

*Minutes of the 8th Steering Committee Meeting of the INTOSAI Capacity Building Committee
Marrakech September 22, 2011*

The 8th CBC Steering committee meeting took place in Marrakech, Morocco, on 22 September 2011. The meeting was hosted by the SAI of Morocco and attended by the SAIs of the United States of America – Goal Liaison-, Austria –General Secretariat of Intosai-, United Kingdom –Chair of Subcommittee 1-, Germany –chair of Subcommittee 3-, France, Denmark (Goal 1 Chair), Norway, Sweden, European Court of Audit, as well as IDI and OECD.

In his opening speech, Dr Ahmed El Midaoui, Chair of the Capacity Building Committee, welcomed all the participants and paid tribute to the global efforts deployed to help strengthening SAIs' capacities. Welcome statements were also delivered by the representative of the Goal Liaison, stressing the CBC's major role and commanding the good work of Subcommittees' chairs and all SAI members. Similarly, the representative of the General secretariat recalled the importance of the CBC's work and its involvement in quality assurance. She informed the audience about Ecosoc's adoption in April 2011 of the resolution that formally recognized INTOSAI, its work and its fundamental principles of independence for external public auditing.

Thereafter, CBC Chair presented the agenda that was approved by members.

Item 1: Report of the First President

In his report to the Steering committee, Dr El Midaoui, CBC Chair, briefly recalled the achievements of CBC subcommittees and the UN-INTOSAI Platform with regard to the objectives set out by INTOSAI strategic plan 2011-2016.

In his comments, he particularly stressed the importance to promote audit quality within INTOSAI community, precisng that he has sent proposals to subcommittees' chairs. He also recalled his proposal on the development of three quality control guides in the fields of performance audit, auditing risks, and strategic audit.

The Chair emphasized the importance to further develop the quality of SAIs' Audits to have more impact on decision makers and ensure the public sector's effective response to the real need of citizens and the various stakeholders, especially in the present context of crisis. Regarding the importance of these projects, he recognized the need for these to be given the necessary time as well as the necessity for decision to be taken by consensus.

The Chair pointed out that, besides their importance to INTOSAI Community, peer reviews seem to be more adapted to developed SAIs than to developing SAIs, and that is due to several considerations such as political sensibilities. In this regard, the Chair proposed the consideration of developing a specific guide on internal assessment of quality assurance within SAIs, as well as a guide on external evaluation.

In relation to the strategic activity of the CBC, inscribed within the scope of developing cooperation with international development organizations, he recalled the CBC Chair and Goal Liaison's participation at the 3rd meeting of INTOSAI-Donors Steering Committee, hosted by the World Bank in Washington DC on 19-20 July 2011.

As a conclusion, the Chair stressed the need to carry on the ongoing projects, develop new activities and guides and implement good practices within the framework of the INTOSAI strategic plan, without any overlapping with other committees.

The Chair pointed out that the expectations of both developing and developed SAIs in terms of capacity building have grown more than ever. He highlighted the importance of high quality audits for the implementation of new, more efficient and profitable management methods and innovative suggestions to decision makers.

Regarding the importance and content of the guides on quality, it was emphasized in the discussion that SAIs' need to go beyond financial audit and tackle performance, risks and strategic audit to avoid the drawbacks of focusing only on financial audit, especially in the actual context of crisis, using the same parameters and criteria as other parties such as the private sector, some international organizations, and also by a small number of leading SAIs such as GAO.

It was also stressed that these guides need to be developed on a gradual basis, starting by performance audit. Strategic audit guide could later be developed over a long term period.

Item 2: Subcommittee 1 report

The report presented by Mr. Martin Sinclair, representative of the SAI of United Kingdom, Chair of Subcommittee 1, raised the main following points:

- The protocols between the CBC Steering Committee and the INTOSAI/Donor Steering Committee and Secretariat. Sub-committee 1 recommended that no further actions be taken at this stage on the development of protocols between the CBC and INTOSAI-Donors Steering committee Secretariat
- Developments on the INTOSAI Capacity Building database: Subcommittee asked the Steering committee to endorse its proposal to transfer this database to the IDI in its capacity as the INTOSAI-Donors steering committee secretariat.
- The steady progress in the production of the Guides and their translation into major languages in use across the SAI community.
- Developing Guides on Quality Assurance by taking into account the achievements made so far and possible ways to implement them.

The report also presented the main future activities in the draft Work Plan of Subcommittee 1 for the period 2011-2013. The main planned activities are:

- Strengthening the capacity of the regional secretariats and the role of CBC as capacity development broker. The CBC Subcommittee 1 would be used as an arena for exchange between INTOSAI regions.
- Encouraging the use of more innovative and cost-effective forms of training – building on IDI's work with e-learning;
- Developing, in conjunction with the INTOSAI Governing Board, a strategy for working with key external stakeholder communities to ensure that these groups understand the importance of strong and independent SAIs.
- Maintaining the on-going programs of completing, translating and disseminating the existing guides before developing new ones, including the work on quality assurance, and quality of SAI management.
- Supporting participation of SAIs' staff from poorer regions to the CBC meetings. The report suggested that, on a decision of the Governing Board, the CBC Steering Committee would ask

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the IDI to manage funds coming from INTOSAR-Donor Steering committee to finance these activities.

The discussions engaged by the participants on this report stressed that:

The links of all the work of the IDI and CBC is improving essentially through Subcommittee1. The example of the project on the tool of SAIs assessment is illustrative.

It was also recalled that the project of elaborating guides on quality assurance emerged from informal discussion during INCOSAI 2010 in Johannesburg and agreement expressed by all the parties while discussing it with the CBC Chair.

It was pointed out that this project will be conducted in full coordination between all INTOSAI parties. In particular, the knowledge sharing committee chaired by SAI of India can help in this issue as well as in the work with regional groups and SAIs' stakeholders with full respect of independence, objectivity and professionalism the three core values of both the INTOSAI and SAIs' work.

The CBC Chair informed the participants that the transfer of the database on building capacity projects was discussed in the INTOSAI Donors Steering committee meeting held recently in Washington. He recalled that INTOSAI is an independent institution and must keep both the ownership and management of all its products. However, INTOSAI CBC, as a partner, fully collaborates with donors and will provide any needed information to INTOSAI-Donors SC within the framework of the Memorandum signed between the two parties. He added that the database should still be owned by INTOSAI. He emphasized that this reasoning should be extended to the engagement of various INTOSAI working groups, in particular the PFM project assigned to the WGVBS. For the CBC Chair, the transfer of this project should be done in respect to the rules and procedures governing INTOSAI bodies.

Other participants agreed on the suggestion of subcommittee1 since Donors will provide information and enrich the database.

As to the transfer of the CBC directory on capacity building projects, the two propositions reflected in this meeting will be presented to the next Governing board to be held in Vienna.

- The CBC will continue to keep the ownership of this Directory and provide the IDI with all the requested information,
- The CBC will transfer the administration of the directory to the IDI.

Finally, UK, suggested developing a paper scoping the project of elaborating guides on quality assurance in coordination with CBC Chair and Goal liaison.

Item 3: Subcommittee 2 Report

The report presented by Mr Yassin Naciri (Morocco) on behalf of SAI of Peru gave an overview on the three lines of action assigned to Subcommittee 2.

Relating to the database of experts, the focus was put on the progress made so far and special issues were stressed regarding the development of "Guidelines for the Database of experts", the updating of the Database software, instructive for filling out the Database and the dissemination strategy to increase the number of experts in the Database.

Regarding the "guide on joint and coordinated or parallel auditing programs", the presentation mentioned its current status, the progress in its translation process and the proposal to integrate it within the framework of the International Standards of SAI (ISSAI) according to the relevant process.

The presentation ended with a reporting on the progress on "Guidelines for Internship Programs" by giving an insight on the evolution, the activities carried out in the elaboration of these guidelines and also the planned activities as discussed in the last meeting of Subcommittee 2 held in Lima on 31st August and 1st September 2011.

The representative of the SAI of Germany clarified that the proposal of the guide on "joint and coordinated or parallel auditing programs" as an ISSAI should follow the due process in this regard.

Subcommittee 3 report

Mrs Christine Rabenclag, representative of Germany, Chair of Subcommittee 3, presented the tasks of subcommittee 3 as mentioned in INTOSAI Strategic plan 2011-2016. She first gave an overview of the activities that have been achieved by subcommittee 3, mainly:

- Availability in the CBC website of peer review documents collected among 21 SAIs;
- Approval by INCOSAI of the guide and checklist on peer reviews and their integration on ISSAI framework (as ISSAI 5600)
- First feedback received from SAIs of Poland and Slovak Republic
- Presentation on key elements of a peer review at the 3rd EUROSAI-ARABOSAI conference

She stated that PMF project developed by the WGVBS, is linked to the activities of Sub-Committee 3 and that Peer Review Checklist is one of the reference documents. She pointed out that Sub-Committee 3 chair and members have been invited to participate in the project.

Mrs Rabenclag presented the activities to be undertaken in the future by subcommittee 3, namely:

- Further develop and update the peer review documentation and records;
- Gather feedback on the Guide and Checklist;
- Consider contribution to the SAI Performance Measurement Framework

Regarding the issue of developing quality assurance, self assessment and external assessment guides, she particularly stressed that the mandate of SC3 may not cover this issue.

At the end, she pointed out that SC3 planned to invite new members with experience in peer review and also members representing all INTOSAI regional groups to join the Subcommittee. She also presented the willingness to apply the principle of rotation of Chairs and give the opportunity to another SAI to chair subcommittee 3.

Discussions were mainly focused on the issue of the Subcommittee mandate. It was first suggested to ask the Governing Board about the possibility of extending the activities of Subcommittee 3 in INTOSAI Strategic plan 2011-2016 to encompass the issue of quality assurance. After discussion, it was however agreed that Goal 2 is broad enough to encompass the mentioned activities that are covered by INTOSAI strategic plan 2011-2016.

Item 5 INTOSAI-UN platform

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The report delivered by Mr. Mohammed Kamal Daoudi on behalf of SAI of Korea, presented the new developments in cooperation between UN and INTOSAI lately at the 21st UN-INTOSAI Symposium held on 13-15 July 2011, Vienna, Austria, where it was suggested that UNDESA and INTOSAI exchange respective lists of concrete proposals for cooperation, and agree on a common set of concrete cooperation actions that could jointly be pursued on the basis of MOU or exchange of letters.

The INTOSAI secretariat representative emphasized some elements mentioned in the report related to the cooperation between UN and INTOSAI which started more than 40 years ago and reminded that UN-DESA has always been invited to the INTOSAI Governing Board as observer.

In the same line, the request of the Commonwealth SAIs that was welcomed by the CBC Chair to help them build their capacities was also raised. In this regard, Namibia, Malta and Morocco have exchanged some correspondence between commonwealth and CBC Chair.

Item: 6 CBC future

It was recalled that the future work of CBC and its Subcommittees will build on what has been achieved so far, on continuing the achievement of the ongoing projects, and on new activities within the framework of the INTOSAI Strategic Plan 2011-2016.

In this regard, all the CBC members were congratulated for their efforts and invited to carry on their work, as it has always been the case, with a high spirit of cooperation, coordination and will to serve the general interest.

Item 7: Additional matters

The US representative informed the participants that the Islamic bank has signed the memorandum of understanding.

The OECD representative advised the participants on the OECD's engagement with the SAI of Brazil in a peer review and said that he will be pleased to inform CBC and other INTOSAI bodies on the project's progress.

Item 8: Concluding remarks

The CBC Chair informed the participants that he will report on these different points of view to the Governing Board and that the draft report of CBC will be disseminated for approval. He also insisted on keeping the same family spirit to voluntarily achieve the INTOSAI objectives.

The US representative pointed out that the CBC achieved a significant progress and looked to more discussion on the different projects.

At the end, Dr. El Midaoui invited the participants to consider hosting the next CBC Steering committee meeting and pointed out that CBC will welcome any offer in this regard. CBC Chair thanked all participants and then closed the meeting.