

PEER REVIEWS or “Who audits the auditor?”

What is a peer review?

A peer review can be described as a review of one SAI by one or several partner SAIs to ensure that the reviewed SAI complies with applicable professional standards and national regulations and rules governing audit work.

SAIs volunteer to conduct or undergo such a review exercise; no SAI is obliged to do so. The SAIs are free to decide on contents and procedure. The framework conditions are usually agreed in a Memorandum of Understanding (MoU). Peer reviews may cover the audit work and/or organisational functions of the SAI in general, or be limited to one activity of the SAI. For example, a peer review exercise may be limited to one audit area or to individual functions. SAIs decide themselves on the conduct of the peer review as well as on the use of the findings generated. The reviewing SAI should pay due regard to the respective national context when making recommendations.

Why do SAIs carry out peer reviews?

There are various reasons to take part in a peer review: Some SAIs wish to improve their procedures and their results, others may wish to give ample proof of the high standards governing their work, others may volunteer to have a peer

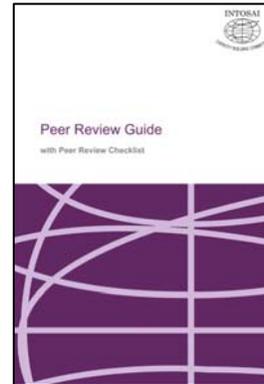
review performed by an external party in response to some criticism stated. Last but not least, auditors and SAIs benefit from conducting audits in different environments and organisations, enhancing their capacities and know-how and providing an answer to the question of “Who audits the auditor?”.

Which support is available?

INTOSAI Peer Review Guide and Checklist

In order to support SAIs, INTOSAI Sub-Committee 3 prepared a Peer Review Guide and Checklist. In 2010, the XX INCOSAI adopted these instruments as ISSAI 5600.

The Guide’s purpose is to provide help SAIs to successfully complete all stages of the peer review process. It is designed to highlight the principles and differing options that present themselves when SAIs conduct a peer review and places emphasis on the contents of the MoU. Good practice examples are included from former SAI peer reviews. The Guide is supplemented by



a Checklist with suggestions on the potential contents and subject matters of peer reviews. Depending on the scope of the review, the team of reviewers may rely on the checklist as guidance. The Peer Review Guide is a living document that reflects the latest developments and progress made in the field of peer reviews. Therefore the Guide includes a concise survey with an invitation to all INTOSAI members to share ideas and suggestions. The Sub-Committee will use the feedback to revise the Guide and the Checklist accordingly.

The Guide is available in Arabic, English, French, German and Spanish on the website of the INTOSAI Capacity Building Committee (<http://cbc.courdescomptes.ma/index.php?id=20>).

Peer Review Documentation on the website of the INTOSAI Capacity Building Committee

In addition to that, a documentation of peer review papers is available on the website of the INTOSAI Capacity Building Committee (<http://cbc.courdescomptes.ma/index.php?id=20>). It might serve as good practice examples and help SAIs that wish to conduct a peer review. The documentation comprises both peer review reports and the relevant MoU.

Testimonials on Peer Reviews

“The findings produced by the Peer Review of the Austrian SAI confirmed the good work done in recent years and the steps taken to advance reform. By publishing the long form peer review report, the Austrian SAI demonstrates that transparency is of key importance even in internal SAI affairs.”

Dr. Josef Moser, President of the Austrian Rechnungshof

“The ECA’s experiences of being reviewed and of reviewing have been very positive, helping our institution to create a culture of continuous improvement and demonstrating to our stakeholders that we are committed to promoting transparency and accountability, not only for others but also for ourselves. The ECA is, therefore, convinced of the benefits of such reviews.”

Vitor Caldera, President of the European Court of Auditors

“Peer reviews provide benefits for all participants. The German SAI has so far participated in four peer reviews and each time we identified helpful suggestions and ideas for our own work. The reviewing SAI gain a deeper insight into the procedures and methods of a peer organisation. Thus, they can identify good practices by comparing their own structure and procedures to those of the reviewed SAI.”

Prof. Dr. Dieter Engels, President of the Bundesrechnungshof, Germany

“Peer review: go for it! It helps to move you in the right direction, whether you are being pushed by being reviewed or get an impulse yourself by doing the review. In short: a low budget experience not to miss.”

Saskia Stuijveling, President of the Algemene Rekenkamer, the Netherlands

“A peer review enables you to answer the question “Who audits the auditor?” By voluntarily undertaking a peer review, you open your work to external assessment and audit based on internationally accepted auditing standards.”

Jan Jasovsky, President of the Supreme Audit Office of the Slovak Republic

“I have found that participating in peer review is extremely rewarding for individual staff members and beneficial for our organization.”

Claes Norgren, Auditor General, Sweden

The two parties involved, the hosting and the visiting SAI, benefit enormously from such a close and productive exchange of information and experiences. This approach where a partner SAI provides an unbiased professional assessment helps identify both weaknesses and future needs for action.

Kurt Grütter, Director of the Eidgenössische Finanzkontrolle, Switzerland

In short, GAO’s peer reviews have confirmed that the United States Congress and the American people can have confidence that GAO’s work is independent, objective, and reliable – the most important attributes that any audit organization should possess.”

Gene Dodaro, Comptroller General of the United States



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Partnerships



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Peer Review

benefits all

ISSAI 5600

Peer Review Guide and Checklist

Sub-Committee 3
“Promote Best Practices and Quality Assurance through voluntary Peer reviews”

