# 6th meeting of the INTOSAI CBC Subcommittee 3
# Bratislava, 13 -14 June 2013
# Minutes - draft

**Annexes:** 1. List of participants
2. Action Plan 2013 -2016

| Item | Proceedings | Results/to do |
|---|---|---|
| **1. Meeting 2013 agenda** | Adopted | |
| **2. Meeting 2012 minutes** | Adopted | To be supplemented by the IDI comments sent to the SAI Germany that would inform the Chair. |
| **3. Assess and document existing peer review arrangements and disseminate the results of Peer Reviews** | 3.1 Peer Review Survey:<br><br>Information on current and new peer review projects<br><ul><li>up to date, 52 peer review project registered by the Chair since 1999, the trend is increasing – 2011 – 7 projects, 2012 – 8 projects, 2013 (planned) – 11;</li><li>the most engagement of a SAI as leader or reviewing team member shows that the most engaged countries are Sweden, Norway, UK, Netherlands, Germany and Denmark that represent 58% of all engagements in the field (total number of engaged SAIs - 35);</li><li>the most frequented topics of the peer review (random order) – audit approach, SAI´s independence, organisational structure and culture, financial and performance audit, audit methodology, public relations, etc.</li></ul><br>SAI of Sweden presentation on Peer review of the Swedish NAO 2013<br><ul><li>new audit office following the parliamentary reform in 2003;</li><li>peer review objective is to learn not to get a grade;</li><li>peer review scope: how appropriate is the SNAO quality control system, is it well functioning and creating the prerequisites for high quality audits?;</li><li>both SNAO and UK NAO (reviewer) used ISSAI 5600 (guide and checklist). Suggestions: checklist to raise issues, not to provide question templates; should include best practices on organisation of a peer review (internal/external); advice how to work with translations and interpretations; explain importance of providing the context; give advice on dealing with the soft issues, provide recommendation on communication (internal/external).</li></ul><br>ECA presentation on Peer review of the ECA<br><ul><li>Peer review team: SAI of Germany (leader), SAIs of France and Sweden (team members)</li><li>objective: assess the ECA performance audit practice; the 2008 peer review recommendations follow-up;</li><li>scope: topics and performance selection and programming; conducting the performance audit tasks;</li></ul> | Send annual email survey, November 2013 (Chair)<br><br>Assess the results of the annual email survey, March 2014 (Chair)<br><br><br>Revised ISSAI 5600 to be sent for possible ideas and inputs to the OECD (Chair) |

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| | communication of the performance audit results; performance audit impacts assessment and follow up assessment;<br>▪ the peer review time frame: peer review plan created in October 2012, final peer review report expected in October 2013.<br><br>Peer review of SAI of Bangladesh<br>▪ the SAI of Bangladesh feels about necessity to undergo a peer review to ensure the SAI of Bangladesh compatibility to the professional standards, national regulations and relevant rules applicable to audit work;<br>▪ letter sent to SAI of India to carry out a peer review on financial audit in December 2012; in January 2013 SAI of India gave the requested consent;<br>▪ at the present time, the MoU draft preparation is under way.<br><br>3.2 OECD Presentation on peer review of SAI Chile (CGR)<br>▪ review built upon recent CGR reforms (increased transparency and accountability, performance management system, audit methods standardisation, workforce restructuring and professionalism);<br>▪ peer reviews objective: to create institutional vision relevant to broader public objectives and CGR institutional context, alignment of its internal processes and products with its vision;<br>▪ varied INTOSAI standards and guidance used for peer review: ISSAIs level 1-3, ISSAI 5600 and 9000, CBC guide on HR, IDI manual on strategic planning;<br>▪ 13 countries (SAIs) involved in the peer review. | Include the ideas of Sweden and ECA to the revision of ISSAI 5600 and Subcommittee's work (Task Team on the revision of ISSAI 5600, Chair) |
| **4. Foster an environment where peer reviews are seen as beneficial** | 4.1. Presentation at the 5th Annual Meeting of OECD Parliamentary Budget Officials and IFIs<br>▪ The presentation was under the topic of agenda: Evaluating Independent Fiscal Institutions (just as audit institutions are often asked "who is auditing the auditors", independent fiscal institutions may be asked "who is watching the watchdogs") with the title Peer Reviews: One of the Quality Assurance Tools for SAIs, Who Audits the Auditor? In addition, the presentation covered basic information on INTOSAI and its work as well as activities of the Sub-Committee 3.<br><br>4.2. Information on the SC 3 Chair endeavour to support environment beneficial to peer reviews<br>▪ SAI of Slovakia informed about peer review issues presented: in an article for INTOSAI Journal April 2013 issue; for the Collection titled "Supreme Audit Institutions - Accountability for Development" being prepared by German International Cooperation (GIZ) , EUROSAI-ARABOSAI Conference 2013 in Baku , Azerbaijan.<br><br>4.3. Peer review training at the SAI of Indonesia<br>▪ SAI of Poland representative P. Banaš informed about a two weeks peer review seminar and workshop he participated in with the SAI of Indonesia in April 2013. SAI of Indonesia is obliged by the local Act to undergo a peer review every three years. This obligation makes the SAI of Indonesia interested a lot in the ISSAI 5600 improvement. | Invite the SAI of Indonesia to the next SC 3 meeting in 2014 as observers (Chair)<br><br>Invite AFROSAI to the next SC 3 meeting 2014 (Chair) |

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| | **4.4. IDI presentation on the SAI PMF progress** <br> ▪ SAI PMF developed as the ISSAIs and the INTOSAI Framework on Value and Benefits of SAIs was adopted by INTOSAI and  the increased focus on the use of country public financial management systems within the international donor community; <br> ▪ SAI PMF is responsibility of the WG on Value and Benefits of the SAIs (WG VBs); <br> ▪ SAI PMF combines objective measurements and qualitative assessment through 7 domains and 24 indicators; <br> ▪ SAI PMF is a good tool to see oneself in a mirror; <br> ▪ SAI PMF objective (among others) is to provide evidence on SAI performance to the donor community; <br> ▪ SAI PMF was so far piloted in Norway, Sierra Leone and Slovakia, and SAI PMF ver. 3.0 sent to WG VBs for approval for the 2nd round of pilots; <br> ▪ 3 training courses completed so far and another 3 are planned for 2013; <br> ▪ SAI PMF final version is planned for the XXII INCOSAI in 2016. <br><br> **4.5. Piloting PMF – SAI of Slovakia practical experience** <br> ▪ objective – improve internal performance measurement procedures and set up quantitative and qualitative indicators for SAI performance measurement; <br> ▪ PMF pilot approved in January 2013 by the SAI Head and continues to be an ongoing process. <br><br> **4.6. Presentation on integration of the ITSA-ITASA at the beginning of a peer review (SAI of Switzerland)** <br> ▪ ITSA and ITASA as two success  projects by the EUROSAI IT WG; <br> ▪ ITSA and ITASA constructed as bottom-up methods, uncomplicated and "low budget"; <br> ▪ Peer review in the SAI of Austria was conducted by the SAI of Germany, Denmark and Switzerland; <br> ▪ ITSA findings: heterogeneous hardware, varied software – numerous versions of the same application, ineffective IT strategic committee; <br> ▪ recommendations (ITSA) – improve IT governance, manage the IT risks, define the processes owners as partners for the IT department, improve communication about IT projects; <br> ▪ recommendations (ITASA) – improve audit methodology to comply to the ISSAIs, more audits of the SAP system and finance applications producing the data for SAP, purchase external and mandate experts, improve the IT risk analysis in line with the ISSAI 1315; <br> ▪ ITSA and ITASA teams should work closely with the peer review team. <br><br> **4.7   Presentation on ITSA experience (SAI of Slovakia)** <br> ▪ first ITSA performed in 2006 (moderator SAI of Croatia), repeated in 2012 (moderator SAI of Switzerland) <br> ▪ IT Assurance Guide – used CobIT <br> ▪ the CobIT comparison showed significant narrowing of the gaps in various indicators between years 2006 and 2012. | IDI will keep the Sub-committee 3 informed on the SAI PMF progress <br><br><br><br> Revised ISSAI 5600 to be sent for consultation on ITSA-ITASA project management to the SAI of Switzerland (Chair) |

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| **5. Update the peer review guideline and provide further good practices** | 5.1 Revision of the ISSAI 5600<br>▪ Conclusions from survey:<br>   - ISSAI 5600 better than expected<br>   - revised ISSAI 5600 should<br>      a. focus on planning, implementing and reporting<br>      b. include good practice examples and templates for selected documents<br>      c. include references to individual ISSAIs and to other guidance<br>▪ Task Team proposes new structure for Guide and Checklist<br>   - Discussion and further revision of new structure<br>   - Checklist renamed as "Peer Review Areas"; discussion at later stage if part of the guide or annex<br>   - Structure of the revised guide agreed on (working version, might be adjusted during the drafting process)<br>   - Division of work on the revision agreed<br>▪ Discussion of further procedure<br>Timetable/milestones for the division agreed | Structure of the revised guide agreed on (working version, might be adjusted during the drafting process) – annex 3<br><br>Division of work on the revision agreed – annex 3<br><br>Timetable/milestones for the division agreed – annex 4<br><br>Task Team will send directions for the revision.<br><br>IDI, OECD and SAI of Switzerland will support the Task Team in preparing the 1st draft. |
| **6. Report to CBC Steering Committee meeting 2013** | ▪ adopted<br>▪ the CBC Steering Committee meeting takes place on 21 June 2013 in Rabat, Morocco. The report was submitted via e-mail. It reflected the results of the discussions at SC 3 meeting and the tasks agreed on in the action plan. | Report to the CBC Chair to be sent on 19 June 2013 (Chair) |
| **7. Action plan 2013 - 2016** | ▪ adopted | |
| **8. Presentation of INTOSAI CBC Subcommittee 3 at INCOSAI 2013** | The SC 3 proposes to present its work via:<br>▪ ISSAI 5600, paperback version<br>▪ 2nd generation poster and flyer<br>▪ SC 3 presence to be included in a combined CBC-IDI-INTOSAI-Donor Cooperation booth | Stated activities of SC 3 to be consulted with the NAO UK and IDI representative as they are to put an information booth at the INCOSAI. |
| **9. Date and venue of next meeting** | September 2014, venue to be confirmed | Chair and SC 3 members |
| **10. AOB** | ▪ SAI of Hungary is to become a member of SC 3.<br>▪ Invitation to be sent SAI of Hungary to join the Task team on the revision of ISSAI 5600.<br>▪ Document repository to share SC3 documents – IDI and ECA shall explore the possibilities. | Chair<br>IDI and ECA |