



Peer review survey 2014 – results and assessment

The peer review survey among the INTOSAI members was conducted according to the INTOSAI Strategic Plan 2011-2016 and the CBC Subcommittee **Promote best practices and quality assurance through voluntary peer reviews** (further only Subcommittee) Action Plan 2013-2016 approved by the XXI INCOSAI in Beijing 2013.

The major points about the peer review survey:

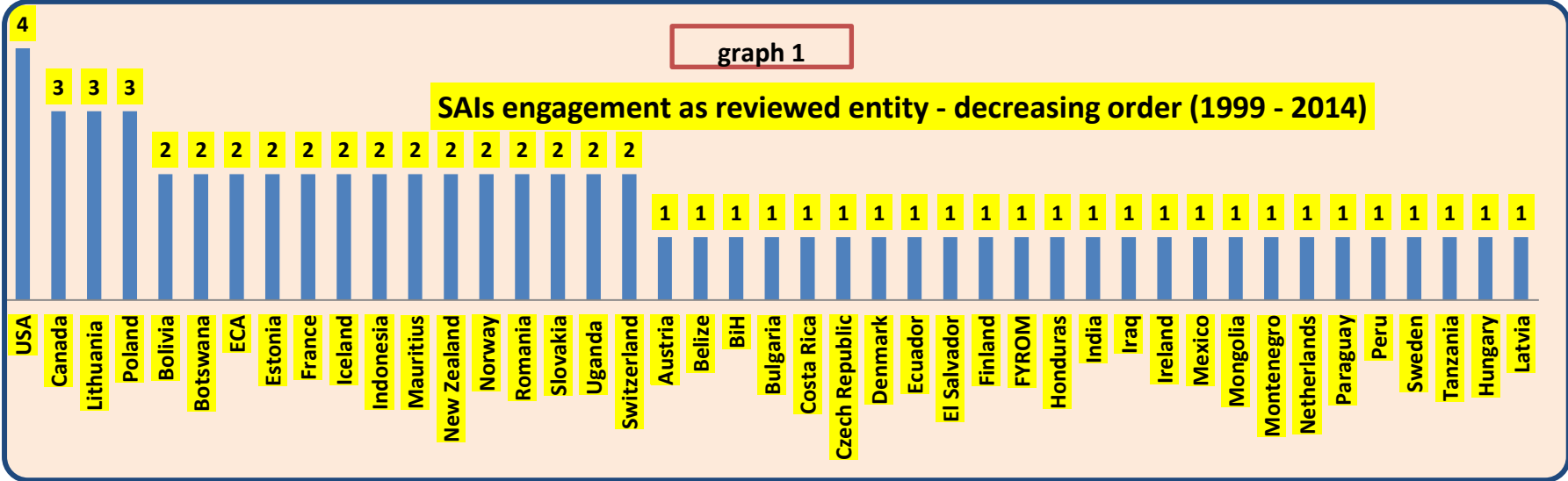
A. Peer review survey process

1. The survey was executed between January 13th and March 31st 2014 in accordance with the CBC Subcommittee 3 Action Plan 2013-2016 and its strategy that states *a. Continue to assess and document existing peer review arrangements in the INTOSAI community.*
2. The INTOSAI members were delivered a questionnaire¹ with the peer review topic via e-mail. The contacts onto the individual INTOSAI members were sourced from the INTOSAI web page.
3. There were 191 INTOSAI members (national SAIs) according to the INTOSAI web page <http://www.intosai.org/about-us/organisation/membership-list.html>;
4. INTOSAI members without web page: 39 (Aruba, Antigua and Barbuda, Bahamas, Belarus, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Congo, Djibouti, Equatorial Guinea, Eritrea, Gabon, Gambia, Grenada, Guinea, Guinea-Bissau, Haiti, Holy See, Laos, Libya, Madagascar, Malawi, Mali, Monaco, Nauru, Netherlands Antilles, Saint Kitts and Nevis, Sao Tomé and Príncipe, Somalia, Sudan, Suriname, Swaziland, Syrian Arab Republic, Togo, Tonga, Tuvalu, Vanuatu).
5. More SAIs have e-mail contact than their respective web page.
6. INTOSAI members without any e-mail contacts to send the questionnaire to: 4 (Equatorial Guinea, Guinea, Guinea-Bissau, Somalia)
7. Questionnaire was undeliverable (according to the web servers) to: 17 SAIs (varied reasons, mainly the address was incorrect, not valid address etc).
8. From the above, an assumption can be generated that the questionnaire was sent and received at 170 SAIs (191 SAIs less 4 INTOSAI members without any e-mail contact and less 17 INTOSAI members when the questionnaire was undeliverable).
9. The Subcommittee registered 46 replies e.g. rate of return was around 28 %.

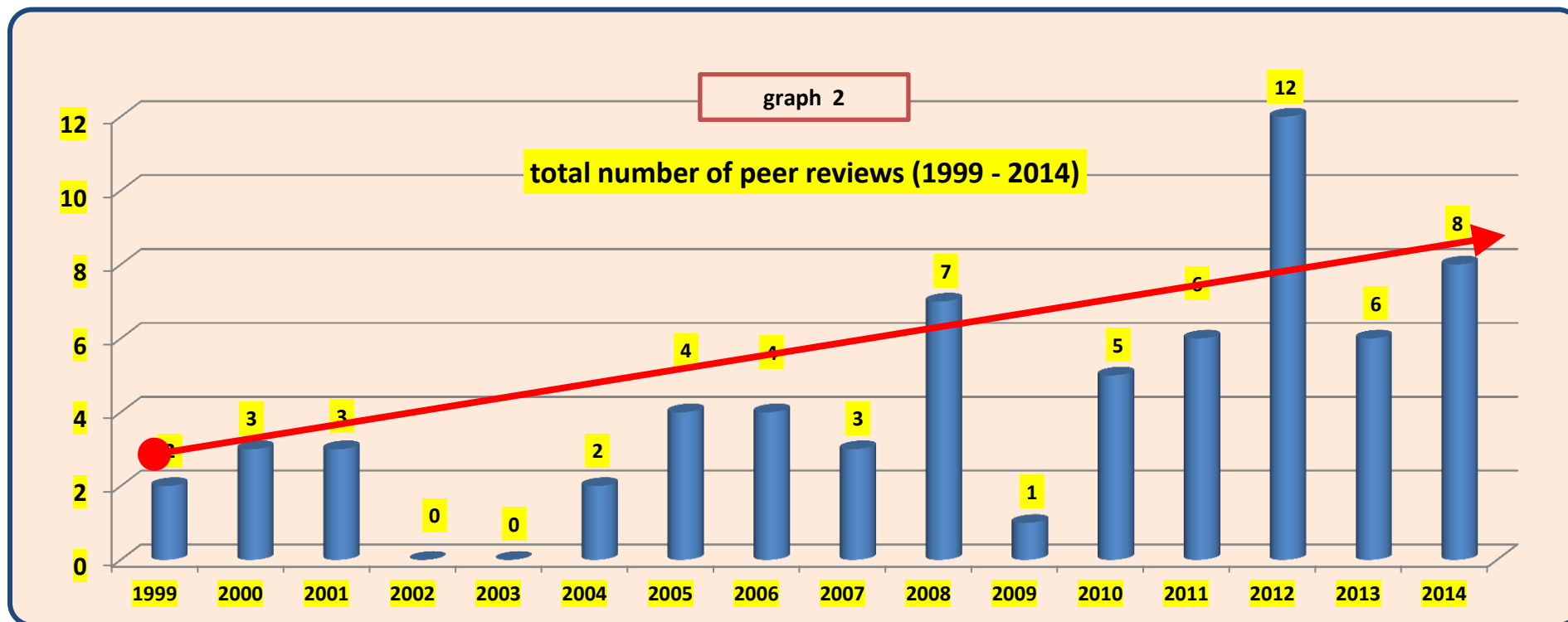
¹ Questionnaire is Annex 1 to this report.

B. Peer review survey findings

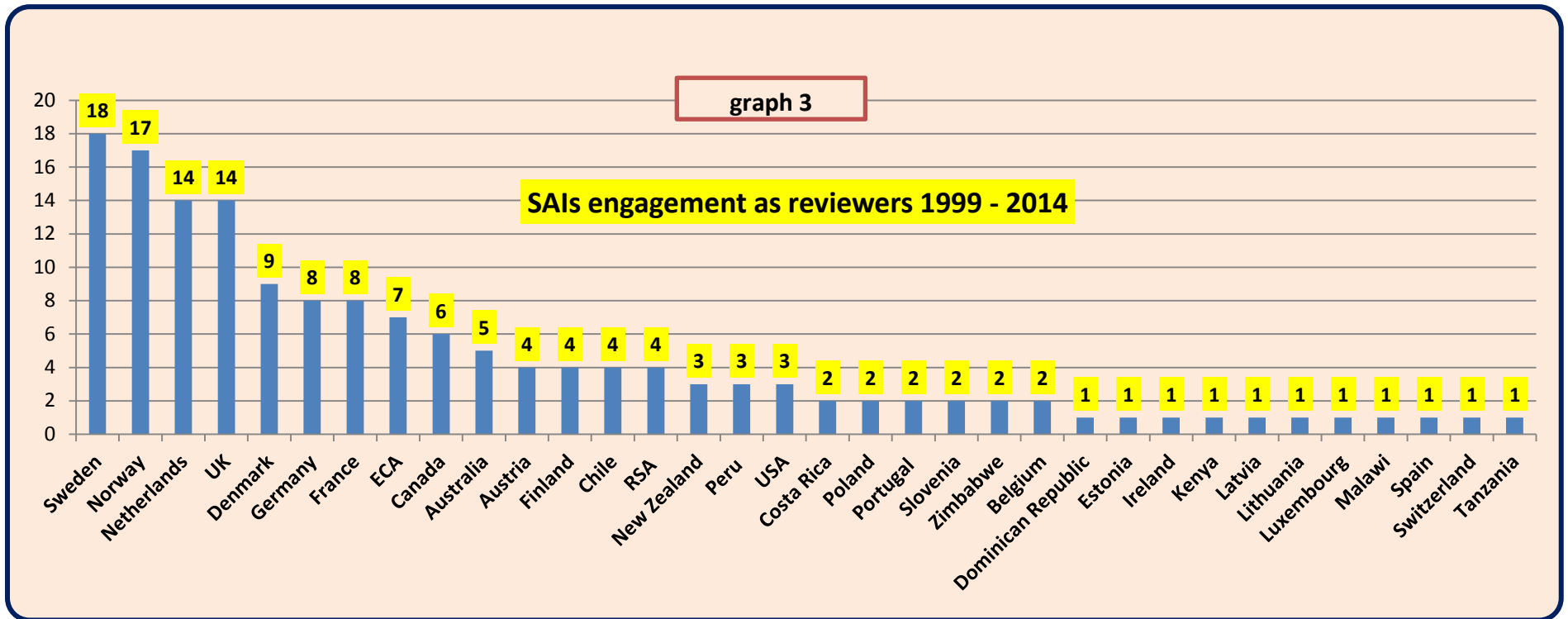
1. As of April 1st, 2014, in total 66 peer review projects made and/or planned in the period 1999 – 2014 were known to the Subcommittee.
2. The Subcommittee report to the XXI. INOCOSAI in October 2013 stated, that the Sub-Committee was informed about 52 completed, ongoing or planned peer review projects to the date.
3. The increase by 14 projects within 6 months since XXI. INCOSAI was not due to sharp and unexpected increase of new projects but mainly due finding the peer review reports from the past.
4. The most reviewed SAI were GAO US that has to be reviewed every 3 years according to the US law – it was reviewed 4 times. Another 3 countries were peer reviewed three times: Canada, Lithuania and Poland. Fourteen countries were reviewed twice and another 25 countries were peer reviewed once.
5. The above numbers mean that 43 SAIs (23% of the total 191 INTOSAI SAIs) were peer reviewed in the period. For details see the graph 1 below:



6. Twelve peer reviews were conducted in 2012. The second richest year for the peer reviews appears to be the year 2014 when 8 peer reviews were to be executed. To the contrary – no peer reviews were registered in the year 2002 and 2003. In the period 1999 – 2014 there were 4.4 peer reviews on average per year recorded within the INTOSAI community. The increasing number of executed peer review over the period is easily observed as shown in the graph 2.

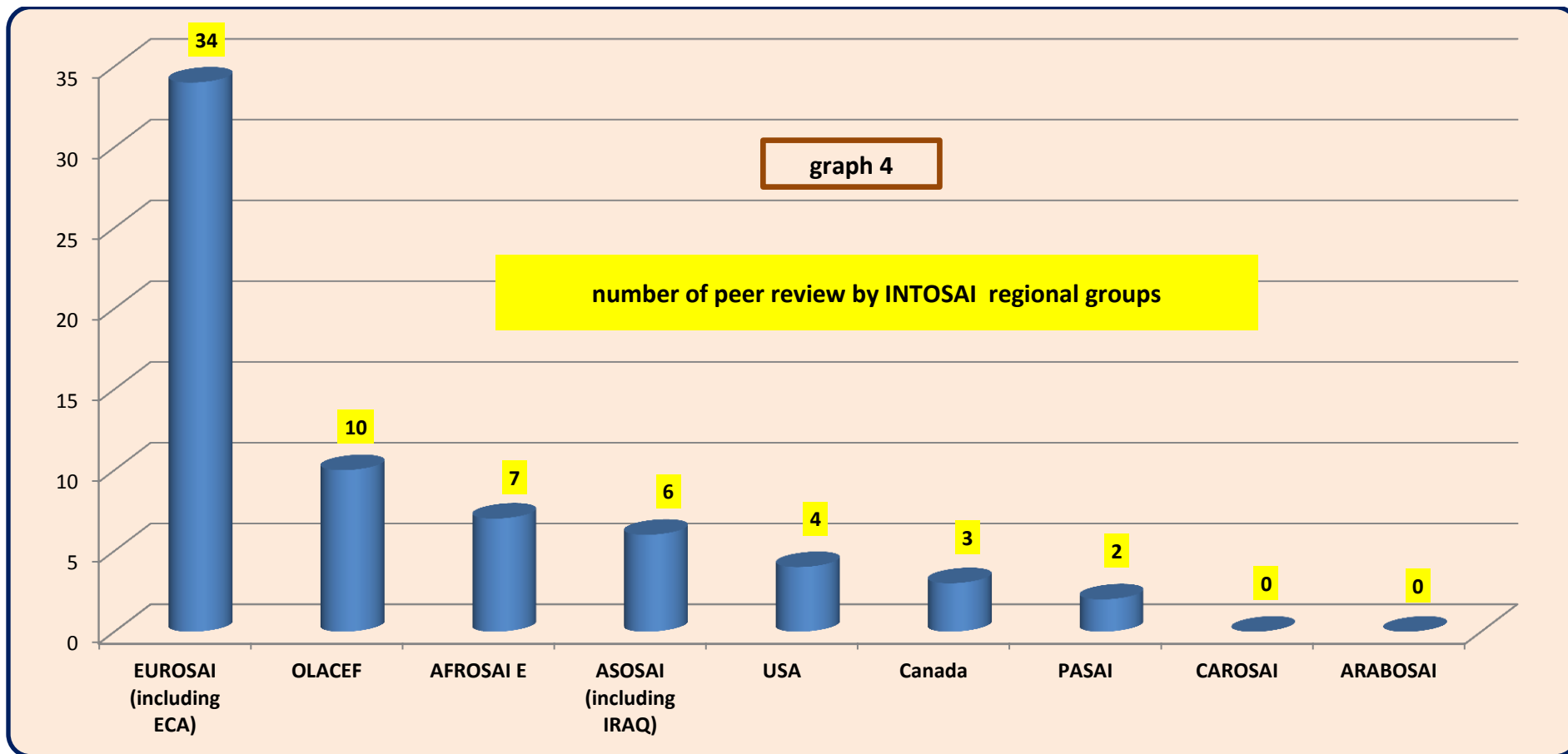


7. SAI of Sweden was involved in peer review as peer reviewer 18 times, followed by Norway and Netherlands (both 17 times) along with UK (16 times). These four SAIs accounted for 41 % of the engagements of the SAIs in the peer review as peer reviewers.
8. There were 6 SAIs engaged as peer reviewers between 5 to 9 times (in decreasing order) - Denmark, France, Germany, ECA, Canada and Australia. There were another 24 SAI engaged in peer reviews in lesser numbers than 5 times (for more details see the graph 3).



9. Average size of the peer reviewing team: 5.7 people per team
10. Average number of days of the reviewing team spent at the reviewed SAI premises: 13.5

11. The survey and its results also showed imbalance in the peer review if taking into account the INTOSAI regional grouping – 34 peer reviews were executed at the SAIs belonging to EUROSAI regional group representing nearly 52 % of all peer reviews in the examined period. Meanwhile the EUROSAI members are 50 SAIs representing only 26 % of the whole INTOSAI membership. The graph 4 illustrates the stated fact.



12. The Subcommittee has 41 peer review reports: 34 in English, 4 in Spanish and 3 in German. Efforts are made to have them on the CBC web site.

| year | reviewed SAI | report language |
|-------------|---------------------|------------------------|
| 1999 | Estonia | Eng. |
| 2000 | Lithuania | Eng. |
| 2001 | Poland | Eng. |
| 2001 | Slovakia | Eng. |
| 2004 | Canada | Eng. |
| 2004 | Indonesia | Eng. |
| 2005 | Estonia | Eng. |
| 2005 | Norway | Eng. |
| 2005 | Switzerland | Ger. |
| 2005 | USA | Eng. |
| 2006 | Denmark | Eng. |
| 2006 | Lithuania | Eng. |
| 2007 | FYROM | Eng. |
| 2007 | Netherlands | Eng. |
| 2007 | Poland | Eng. |
| 2008 | ECA | Eng. |
| 2008 | Mexico | Eng. |
| 2008 | New Zealand | Eng. |
| 2008 | Peru | Sp. |
| 2008 | Ireland | Eng. |
| 2008 | USA | Eng. |
| 2008 | Switzerland | Ger. |
| 2009 | Indonesia | Eng. |
| 2010 | Austria | Ger. |
| 2010 | Canada | Eng. |
| 2010 | USA | Eng. |
| 2011 | Slovakia | Eng. |
| 2011 | Costa Rica | Sp. |
| 2011 | Montenegro | Eng. |
| 2011 | Norway | Eng. |
| 2012 | Bolivia | Sp. |
| 2012 | Ecuador | Sp. |
| 2012 | BiH | Eng. |
| 2012 | Finland | Eng. |
| 2012 | India | Eng. |
| 2012 | Poland | Eng. |
| 2013 | Iceland | Eng. |
| 2013 | Iraq | Eng. |
| 2013 | Sweden | Eng. |
| 2013 | Iceland | Eng. |
| 2014 | ECA | Eng. |

13. Topics and scope of the peer review varied widely according to the peer review goal. They were like: management and organizational setup (core audit, administrative and management functions); legal framework; audit methodology, standards and manuals; planning and quality control; new types and areas for audit; making use of audit findings; auditors and SAIs staff training and development; assessment whether the performance auditing practice provides Parliament/legislative branch with independent, objective and reliable information on government performance; assessment of compliance with ISSAIs and best practice, providing opinion on the system of quality assurance; assessment of reviewed SAI strategic and operational planning, quality management, etc.
14. Number and types of recommendations also varied widely according to the peer review goal and findings. They ranged from several recommendations to many dozens, from very specific to more general. The recommendations from the individual peer review have to be taken within the given peer review framework and circumstance.
15. The peer review recommendations use and their fulfilment was difficult to observe, as majority of the peer reviews weren't followed by the follow-up procedures, process etc. or at least the Subcommittee wasn't made aware or didn't manage to collect more information on the finished peer reviews that would cover the periods after the peer review and use and application of the recommendations.
16. After their adoption in 2010 by the XX INCOSAI, ISSAI 5600 Guide and Check list were used extensively especially in the peer review preparation stage, primarily for the write-up of the Memorandum of understanding and in the planning process. The Checklist may not have been used explicitly and widely but the principles were incorporated in most peer review processes and projects. Some SAIs (USA and India) used their own criteria (India - Auditing Standards and Performance Auditing Guidelines and USA Government Auditing Standards) but despite of the fact their performance audit and other practices were assessed against internationally accepted practice.

C. Conclusions

Overall the peer review process and the peer review projects were appreciated by the both parties to the process as they confirmed good work done by the reviewed SAI, helping to create environment of continuous improvement. Peer reviews were judged as helping to provide benefits to all participants when they can benefit from exchange of information and experience. Peer review helps to hold a mirror to the given SAI audit processes and overall activities; participants to this process welcomed such evolution unanimously. The peer reviews are becoming more interesting as an assessment tool for the INTOSAI members. Peer review numbers prove it: since 1999, there were 29 peer review recorded in the period up to 2009, e.g. for 10 years. Next period until 2014, e.g. 5 years saw the rise of the performed peer review to 37. The acceleration rate is than a factor of more than 2. As it is shown in the graph 2, the 8 peer reviews for the year 2014 is nearly double of the yearly average (4.4). That

could be assessed as great success of the INTOSAI community as well as the use of the INTOSIA's own standards ISSAIs are widely accepted now and used for conducting the peer reviews.

However, the survey also brought out facts the INTOSAI community should deal with for the sake of its balanced and continuous development. Numbers in the graph 3 have shown great imbalance when only 4 SAIs were involved in 41% of the engagements of the SAIs in the peer review as peer reviewers. The efforts should be made to widen the circle of those SAIs providing the very demanding role of the peer reviewer. Also the graph 4 has shown one regional group covers more than a half of the known peer reviews executed in the last 15 years.

The INTOSAI community should bear in mind the peer review concept encompasses all four strategic goals of the INTOSAI Strategic plan 2011 – 2016 in one e.g. Goal 1: Accountability and Professional Standards, Goal 2: Institutional Capacity Building, Goal 3: Knowledge Sharing and Knowledge Service and Goal 4: Model International Organisation. It is in the interest to any SAI to be consistent with the spirit of the Lima Declaration demonstrating it is comfortable in the accountability cycle as an independent, effective and credible institution. To be able to fulfil their functions SAIs need to be seen as trustworthy. In order to make this possible, they need to be model institutions, setting an example from which others can learn.²

The INTOSAI Capacity Building Committee (CBC) is preparing a new strategy development concept for the CBC and INTOSAI community due to be presented at the CBC meeting in Lima, Peru in September 2014. The CBC strategic development concept should cover all necessary elements for CBC meaningful development for the period leading to XXII INCOSAI and beyond. As the globalisation is ever growing and electronic age is well advanced, coordination of any activities within the INTOSAI community should become easier than ever. According to the Goal 3, INTOSAI is to strive to “Encourage effective INTOSAI communication in the internal communication raising its membership to a uniform level by the use of existing means of communication”. One of very useful tools to advance capacity building efforts could be assuring every SAI – member of the INTOSAI – has a web page to stay connected to the outside world and its peers. SAI Slovakia as the Chair of the Sub-Committee found out in the peer review survey that around 40 INTOSAI members (app. 20 percent of the INTOSAI members listed on the INTOSAI web page) do not have their own web page (see page 1 point A 4 of the report). The promotion of peer review still remains an effective tool to help rise the SAIs quality, image and prestige both on national and international level. In order for the INTOSAI community development a note of the fact should be taken and next steps to address this issue should be considered to be consistent with its motto “Experientia mutual omnibus prodest”.

² for more on the subject see the ISSAI 12 - The value and benefits of the SAIs - making a difference to the lives of citizens