INTOSAI

INTOSAI Capacity
Building Committee

August 17, 2016

Terms of Reference – Support to SAIs in Fragile Contexts

The CBC will, through this work stream, lead INTOSAI's efforts to identify what support is needed and good practices to address those needs, adjusted to the preconditions of SAIs in fragile situations and the organizations supporting them.

SAIs in fragile contexts were initially discussed at the CBC annual meeting in Lima, Peru in 2014, at the initiative of CREFIAF. As a result of those discussions, a small task group was set up to explore the issues and propose a way forward. That task group has consisted of representatives from the SAIs of the Netherlands, Sierra Leone, the United Kingdom and Sweden, and from the IDI.

This terms of reference is based on experiences by SAIs currently or previously working in states in different levels of fragility, and by donors and partners working with SAIs in such contexts. The experiences have been collected through a selection of interviews and discussions as well as reports and articles.

Background

UN Sustainable Development Goals and Fragile States

The OECD has defined the fragility of states in five dimensions: violence, justice, institutions, resilience and economic foundations. Different countries may experience different combinations of these dimensions while a few experience all. In 2015 the world's extreme poor constitute 14% of the population. 43% of those people live in a fragile state, and by 2030 it is predicted that the share will increase to 62%.[1]

In light of the UN sustainable development goals, with the overarching goal of eradicating poverty, it is appropriate for INTOSAI to consider how it can do its share. In order for INTOSAI to contribute to the eradication of poverty we need to consider how we as an organization can support SAIs in fragile contexts so that they may contribute to decreased fragility in their country or region.

Existing INTOSAI Standards, Guidance and Tools

INTOSAI has in the last decade developed not only a comprehensive set of standards for SAIs but also a number of guides, tools and models that support the development of SAIs. Some, such as the *SAI Performance Measurement Framework*, *ISSAI 5600 on Peer Review,* can be used to assess the maturity and performance of an SAI and identify its challenges. Others can be used preemptively, such as the CBC guide on *Business Continuity Planning*, or to support an SAI's development, such as the CBC guides on *Building Capacity in SAIs* or *Introducing Professional Qualifications for Staff.*

In addition, there are a number of regional guides, tools and models (such as the AFROSAI-E *Institutional Capacity Building Framework*), as well as others developed by individual SAIs, INTOSAI, donors and professional organizations.

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[1] States of Fragility 2015: Meeting Post-2015 Ambitions, OECD 2015

SAIs in Fragile Contexts

The level and type of fragility in a country or region will influence the conditions under which the SAI works and the extent to which it is possible for the SAI to take actions to change those conditions. There is also great variation in the level of development and resilience of SAIs in fragile contexts, and many of them are not fragile institutions. As Figure 1 below shows, mature SAIs (or SAIs which are a long way down the path to maturity) can exist in fragile context and vice versa, states with a high degree of maturity may have SAIs which are fragile or very weak.

	Mature SAI	Fragile SAI
Mature State	A	B
Fragile State	C	D

Figure 1.

On the one hand, while the SAI may be mature, performing its responsibilities in a fragile context may make it more difficult to deliver a professional ISSAI compliant audit service to parliament and citizens for a number of different reasons. On the other hand, there are examples of SAIs in fragile situations having a unique opportunity to play a central role in contributing to state building and trust in government institutions by promoting good governance and accountability.

It is also important to keep in mind that causes of fragility vary greatly, which will influence both challenges and opportunities for SAIs. A country or region hit by natural disasters will have different challenges than one suffering from the effects of a pandemic or experiencing wide spread internal or external violence, just to mention a few scenarios. And these challenges may require (or open up the opportunity for) the SAI to play a different role at different stages of state building.

Establishing a New CBC Work Stream

Many of the challenges experienced by SAIs in fragile contexts are the same as or quite similar to those experienced by all SAIs on a development path – they just tend to experience more of these challenges at the same time, or more severely than their sister organizations.

In the future work of this work stream we recognize that SAIs in a fragile context may have greater challenges than other SAIs in availing themselves of the tools, models and support available within the INTOSAI community or implementing existing standards and guidance. This work stream also recognizes the potential for SAIs in fragile situations to play an important role in contributing to decreased fragility by promoting increased confidence in public sector institutions. The SAIs themselves, and anyone with the aim to support their development, need to ensure that actions taken and goals set are adjusted to the situation in the country and the preconditions of the SAI in question – as regards both challenges and opportunities.

Expected CBC Outputs

The CBC aims to develop different methods and approaches to support SAIs in fragile contexts as well as donors and partner organizations working with them. This may include both awareness raising and knowledge sharing and the provision of more practical advice and guidance.

Outputs may, for example, include:

- Lessons learned and case studies based on experiences of SAIs and/or their development partners;
- Good practice guidance for SAIs in fragile situations, their partner SAIs/organizations, INTOSAI regions and donors;
- Materials and models to support SAIs in identifying first step- and next step- solutions to challenges identified;
- Development of training for SAI staff and consultants engaged in, or planning to engage in change agent roles with SAIs working in fragile contexts;
- An open dialogue and sharing of experiences between the SAIs concerned and between their partners and donors, respectively.

Structure

A small project group will be set up for an initial period of three years to manage the work, engage with stakeholders and develop a majority of the outputs. The project group will work as a CBC Work Stream and report annually to the CBC Steering Committee. The project group will include SAIs which are currently or have previously been in a fragile context, SAIs which have supported SAIs in a fragile context and the IDI.

The Swedish National Audit Office will lead the project group.

Timeline

- Terms of Reference approved during the CBC Annual Meeting in 2016.
- Project group set up by the end of 2016.
- Further discussions, consultations and needs assessments carried out in 2017, which will result in work stream priorities.
- Further deliveries until INCOSAI 2019 in accordance with the list of priorities.

Partnerships

This work will be carried out in cooperation or consultation with:

- INTOSAI regions
- Representatives of SAIs in fragile contexts
- Partner SAI representatives
- The INTOSAI-Donor Cooperation
- The Professional Standards Committee
- The Knowledge Sharing Committee
- The Forum for INTOSAI Professional Pronouncements (FIPP)