# Minutes CBC Work Stream SAIs in Fragile Situations - skype meeting 24 October 2017

## Participants:

Afghanistan: Hamidullah Faqairi (from 3a)

IDI: Jostein Tellnes

Liberia: Micah Belleh

Norway: Gry Midtbø, Øivind Berg Larsen

Sierra Leone: Adama Renner (from 3C)

Sweden: Oskar Karnebäck, Johanna Gårdmark

Excuses:

Netherlands Andrea Connell (provided comments over the phone after the meeting)

Sudan Mohamed Elhafiz Nasr (provided comments in writing after the meeting)

## Opening remarks/reflections from Washington, DC or expectations for the coming work

Participants were invited to share their reflections from the meeting in Washington DC in September and express their expectations for the coming work.

One reflection was in relation to the specific needs of SAIs in fragile situations; to what extent do these needs differ from developing needs in other institutions. It is important that we focus on what is specific for SAIs in fragile situations. We must also remember that SAIs operate in a political environment and the fact that they in many circumstances play a political role. We must understand and have the capacity and capability to analyse the context before engaging with SAIs in these demanding situations. A critical challenge in fragile states is to provide support that “does no harm”; how do we know we do not support a brutal regime or take a side in a civil war situation? And what kind of support can we offer in such difficult circumstances?

Further, it is imperative to keep in mind that countries affected by fragility are quite diverse and we need to take that into consideration. We must address practical issues, for example if we might provide advice on how SAIs in situations of fragility might be able to interpret the ISSAIs and put them into practice. We may want to consider quality criteria for supporting SAIs in fragile situations.

Sudan emphasised that it is important to focus on what is specific for SAIs in fragile situations. Even within that specification, SAIs are different in terms of the challenges they face. Therefore, it will be useful and relevant to have guidance in a matrix form based on a model like that of AFROSAI-E capacity building framework that identifies 5 domains (independence and legal framework, management and structures, human resources, audit standards and methodology and communications). This was referred to during our short meeting in Washington. This will allow each SAI to pick from the matrix what is relevant to meet its challenges.

Sudan agreed with the importance of considering the political context in which the SAI operates and especially where the AG and SASI staff are political appointees. However, if that is not the case the matrix above will be relevant.

## Discussion of mentimeter input from the Washington Synergy session

Members of the work stream shared their thoughts on the mentimeter input regarding how SAIs in fragile contexts could best be supported. A general reflection was that some of the challenges are applicable to SAIs in general and not specific to SAIs in fragile situations. Many good principles were raised in the input: long-term support, coordination of support and the role of regions.

IDI is planning to increase support to SAIs in fragile situations in collaboration with AFROSAI-E and CREFIAF. Currently IDI and AFROSAI-E are jointly supporting SAI South Sudan and SAI Somalia. Scaled up support for SAIs in fragile situations, especially those in the Global Call for Proposals Tier-2 group, has been proposed for the approval of the IDI Board in November.

A challenge for the Liberian SAI is capacity, so that is something that needs to be considered when supporting SAIs in fragile situations. Supporting the capacity to carry out audits may be needed while the SAI is under development. Partnering with a peer may be part of the solution.

## Work plan. Discussion of priorities for the coming year

Members discussed the future work plan with point of departure in the items suggested at the Washington DC meeting.

### *Finalise the* discussion *paper*

The paper is almost ready and will be finalized within short. This will be the first output of the work stream. The consultants, Development Action (David Goldsworthy, Silvia Stefanoni) are still in the process of conducting some further interviews which will feed into the paper.

Norway has provided comments but would welcome further discussion about the political context and potentially politicized role of the SAI. IDI emphasized the importance of understanding previous support and coordination of support, so we would like this to be underlined, to avoid overlaps. The SAIs have a very weak capacity to coordinate and report to donors and providers of support, so we should not add to this burden. Providers of support should build on management systems already present in the SAI. IDI also suggested that the paper could be transformed into guidance rather than just to stimulate discussion

The chair recognized the importance of considering the political context in which the SAI operates. This is something we may need to address and elaborate on separately in future work. The paper was meant to be a discussion paper and there could be cause to consider how we can develop guidance in this regard.

Afghanistan stressed the role of structural and financial independence for the success of an SAI and the fact that these therefore are important issues to cover.

Sudan added that finalization of the discussion paper and review of all relevant literature such as the CBC Guide (discussed below), SAI PMF, etc. are important to consider to avoid reinventing the wheel. This will fit in the matrix mentioned in the opening remarks.

### *Short stories on best practice*

The group has suggested to write short stories on how SAIs have addressed or managed to overcome challenges related to a fragile context. Some short stories on best practice will hopefully be included in the discussion paper, but we should also consider how to identify and distribute further stories which we come across. They can be published on the CBC website and might also at a later stage be published as a document when we have a number of different stories. That can also be the basis for more general conclusions and best-practice guidance.

The workstream relies heavily on input from its members so contribution from us is important in order to commence the generation of knowledge.

Afghanistan offered to share experiences related to the introduction of ISSAIs. This is a process that started in 2013 and which has encountered challenges that have been overcome. The office has managed to implement level three and are working on level four of the ISSAIs.

Liberia offered to reflect on experiences to share as short stories.

Norway has some experiences that should provide for good guidance, but it is perhaps even more important to get the stories from the SAIs in fragile situations themselves rather than from partners or providers of support. This was supported by the group but it could nevertheless be interesting to get the view from providers of support as well as the SAIs themselves.

IDI has a model of how they have been able to support the SAI of South Sudan despite the security situation in the country. This model is about to be applied elsewhere and could be shared as a story.

All were encouraged to consider possible stories to share.

Sudan offered to share a written short story.

### Advocacy

Although the group sees a need for advocacy of the need of an SAI in state building, there is no immediate initiative at hand. The chair opened the opportunity to suggest ways to proceed but suggested leaving this out of a work plan in case no initiative was put forward.

Afghanistan stated that advocacy is extremely important for their SAI in order to raise support for their role in state building. We need to think of ideas of how we can work with this.

Norway agreed it is important to remember this issue. On a country level, this may be the form of support that makes the most impact, but it should probably be handled by providing guidance, not as an item of the work plan.

IDI said there is a need to follow up the UN Declarations on SAI Independence on a global level, and perhaps with a special focus on SAIs in fragile situations.

Although no clear initiative was suggested, it was decided that this item should be kept in mind and brought back into the work plan when an opportunity arises.

### *Arena for* experience *sharing*

This was an issue raised during the synergy session as well as in interviews. Sweden stated that this is also in line with Swedish policy for international development, and therefore something the Swedish NAO is interested in supporting. A forum for SAIs in fragile situations could also provide guidance for the direction of the future work in the work stream. Therefore, it was suggested that we should explore the preconditions for having a first meeting in such a forum during 2018. Sweden willing to take the lead and invest some resources into this.

Norway appreciated the Swedish willingness to take the initiative. The timing is important and we need to think about whether it is premature to have it in 2018? It is probably best to plan meetings within existing fora; for example, to add another day to a regional meeting where representatives of SAIs in fragile situations already are present

IDI agreed with Norway regarding using existing meetings, and to focus on topics of relevance for those present.

Liberia agreed with the Norwegian suggestion and said it would be great to exchange views with other SAIs, finding common challenges and solutions. That would also help us prioritize the most important issues.

The chair said that a separate forum would have the benefit of bringing SAIs together across regions and not only bring individual regions together.

Netherlands added some comments over the phone after the meeting. A forum with a limited number of participants would provide a first opportunity for SAIs with similar preconditions to meet and establish contact. After this, the contact could be maintained through electronic platforms or other forms. If the work stream reaches out to its network of SAIs in situations of fragility we could have a first in-person meeting with this audience. Any other SAI who has something to offer in terms of experiences would be most welcome to participate. It is important that the SAIs themselves and their experiences contribute to the agenda.

 It was decided that we explore the possibilities of having a forum during 2018.

### *Reach out to the INTOSAI PSC*

It was suggested that the work stream reach out to the Professional Standards Committee in order to initiate a working group to develop guidance for SAIs who are not able to fully comply with the ISSAIs, but who would want to move towards that. In the new IFPP structure, this could possibly be a GUID. Such an initiative would need to be directed to the PSC chair through the CBC chair before the strategic plan period of 2020-2022. In practical terms, the work stream would need to propose the initiative to the CBC chair in the next meeting, in September 2018, so a project proposal would be developed during 2018.

Norway said that the initiative is very important and that they should be able to contribute. As the ISSAI framework develops, the gap between the ISSAIs and reality widens, not just in SAIs in fragile situations. We have seen the need for simplified audits, based on standards, but not fully compliant with them. When supporting weak SAIs it would be worthwhile to have something else to rely on. We need something that is as simple as possible but still valid. Many SAIs try to implement the ISSAIs but the threshold is too high, so help along the way is important.

This was echoed by IDI who suggested it could be a guideline for application in very weak PFM environment. It can also include guidance on how to provide advice to auditees. That may be worthwhile work even when the SAI is unable to report.

Sierra Leone agrees with the need. The office has had trouble with turn-over, but has started small and continued to build up over time. We encourage SAIs to deal with the situation where they are and to build up from there. That is what the guidance could be about.

Afghanistan and Liberia agreed with the need and the idea.

It was decided that this item is kept on the work plan. Workstream members were asked to volunteer to contribute or to lead the work.

### *Read and* update *CBC Guide with fragility focus*

The guide is currently on exposure and open for comments until 30 October.

Some members had provided comments on the guide, but not with a particular focus on fragility. We could consider using the good practice stories as a complement to the capacity development guide, without necessarily developing a separate guide.

Norway said it may be a good idea to use the short stories as a complement, but we may also suggest adding another chapter to the guide based on the discussion paper, raising issues that are needed for SAIs in fragile situations.

IDI pointed out that there is material in the discussion paper that could be used as a basis for further guidance.

The chair suggested that we can develop a chapter or annex to the guide related to contexts of fragility, which could be included in the guide at a later stage. Since the work stream will develop its work during the coming years, we may be better positioned to write a chapter at a later stage, based on our findings and experiences from this work.

Afghanistan agreed that an informal annex would be good.

Netherlands said that we could ask the consultant, Development Action (who is also in charge of updating the guide), to include some aspects of fragility.

## Conclusions and next meeting

The chair will circulate the draft minutes and allow for written input from all members. Next telephone meeting will be held around the new year, either in December or January.