

October 2010

**INTERNATIONAL ORGANIZATION OF
SUPREME AUDIT INSTITUTIONS (INTOSAI)**

MUTUAL EXPERIENCE BENEFITS ALL

STRATEGIC PLAN 2011-2016

INTOSAI AT A GLANCE

INTOSAI is the professional organization of supreme audit institutions (SAI) in countries that belong to the United Nations (UN) or its specialized agencies and is the recognized international body representing SAIs. SAIs play a major role in auditing government accounts and operations and in promoting sound financial management and overall accountability in their governments. INTOSAI provides a forum for government auditors from around the world to discuss issues of mutual concern and keep abreast of the latest developments in auditing and other applicable professional standards and best practices. In keeping with these objectives, INTOSAI's motto is *"Mutual Experience Benefits All."*

Founded in 1953 when 34 SAIs met for the first INTOSAI Congress in Cuba, INTOSAI has at present 189 full members and 4 associate members. Since then, INTOSAI has provided an institutionalized framework for SAIs to improve professional standing and capacities.

INTOSAI adopted the Lima Declaration of Guidelines on Auditing Precepts in 1977. This fundamental declaration articulates INTOSAI's philosophic and conceptual approach and, with the Mexico Declaration on SAI Independence from 2007, emphasizes the principles of independence and democratic values. INTOSAI issues international standards and guidelines for financial, compliance, and performance audits and provides guidance for good governance.

INTOSAI has five official languages: Arabic, English, French, German, and Spanish. It is a voluntary group whose success depends on consistent professional and financial support from its members. INTOSAI recognizes that its strength lies in the cultural, linguistic, and governmental diversity of its global membership and seeks a balanced representation of regions and auditing systems. INTOSAI operates through consultation and consensus regardless of geographic size or economic strength. It stresses respect for national sovereignty and the equality of its members.

INCOSAI, a congress held every third year in a different country, is the supreme body of INTOSAI, which comprises the entire membership. Each country has one vote, and no member country has a veto right. The Governing Board, consisting of 18 member SAIs, is accountable to the membership.

INTOSAI also partners with other organizations: the Interparliamentarian Union (IPU), the International Federation of Accountants (IFAC), the Institute of Internal Auditors (IIA), the Organization for Economic Cooperation and Development (OECD), as well as the World Bank and others in the Donor Community. INTOSAI also cooperates with the UN in promoting good governance and fighting corruption.

INTOSAI entered into a milestone agreement with 15 organizations, including international donor institutions and country development agencies, to enhance the development capacity of SAIs around the world. This Memorandum of Understanding, signed in October 2009, established a cooperation to strengthen the capacity of SAIs to increase their effectiveness as instruments of accountability, transparency, good governance, and anti-corruption in their countries.

According to INTOSAI Statutes, the Auditor General of Austria is the Secretary General. The headquarters of the INTOSAI Secretariat is Vienna. The Director of Strategic Planning (DSP) reports directly to the Secretary General and, in consultation with that office, helps ensure that INTOSAI's strategic objectives are being achieved. The General Secretariat's main tasks are to act as a link, both within INTOSAI as well as with external partners, to make the work and quality of INTOSAI and its members visible. The General Secretariat also works to enhance the role of INTOSAI and its members as independent, competent, and effective government audit institutions, thereby increasing transparency, accountability, and credibility for the benefit of all. The SAI of Norway took over the INTOSAI Development Initiative (IDI) in 2001. The U.S. Government Accountability Office publishes the *International Journal of Government Auditing*.

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PREFACE

The principal task of supreme audit institutions (SAI) is to examine whether public funds are spent economically and efficiently in compliance with existing rules and regulations. SAIs need to be independent from the entities they audit and must be protected against any form of outside influence. It is also crucial that their audit methods be based on current scientific and technical knowledge and that the auditors have the necessary professional qualifications and moral integrity. Only an independent external government audit function—in conjunction with professional staff and methodologies—can guarantee an unbiased, reliable, and objective reporting of audit findings. INTOSAI provides mutual support to SAIs and fosters the exchange of ideas, knowledge, and experience among SAIs. It also provides a voice for SAIs within the international community and promotes continuous improvement among its members.

During the previous strategic planning period of 2005–2010, a high volume of INTOSAI activities helped meet the professional needs and requirements of SAIs. These included among others the adoption of the Mexico Declaration on SAI Independence and the establishment and the adoption of International Standards of Supreme Audit Institutions (ISSAI) and INTOSAI Guidance for Good Governance (INTOSAI GOV). The Professional Standards Committee and the Knowledge Sharing Committee have developed a considerable number of standards, guidelines, and best practices for the INTOSAI community. A key strategic priority for the forthcoming period will be assisting SAIs in implementing the ISSAI framework as successfully as possible. In addition, the establishment of a Knowledge Sharing Steering Committee raised the efficiency of the knowledge sharing process. The Capacity Building Committee has also developed a set of guides and materials, such as *Building Capacity in SAIs: A Guide* and the Directory for Donor financed Capacity Building Projects. These materials, which are of great help to INTOSAI as well as to SAI members and their partners, are intended to help shape, conduct, and monitor capacity-building projects. Furthermore, the INTOSAI Communication Strategy has substantially strengthened and improved internal and external INTOSAI communication.

Signing a Memorandum of Understanding (MoU) between INTOSAI and the Donor Community emphasized INTOSAI's strategic focus on capacity building. This MoU establishes a cooperation to strengthen the capacity of SAIs to increase their effectiveness as instruments of accountability, transparency, good governance, and anti-corruption in their countries. As part of advancing the donor funding MoU, development of strategic and development plans throughout the organization will also be high on the agenda for INTOSAI for this new strategic plan period. Supporting institutional capacity building among SAIs to facilitate their work will be one of the strategic priorities of the forthcoming strategic planning period.

The companion document to this strategic plan is INTOSAI's *Report on the Strategic Plan 2005–2010*, which describes the results following the implementation of the first strategic plan and presents achievements and a more detailed organizational structure.



INTOSAI STRATEGIC PLAN 2011-2016 OVERVIEW

MISSION

INTOSAI is an autonomous, independent, professional, and nonpolitical organization established to provide mutual support; foster the exchange of ideas, knowledge, and experiences; act as a recognized voice of supreme audit institutions (SAIs) within the international community; and promote continuous improvement among diverse member SAIs.

VISION

Promote good government by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of their peoples.

STRATEGIC GOALS

Goal 1: Accountability and Professional Standards

Promote strong, independent, and multidisciplinary SAIs and encourage good governance by: 1) providing and maintaining International Standards of Supreme Audit Institutions (ISSAIs) and 2) contributing to the development and adoption of appropriate and effective professional standards.

Goal 2: Institutional Capacity Building

Build the capabilities and professional capacities of SAIs through training, technical assistance, information sharing, and other capacity building activities.

Goal 3: Knowledge Sharing and Knowledge Services

Encourage SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practice studies, producing audit guidance material, and performing research on issues of mutual interest and concern.

Goal 4: Model International Organization

Organize and govern INTOSAI in ways that promote economical, efficient, and effective working practices, timely decision-making, and effective governance practices, while maintaining due regard for regional autonomy, balance, and the different models and approaches of member SAIs.

CORE VALUES

INTERDEPENDENCE INTEGRITY PROFESSIONALISM CREDIBILITY
INCLUSIVENESS COOPERATION INNOVATION

INTRODUCTION TO INTOSAI'S STRATEGIC PRIORITIES 2011–2016

In 2004, INTOSAI adopted its first Strategic Plan to guide its operations. The plan was adopted at the INTOSAI Congress in Budapest and consisted of three primary mission-related goals and one organizational goal. This document presents the second Strategic Plan, which covers the six-year period from 2011 to 2016, adopted by the XX INCOSAI in South Africa in 2010. The pillars on which our mission and goals are based are INTOSAI's seven core values, found at the bottom of every page of this document. It cannot be overemphasized how important these core values are, and they are the basis for the strategies of the plan. While INTOSAI's mission, vision, and goals remain the same fundamentals upon which the plan is based, this new plan also highlights six strategic priorities.

In support of the four strategic goals under which INTOSAI broadly organizes its work, INTOSAI has identified six strategic priorities to help focus its work in the coming years. As the world's citizens, legislatures, media, and members of the international community look to SAIs to help assure the appropriate use of public funds and assets, the strategic priorities listed below will be crucial as INTOSAI and its member SAIs fight against corruption and help promote accountability, transparency, and good governance.

1. Help Ensure Independence of SAIs

Consistent with the Declarations of Lima and Mexico, INTOSAI is to ensure an appropriate constitutional or legal framework that calls for a comprehensive audit mandate and unlimited access to information and allows for the unrestricted publication of SAI reports. INTOSAI supports SAI institutional capacity building to provide organizational and financial independence because only fully independent and professional SAIs can ensure accountability, transparency, good governance, and the sound utilization of public funds as well as efficient efforts against corruption.

To help further these principles, the Lima and Mexico Declarations should be included in UN documents, as these texts help protect the independence of SAIs in functional, organizational, and staffing terms, which is necessary for effective governmental audit.

2. Implementation of ISSAI Framework

Impressive arrays of standards, guidelines, and best practices have been developed under the auspices of the Professional Standards Committee and the Knowledge Sharing Committee. By adopting a considerable quantity of ISSAIs at the 2010 INTOSAI Congress, INTOSAI will have an updated and comprehensive set of international standards, guidelines, and best practices for public sector auditing that is of considerable value for its members. A key strategic priority for the forthcoming period will thus assist the SAIs in implementing the ISSAI framework in the best possible manner.

The implementation of the ISSAI framework will be a demanding task that requires attention on the global, regional, and country levels. INTOSAI will provide a clear strategy for the implementation of the ISSAI framework and conduct a wide range of activities to facilitate successful implementation.

3. Strengthen Capacity Building of SAIs

While recognizing the considerable progress that has been made in capacity-building efforts throughout INTOSAI, there is a need for continued progress. The introduction of the ISSAI framework, with its demands of adoption and progressive implementation, highlights the need for sustained capacity-building efforts.

In October 2009, INTOSAI signed an MoU with the Donor Community to foster capacity building of SAIs in developing countries. Fifteen organizations, including international donor institutions and country development agencies, signed the agreement. A steering committee was formed and met in Morocco in February 2010. The initiative aims at increasing financial support provided by the donor society for capacity-building efforts and improving the quality of their support through more strategic and harmonized channels. The major focus for this support will be at the country and regional levels and is intended to be a supplement to existing capacity-building arrangements. INTOSAI will, during the forthcoming strategic planning period, endeavor to successfully implement cooperation with the donor society aimed at sustained and increased levels of capacity building of SAIs in developing countries. In addition, efforts will focus on moving away from providing capacity-building support on a case-by-case basis to a more strategic and coordinated approach to building the capacity of SAIs in developing countries. Under the MoU, INTOSAI is committed as a community to foster the development of individual country-led strategic plans and development action plans that are comprehensive, realistic, and prioritized.

4. Demonstrate the Value and Benefits of SAIs

SAIs serve as important pillars of their national democratic systems and play a pivotal role in enhancing public sector performance, emphasizing the importance of the principles of good governance, transparency, and accountability. Taking into account the increased interest from external and internal stakeholders and the widening range of audit services provided by SAIs, INTOSAI recognizes the need to increasingly demonstrate the value and benefits that SAIs provide. This helps to promote public trust in the SAIs.

INTOSAI will pay special attention to the fact that SAIs should regularly evaluate their value and benefits, both in terms of how they conduct and report on their own operations and how they add value to and improve public financial management in the environment within which they function.

5. Further the Fight against Corruption

Corruption is a pervasive global problem that threatens public finance, legal order, and social prosperity; endangers social security; and impedes the reduction of poverty. INTOSAI must lead by example in the fight against corruption and is fulfilling its responsibility to ensure transparency and prevention through several activities and measures.

Government audit as exercised by SAIs creates transparency, makes risk visible, and builds robust and effective internal controls to contribute specifically to the prevention of corruption in line with the spirit of the United Nations Convention against Corruption. To prevent and fight corruption, close cooperation of INTOSAI, including its regional working groups and SAIs, with international organizations and civil societies in an anti-corruption network and other similar activities is required, provided that this cooperation fully addresses INTOSAI and SAI independence and the objectivity of the auditing work, as well as the national SAIs' mandates, scope, and pertinent legal framework.

6. Enhance INTOSAI Communications

The Communication Policy adopted by the XIX INCOSAI in 2007 focuses on the benefits of the free flow of information, ideas, experience, and knowledge between INTOSAI members and encourages free communication among them. The policy also focuses on the benefits of establishing a clear and coordinated approach for communicating externally to ensure consistency and overall appropriateness. To achieve these positions INTOSAI has established five Communication Objectives, as further defined under Goal 3, and developed a Strategy to Encourage Effective INTOSAI Communication.

Based on the INTOSAI Communication Policy and the INTOSAI Communication Strategy established in the adopted *INTOSAI Communication Guideline*, INTOSAI will foster active and effective communication. It will facilitate timely, accurate, and transparent internal and external communication to improve government auditing worldwide.

Methodology and Principles

The methodology for updating the plan adhered to the principles of consultation and consensus. The Finance and Administration Committee established a task force chaired by the SAI of the USA to collaborate with the Chairs of the Goals and relevant Goal Liaisons, the Secretary General, the Director of Strategic Planning, and the Governing Board. The Goal Chairs led the work in identifying the strategies, activities, and programs under their respective goals and worked with their subcommittees as well as other relevant bodies (e.g., IDI, the Journal, and the INTOSAI General Secretariat) for input. The initial work was to identify which elements of the current plan have been addressed sufficiently and which of the strategies, activities, and programs need additional attention and refinement in the next plan period. The need for new activities and programs was also considered. The task force also consulted the regional working group secretariats, and a vital part in the process was to give all member SAIs the opportunity to review and make comments on the plan as it was developing, before it was presented to the XX INCOSAI.

Of INTOSAI's seven core values, found at the bottom of every page of this document, the first and most important one is independence, underlined by the adoption of the Mexico Declaration on SAI Independence in 2007, which focuses on the environment of the audit. Integrity focuses on the auditors themselves as the cornerstones upon which we build our profession. Based on these two cornerstones, we can achieve professionalism and credibility by cooperation, innovation, and inclusiveness.

The General Secretariat subscribes to a broad-based partnership with all members which rests on well-founded, transparent, and timely cooperation that, as a rule, is implemented in the official working languages and aspires to align its activities towards attaining INTOSAI's strategic goals, all while respecting INTOSAI's core values—i.e., autonomy, independence, and a non-political attitude. The Secretary General's active participation in the meetings of the Governing Board and Congresses and in the meetings of the Steering and Goal Committees 1 to 4 contributes to effective steering and sustainable implementation of INTOSAI's Strategic Plan.

The Strategic Plan 2011-2016 will be phased in over time considering available resources, which could be reallocated to match the plan. While the Strategic Plan gives direction and defines the path over the next six years, detailed operational plans will be developed to implement this plan. The current arrangements may change during the period to streamline operations and reflect changing priorities. Such flexibility is essential to ensure that INTOSAI remains an organization able to respond to new situations. The Governing Board and all other INTOSAI organizational entities will continue to conduct appropriate consultation and contacts with responsible parties (e.g., the Secretary General, regional working group secretariats, and committee/working group chairs) on all major changes after adoption of this plan by the 2010 Congress in South Africa.

Strategic Goals 1–4

In order to face the key issues listed above and in search of continuous improvement and as a further step towards making INTOSAI a model among international institutions, INTOSAI has continued developing its future-oriented strategy to achieve its four goals.

The key strategic issues are exposed under the four strategic goals below. The General Secretariat aspires to align its activities towards achieving INTOSAI's strategic goals while respecting INTOSAI's core values (autonomy, independence, and a non-political attitude) and assumes responsibility for supporting INTOSAI members and the different groups in implementing INTOSAI's Strategic Plan in the best possible manner.

All INTOSAI members—notably the Congress; the Governing Board; the regional working groups; the Goal Chairs; the Goal Liaisons; the Chairs of the subcommittees, working groups, and task forces; the *International Journal of Government Auditing*; the INTOSAI Development Initiative (IDI); the General Secretariat; and the Director of Strategic Planning—share responsibility for implementing the INTOSAI strategies within the scope of their mandates and missions.

Proposed Goal 2011–2016

PROMOTE STRONG, INDEPENDENT, AND MULTIDISCIPLINARY SAIs AND ENCOURAGE GOOD GOVERNANCE, BY:

- (1) PROVIDING AND MAINTAINING INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS (ISSAI) AND**
- (2) CONTRIBUTING TO THE DEVELOPMENT AND ADOPTION OF APPROPRIATE AND EFFECTIVE PROFESSIONAL STANDARDS.**

STRATEGIC GOAL 1: PROFESSIONAL STANDARDS

Proposed Strategies 2011–2016

Independence of SAIs is crucial to ensure their ability to carry out their work in a free and impartial manner, thus contributing to good governance, transparency, and accountability. INTOSAI has adopted International Standards of Supreme Audit Institutions (ISSAI) related to SAI independence in the form of the Lima Declaration and the Mexico Declaration on SAI independence.

The Professional Standards Committee (PSC) seeks to ensure that INTOSAI can provide an up-to-date framework of professional international standards that is relevant to the tasks and needs of all its members and other interested parties.

PSC has therefore developed a framework of professional international audit standards and implementation guidelines for supreme audit institutions (ISSAIs). In addition, INTOSAI has and continues to offer guidance in areas central to public sector financial management and accountability—INTOSAI Guidance for Good Governance (INTOSAI GOV).

The development of ISSAIs and INTOSAI GOVs is the result of the joint effort of the members of the INTOSAI subcommittees, projects, and expert teams under the PSC and working groups and task forces under Goal 3, the Knowledge Sharing Committee. Building on these products and other publications, while recognizing the established structure and achievements under INTOSAI's existing programs and activities, the Strategic Plan proposes the following strategies to support Goal 1:

1. Raise the awareness of ISSAIs and INTOSAI GOVs

Following the development of a comprehensive set of ISSAIs and INTOSAI GOVs and the focus on their maintenance, the PSC will work increasingly on raising the awareness of the ISSAIs and INTOSAI GOVs in the INTOSAI family and among other interested parties.

Awareness raising of the ISSAIs and INTOSAI GOVs should be conducted in close cooperation and coordination with the Governing Board, the General Secretariat, the Goal Chairs, other INTOSAI bodies, and the INTOSAI Development Initiative (IDI). The role of the PSC will be to generally raise the awareness of ISSAIs and INTOSAI GOVs and contribute with expert knowledge on the guidelines. The role of the IDI will be to take forward the implementation of the ISSAIs and INTOSAI GOVs.

2. Move from a development phase to a maintenance phase

By 2010, the PSC delivered to the INCOSAI a comprehensive set of ISSAIs and INTOSAI GOVs. In 2011–2016, the focus of the PSC's work with ISSAIs and INTOSAI GOVs will shift from a development phase to a maintenance phase. This means PSC's work in cooperation with the other Goals will focus on how to best provide and maintain the comprehensive set of ISSAIs and INTOSAI GOVs developed so far and on how to develop new ISSAIs and INTOSAI GOVs as and when needed. Moving from developing the ISSAIs and INTOSAI GOVs to maintaining them means that the tasks of the PSC change after 2010.

In 2011–2016, the PSC will focus on cooperation with the other goals on:

- a. Monitoring and evaluating existing ISSAIs and INTOSAI GOVs.
- b. Updating existing ISSAIs and INTOSAI GOVs.
- c. Harmonizing and improving consistency in the ISSAIs and INTOSAI GOVs.
- d. Developing new ISSAIs and INTOSAI GOVs in order to ensure a relevant and up-to-date framework of standards and guidelines.
- e. Cooperating with IFAC and other standard-setting bodies.
- f. Maintaining the ISSAI site.

3. Provide and maintain the ISSAIs

In the years 2011–2016, the PSC subcommittees will continue to provide and maintain guidelines on financial audit, performance audit, and compliance audit.

- a. Implementation Guidelines for Financial Audit

The INTOSAI Financial Audit Guidelines provide high quality guidelines that are globally accepted for the audit of financial statements in the public sector, by:

- i. Leveraging the expertise and resources of the International Auditing and Assurance Standards Board (IAASB) for a strategic and cooperative partnership.
- ii. Providing additional guidance for auditors in the public sector, above and beyond what is provided in the International Standards on Audit (ISA).

- b. Implementation Guidelines for Performance Audit

The INTOSAI Performance Audit Guidelines provide professional guidance on how to carry out performance audits by:

- i. Providing orientation to promote high quality audit work.
- ii. Sharing knowledge on how to establish a sustainable performance audit function.

- c. Implementation Guidelines for Compliance Audit
 - i. The INTOSAI Compliance Audit Guidelines provide professional guidance on how to enable SAIs to report to the appropriate bodies on the audited entity's compliance with laws, regulations, and policies in the public sector, both in connection with and performed separately from the audit of financial statements.
 - ii. The implementation and maintenance of the guidelines will focus on their development and use in SAIs.

Furthermore, the PSC subcommittees will provide and maintain the INTOSAI GOVs.

STRATEGIC GOAL 1: PROFESSIONAL STANDARDS

Expected Benefits

- Provide greater focus and attention on professional standards.
- Promote the adoption and application of professional standards consistent with the requirements and authorities of SAIs and national sovereignty.
- Promote improvements in terms of quality and uniformity of public sector auditing through the cost-effective adoption and application of professional standards in accordance with INTOSAI core principles and values and based on international best practice consistent with the requirements and authorities of SAIs and national sovereignty.
- Raise the profile and status of INTOSAI's audit standard-setting process (and participation with other standard-setting organizations) within the broader accountability community.
- The use of globally accepted standards promotes quality, credibility, and confidence in public sector audits and increases professionalism among the auditors.
- Capitalize on INTOSAI's accomplishments to date.

Proposed Goal 2011–2016

BUILD THE CAPABILITIES AND PROFESSIONAL CAPACITIES OF SAIs THROUGH TRAINING, TECHNICAL ASSISTANCE, INFORMATION SHARING, AND OTHER CAPACITY BUILDING ACTIVITIES.

STRATEGIC GOAL 2: INSTITUTIONAL CAPACITY BUILDING

Proposed Strategies 2011–2016

The Capacity Building Committee (CBC) seeks to ensure that each of INTOSAI's member SAIs benefits from capacity-building initiatives by strengthening their independence and professionalism, as relevant to their needs. The MoU between INTOSAI and the Donor Community provides an opportunity to intensify capacity building of SAIs in developing countries consistent with INTOSAI's independence requirements.

Building on the work of the CBC, while recognizing the established structure and achievements under INTOSAI programs and activities, the Strategic Plan proposes the following strategies to support Goal 2:

1. Promote increased capacity-building activities among INTOSAI members and regional groups in harmony with the INTOSAI Development Initiative (IDI) and through regional, bilateral, and multilateral efforts

Many results have been achieved by the CBC during the period of 2005–2010 in the field of increasing capacity-building activities among INTOSAI members. For instance, the CBC has established a multilingual guide on building capacities in SAIs and has taken various measures to disseminate it. The committee has also developed a directory of capacity-building projects in SAIs. The CBC has taken many initiatives and measures to coordinate and cooperate with IDI when undertaking its activities.

The CBC will strengthen, in cooperation with IDI and other INTOSAI bodies, the regional dimension of its intervention and consider reinforcing its regional activities and strengthening cooperation at the regional, bilateral, and multilateral levels.

This strategy could be divided into the following activities:

- a. Continue developing and disseminating best practices on how to develop SAIs through training, technical assistance, and other professional development activities.
- b. Collect and disseminate information on the range of capacity-building projects undertaken by SAIs and provide a vehicle for proper coordination of such projects.

- c. Develop a bank of generic training material on the key areas of SAI work (already to a large extent undertaken by IDI, but further consideration is needed on areas of development).
- d. Work with other INTOSAI committees and IDI to develop strategies for implementing the new ISSAIs and other standards and guidance.
- e. Identify further ways through which IDI and INTOSAI can harmonize their activities.
- f. Identify opportunities for distance learning.

2. Develop cooperation with international development organizations, consistent with INTOSAI's independence requirements

Most multilateral organizations, at the global and regional level, share the objectives of strengthening governance and accountability and fighting corruption and fraud with INTOSAI. These international organizations are vital partners in the work to achieve Goal 2, and the following strategies may enhance INTOSAI's relationships with these entities:

- a. Foster a closer and continuing dialogue among INTOSAI, its member SAIs, and multilateral organizations, focusing on both regional and country-level development requirements.
- b. Support implementation of the Memorandum of Understanding (MoU) between INTOSAI and the Donor Community, in cooperation with the INTOSAI-Donor Steering Committee and INTOSAI bodies, to enable capacity-building support that is demand-driven and sustainable to developing country SAIs.
- c. Consolidate the existing ties between INTOSAI and the United Nations.

3. Advisory and consultant services

Practical knowledge and expertise reside in people, and the experience of our own INTOSAI community is one of our most important resources when it comes to building capacity in SAIs. The CBC will have delivered to the XX INCOSAI a detailed database of experts and investigators and comprehensive guidelines on joint audit and internship programs.

To maximize the rich resources of its community, the CBC should:

- a. Maintain and update the database of professional experts in government audit and related areas available to participate in auditing programs.
- b. Encourage joint auditing programs.
- c. Encourage internship and visitor programs.

4. Promote best practices and quality assurance through voluntary peer reviews

To respond to the need for materials on how best an SAI could be reviewed by a sister SAI, the CBC:

- Analyzed and assessed existing peer review arrangements in the INTOSAI community.
- Sought ways to foster an environment where voluntary peer reviews are seen as beneficial to both the SAI undertaking the review and the SAI choosing to undergo it.
- Prepared materials on peer reviews for dissemination.
- Developed a guideline, including good practices, and a checklist on peer reviews.

While a small number of SAIs have submitted their work for review by one or more of their peers, there is still no open endorsement of the process that would encourage more SAIs to take such a positive step forward. In this regard, INTOSAI 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.

STRATEGIC GOAL 2: INSTITUTIONAL CAPACITY BUILDING

Expected Benefits

Goal 2 focuses on building SAIs' institutional, professional, and organizational capacities through the development of capacity-building activities of direct relevance to the majority of INTOSAI's members:

- Build on the significant achievements of CBC and its subcommittees during the period 2005–2010.
- Build on the sound foundations established by IDI, its strong regional development programs, and the increasing volume of bilateral technical cooperative projects.
- Recognize the benefits of working closely with international organizations that share the same goals as INTOSAI.
- Ensure that all SAIs can benefit from collaborative development work.
- Create networks to share knowledge and experience.
- Encourage and promote voluntary peer reviews among SAIs.
- Establish/strengthen quality assurance and internal control frameworks.
- Reinforce the regional and country-level aspect of developing capacity-building projects.

Proposed Goal 2011–2016

**ENCOURAGE SAI COOPERATION, COLLABORATION,
AND CONTINUOUS IMPROVEMENT THROUGH KNOWLEDGE SHARING,
INCLUDING PROVIDING BENCHMARKS, CONDUCTING BEST PRACTICE STUDIES,
PRODUCING AUDIT GUIDANCE MATERIAL, AND
PERFORMING RESEARCH ON ISSUES OF MUTUAL INTEREST AND CONCERN.**

STRATEGIC GOAL 3: KNOWLEDGE SHARING/KNOWLEDGE SERVICES

Proposed Strategies 2011–2016

The Knowledge Sharing Committee (KSC) builds on the essential features of openness, sharing, and cooperation that have been INTOSAI's hallmark through the years. During the implementation of the first Strategic Plan, the value and benefits of having independent government auditing and what the best practice in this field entails were clearly demonstrated.

Working groups are, and have been, established to share knowledge and find joint solutions to common concerns, and specialized task forces, such as the donor funding task force and the global financial crisis task force, address specific issues for a defined period of time. In addition, INTOSAI disseminates publications and the General Secretariat maintains the INTOSAI website, which hosts the websites of many working groups. INTOSAI's seven regional working groups have held meetings and congresses to share knowledge and facilitate communication.

Building on the continued work of the KSC while recognizing the established structure and achievements under INTOSAI existing programs and activities, the Strategic Plan 2011-2016 proposes the following strategies to support Goal 3:

1. Establish new and maintain existing working groups

Working groups should be created and maintained when there is sufficient interest. In 2011–2016, the KSC will focus on:

- a. Establishing new and maintaining existing working groups, as appropriate and relevant.
- b. Periodically reviewing, and evaluating where applicable and necessary, the scope of existing working groups.
- c. Making alternative provisions to ensure follow-up when actions resulting from recommendations in Congress are not completed within the specified period.
- d. Considering dissolution of groups where the working group has completed its task or is unable to complete its task.

2. Facilitate best practice studies consistent with diversity and sovereignty considerations

In 2011–2016, the KSC will continue to focus on and identify areas of work performed at an SAI where best practice studies would be beneficial. To establish best practice principles or good practices, sponsor a range of comparative studies of key elements of SAI activities, and develop audit guidance material, the KSC will support the professional work of its working groups and task forces.

The arrangements and structure within the KSC, which comprises the necessary working groups to address the plan and its related strategies under this goal, have proved effective in encouraging SAI cooperation, collaboration, and continued improvement. This committee organization also ensures a high level of engagement of many SAIs.

3. Encourage effective INTOSAI communication

To meet the challenges of effective communication in the best possible way, information has to be communicated according to the respective requirements and in accordance with the INTOSAI Communication Policy. The communication mechanism has to correspond to the needs of SAIs, with consideration for communication instruments such as the INTOSAI website, the executive summaries of INTOSAI documents, the individual websites of the various INTOSAI bodies, the *International Journal of Government Auditing*, and the INTOSAI Collaboration Tool.

INTOSAI, specifically the General Secretariat, and all other bodies and groups should encourage within the scope of their responsibilities effective INTOSAI communication and facilitate knowledge sharing between SAIs. It should also build on what has been done to communicate effectively with external partners and stakeholders and to present products coherently and professionally.

The themes and adopted documents of INCOSAI should be communicated to all INTOSAI members in an easy, accessible way. Moreover, specific work results of the regional working groups should, in view of their universal importance, become generally applicable and practicable throughout the INTOSAI community. Key messages of these work results should be presented and adopted at future INCOSAI.

With consideration and recognition of varying SAI models, INTOSAI should strengthen the external relations strategy whereby the different elements of INTOSAI could effectively be communicated in a consistent manner to the respective legislative bodies, media, the public, decisions makers, bilateral and multilateral partners, and other target groups. This strategy could also promote the important contributions that SAIs can make toward better governance of their countries.

The KSC, in cooperation with the General Secretariat as primary spokesperson of INTOSAI, will encourage the use of various communication mechanisms currently used within the INTOSAI community to support the adopted five objectives for communication:

Internal

- Raise the knowledge of INTOSAI members to a uniform level by using existing means of communication.
- Support INTOSAI members and promote convergence.

External

- Convey government auditing concerns to decision-makers and opinion leaders.
- Strengthen the standing and reputation of SAIs and of INTOSAI.
- Disseminate the benefits of SAIs and of INTOSAI among partner organizations.

The KSC in cooperation with the General Secretariat will also facilitate and encourage committees, working groups, and task forces to:

- i. Interact and improve linkages with each other on matters mutually relevant to them.
- ii. Innovate and develop other effective methods of communication and share these with colleagues.

The international relations/liaison offices or designated officers within SAIs, coming together in a global liaison network, are a logical group which would significantly facilitate communication and collaboration.

4. Promote partnerships with academic institutions, research institutions, and professional associations, consistent with INTOSAI's independence requirements

INTOSAI should make efforts to introduce and support an interest in related programs in the academic community on topics such as public sector auditing, accounting, and accountability.

INTOSAI could:

- a. Create a research competition and invite both professionals of the SAIs and academics from major academic institutions, research institutions, and professional associations worldwide to participate.
- b. Promote undergraduate and graduate programs in public sector auditing at colleges and universities with an international orientation to the prepare multidisciplinary professionals required. Explore the development of exchange programs between universities, research institutions, professional associations, and SAIs.

STRATEGIC GOAL 3: KNOWLEDGE SHARING/KNOWLEDGE SERVICES

Expected Benefits

- Present an evolving approach to knowledge sharing that builds on current structures and allows for the development of communities of practice in those areas which are supported by the diverse membership.
- Facilitate better communication both inside and outside INTOSAI in areas of interest to the membership.
- Generate useful best practice information on areas in which SAIs work for those members who wish to take part in such activities.
- Generate better audit quality by combining best practices and communities of practice, and stronger links at a professional level.
- Foster informal and professional-to-professional networking.

ORGANIZE AND GOVERN INTOSAI IN WAYS THAT PROMOTE ECONOMICAL, EFFICIENT, AND EFFECTIVE WORKING PRACTICES, TIMELY DECISION-MAKING, AND EFFECTIVE GOVERNANCE PRACTICES, WHILE MAINTAINING DUE REGARD FOR REGIONAL AUTONOMY, BALANCE, AND THE DIFFERENT MODELS AND APPROACHES OF MEMBER SAIs.

INTOSAI believes that it is essential to lead by example. This commitment is reflected in the fourth strategic goal of INTOSAI: to strive to become a model international organization. As such, Goal 4 differs in substance and nature from Goals 1, 2, and 3, which focus on enhancing professional standards, building capacity, and facilitating knowledge sharing among members, and cannot therefore be addressed in a manner similar to the other strategic goals. Whereas Goals 1, 2, and 3 apply to specific areas of INTOSAI's operations, Goal 4 is intended to align the whole of INTOSAI's organization and operations with these goals. Goal 4, which includes ensuring the economy, efficiency, and effectiveness of INTOSAI's own operations and that the organization is operating within its budget, is, therefore, fundamental to the achievement of strategic Goals 1, 2, and 3. The Secretary General's ex-officio membership in the Finance and Administration Committee (FAC) of Goal 4, and all INTOSAI members, bodies, and groups promote the economic, efficient, and effective management of INTOSAI with the aim of creating a model international organization.

STRATEGIC GOAL 4: MODEL INTERNATIONAL ORGANIZATION

Guiding Principles

Building on the central principle that “Mutual Experience Benefits All,” the following principles guide INTOSAI's future administrative and organizational development:

- a. There should be a clear focus on the agreed-upon set of strategic goals in all of INTOSAI's work.
- b. INTOSAI should adopt organizational and administrative practices that encourage the widest possible involvement of member SAIs in its work.
- c. INTOSAI should have decision-making structures that balance timeliness with the importance of ensuring that key decisions have the broad-based support of INTOSAI's membership.
- d. There should be an active engagement by the Governing Board and the General Secretariat and strong links among the Governing Board and the committees, subcommittees, working groups, and task forces created to carry forward INTOSAI's work.
- e. A proper coordination between the four INTOSAI Goal Committees should be ensured in order to provide a smooth flow of information, to facilitate an adequate treatment of cross-cutting topics and tasks which concern more than one goal, as well as to avoid overlap and duplication of effort.

- f. INTOSAI should be financed in accordance with the core values of INTOSAI's independence to ensure that it is operating within its budget and to promote the effective implementation of this plan and the continued viability of the organization.

STRATEGIC GOAL 4: MODEL INTERNATIONAL ORGANIZATION

Proposed Strategies 2011–2016

This plan specifically considers whether INTOSAI's organization and structure provide appropriate focus and align with the revised strategic programs and activities and if INTOSAI has sufficient capacity to handle the strategic actions proposed in an efficient and timely manner. Organizational focus on INTOSAI's strategic goals is an ongoing responsibility of the Finance and Administration Committee in cooperation and consensus with the Secretary General and includes follow-up on the implementation of the first Strategic Plan and endeavors to build on the achievements made under that plan.

Building on the guiding principles while recognizing the established structure and achievements under INTOSAI existing programs and activities, the Strategic Plan 2011–2016 proposes the following strategies under Goal 4:

1. Monitoring of INTOSAI's organizational and decision making structure

The organizational and decision making structures of INTOSAI should in the best possible manner be aligned to the strategic goals of the organization to facilitate implementation of the plan and ensure that INTOSAI operates in an efficient, effective, and economical manner. During the strategic planning period, a full review of the current organizational set up and decision making structures could be carried out by the General Secretariat in close cooperation with the FAC. Based on the recommendations of the review, amendments to the current structures may be considered and implemented.

2. Monitor implementation of INTOSAI's Strategic Plan

In order to secure the successful implementation of the Strategic Plan, it is important to secure that the progress made is monitored on a regular basis.

The Strategic Plan gives direction and defines the path over the next six years, but detailed operational plans will be developed by the responsible INTOSAI organs and groups to implement it and may change during the period to streamline operations and reflect changing priorities. Such flexibility is essential to ensure that INTOSAI remains an organization able to respond to new situations.

Along this line, the General Secretariat will use the outcomes of Governing Boards, Congresses, international events, and other activities that are relevant for the implementation of the INTOSAI Strategic Plan in line with internal and external communication policy goals by:

- a. Raising the knowledge of the members to a uniform level.
- b. Promoting contacts between the members.
- c. Conveying the concerns of government audit among decision makers and opinion leaders.
- d. Strengthening the standing and reputation of SAIs and of INTOSAI.
- e. Disseminating the benefits of SAIs and of INTOSAI and their value for society also among partner organizations.

Furthermore, the General Secretariat aspires to create impetus and innovation for INTOSAI members and to help them identify and implement priority themes, which they derive from INTOSAI's strategic goals, such as:

- a. Strengthen SAI independence.
- b. Fight corruption, money laundering, and fraud.
- c. Promote transparency of government operations and good governance.
- d. Improve government accountability.
- e. Enhance the credibility of SAIs by capacity building of SAIs, making visible the value and benefit of SAIs, developing and implementing professional audit standards and methods, and reinforcing SAI accountability (e.g., by peer reviews).

3. Ensure sufficient funding for INTOSAI operations

The Finance and Administration Committee will develop, in cooperation and consensus with the Secretary General, a holistic and sustainable approach to the financing issue to secure availability of the necessary financial resources to carry out the mandated tasks of INTOSAI and to successfully implement the Strategic Plan by:

- a. Reviews of funding-related issues, such as the budget and dues structures of the organization.
- b. Reallocation of financial resources where appropriate and beneficial.
- c. Financing more active participation of SAIs from developing countries in the various subcommittees, working groups, and task forces of INTOSAI according to financing regulations to be established in the INTOSAI Financial Rules.

4. Sustain and develop further cooperation with the international Donor Community through the Memorandum of Understanding

The established Memorandum of Understanding (MoU) between INTOSAI and the Donor Community will facilitate increased levels of donor support and a more coordinated and harmonized system for delivering support to SAIs in developing countries. It thus offers an opportunity for substantial increases in the volume of capacity-building initiatives in the INTOSAI community targeted at SAIs in developing countries. The MoU is well adapted to the needs of INTOSAI members and will therefore be a key priority for INTOSAI during the strategic period. This work will be carried out in liaison with Goal 2 to secure effective implementation of the MoU. The FAC will provide leadership to the INTOSAI-Donor Steering Committee as co-chair and co-vice chair for INTOSAI, respectively, and work with the donor co-chair and co-vice chair, as well as the INTOSAI-Donor Steering Committee Secretariat, to successfully implement the MoU.

5. Continue to demonstrate the value and benefits of independent supreme audit institutions

The Secretary General, as primary INTOSAI spokesperson, will in cooperation with all INTOSAI organs and groups communicate to the respective stakeholders that only fully independent SAIs can ensure transparency, accountability, and sound utilization of public funds and can fight against corruption and help promote public trust. To meet the increasing demand for accountability and good governance, an in-depth understanding of these principles is needed, coupled with regular self-assessment to maintain and build the important role of SAIs, thus adding credibility to the practices of good governance and accountability.

STRATEGIC GOAL 4: MODEL INTERNATIONAL ORGANIZATION

Expected Benefits:

- A streamlined organizational and decision making structure that enables INTOSAI to operate in an efficient, effective, and economical manner to the maximum benefit of its members.
- Sufficient financial resources to enable INTOSAI to carry out the tasks outlined in the Strategic Plan in the best possible manner.
- Making INTOSAI a model international organization that leads by example.

APPENDIX I: Current Principal INTOSAI Bodies

INTERNATIONAL CONGRESS OF SUPREME AUDIT INSTITUTIONS (INCOSAI)

Hosted by a member SAI, the triennial Congress offers all INTOSAI members a unique opportunity to gather at one time in one place to share experiences, discuss issues, and share recommendations aimed at improving government accountability worldwide. Participation at Congresses by the United Nations, the World Bank, and other international and professional organizations reflects INTOSAI's relationship with these world bodies.

INTOSAI includes two categories of membership:

- ❑ **Members:** national and supranational supreme audit institutions that meet specified criteria and would have all membership rights described in the existing statutes. This plan provides that SAIs continue to be allowed to join multiple regional working groups but that SAIs must declare one regional working group to be their “home” group with regard to INTOSAI-level issues such as allocation of Governing Board seats, funding for IDI regional and other training programs, etc.
- ❑ **Associate members:** international, professional, and other organizations that share INTOSAI's goals. Associate members would not have voting privileges but could participate in INTOSAI events and programs and benefit from INTOSAI capabilities (e.g., publications and knowledge sharing). They would pay an annual associate member assessment and might also be required to pay additional fees for some events (e.g., attendance at Congresses). The initial assessments and fees would be set by the Governing Board based on a recommendation from the Finance and Administration Committee. When organizations apply to the Board for associate membership, the Board will consult with the SAI representing the country from which the application originates; the Board will solicit and give great weight to the views of such member SAIs in connection with any application.

GOVERNING BOARD

The 18-member Board meets annually to provide leadership, stewardship, and continuity between Congresses. To ensure balanced representation of all member countries, each of INTOSAI's seven regional working groups and the main types of public auditing systems are represented on the Board. The Chairman of the Board is the head of the SAI that hosted the last Congress.

- ❑ **Finance and Administration Committee.** The Finance and Administration Committee's mandate is to help the Board and its chairman to: “Organize and govern INTOSAI in ways that promote economical, efficient and effective working practices, timely decision-making, and effective governance practices, while maintaining due regard for regional autonomy, balance and the different models and approaches of member SAIs.” The FAC is chaired by the second vice chairman of the Board, as this is an appointment voted on by the Governing Board, and the chair will also serve as Goal Liaison for Goal 4. The committee's five voting members (including the chair) are elected from within the Governing Board.
- ❑ **Goal Liaisons.** Goal Liaisons consult with all chairs of INTOSAI entities within the strategic goal to help facilitate communication and awareness within and among strategic goal areas and across regional working groups, and establish stronger links among the Governing Board, the committees, working groups, and task forces. Goal Liaisons would not lead, direct, or intrude on committee, working group, task force, or regional working group functions. Rather, they would serve as facilitators and enablers for continuous improvement. Goal Liaisons would always be nominated and approved at the Governing Board meeting immediately following each Congress.

GENERAL SECRETARIAT

Located in Vienna, Austria, the General Secretariat provides central administrative support to INTOSAI, manages the INTOSAI budget, assists the Board and Congresses, facilitates communications among members, and organizes symposia and special studies. The Secretary General is the President of the Court of Audit of Austria. The Director of Strategic Planning (DSP) supports INTOSAI in achieving the strategic objectives and ensures effective coordination in the implementation of the Strategic Plan. The DSP is responsible to the Secretary General and reports directly and regularly to him.

REGIONAL WORKING GROUPS

Seven regional working groups promote INTOSAI's goals regionally, thus providing members with opportunities to focus on issues characteristic of their regions. Regional working groups are a central element of INTOSAI and have significant autonomy.

GOAL COMMITTEES, SUBCOMMITTEES, WORKING GROUPS AND TASK FORCES

Most of INTOSAI's technical work occurs in the committees, subcommittees, working groups, and task forces that are established to advance the profession by developing and issuing professional standards, audit guidance, and other practical reference materials. Fostering the transfer and application of knowledge and skills relating to the SAIs' organization and work and making them better able to perform their function by capacity-building efforts also takes place in committees. INTOSAI members participate in this work by joining committees, working groups etc.; commenting on developed products; and attending technical sessions at Congresses.

- ❑ **Committees.** Committees of INTOSAI, such as Strategic Goal committees and subcommittees, are formed by the organization to deal with issues of significant, recurring interest to all members. As such, committees should ideally have a balanced representation of the organization's membership and clear direction from the Governing Board.
- ❑ **Working groups.** Working groups have traditionally been formed as a result of INCOSAI themes and recommendations to address SAIs' interests in specific topics, and their benefits are evident by the number of SAIs taking part and the guidance on best practices they have promulgated. These working groups do not require any direct oversight by the INTOSAI Governing Board, and because members are free to join according to their interests, there is no requirement for them to reflect regional or other representational factors.
- ❑ **Task forces.** In addition to committees and working groups, task forces are formed by the Congress or the Governing Board as needed to deal with issues of significant interest to many member SAIs. Task forces operate for a finite period of time and are dissolved by either the Congress or the Governing Board when their assigned tasks (as outlined by the Congress or Governing Board) are complete. Like committees, task forces should ideally have a balanced representation of the organization's membership.

INTOSAI DEVELOPMENT INITIATIVE (IDI)

The INTOSAI Development Initiative (IDI) is a non-profit organization that aims to enhance the professional and institutional capacities of SAIs in developing countries through needs-based, collaborative, and sustainable development programs. The IDI works in cooperation with INTOSAI regions and groups of SAIs to meet the existing and emerging needs of stakeholders. Emphasis was on training of professionals and establishment of sustainable training infrastructures in INTOSAI regions until 2006, when the scope was significantly broadened to encompass also institutional strengthening of SAIs and knowledge sharing.

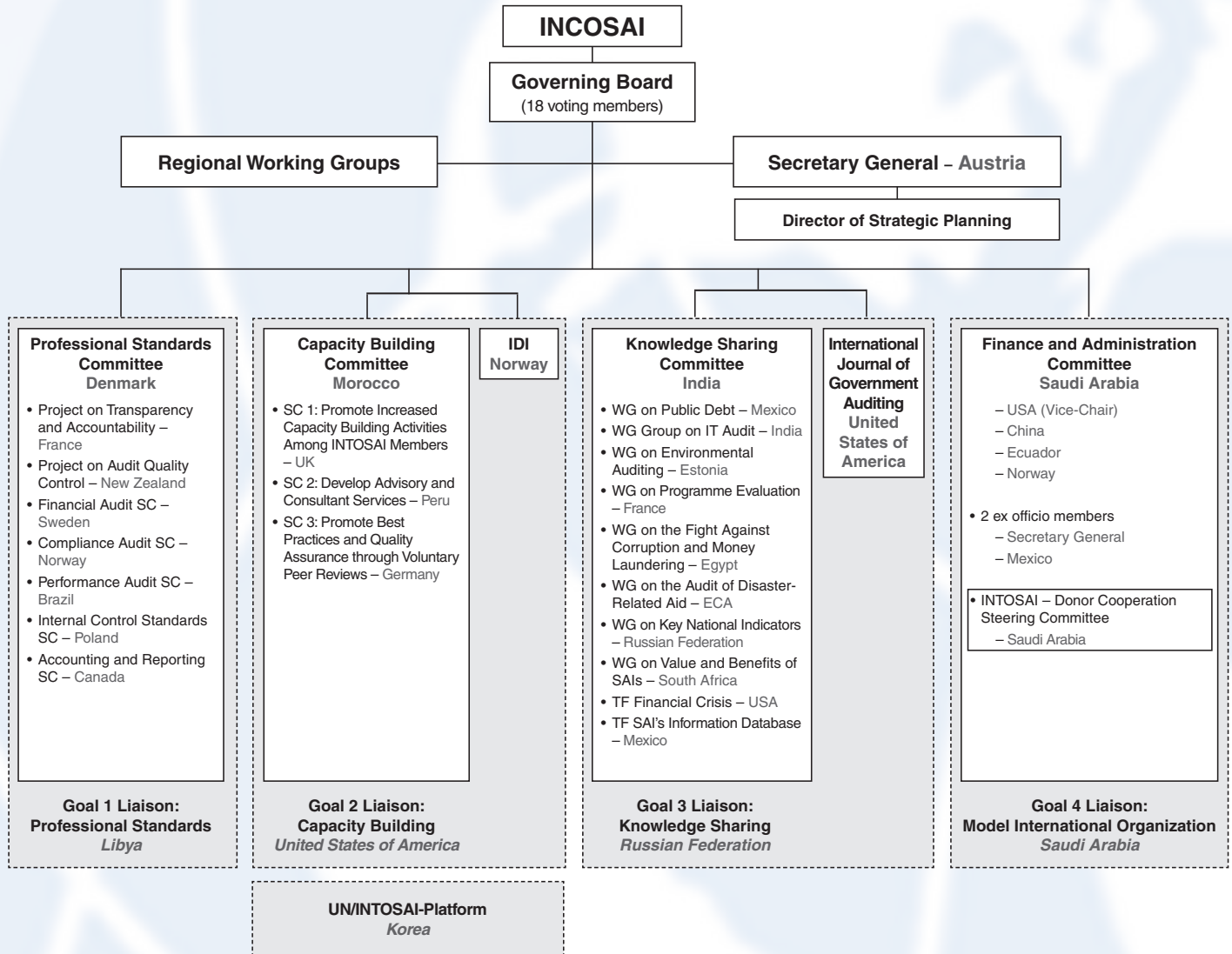
IDI collaborates with INTOSAI committees and working groups and seeks partnership with other organizations to enable delivery of high-quality capacity-building programs. After IDI's establishment at the 1986 INTOSAI Congress, the SAI of Canada hosted the IDI Secretariat until 2000; the SAI of Norway took over in 2001. IDI is organized as a separate legal entity with the Norwegian Auditor General as Chairman of its Board. IDI reports regularly to INTOSAI Congresses and the Governing Board. The IDI Secretariat has a complement of multidisciplinary, internationally recruited staff and operates in 4 to 5 languages. IDI was in 2010 appointed as Secretariat for the INTOSAI-Donor Cooperation and will assist and support the INTOSAI-Donor Steering Committee in implementing the Memorandum of Understanding.

INTERNATIONAL JOURNAL of GOVERNMENT AUDITING

The *International Journal of Government Auditing*, which is the official organ of INTOSAI, is dedicated to the advancement of government auditing procedures and techniques. The Journal is also used as a teaching tool. Articles focus on pragmatic aspects of public sector auditing and case studies. It is published quarterly in the five official languages of INTOSAI. The Journal is published by the SAI of the United States (Government Accountability Office, GAO).

APPENDIX II: Current Organization Chart

LEGEND:
SC = Subcommittee
WG = Working Group
TF = Task Force







INDEPENDENCE ★ INTEGRITY ★ PROFESSIONALISM ★ CREDIBILITY ★ INCLUSIVENESS ★ COOPERATION ★ INNOVATION