State building in fragile situations

– the role of Supreme Audit Institutions and their international partners

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CAPACITY BUILDING COMMITTEE

1. Introduction

Supreme Audit Institutions (SAIs) operating in fragile situations can make a substantial contribution to state building, including increasing the capacity of the state, promoting security and strengthening the relationship between citizens and government. Progress in these areas can lead to greater stability and improve the resilience of the state and society to further shocks. However, SAIs in these situations can themselves be vulnerable. They may lack the capacity to carry out rigorous audits or, when they do, may be subject to harassment by governments and others unwilling to accept or listen to critical audit findings. In these contexts, SAIs in fragile situations can benefit from international assistance and cooperation to build their capacity, strengthen their role and support their right to independence.

This paper briefly reviews how international development partners are currently supporting fragile states more broadly; assesses the challenges facing SAIs in these situations and how they are addressing them; analyses the role SAIs can play in fragile contexts; identifies priority areas for support; and explores how international development partners, peers and INTOSAI could support these SAIs. This paper is based on: a literature review; interviews with senior representatives of SAIs in fragile situations and other key stakeholders; and the outcomes of the meetings of the 2017 INTOSAI Capacity Building Committee and the INTOSAI Donor Cooperation held in Washington[1].

The aims of this paper are to:

1. Contribute to the identification of actions to be pursued by the INTOSAI Capacity Building Committee work stream on SAIs in fragile situations during 2018-19;

2. Raise awareness amongst international development partners of the challenges SAIs face in fragile contexts and the role they can play to reduce fragility;

3. Inform SAIs providing support to SAIs operating in fragile contexts as peers, of the needs and opportunities these SAIs have and how best they can be supported to address them;

4. Act as a platform for the development of a forum and a network of SAIs operating in fragile contexts to share experiences and promote common actions; and

5. Provide guidance on how to develop the capacity of SAIs operating in fragile contexts for inclusion in the new INTOSAI guide on capacity building of SAIs and other relevant INTOSAI publications.

2. What are fragile states?

The States of Fragility 2016 OECD[2] report identifies five dimensions of fragility:

1. Political (weaknesses in political processes leading to a lack of political inclusiveness, transparency, corruption and political oppression);
2. Societal (a lack of social cohesion arising from inequality amongst different cultural and ethnic groups);
3. Economic (weak economic foundations leading to exposure to macro-economic shocks and/or high unemployment and limited human capacity);
4. Environmental (climatic and health risks leading to disasters and pandemics); and
5. Security (due to both political and social violence).

The 2016 report focuses especially on the fifth dimension, security, which was traditionally linked to war but is now increasingly related also to post conflict and criminal violence. This has led to the inclusion of some new countries in the list of fragile states.

The different dimensions of fragility are often interrelated and fragility results from the inability of the state, systems and communities to manage, absorb or mitigate the consequences of risks. Indeed, it is the exposure to risks and especially of multiple risks occurring at the same time, in combination with the lack of capacity and coping mechanisms of the state and society, that can result in violent conflict, humanitarian crises, breakdown of security and the collapse of institutions and other types of emergencies which characterize fragile contexts.

The list of fragile states utilised by the international community varies year on year although a core group of countries have a continuous presence. For some countries, however, the list is contentious as states do not like to be referred to as fragile states. In response to this, and in recognition of the fact that fragility is not always confined within state boundaries but is based on risks which lead to fragile circumstances, the term "fragile situations" is now preferred to fragile state.

3. Why are states in fragile situations being targeted?

One of the main reasons why states in fragile contexts are targeted by several international development partners is because, despite including several middle-income countries, they are home to 43% of the world population living under $1.25 a day. This concentration of absolute poverty is predicted to reach 62% by 2030. Fragility is considered one of the main impediments for meeting the Sustainable Development Goals (SDGs) by 2030 and has become the focus of attention of many organisations working on this agenda including USAID, DFID, the World Bank and the UN (especially UNDP)[3]. In addition to poverty reduction there are increasing concerns that the impact of fragility can spill over into other countries regionally and globally with a negative impact on global public goods including: transnational security, environmental impact, conflict, mass migration and the spread of communicable diseases.

Although targeting states in fragile situations is becoming a common agenda, financial flows to these states are still significantly smaller than those to non-fragile countries. This is because of the risks, complexity and absorptive capacity of states in fragile contexts and, in some cases, because of the limited capacity of international partners[4].

Recent reviews have identified that to make progress in fragile contexts requires: a deeper understanding of the risks in the five dimensions of fragility; the identification of priorities; the development of joined up strategies; the coordination of international development partners; longer-time horizons and flexible approaches; interventions which merge technical and political actions; and, acceptance that progress might be slow and often non-linear[5].

4. Current thinking on working in fragile situations

It is widely recognised that one of the key responsibilities of international development partners working with fragile contexts is to ensure that the impact of the intervention or support provided to the state does not cause harm, for example, by strengthening the position of an oppressive regime or of specific powerful groups within the society. To minimise the risk of doing harm, responsible international development partners gain an in-depth knowledge of the context and, specifically, of the political settlement which underpins the balance of power and make every effort to support inclusive political processes and agreements[6]. The use of a tool such as conflict sensitivity analysis may prove useful in understanding situations where conflict risks are high and help ensure that interventions `do no harm'[7].

The literature points also to the importance of understanding the causes and effects of all the dimensions of fragility and of focusing on prevention and on building the resilience of government and society to mitigate and manage the risks they are facing. For example, if macroeconomic policies and tax collection systems are weak, efforts should be made to strengthen these areas. Debt management and revenue collection are common challenges in fragile states and most international development partners are acutely aware of governments' dependency on donor funding and the need to strengthen overall public financial management systems including budget setting, reporting and financial oversight[8].

Two newer dimensions of fragility which have gained attention in recent times are: security and societal fragility. International development partners' support to strengthening the security sector is growing alongside assistance for strengthening the relationship between citizens and the state through a variety of approaches. These include:

1. Supporting legitimacy and accountability of the state by promoting democratic governance, civil society engagement and peacebuilding;
2. Strengthening the capability of core state functions to reduce poverty and inequality by ensuring security and justice, strong economic performance, quality public services and employment generation; and
3. Responding to public expectations and perceptions to effectively build thrust between citizens and the state[9].

Central to providing effective assistance to states in fragile situations is the understanding of the links between political, security and developmental aspects and the need to manage the tensions within these areas and accept trade-offs to achieve results. For example, a focus on peacebuilding might be necessary alongside more developmental objectives.

Finally, good practices in development assistance are essential when working with states in fragile circumstances including: client led programmes; alignment with local priorities to avoid setting up parallel systems; whole of government approaches to ensure all

dimensions of fragility are addressed coherently; and joined-up transparent international development partner policies, strategies and plans.

5. Challenges SAIs facing in fragile contexts

The five dimensions of fragility affecting the state and society often have also an impact on a SAI's capacity and its ability to effectively deliver its mandate and positively contribute to state building and to meeting the Sustainable Development Goals (SDGs). SDG 16 being the most relevant goal as it focuses on promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.

The interviews conducted with senior representatives of the SAI community identified a range of different challenges facing SAIs in fragile situations and a variety of actions taken to address them.

Political fragility

	CHALLENGES	ACTIONS FOR SAIs
Political	- SAI's role poorly understood – e.g. independence not guaranteed - Legal framework not appropriate which comprise independence - Political structures unresponsive to critical feedback – e.g. SAI seen as a threat - High levels of corruption including in some cases in the SAI - Weak rule of law – e.g. cases of fraud and corruption not pursued - Few checks and balances – e.g. ineffective parliament - Lack of information provided by auditees - Appointment to Auditor General highly politicized – frequent changes - Internal audit focus on inspection rather than adding value to management - Public Service Commission controlling recruitment and salaries	- Concerted effort to build alliance with reformers, continuous lobbying - Education campaigns to inform the public sector of the benefits of good audit - Balanced audit reports - Build relations with government including considering non-publication of critical reports until governments have time to address weaknesses - Training for parliamentarians and staff - Lobbying to bring legislation in line with international standards including gathering information from other SAIs to bolster arguments - Clear focus in the SAI on integrity to lead by example e.g. acting decisively on fighting corruption within the SAI - Negotiating greater control on recruitment and wages with the Public Service Commission - Creation of hot lines for citizens to report fraud, waste, and abuse

Specific examples of actions taken by SAIs

- Using international comparisons and persistent lobbying with major stakeholders, SAI **Sudan** has fought a largely successful battle to gain full exemption from the Sudan Civil Service Act resulting in the right to recruit its own staff – a key aspect of independence;
- With the aim of building citizens' trust, SAI **Palestine** and SAI **Somalia** have produced simplified guides to their work so that citizens can better understand their role and support their activities; and

- SAI **Iraq** has teams based in the government ministries. However, whenever there are hints of corruption, it immediately replaces these teams with new teams unknown to the auditees to tackle and prevent the risks of corruption spreading.

Economic fragility

	CHALLENGES	ACTIONS FOR SAIs
Economic	- Weak public financial management with an inability to produce annual financial statements and to put in place proper controls - Weak human resource capacity in public finance skills in the country – difficult to recruit and retain quality staff - Insufficient and unpredictable budgets including high dependency on international development partners - Highly bureaucratic environment and large public sector – difficult to reform - Highly bureaucratic environment requires SAI to review all the accounts despite limited capacity - Poor infrastructure	- Start with a focus on compliance audit - Develop capacity in key macroeconomic audit areas - Recruit human resources also from the private sector and diaspora by increasing reputation of the organisation and maintaining flexible remuneration packages - Major investment in human resource development including professionalization - Support to strengthening financial management skills across government - Produce compelling evidence based budget submissions to achieve an adequate level of funding for the SAI - Develop longer term partnerships with international development partners including support for infrastructure - Target performance audit on efficiency issues

Specific examples of actions taken by SAIs

- SAI **Liberia**, faced with a limited pool of qualified auditors in the public sector, recruited some key staff from the private sector by using the allocated budget for salaries flexibly;

- SAI **Palestine** is working closely with government to strengthen internal audit functions and skills; and

- SAI **Guatemala** is seeking to embrace big data and is planning to move to a situation in which 80% of the audit work will be carried out in their office and only 20% through field work.

Societal fragility

	CHALLENGES	ACTIONS FOR SAIs
Societal	- High levels of citizens' distrust of the state - Lack of democratic spaces for, and dialogue with, civil society in some cases which make reaching these groups difficult for the SAI - Exclusion and/or under-representation of some groups e.g. women, ethnic minorities	- Promote transparency and accountability to citizens of government services and actions – strengthen communications - Engage with citizens' groups to respond to public concerns and conduct performance audits in areas of high public interest - Implement inclusive human resources policies and practices

Specific examples of actions taken by SAIs

- The ties which bind citizens to governments and state are in many fragile situations very weak – whole groups in the community can feel marginalized on ethnic, religious and gender grounds. Such SAIs as SAI **Afghanistan** are seeking to strengthen their communication units and put in place public education programmes to promote and facilitate greater engagement with citizens. However, for some, this could undermine the trust they are trying to build with government and thus needs to be approached with care;

- SAI **Guatemala** is promoting, through the 2016-2018 Open Government Plan, a model of accountability through which, in a simple and standardized way, relevant information about the Guatemalan population and public entities can be made available to the public and the municipal management; and

- SAI **Palestine** has entitled its strategic plan - *Making a difference in the citizens' life* - and targets it's work at citizens through workshops with school and universities, media campaigns and engagement with local and central government entities and institutions.

Environmental fragility

	CHALLENGES	ACTIONS FOR SAIs
Environment	- Unreliable energy supplies - Disasters including pandemics - Poor management of natural resources - High levels of pollution	- Back-up generators - Business continuity planning - Performance audit targeting management of natural resources - Building capacity in key environment areas

Specific example of action taken by SAIs

- SAI **Sierra Leone** conducted an audit of the Ebola response which raised significant interest, had major impacts, and identified lessons for planning future responses to epidemics.

Security fragility

	CHALLENGES	ACTIONS FOR SAIs
Security	- Not able to operate in many parts of the country because of violence - In some cases, especially remote areas, staff receiving threats - Destruction of financial record	- Build alliances with local leaders and strengthen engagement with community - Provide security in dangerous areas - Rotate staff regularly and provide psychological support to staff

Specific example of action taken by SAIs

- SAI **Afghanistan** do not assign the auditors in areas where there are security issues, once a place is safe then they send staff back in a province; and

- SAI **Iraq**, to ensure audit activity continued as ISIS took control of parts of the country, found alternative workplaces for employees working in dangerous areas or areas where there were military operations. Subsequently, employees have returned to their workplaces in the provinces after the liberation and once the security situation improved.

6. Role of SAIs in fragile situations

The key role SAIs can play is to provide **objective information on public finances and the performance of government**. In fragile situations objective information is rare, due to weak media, weak research institutions and a highly politicized environment. By providing objective information, SAIs can contribute to better debates in both government and parliament on improvements required. All SAIs interviewed see this area as one of their core contributions to reducing fragility. SAI South Sudan's work, for example, in gathering and publishing core information on who owned what oil drilling rights proved of considerable value to citizens and other stakeholders.

SAIs need a clear focus on improving the way the public sector manages public resources. It is better to do good enough audits, get them out into the public domain and encourage change rather than worry overly about producing the perfect audit. In some cases, where a SAI is not able to conduct a full audit, merely putting accurate information in the public domain makes a contribution.

SAIs in fragile contexts need to:

- **Do what SAIs do** - Provide independent audit, be bold in exposing the sources of fragility including unfair distribution of resources, weak state institutions, and corruption. Be vigilant and understand the nature of fragility to design fit for purpose audit programmes – use risk based approaches to prioritise work and ensure maximum benefits with limited resources – provide impactful value adding but realistic recommendations. While corruption is widespread in many fragile situations, SAIs can limit the room for corruption;

- **Keep it simple** – It is often attractive to focus on the latest audit techniques or to try ever more sophisticated approaches. In highly fragile situations the primary focus should be on monitoring cash, checking salary payments, ensuring that goods and services are procured competitively and reach intended beneficiaries;

- **Communicate effectively** – Publish frequent short and focused reports on matters of public interest; make these accessible and communicate findings using appropriate channels including parliamentary hearings, social media, pictorial messaging, infographics, radio, and community theatre;

- **Set an example** – Become a centre of excellence and recognise that in fragile contexts SAIs can be both part of the problem and part of the solution. SAIs are at risk of being politically influenced and need courageous leadership able to work around difficult constraints in the interest of citizens;

- **Focus on internal development** – recognise that a SAI might have intrinsic organisational weakness including weak leadership and management which need to be addressed;

- **Prepare for challenging times** – assess the resilience of country public financial management systems and the ability of these systems to respond to situations of fragility. As part of this SAIs should conduct their own assessments. The Business Continuity Planning guide produced for the INTOSAI Capacity Building Committee by the Pacific and Caribbean organisations of SAIs is a useful resource - http://www.intosaicbc.org/download/business-continuity-planning-2/;

- **Partnerships** – recognise that the obstacles are huge and SAIs need to work with and learn from others within INTOSAI and beyond;

- **Build and leverage stakeholder relations** – SAIs need to forge wide ranging national support networks for example, lobbying with civil society and other agency to strengthen a SAI's independence, partnering with parliamentary oversight committees to ensure audit findings are addressed, engaging more inclusively with diverse groups in society and communicating frequently;

- **Build and leverage donor relations and support** – review and analyse donor funding – be transparent with international development partners – share with them the SAI's own assessment of the political, social and economic environment in which they are operating and ask them to advocate for greater national accountability and transparency;

- **Earn the trust of citizens** – educate citizens on the work of the SAI but also on transparency and accountability and good public financial management;

- **Promote national development** – target audits at areas which are important for national economic and social development – be agents of change and growth not just critics; and

- **Take a lead** – SAIs can play a key role in leading national discussions on accountability and transparency – including convening national accountability seminars and conferences to work with a broad cross section of key stakeholders to clarify roles and to encourage public commitments and actions in pursuit of greater accountability and transparency.

SAIs operating in fragile situations can potentially make significant contributions toward state building and more specifically they can take actions in the following three areas:

a. **SAIs are well placed to understand key sources of fragility in the state** and target audit efforts where they can be most effective e.g. management of natural resources, taxation, debt management, budget setting, central bank, procurement, water schemes, infrastructure projects, health and education projects, police and military spending, judiciary, the ability of the state to handle

economic shocks, business regulations, and pro-poor programmes. SAI Sudan, for example, identified the banking sector as a key area of risk and focused substantial audit effort on this sector.

b. **SAIs can be powerful intermediaries between government and citizen**. They can build citizens' confidence in the responsiveness of the state – especially by ensuring that the audits respond to the concerns of citizens, lead to demonstrable changes and are in the public domain. SAI Sierra Leone, for example, has undertaken performance audits on the availability of medicines in pharmacies in response to concerns raised by citizens about corruption.

c. **SAIs can promote a culture of inclusiveness, transparency and accountability** by responding to public concerns, and ensuring these are heard, and by acting as exemplary organisations.

Many SAIs are also initiating specific activities which focus on state building. These include:

- **Developing outward facing strategic plans** which analyse the weaknesses of the state and identify the contribution the SAI can make to building resilience;

    SAI **Guatemala** has developed a strategic plan aimed at evaluating compliance with the SDGs and SAI Palestine is part of a programme which aims to review the preparedness of the government to implement the SDGs; and

    SAI **Iraq** has carried out an in-depth review of the investment projects listed in the state budget to assess the accuracy of planned work and the extent to which these can be delivered given Iraq's natural and human resources.

- **Working with the Ministry of Finance** to build financial skills of the public sector, especially of internal auditors;

    SAI **Afghanistan** and **Iraq** are examples of SAIs working with Ministries of Finance to improve financial skills across government.

- **Providing training and support to parliamentarians and staff**, especially those on public accounts committees and/or other oversight bodies;

    SAI **Rwanda** for example, made a joint visit with parliamentarians to European countries to learn about the way SAIs and parliaments work together with a focus on the establishment of a PAC.

- **Communicating the roles and benefits of SAIs to citizens** and other key stakeholders.

    SAI **Liberia** has made considerable effort to revise the format, content and language of its audit reports so that they are simpler and more understandable to a variety of stakeholders. Many of the SAI's stakeholders are not financial professionals and/or may not have the necessary academic background to understand complex accounting and financial management issues.

    SAI **Iraq** has developed a communication strategy for working with its key stakeholders including the Council of Representatives, the government, the audited bodies, the media, civil society organizations and citizens. This strategy identifies the different roles each plays in enhancing accountability and making a difference to the lives of citizens.

7. Who are the national and the international actors able to assist?

In fragile situations, SAIs may not be able to make a major difference on their own, they need to reach out to a wide range of national and international partners.

At the national level SAIs might find it useful to partner with:

- **National parliaments** – to ensure that recommendations from SAI audits are implemented and that parliaments understand the importance of, and safeguard, SAI independence;
- **Executives** – to help ensure that as far as possible the SAI works to support effective and efficient government;
- **Government ministries and departments** – to ensure that audits add value, are understood and result in implementable recommendations;
- **Judiciary and prosecuting authorities** – to ensure, where relevant, that suspected cases of fraud and corruption are pursued;
- **Civil society organisations** – to ensure that these organisations understand the work of SAIs, to listen to their concerns which affect public finances, and to gain their support with the implementation of audit findings;
- **Business organisations** – to garner support from business, to listen to their concerns and to conduct audits which contribute to the economic development of the country;
- **Media representatives** – to ensure that the media understands the work of the SAI and can report accurately on the outcomes of audits;
- **Professional associations** – to ensure that such associations understand the work of the SAI and can assist the on-going professionalisation of SAI staff; and
- **International development partners** – to ensure they understand the work of the SAI and are supportive of its efforts.

At the international level the potential partners include:

- **INTOSAI, its regions and working groups** – to ensure that the needs of SAIs in fragile situations are considered and to provide advocacy support at global and regional levels;
- **SAI peers** – to educate themselves on the needs of SAIs in fragile contexts and to seek to find ways of providing sustained, high quality support;
- **Associations of parliamentary groups** such as the Inter-Parliamentary Union, the Commonwealth Parliamentary Association, the Commonwealth Association of Public Accounts Committees and, Association of Financial Committees of Parliament (francophone countries) – to encourage their members to forge more effective partnerships with their SAIs;
- **International Federation of Accountants** – to ensure that in the setting of standards the needs of SAIs in fragile situations are considered and to help ensure support for fledgling associations of accountants;
- **UN and its agencies** – to continue to encourage governments to promote transparency, support independent and effective SAIs and to act on their audit findings; and
- **Heads of government meetings** – to demonstrate progress in implementing international accords which they have endorsed.

8. What can international development partners do to strengthen SAIs in fragile situations?

As highlighted above, SAIs operating in fragile contexts are taking already a variety of actions to build their capacity and establish national and international alliances in order to contribute to state building and the development of their countries. Many are receiving some international support and are accessing international knowledge and expertise to do this, but all those interviewed express the wish for such support to continue.

The senior representatives of the SAIs who were interviewed were positive about the support received by international partners and identified the importance of:

- Taking a **holistic approach** to supporting the SAI – considering that institutional, organisational and professional issues are interlinked and interdependent. The SAI domains in the SAI PMF framework can help structure support. For example, when looking at investing in staff development, international development partners need to understand the extent to which salary levels are an issue. Data need to be gathered on recruitment, staff turnover, comparative rates with both the private sector and the leading parts of the public sector taking into account the non-salary elements of public sector packages – training, security, pensions etc. If qualified staff are leaving at too high a volume, then external support may be needed to encourage realistic funding of the SAI;

- **Providing SAI staff with access to international knowledge and expertise** - helping SAIs use external web-based resources and acquire reading skills in English and/or other key global languages;

- **Placing developing people at the heart of the change process** – human resource development and a learning strategy should not be an add on but integrated from the beginning;

- **Responding to the priorities set by the SAIs** and facilitating peer to peer assistance;

- Ensuring that donor reporting requirements are linked **to the SAIs own management system**, such as the strategic plan, the annual operational plan and the annual report. This is even more important in fragile contexts, as SAI capacity is very limited.

- **Supporting SAI leaders to manage change** and take forward reforms – through coaching, exposure to relevant practices, training on change management – including advising on possible recruitment from the diaspora;

- **Providing support for the development of alliance building and networking** – how to understand how state power operates – how to gain support from government, parliament, citizens and business to achieve reforms;

- **Supporting the SAI's out-reach work to educate key stakeholders in what they can expect of SAIs** – what SAIs can contribute, why independence is important, what should be done with audit recommendations;

- **Providing capital funding to help put SAI staff in their own buildings** and not co-located with auditees – scope for joint venture between international development partners and government;

- **Seeking to remove or lower barriers to a SAI's progress** often related to the power to recruit their own staff and limited control over resources. International development partners may need to act as advocates with Public Service Commissions, ministries of finance etc to identify barriers to greater independence and help develop pathways;

- **Demanding to see, and then using, audit reports** as a part of international development partners' own activities and monitoring, independently of whether the SAI is supported in the country or not. At the same time, international development partners must be very careful to ask for audit reports in special topics as that would also undermine the independence of the SAI to select its own audit priorities. This is even more important in fragile contexts where certain topics can be very difficult to audit due to political concerns;

- **Encouraging SAIs to put in place robust controls** to reduce their own risk of corruption – internal audit, external audit, integrity assessments, special controls over contracted out audits; and

- **Promoting peer support between fragile SAIs** – especially on how to operate effectively with non-democratic governments and how to engage with citizens effectively while retaining trust of government.

9. How can international development partners build their own capacity to support SAIs?

International development partners also need to build their own capacity to support SAIs in fragile situations. Some of that relates to designing, managing and supporting good capacity building projects, but some relates to being able to act as advocates for the SAI and seeking to optimise the impact of donor engagement with the fragile state. Work in this area could include:

- **Building international development partners' own expertise** – heads of country based development agencies need to understand the role of SAIs and their scope to assist with state building. Governance staff need specific training on SAIs including an appreciation of the intensely political nature of the SAI's role and especially the importance of recruiting the right people to run SAIs. INTOSAI and its members are available to help provide training for international development partners;

- **Promoting audit** – internally (so that donor policy specialists engage with SAI audits) and externally (so that government ministries see the SAI is valued);

- **Developing guidelines for supporting SAIs** - to clarify how they should work and what types of role they can play;

- **Ensuring smooth transitions when staff leave** – ideally international development partners should seek to ensure a reasonable level of continuity of staff but if this is not possible then good procedures need to be established to manage such transitions;

- **Forming a self-help group with other international development partners** – to discuss issues of financial oversight and accountability and develop common approaches;

- **International development partners should also take the responsibility themselves for promoting the SAIs diplomatically**. In many fragile situations national leaders, such as the Auditor General, must be extremely careful in challenging the sitting government. Advocating for independence can be very difficult. However, international development partners have the comparative advantage of being politically independent in the country. International development partners can be vocal in promoting the role of the SAI and standing up if its independence is threatened; and
- **Developing an advocacy strategy** (including understanding advocacy channels) which involves all parts of the donor organisation and its embassy, establishes a country level partnership for advocacy and builds internal capacity to act as advocates.

10. What should be the role of INTOSAI

INTOSAI has a range of strategies in place which directly or indirectly support SAIs in fragile situations. The INTOSAI Capacity Building Committee has established a work stream focusing on *Supporting SAIs in fragile contexts*. The INTOSAI Development Initiative has a range of projects which will be of benefit to SAIs in fragile situations including work on independence, corruption and stakeholder engagement. Areas for further development by INTOSAI include:

- **Creating a forum of SAIs in fragile situations to share experiences** of operating in fragile situations and state building – generating bite size good practice notes for SAIs in fragile states sharing experiences on key areas identified by the forum – e.g. on how to help build financial skills across government; how to manage a SAI when the SAI's budget is volatile; how to deliver faster audits; how to audit when records have been destroyed; what does following the cash means in practice; how to encourage staff secondment to other SAIs; how to promote joint audit; how to provide honest feedback to international development partners; how to match the SAI that need support with the ones that have the capacity to respond to specific needs ; and, what training peers need to provide effective support.
- **Adapting existing INTOSAI tools and standards**, for example asking the INTOSAI Professional Standards Committee to examine the scope for providing additional or more detailed practice notes of relevance to countries with limited skills base – especially guidance on where to start - and promote and disseminate the light touch SAI PMF for smaller states;
- **Developing more learning and development resources** aimed at developing financial, compliance and performance auditing skills for staff without formal accounting qualifications;
- **Encouraging job swaps** between SAIs (either south-south or south-north) as exchanges from one institution to another can have strong learning benefits;
- **Developing guidance/training for SAIs offering peer support and other external experts so they better understand the support needed by SAIs** – especially issues around understanding context and political economy; coaching rather than doing, building human resources; advising senior managers; common problems faced by fragile SAIs; and, the importance of sustained long-term commitment. External experts too often learn capacity building at the expense of those SAIs they are assisting.

- **Building the capacity of the French speaking SAI network** to provide more sustained support to francophone SAIs committed to adoption of ISSAIs.

- **Speaking up for SAIs beyond the world of SAIs** – the INTOSAI Secretary General plays a highly visible role in the UN and elsewhere. There is scope for INTOSAI and its regions, to engage more effectively with such partners as international development partners, regional assemblies, public service commissions, ministries of finance, international citizens organisations, the OECD, the g7 group of fragile and conflict affected states, and a diverse range of UN agencies;

- **A renewed effort to promote the importance of the INTOSAI founding principles** – the Lima declaration – and bring the document and its commitment to SAI independence to the attention of members state governments – especially where existing legislation and actions do not conform to these founding principles; and

- **Working with parliaments** to better understand the role they can play in using the SAI as part of state building.

1   David Goldsworthy and Silvia Stefanoni of Development Action conducted interviews in 2017 with SAIs in fragile situations, international development partners and development research organisations in preparation for the INTOSAI Donor Cooperation annual meeting - Washington 2017 on Supporting SAIs in fragile States and to develop this paper.

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