist and revise them as needed;
- contribution to the SAI Performance Measurement Framework (PMF).

The Action Plan is a living document and may be adapted as needed in future meetings.

The next meeting of Sub-Committee 3 is scheduled for the beginning of September 2012.