



5 October 2018

Consolidated notes from theme discussions on peer-to-peer cooperation during the CBC Annual Meeting in Kuwait, 2018

According to the INTOSAI Strategic Plan, one of the CBC's key strategies to achieve its goal and strategic objectives is "Support and promote medium to long term peer-to-peer cooperation between SAIs in support of institutional capacity development." Peer-to-peer cooperation was thus one of two theme discussions during the CBC Annual Meeting held in Kuwait in September 2018.

This document serves to summarize the key points from those discussions. A brief introduction of each case presented can be found in the appendix.

Case: Peer-to-peer co-operation between the Supreme Audit Institutions of Poland and Albania

Importance of trust and building a culture of change

- One major challenge was to change the mentality and culture of SAI staff. It is natural that some do not like change, while others are more flexible. The project included elements of change management to ensure its success.
- A crucial thing is commitment, and there was strong commitment from the leadership in Albania. Head of SAI Albania was not an easy boss sometimes, he was demanding, and people were tired but his relentless strive for building a modern public audit in Albania, strengthening the role of SAI in Albania and arranging conditions for professional development of staff definitely ensured the success of the project.
- Similar historical experiences helped the relationship between the SAIs grow organically and people on each side connected naturally. It's almost like matchmaking, but the question is how you find the right match? SAI Poland has fresh memories of its reforms and development of a modern public audit after the collapse of the communist system in Poland and that experience definitely helped build mutual understanding and professional relations.
- A number of smaller capacity building projects/events on the bilateral level had been completed before the implementation of the long-term twinning project. Thus, the organizations knew each other well and they kept the collaboration and connections even when formal events were over. Members of both SAIs also formed friendships on a personal level, which helped them understand each other. Polish experts decided even to spend their holiday in Albania and spend time with their colleagues.
- The project phase was a stressful time but building trust and learning to "speak the same language" was very important.
- How long does it take to make the mentality change? Changing mentalities is always a challenge, and takes much more time than you expect. It is an ongoing process, life always brings you new challenges and you need to meet them. A general sense is that (without over-generalizing), young auditors are more open



to change than senior ones. So, if you want change, you need to cultivate a culture of change within the organization.

- A major challenge in these types of projects is to build a culture of change, but this can be difficult because programs wrap up a project and everything ends there. It is not because no one wants to strengthen ties, but somehow people just drift apart when there is no structured cooperation, so you need to manage the project even when it finishes and try to maintain connections.
- SAI Albania previously cooperated with other European colleagues, who did not have the same similarities in historical background and working methods as the Polish colleagues do, which made it more difficult to understand one another.
- It may have been easier for the SAIs of Poland and Albania because of their similarities, they speak the same “language” historically and culturally. So it may have been more difficult for previous twinning partners to understand what was easier for Polish colleagues to understand, since they did not have to learn as much new cultural “language”.

Capacity development while delivering against your mandate

- One challenge was that the audit workload could not be reduced to make time and resources available for capacity development, which put a strain on staff.
- There is a risk that capacity development initiatives are left to the side when they compete for resources with your everyday work of living up to your mandate. Poland nominated a person responsible for each subject/issue, and there was one corresponding leading person in SAI Albania, so there it was clear who was the responsible person they could also talk to. It was not easy for this person, of course. Since auditors are out working, sometimes the only way to bring change to the auditors is imposing it, sometimes saying “This is how the EU does it so you need to do it better”, and remembering we have responsibility to our citizens to do better. You also need one person responsible for the whole project in each organization.
- When auditors are not relieved of their regular work and still need to do capacity development work, can twinning work be scheduled during slower periods when auditors are less busy, to ensure the key auditors can be involved in the project? And if the twinning takes multiple years, is the fact that they’ll need to pause for the busy audit period taken into account? That’s always the challenge, getting the right people involved from both sides and making sure they have the time to do the work – both in their line duties and capacity development duties.
- It is a challenge for smaller SAIs to do twinning projects, especially with the high demands on staff. It is difficult to avoid, but maybe when you are planning you can look for ways to minimize the risks, but they will always be there.

The importance of strong leadership and a clear plan

- In Albania, a new law on Albanian SAI was adopted, which brought new responsibilities, so in this case it was easy to know what we needed to focus on.



Albania had not developed performance audit and they wanted to push for IT audit and financial audit with a certification process as well. This was required by law but not implemented yet.

- From the beginning of his term, the head of SAI Albania had a very clear understanding of the situation in the organization. He had the motivation to make changes and improvements, and understood all the challenges, even down to improving language skills. He wanted to start right away, not wait, and he pushed to start training for Albanian staff as soon as possible in the Polish training center. There was some initial resistance among the staff, but slowly, step by step, it became easier to plan for a longer perspective. When the chairman came into position, the results of the previous twinning project were not visible, and he saw the need for further development.
- During more than two years of the project, SAI Albania was really overloaded, sometimes there were 2 missions a week, but thanks to good relationships and even friendships it worked well. There was also a very strong commitment from the leadership, the chairman was focused on the implementation of project activities and pushed the staff to be engaged.
- When SAI Albania designed their strategic plan in 2013 they did a SWOT analysis to identify what they wanted to change. This analysis helped prioritize the implementation of the new law and provided a focus for the cooperation.

Signs of success

- Albanian SAI is now an active member of the INTOSAI community, takes part in several working groups. The auditors see that this kind of cooperation brings advantages and they can share their experiences and knowledge within INTOSAI community.
- How do you evaluate success? Both partners are happy with the results of the project. In the last month of the project implementation the rate of achievement in relation to the goals set amounted to 80-85%. This rate will increase with the time as some project recommendations require sustainable long-term actions to be taken.
- The participation in the project was also very beneficial for SAI Poland and their staff. They had to take a fresh look at their daily practices and widen their knowledge on e.g. standards implementation in other SAIs. It is one thing to say you know a subject, and another to be able to explain it to someone else. The idea of the twinning projects supported by the EU is that you bring the knowledge of all EU SAIs, not just your own, so the Polish colleagues needed to study other SAIs in the EU to be able to share with the Albanian colleagues, so staff developed a lot. All together 70 people were involved from Poland.
- Working on this project made SAI Poland discuss internally the gaps on their own side and made them realize where some gaps were. When trying to provide some information how it is in other countries, there was a realization about things SAI Poland does differently than other countries and that maybe this should change. The manual remains the same, but some practices have changed.



- SAI Albania realized that there is a tendency to perceive developed instructors and countries as having all the answers. The project made them realize that there is not always a ready perfect answer. There have been lots of debates and discussions. We have different views of performance audit, for example. But one success was getting the feeling of understanding what is going on in the INTOSAI or EUROSAI community, seeing that our foreign colleagues are not that different from our own auditors.
- It is a challenge for us in Albania to become more individually aware of our own duties, since coming from a communist regime we tend to think collectively, and now we must think individually. This project therefore helped us build trust in our own abilities.
- In many cases the concrete results of the particular project were the development and introduction of particular tools.
- Capacity development is an ongoing process – there are always issues to address and/or develop further.
- SAI Albania is much more active in EUROSAI now and able to openly present their situation and solutions, bringing people together. SAI Albania also works with stakeholders, such as the parliament. Referring to INTOSAI standards, they had a good basis to develop the cooperation with the Parliament or others, to change regulations etc.
- We will maintain connections and still be close to each other even though the project is closed. SAI Poland has been asked to participate in the next scientific conference in Albania. We invited each other to working groups at the global and European level. We know each other, the people from the SAIs know each other, so when we think about some of the activities on the wider level we can think about the particular person we would like to work with.

Staffing

- As a provider, a challenge is what audit staff to use. We often end up using the same best people over and over, but on the other hand we should give opportunities to others. One challenge is the language since not everyone speaks fluent enough English to do the international work. In SAI Poland, we always want to express ourselves with the best people, and internally, we also need a strong commitment from the leadership. If you have enough time to plan, you can manage the inevitable conflict between line and international duties. It is a good opportunity, especially for young people, to develop in the profession by working internationally. For a specific skillset you use the same people, so what we try to do now is widen the pool of people who are available.
- Every mission had someone responsible who would try to convey the message to the auditors in the office and in the field. It was challenging, and it took time. In the project we changed also the processes, policies, procedures, sometimes the manuals were updated to ensure consistency.



- You need to nominate good people not just for the project as a whole but also for the key areas. It was important that there is one person in Albania with whom the Polish colleagues can work together on a daily basis, and that that person has the trust of the leadership.
- The three component heads were always the same, but the experts would be different. That was always a challenge to take the people with sufficient language skills out of normal duties, to then reschedule their work and reconfigure things. That is a challenge when you are doing a multi-year project. Generally, the people who have time are not the people you want to send out.

Working methods

- Most work was done through in-person meetings, which was challenging, as this involved SAI Poland sending all together 70 people, throughout the project, and SAI Albania receiving all these colleagues.
- A lot of documents had to be translated to facilitate the cooperation. Part of the EU funding is dedicated to translation, so the cost was not a challenge, but the time was an issue, especially if there was a need to translate large documents quickly.
- The ISSAIs were the basis for the cooperation. The chairman wanted to make the SAI live up to international standards. There also was cross-collaboration where IT people between the two SAIs worked together to adjust an audit tool, to make it functional. It was implemented in practice in Albania for the first time, and then it was brought to the level of the INTOSAI and EUROSAI working groups as a tested tool.
- Some SAIs have restrictions with allowing foreigners access to audit documentation and cannot let them take part in the practical work, which makes this type of cooperation more difficult. In this case, planning and reporting was done together, and sometimes even some field work. The Polish experts were careful not to become a part of the audit team, but they were always in contact and talked to the Albanian teams.
- One regrets is not being able to take the colleagues from the earlier twinning project out into the field, because their lack of understanding of the work in the field made it more difficult to support the rest of the audit process, coaching staff in determining what findings and recommendations were relevant etc.

Evaluation

- Formally at the moment the results of the twinning project are being checked and assessed by the EC. One of the good practices to make the results of the twinning projects sustainable is to maintain the cooperation, to keep the connections and some activities. Not only bilateral activities, but thanks to this bilateral cooperation, the cooperation can be moved to the EUROSAI or INTOSAI level.



Case: Building partnerships for enhanced professional practices – SAI Nepal with the support of the multi-donor trust fund (MDTF) represented by the World Bank

Strategy/ Set-up

- MDTF (managed by the World Bank and funded by DFID, EU, Norad, SECO, DFAT, USAID) support for building partnerships for enhanced professional practices, with two objectives: (1) improve quality of audit and (2) enhance impact of the audit
- Peer to peer component built in from the start in the MDTF project and at the same time a separate MoU with Norway on technical support and cooperation to enhance capacity with OAG-N, only focusing on technical support
- 2012-2015: first project to develop manuals and guidelines
- Building partnerships with other SAIs: Norway, Philippines, India, Pakistan

Process

- Identified gaps through SAI PMF through peer review by SAI India, e.g. need to enhance audit quality and alignment with ISSAIs, communication strategy missing, engage stakeholders to maximize audit impact.
- Sequencing:
 - first step to improve quality was to develop the manuals in financial, compliance and performance audit, then ISSAI-based training, then gained experience from other SAIs.
 - Consultations with stakeholders (public, Parliament) on expectations from the audit reports.
 - Identification of partners in view of project objectives – aim to maximize audit impact; e.g. SAI Philippines on participatory audits with citizens.
- High-level steering committee headed by AG, to ensure coordination and buy-in for changes in project activities, includes not only donors and providers of support, but also government representatives.
- Support aligned behind strategic plan priorities and related activities.
- Some flexibility in the project design built in from the start so e.g. when the earthquake struck, there was space to establish the cooperation with Pakistan on audit of disaster risk management.
- Strong coordination among providers of support, even under separate funding arrangements.



Successes

- Overall major progress, although not everything was implemented.
- SAI PMF carried out through a peer review by SAI India was supported by the MDTF and was the first SAI PMF report to be made public.
- Provided guidance and a roadmap for further improvement in all audit disciplines, organization, HR etc.
- Citizen participatory audit with SAI Philippines: manuals, guidelines.
- 2015 earthquake: disaster management audit, together with SAI of Pakistan.
- Audit management system/ software: Nepal Audit Management Software.
- Communication strategy: how to handle complaints, how to sell the audit products, how to communicate value and benefits of the SAI.

Challenges and risks

- Political changes –, environment not so supportive as there was no Parliament and PAC for quite some time during the project duration.
- Planned support to PAC via awareness-raising and training on PFM was too difficult due to mismatch in expectations – established a dialogue that included e.g. how does the PAC work in Norway.
- New Constitution in 2015 extended mandate of OAG-N to local level, more than 5000 additional entities to be covered.
- Majority of funds for consultancy, selection process was very difficult – followed donor procurement procedures.
- Frequent changes in the consultants.
- Funding is a major hindrance to peer to peer support.
- Had to relocate office due to earthquake.
- Absorption capacity for external inputs: a project management group within the SAI to oversee this process and ensure that support is not too overwhelming

Reflections/ Lessons learnt

- Working with peers is a more facilitative process and there is a better exchange to enable ownership and expertise, OAGN Norway could work hand in hand with OAG-N to oversee and improve the work of the consultants.



- Regular consultation with donors, government entities, peers – fundamental especially given the strong external pressures and the need to adopt some flexibility in the project approach.
- Should be clear on the priorities and whether the expertise of the peer SAI fits into these priorities
- It is better to grow within the organization – peers ensure more continuity and understand more quickly the country specifics.
- Clear work schedule and workplan, regular monitoring of project activities.
- Flexibility is also fundamental throughout project implementation to allow for e.g. new ideas coming from the exposure to peers.
- From a World Bank standpoint support to the OAG is very important, also because they audit WB's 2.2 billion portfolio in Nepal, learning by doing also in the approach with consultants, key is to have a champion in the institution and commitment, important to embed support to SAI in the wider PFM environment, in the context of Nepal where internal controls and internal audit are very weak, OAG Nepal is playing a fundamental role.
- Nepal is not only on the receiving end on P2P they have provided support to Afghanistan, a session with Pakistan, Sri Lanka and other SAIs on the software on audit management that they developed and now can also support others on other areas e.g. citizen engagement.



Case: Developing performance audit capacity through bilateral cooperation – partnership between SAI Iraq and SAI Netherlands (as presented by SAI Netherlands)

Approach

- Peers met informally at a conference and expressed interest of working together – that is how it started. The request from the Iraqi peer was to strengthen their performance audits in line with the ISSAIs.
- Looked at the organization as a whole and worked with Iraq to determine key areas and indicators to be included in this peer support.
- The Iraqi team established their own PA manual that was adjusted to the context in Iraq and made more practical and specialised to certain areas. Different available PA manuals were used as a source of inspiration. For example the AFROSAI-E manual.
- Meetings were held at different stages within an audit cycle e.g. the planning phase to assist Iraqi teams to develop the audit plan, Iraqi colleagues then worked by themselves to conduct the audit.
- Dutch colleagues spoke regularly to Iraqi colleagues, regarding the approach and what was done on each stage during the audit and feedback provided. Focused on Iraqi SAI's internal process and how to use these to ensure the quality of audits.
- Open communication and continuity in support help to earn trust. The Dutch colleagues used their methodology as an example of a way of doing the audit, and use it as a basis for discussion, instead of making Dutch method/approach prescriptive.
- Stakeholders engagement: We chose to focus audits on relevant social problems that were of interest to Parliament and other stakeholders, thus increasing the probability of buy-in to any changes

Challenges

- Context in Iraq was a main challenge for the Netherlands Court of Audit. Meetings and workshops could not take place in Iraq because of security and stability concerns, so meetings were held in third countries with both teams.
- Language barriers lead to some concepts and interpretations being lost in translation. Interpreters were used, and English was used as the official language, which levelled the playing field and allowed greater face-to-face interaction
- Difficulties with stakeholders: involved all stakeholders in workshops to bring across message of the work being done and the basis for changes.



- There were challenges of differences in language, structure and overall context. Important that involved SAIs are open and acknowledge differences and are willing to learn.

Successes/Progress

- Reports are now more focused and effective and less technical as they clearly highlight issues and recommendations
- Ownership of the project and outputs were expressed as integral and the benefits were explained from the beginning. This made it easier for Iraq to adopt this approach.
- Having a strong and committed main contact from the Iraq SAI executive made it easier to implement the project as well with managing challenges with stakeholders.
- Iraq had meetings within the organization to ensure colleagues who were not able to join meetings outside of Iraq were informed.
- SAI Iraq was very well organized, which helped in the planning and implementation of the project. They provided regular feedback, which helped improve the management of the cooperation.

Sustainability

- Started with direct assistance of audit teams and moved on to training of trainers in all sections, who would then assist with transfer of knowledge internally within the FBSA.
- Developed manual, using the Iraqi manual, audits and workshops to understand the context. SAI Iraq developed the manual on their own with feedback from peer provider. Audits that they worked on together were used to help tailor the manual
- Workshops at location with field visits would have been very useful to work with both the practical application of the manual and to better understand the context to improve the support to SAI Iraq.
- Benefit for Iraq was to get inspired by the Dutch approach for PA, to enrich their already existing PA of organisations by focusing also on policy programmes and adopting a problem oriented audit approach. Through the pilot-audits and provided coaching by the Dutch peer, Iraqi team was able to gain practical experiences which allowed them also to develop their performance audit manual based on their practical experience.



Lessons learnt by Dutch

- Reflection on their own working methodologies for PA and the structured way of how the Iraqi peer organised the dissemination internally
- Sometimes a peer provider does not allow the partner SAI to actually learn as they want to ensure the successful implementation of the project. In this case, the Dutch colleagues tracked progress on a more systematic level while providing ongoing feedback at the technical level.
- External evaluator hired to assess if the project has achieved its objective should provide an objective feedback of things done well and those that could be improved.
- Looking back, we would not underestimate the time needed for meetings, organisation of meetings and the interpretation process,
- The project has strengthened ISSAI application and given us an opportunity to reflect and update as relevant our own way of doing audits.
- Trust and being open-minded is integral for the success of the cooperation.



Case: SAI Kenya's growth of Performance Audit in Audit Operations – peer to peer cooperation between SAI Kenya and SAI Sweden

The partnership

- The cooperation between NAOK and SNAO was already in place when the current Kenyan AG came into office. It was agreed that the cooperation would continue.
- Before entering an agreement, SAI Sweden always assesses needs and opportunities to determine whether there is potential for a successful partnership.
- The basic foundation of a successful partnership rests on leadership, a clear strategy for improvement and a joint ownership of the projects to be implemented.
- Successful cooperation depends on trusting your partner, planning and prioritizing the areas of support and keeping a long-term perspective.
- The cooperation is funded through SNAO appropriations for international capacity development. Support is in line with Swedish development policy, so the SNAO operates in the list of countries that government has approved for bilateral support

Approach

- Most work is carried out through short term missions and managed through joint project management. The team has representatives from both SAIs. For performance audit, for example, they discuss in project team, both parties, and agree on missions with teams with appropriate competence.
- Colleagues from OAG Kenya also come to Sweden for exposure.
- Came up with new calendar in MoU to avoid interference with audit processes.
- Swedish colleagues generally meet auditors in the capital and do not usually cooperate on field work. Interventions have been in two phases: First was on planning. Mostly desk work and workshops. Second phase was execution: Kenyan auditors collect evidence. Swedish advisors provide technical advice at headquarters. It is an opportunity that could be explored.
- There is more synergy in having the group doing fieldwork work together with an advisor. If one advisor joins one team, only 4-5 staff will benefit. Achieve more with problems shared from all teams with external advisor.
- In terms of sustainability, we realize the benefits by achieving measurable results and are now going towards a final phase, which is tabling reports in parliament and ensuring that they are processed properly.
- Sida has a PFM component in Kenya. They have chosen one area to focus on, which is not directly linked with the SNAO support. However, Sida is also interested in having a strong SAI.



- From a provider partner's side, planning is important. There is mutual frustration when plans are cancelled last minute. Some problems are internal and some are external when it comes to scheduling.
- Managing expectations is a challenge. You expect things to be done your way, and it is not always like that in the partner organization. To manage expectations regarding planning, we agreed on a pre-plan in the current MoU to make sure all parties are on the same page.

Evaluation/assessment

- Use SAI PMF, in a light version. Joint workshop for 2-3 days and tried to respond to questions in order to assess the situation, using self-assessment. The processes helped identify areas where there are opportunities for improvement.
- In previous project phases, AFROSAI-E's Institutional Capacity Building Framework (ICBF) was used as the needs identification, but this has now been replaced by SAI PMF.
- Most recent project evaluation included an external consultant, an SNAO colleague (not involved with project), and a colleague from another SAI.

Progress, success and exit

- At what point will the cooperation run its course? What's the target condition? The project has previously worked on the early part of the audit process, but it is now moving towards the late stage, improving Parliament's review, so having a good parliamentary review and follow-up is the target condition. The PAC has been immediate contact point. But the PAC does not always have technical competence to review reports. Now reaching out to ad hoc committees on sectors.
- In the process of increasing the relative size of performance audit in relation to financial audit. It has been 98% financial audit and it is difficult to predict the future, but expect to be in the 12-18% ration for performance audit.
- Quality control is internally developed. In three phases: (1) Pre-planning submits proposal to director, approval leads to pre-study. (2) Pre-study examines the possibility to audit: focus on area that can be audited. Taken through levels of review in internal committee. (3) Main study. Taken through review and final report is approved by AG
- Regarding impact in reporting, standing orders require that parliament processes a report before it is communicated publicly. KNAO has been working towards sectoral committees to widen scope. Two reports so far have been made publicly available.
- Parliament's level of interest in processing reports is a challenge. We try to sensitize parliamentarians. New members need to be educated. PACs are often focused on lost money. Maturity level has not gone to where focus is on results of performance audit reports. Interest is not always there for parliament. They



are more reactive. The PAC and Investment committee don't have the same interest in sectoral issues, hence the need to channel performance audit reports to sectoral committees.

- Kenya has won “The Prize” for the best performance audit in the AFROSAI-E region. The audit process was as follows:
 - Start with environmental scanning: social sector, education and health. Pick an area where govt. is spending a lot of money.
 - Pre-study phase: auditors present case if there is possibility for audit: 1 month.
 - Main study: 3-6 months.
 - Reporting and follow up: Peer-to-peer review. Director not responsible will review, and finally the AG approves, and delivers to Parliament.
- Winning the reward was a result of the cooperation. Topic matters: it has to have impact. The two reports focused on healthcare. Evidence gathered is important. Focus a lot on compliance in region, without demonstrating causal relationships. That evidence is quite critical. Otherwise, it's compliance audit. Facts and pictorials are also important.
- SAI Kenya is also a peer provider to SAI Somalia. Tanzania, Uganda and Kenya are now at that level of maturity and have an MoU with Sudan, South-Sudan, Somalia, Eritrea. We also offer experienced staff to join AFROSAI-E and IDI interventions. Bringing regional understanding to bear is also useful.

Challenges

- Staff turn-over is less than 5%. Attrition rate is not external – staff normally move to other functions. Less than 1 % external attrition. Lost 1 auditor to a ministry. Transferred three. Fear is investing and losing, but that is not happening at the moment.
- Parliament's indifference is the biggest challenge we have and that is why it is a priority for us. For the benefit of citizens and the motivation of our staff.



Cases: SAI Cook Islands developing the performance audit function and strengthening writing skills, and SAI Samoa long-term organisational development support (presented by PASAI)

Training

- Developing participating SAI's own training materials/programs is one of the main challenges for small SAIs. SAI New Zealand provides training using their expertise and training materials to small and newly developed audit team (e.g. performance audit) which can be used to train other small SAIs, if possible. Most participating SAIs are small and may only have two to five performance auditors. It may therefore not be practical for them to have their own training programs or develop their own training materials.
- The job to identify trainers requires specific skills and resources from the supporting SAI. Identifying the appropriate people with the necessary attributes and the ability to work and to relate to the participating SAI's environment and issues in a helpful and productive manner is critical. Freeing up those with the right technical abilities and cultural skills from their home SAI commitments is not always easy. Understanding of the culture is key.
- Peer-to-peer should be peer-to-peer. Should always be SAI staff engaging in the twinning activities.
- The approach does not only include traditional training activities but also coaching throughout an audit process. An expert from SAI New Zealand can be present at different stages of an audit cycle to support the team.

Staff turn-over

- Qualified staff have the tendency to move away, high staff turn-over is a challenge and SAIs need to consider how to retain staff, make them stay a bit longer?
- Participating SAI sometimes recruited qualified staff from abroad or from other small island SAIs. It helps the SAI short term to fill vacant positions, but can be difficult at times. Some of the small islands SAI also rely on secondments to their offices to ensure they have the resources needed.
- Twinning activity needs to be planned and budgeted. SAI New Zealand is able to provide twinning support to SAI Samoa and SAI Cook Islands because of the specific funding support from the New Zealand Ministry of Foreign Affairs and Trade (MFAT). Is the Government giving sufficient funds to the SAI to do this type of work?

Budget/resources

- How to use resources, who pays for what, is a challenge: SAI New Zealand receives funding from their Ministry of Foreign Affairs and Trade (MFAT) to engage in these activities, but the island SAIs need to source their own fund



from either internal or external sources to cover their costs, to visit SAI New Zealand for example.

- Inviting the twinning partner to come to the supporting SAI is another way to engage, but with that comes the funding issue and the underlying reason mentioned above.
- The twinning arrangement between SAI New Zealand and Samoa/Cook Islands is based on a long-term relationship and professional cooperation, but no official agreement on the scope of the cooperation. There may be value in framing on-going twinning projects in an MoU to provide direction and structure and enable follow-up of results.
- There is a need to consider what is the most effective way to run the twinning relationship. Cultural considerations will be relevant and the nature of the relationship between the SAIs over time. A long-term MoU can be helpful, but it cannot detail future support focus areas. A level of continuity in the high-level goals is likely to be present and programmes will cumulatively add to achieving high level goals. However, the ability to be flexible and to address emerging needs is also important. SAI New Zealand finds the ability to be flexible and to develop a programme agreement annually works well.

Advantages/benefits of long-term projects

- Advantages/benefits of long-term relationships: consistency in the partnership helps improve staff skills, leading to more quality work like audit files, corporate documents, reports etc. There are whole processes involved in twinning. Ad-hoc support does not achieve the same depth in relationships or developments. The supported SAI is also more likely to have greater benefits from the partnership when it is long-term and not ad-hoc. It is a huge motivation for staff to get involved in long-term partnerships, from both SAIs.
- The partnership has led to improved staff skills in different areas (such as planning and report writing), implementation of new tools (such as teammate) and new methods for reporting as well as administration and filing etc.
- Auditors are not always the best trainers/coaches and a long-term partnership enables the supporting SAI time to develop a good understanding of the supported SAIs needs and therefore to use staff skills and expertise to best meet needs.
- In a long-term partnership there is also time to adjust to cultural differences and learn to understand and trust one another. In SAI New Zealand, coordination is managed by someone with PASAI experience, which has also helped the internal process of preparations and coordinating the arrangements.
- Still a challenge to keep the same people in long-term project over time. Most important is matching the people with the most appropriate skills to the need.



Main risk in this kind of twinning?

- Risk if many different initiatives take place at the same time as the participating SAIs are small and have limited resources This is particularly important because of PASAI's active capacity building programme, so there is a lot of activity in the region, awareness of all activity is critical to avoid overload or duplication. Do these initiatives take time/resources from the core business? Is it coordinated enough between different supporting and the participating SAIs?
- As there is very limited capacity in small SAIs it is even more important to know how to carry out capacity development activities with minimal interference in the SAI's ability to deliver its mandate. This is especially important as the impact is rarely obvious in the short-run.



Appendix: Background to theme II/Synergy session on peer-to-peer cooperation

The session will be organized in café table discussions, giving participants an opportunity to engage with three of the five cases below.

Topic	Partners	Presenters
Building a successful peer-to-peer cooperation in a twinning format	EU twinning project between SAI Albania and SAI Poland	Albania: Poland: Mr Jacek Jezierski, Special Advisor for International Relations
Building partnerships for enhanced professional practices	Capacity development of SAI Nepal, managed by the World Bank, funded through the Multi Donor Trust Fund	Nepal: Mr Babu Ram Gautam, Deputy Auditor General World Bank: Mr Franck Bessette
Developing performance audit capacity through bilateral cooperation	Capacity development of SAI Iraq in cooperation with SAI Netherlands	Iraq: Dr Alaa, Deputy Auditor General Netherlands: Mr Abdel El Abassi, Project Manager
SAI Kenya's growth of Performance Audit in Audit Operations	Capacity development of SAI Kenya in cooperation with SAI Sweden	Kenya: Mr Edward Ouko, Auditor General Sweden: Mr Oskar Karneback, Project Manager
Long-term twinning arrangements in support of small island states	SAI New Zealand's partnership with Cook Islands and Samoa (presented by PASAI)	PASAI: Tiofilusi Tiueti



Peer-to-peer co-operation between the Supreme Audit Institutions of Poland and Albania

Co-operation details

The bilateral relations between Supreme Audit Office of Poland (NIK) and the State Supreme Audit Institution of Albania (ALSAI) were significantly intensified in 2012, after the appointment in December 2011 of new Chairman of ALSAI, Mr Bujar Leskaj. In order to modernise and improve the public audit in Albania, he asked the President of NIK, Mr Jacek Jezierski at that time, to organise training for Albanian auditors.

Concurrently, he solicited for a new Act of Law on ALSAI that defines its mandate in accordance with the ISSAIs. This Act was finally adopted in 2014. It was followed with a twinning project, which focused, in one of its three components, on the practical implementation of the new regulations in a daily practice of ALSAI.

Within this collaboration Polish experts also actively participated in the annual scientific conferences organised by ALSAI, which addressed relevant issues of public audit.

Other partnerships

The European Union funded the twinning project “Strengthening of external audit capacities” (in Albania). The project lasted 28 months and it was implemented by ALSAI, NIK and SAI Croatia, with the participation of experts from SAIs of Estonia, the Netherlands, Portugal.

Three main accomplishments

1. Strengthening ALSAI’s compliance with the ISSAIs
2. The practical implementation of the new Act of Law on ALSAI:
 - performance audit
 - IT audit
 - financial and compliance audit
3. Exposure of the majority of ALSAI staff to the European Union best practices and practical implementation of the ISSAIs in a daily audit work.

Three main challenges

1. The twinning project provided too little time to introduce so many changes step by step
2. Overburden of participants of the project with the intense work on project outputs and their daily tasks
3. Ensuring sustainability of developed manuals, guidelines, procedures, etc.

Overall approach

NIK has a relatively fresh experience of modernisation and transition of the public audit in Poland on its way towards the European Union, which can be very useful for ALSAI. As each country has its own specifics and varies in terms of the ISSAIs

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implementation level, there has never been an intention to promote any national approaches. The support was provided on a partnership basis, in which advice and recommendations after long consultations were offered. The guidelines, handbooks and other materials were prepared jointly by experts from Poland and Albania.

The study visits were aimed to expose Albanian colleagues to experiences and best practices of NIK and to inspire them in their further professional development.



Strengthening of Office of the Auditor General of Nepal Project

Project details

Office of the Auditor General of Nepal has agreed to collaborate with Multi Donor Trust Fund (MDTF), the World Bank was the Administrator of the grant. The objective of the project was to enhance the quality and impact of Public sector Auditing in Nepal. The project started on August 2012 and completed on December 2015. Total Amount of support was USD 2.3 million. The scope of the cooperation was to support on financial and performance audit capacity development. The next phase of project has been signed in 2018 to introduce and enhance the audit system in the federal structure of the country.

Other partnerships

SAI of Norway (Office of the Auditor General of Norway) was also in the board to provide technical support in the activities of the project with the separate MOU for the long term cooperation.

Three main accomplishments

1. Updated financial audit manual as per ISSAI and trained all level of Audit Staff More than 350 in house and abroad,
2. Nepal Audit Management System (Software) and electronic working paper for financial audit has been developed, piloted and implemented,
3. Communication policy and IT strategy has developed, Citizen Participatory Audit Practice has been initiated.

Three main challenges

1. Hiring Consultancy service and frequent changes in the professional staff of the consulting firm,
2. Selection decision of appropriate system software for the audit and knowledge transfer to the auditors,
3. Relocation of office due to devastating earthquake before the completion of the project in May 2015.
4. Promulgation of new constitution with federal structure of the country and extended mandate to the SAI.

Overall approach

Regular consultation and interaction with DPs , consultants, Senior management on the goal of the project. Clear work schedule and work plan and regular monitoring of the project progress.



Federal Board of Supreme Audit (FBSA) Experience in Performance Audit in cooperation with the Netherlands Court of Audit (NCA)

Project details

Before the start of the Sharaka project in 2016, the Federal Board of Supreme Audit (FBSA) and the Netherlands Court of Audit (NCA) had worked together for almost 5 years as institutional partners. The FBSA is striving to maintain and improve its image as an independent institution in a very difficult context. The NCA assisted the FBSA in consolidating and institutionalizing new approaches, strategies and working methods developed in the earlier phases of cooperation.

We will dedicate our contribution during the CBC meetings in Kuwait in September to share specific experiences regarding Performance Audit (PA). The main objective for this cooperation was to strengthen the approach, methodology and effectiveness of reports for PA in line with the ISSAIs.

Other partnerships

The bilateral cooperation between the FBSA and NCA is funded by the Dutch Ministry of Foreign Affairs. The Sharaka programme is a multi-annual (2016-2021) and focused on a broad cooperation in the MENA region.

Currently, the FBSA is chairing the ARABOSAI and is also a member of the INTOSAI and ASOSAI.

Three main accomplishments

1. The FBSA has adopted a new approach for its PA by addressing also the social problems and the effectiveness of Government policies in solving them.
2. Institutionalised approach and methodology within the FBSA, with active dissemination of materials and organized training workshops, developed a manual and a system for quality control.
3. External stakeholders of the FBSA have reacted positively to the new style reports, which increases the chances of the report recommendations being taken on board and implemented. The appreciation motivates the FBSA to continue with its newly adopted approach for PA.

Three main challenges

1. Difficult political circumstances and context in Iraq and the difficulty of implementing programmes and activities in Iraq, especially those that require field visits such as the peer review programme.
2. An important challenge is to find a balance between available means and capacity for both of the partners given for example budget cuts and availability of special skilled staff.
3. At the beginning of the cooperation between the two sides, language was a major challenge in communication between them, but it is not currently a serious challenge to provide interpretation by the Dutch Audit Court. Currently,



this is no longer a serious challenge as the NCA provides interpretation in joint activities as well as the translation department of FBSA, which translates all documents required for such activities.

Overall approach

The FBSA has its own tailor made and ISSAI proof Performance Audit manual developed in cooperation with the NCA, which has been disseminated amongst all auditors of the FBSA. In the last 5 years 10 performance audits have been conducted with coaching from the NCA within 3 different cycles covering the planning, execution and reporting phases of an audit. Auditees trained during the workshops have shared their experience more broadly within the FBSA. The FBSA has shared its performance audit experiences from the cooperation with the NCA with other SAIs in the region, for example the approach and results of the water (barrage) audit.

In the current Sharaka cooperation the focus shifted from direct coaching of audit teams to a "train the trainers approach". This is to help ensure an institutionalisation of a new approach to performance audit, to strengthen the system of quality control and to enable the FBSA to execute a much larger set of performance audits on policies. In practice this means that a group of 14 Iraqi colleagues are being trained to support audit teams of FBSA. Most of these employees are audit managers that the NCA supported in the past. Different "train the trainer" workshops have been conducted.



SAI Kenya's growth of Performance Audit in Audit Operations

Project details

SAI Kenya introduced performance audit in 2005. The cooperation between SAI Kenya and the Swedish National Audit Office (SNAO) was established in 2013. SAI Kenya cooperation with SNAO for the period April 2015 to December 2017 was very successful. The two SAIs recently signed a contract for cooperation for the period 2018-2021.

The cooperation between the two SAI broadly focuses on institutional capacity development and, in addition to performance audit, covers ISSAI implementation in financial audit, quality assurance, leadership development and communications. The parties have agreed to engage in a cooperation with the aim of developing the capacity and ability of SAI Kenya to fulfil its mandate and to efficiently and effectively play its role in the public administration of Kenya

Other partnerships

SAI Kenya is a member of AFROSAI-E, AFROSAI and regularly participates in regional training initiatives facilitated by SNAO. There are benefits of joint training through the bilateral agreement between SNAO and the other Eastern African countries in the region.

Three main accomplishments

4. SNAO supported the institutionalization of performance audit in the mandate of SAI Kenya with technical support during the development of the first performance audit manual.
5. Over 25 performance audit reports have been issued to Parliament to date out of which 20 reports had been tabled.
6. SNAO has supported SAI Kenya in capacity building in performance audit through training in Performance Audit Three Module Course, Advanced Performance Audit Course, Coaching and Mentoring staff in performance audit, Quality Control as well as in facilitating trainings in report writing skills. This has resulted in improved quality of reports.
7. SNAO supported SAI Kenya staff from Performance Audit, Parliamentary Liaison Office and PR & Communication staff develop a work plan for improving the SAI's relations with Parliament and media as way of enhancing stakeholders knowledge and interest in performance audit.
8. SAI Kenya has an organizational structure which supports performance auditing, including a performance audit Directorate with over 60 performance auditors. The staff in PA have diverse skills that meet the competency requirements.



9. Two performance audit reports have won the overall best performance audit report within the AFROSAI-E region

Three main challenges

1. Parliament does not pay Performance Audit reports enough attention. Performance audit reports issued to parliament have not been discussed.
2. Follow-up audits have not been carried out as parliament has not discussed SAI Kenya performance audit reports. There are therefore no parliament recommendation which the SAI would do a follow up on.
3. There is limited understanding of performance audit outside by key stakeholders including by the media.

Overall approach

SNAO and SAI Kenya have been responsible for planning, conducting and documenting the results of relevant activities in order to reach the intentions of the cooperation. The key cooperation players include

- the steering committee,
- the project managers of both SAI
- the sub project team for each sub project
- and project administrators responsible for facilitating implementation of specific activities such as taking care of travel arrangement

Implementation of the project plan or activities is followed up by the project coordinators on a continuous basis. Project managers prepare and disseminate progress report to the members of the steering committee which covers the following

- The extent of achievement of activities/targets
- Accomplished activities during the implementation period
- Possible deviation from the activity plan including reasons for the deviation and proposed measures to get back on track
- Follow-up on the identified risks and the measures related to these risks

Further, SNAO staff often visit SAI Kenya for capacity building and review of implementation of planned activities. Follow up by SNAO is also done through email. SAI Kenya staff have also been invited to Sweden for training and study tours which has enhanced their capacity in performance auditing as well as management skill.



SAI Cook Islands developing the performance audit function and strengthening writing skills

Project details

The formal twinning relationship has been in place since 2015. New Zealand is committed to working with the Cook Island Audit Office (CIAO) on an on-going basis to contribute our expertise and experience for the benefit of CIAO and to build capacity.

Other partnerships

CIAO actively participate in PASAI programmes and the twinning relationship with New Zealand is based on ensuring that there is no duplication of support in areas covered by PASAI programmes.

New Zealand's support to CIAO is enabled by funding to the New Zealand SAI from the New Zealand Ministry of Foreign Affairs and Trade.

Three main accomplishments

1. Series of three week long visits completed to provide training to small and newly developed performance audit team.
2. Support to CIAO to enhance the quality of written materials.
3. Supporting the implementation and effective use of Teammate as an electronic audit tool.

Three main challenges

1. Identifying times when both CIAO and NZ OAG staff are available to undertake support visits.
2. Turnover in CIAO performance audit team
3. Identifying staff at NZ OAG with training skills and the ability to relate to the CIAO environment and challenges in a helpful and productive manner.

Overall approach

New Zealand has provided support to CIAO through undertaking visits to the Cook Islands and working alongside CIAO staff. It is critical that needs are clearly identified and presented to the supporting SAI and details of the support response are agreed with the Head of the SAI.



SAI Samoa long-term organisational development support

Project details

The formal twinning relationship has been in place since 2013. New Zealand is committed to working with Samoa on an on-going basis to build capacity. There is no limit to the areas of support to the SAI Samoa. Activity over the past five years has been wide ranging.

Other partnerships

Samoa actively participate in PASAI programmes and the twinning relationship with New Zealand is based on ensuring that there is no duplication of support in areas covered by PASAI programmes.

New Zealand's support to Samoa is enabled by funding to the New Zealand SAI from the New Zealand Ministry of Foreign Affairs and Trade.

Three main accomplishments

1. Mentoring relationship between the Auditor-General of New Zealand and the Auditor-General of Samoa leading to the Samoan Auditor-General having the confidence to take over the New Zealand position on the INTOSAI Governing Board.
2. Multi-pronged support visits completed by highly experienced and versatile NZ OAG staff members enabling support and issue identification.
3. Supporting the implementation and effective use of Teammate as an electronic audit tool –

Three main challenges

1. Identifying times when both Samoa and NZ OAG staff are available to undertake support visits.
2. Selecting the areas of focus when the supported SAI is ambitious to achieve a lot of change. Prioritising within funding and time constraints is necessary.
3. Ensuring that the ambitions to establish systems and processes identified in the supporting SAI are appropriately modified to suit the supported SAI environment.

Overall approach

The SAI of Samoa is ambitious and has a clear development goal. Over the five years New Zealand has been providing support we have been able to work alongside the SAI as it has progressed towards its goals. Each visit has built on the results of the previous visits.

The next phase of support planned is to again bring a selection of senior staff to New Zealand to develop a greater understanding of our work with Parliament.

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