

**INTERNATIONAL ORGANIZATION OF
SUPREME AUDIT INSTITUTIONS (INTOSAI)**
MUTUAL EXPERIENCE BENEFITS ALL

**REPORT ON STRATEGIC PLAN
2005-2010**

A platform to build the next Strategic Plan on

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INTOSAI AT A GLANCE

INTOSAI is the professional organization of supreme audit institutions (SAI) in countries that belong to the United Nations or its specialized agencies. SAIs play a major role in auditing government accounts and operations and in promoting sound financial management and overall accountability in their governments. INTOSAI provides a forum in which government auditors from around the world can discuss issues of mutual concern and keep abreast of the latest developments in auditing and other applicable professional standards and best practices. Through triennial congresses, committee meetings, and other recurring communications, INTOSAI focuses on the key issues facing SAIs and helps its members to develop innovative solutions to shared challenges. In keeping with these objectives, INTOSAI's motto is "*Mutual Experience Benefits All.*"

Founded in 1953 when 34 SAIs met for the first INTOSAI Congress in Cuba, at present INTOSAI has 189 full members and 4 associate members. For more than 50 years INTOSAI has provided an institutionalized framework for SAIs to improve professional standing and capacities of the member SAIs. The exchange of experience among INTOSAI members enhances government auditing and secures progress, and thus keeps up with new developments at all times.

INTOSAI adopted the Lima Declaration of Guidelines on Auditing Precepts in 1977. This fundamental declaration articulates INTOSAI's basic philosophical and conceptual approach and, together with the Mexico Declaration on Independence from 2007, emphasizes the principles of independence and democratic values. The SAIs play a major role, not only in auditing government accounts and operations, but also in promoting sound financial management and overall accountability in governments. INTOSAI issues international standards and guidelines for financial, compliance and performance audit and provides guidance for Good Governance.

INTOSAI has five official languages: Arabic, English, French, German and Spanish. The organization is the recognized international body representing SAIs, but at the same time it is a voluntary group whose success depends on consistent professional and financial support from its members. As such, INTOSAI recognizes that its strength lies in the cultural, linguistic, and political diversity of its global membership and seeks a balanced representation of regions and auditing systems. INTOSAI is, at heart, a democratic institution that operates through consultation and consensus. INTOSAI stresses respect for national sovereignty and the equality of its members, regardless of geographic size or economic strength.

INCOSAI, a Congress held every third year, is the supreme organ of INTOSAI. The Congress includes the entire membership and takes place in a different country each time. Each country has one vote, and no member country has a veto right. Reflecting modern governance principles, the Governing Board, consisting of 18 member SAIs, is accountable to the membership.

According to INTOSAI Statutes, the Auditor General of Austria is the Secretary General and the headquarters of the INTOSAI Secretariat is Vienna. To keep continued focus on implementation of the Strategic Plan, the Director of Strategic Planning (DSP), in consultation with the Secretary General, helps ensure that the strategic objectives are being achieved. The DSP is responsible to the Secretary General and reports directly and regularly to him. The SAI of Norway took over the INTOSAI Development Initiative (IDI) in 2001, which Canada had hosted since its founding in 1986. The US Government Accountability Office took over from Canada in 1974 the publishing of The International Journal of Government Auditing, which is published four times a year.

INTOSAI also partners with other organizations; the International Federation of Accountants (IFAC), the Institute of Internal Auditors (IIA), the World Bank and others in the donor community, as well as the Organization for Economic Cooperation and Development (OECD). INTOSAI has cooperated with the United Nations (UN) for over 40 years in promoting good governance and fighting corruption.



INTOSAI STRATEGIC PLAN 2005 - 2010 OVERVIEW

MISSION

INTOSAI is an autonomous, independent, professional, and nonpolitical organization established to provide mutual support; foster the exchange of ideas, knowledge, and experiences; act as a recognized voice of supreme audit institutions (SAIs) within the international community; and promote continuous improvement among diverse member SAIs.

VISION

Promote good government by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of their peoples.

STRATEGIC GOALS

■ **Goal 1: Accountability and Professional Standards**

Promote strong, independent, and multidisciplinary SAIs by (1) encouraging SAIs to lead by example and (2) contributing to the development and adoption of appropriate and effective professional standards.

■ **Goal 2: Institutional Capacity Building**

Build the capabilities and professional capacities of SAIs through training, technical assistance, and other development activities.

■ **Goal 3: Knowledge Sharing and Knowledge Services**

Encourage SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practice studies, and performing research on issues of mutual interest and concern.

■ **Goal 4: Model International Organization**

Organize and govern INTOSAI in ways which promote economical, efficient, and effective working practices, timely decision-making, and effective governance practices while maintaining due regard for regional balance and the different models and approaches of member SAIs

CORE VALUES

INDEPENDENCE INTEGRITY PROFESSIONALISM CREDIBILITY
INCLUSIVENESS COOPERATION INNOVATION

INTRODUCTION

In 2005 INTOSAI issued its first **Strategic Plan** (2005 – 2010) to guide its operations in the years ahead. The plan was adopted at the INCOSAI in Budapest in 2004 and consists of three primary mission-related goals and one organizational goal.

Goal 1 promotes strong and independent audit institutions and encourages the adoption of effective professional standards. **Goal 2** focuses on enhancing the capacity of SAIs to fulfill their missions, by highlighting the importance of best practices, training, and partnerships. **Goal 3** underscores the importance of knowledge sharing for continuous improvement. The fourth goal of that plan calls on INTOSAI to strive to become a model international organization. Whereas Goals 1, 2, and 3 apply to specific areas of INTOSAI's operations, **Goal 4** is intended to align the whole of INTOSAI's organization and operations with these goals. While Goal 4 is fundamentally different from Goals 1, 2, and 3 in this regard, the guiding principles that provide a foundation for Goal 4 strategies are essential to the achievement of these strategic goals.

The purpose of this Report is to give an overview of expected results under each goal at the end of the plan period. Detailed information on achievements of existing strategies and programs under the Strategic Plan 2005-2010 are listed in the full status report attached, and reveals that the strategies under the three operational goals and the one organisational goal are addressed and the work has been carried out as planned. That document has been updated yearly and finalized for presentation to the INCOSAI in South Africa in 2010.

This Report is an information base or a platform for the second Strategic Plan which will be adopted by the XX INCOSAI in South Africa in 2010. Here all the existing strategies and the organizational structure under each goal have been gathered, giving a good overview of the progress and condition when the new plan is launched.

A Memorandum of Understanding (MoU) between INTOSAI and the wider Donor community was signed in 2009. The MoU establishes a partnership to strengthen capacity of SAIs to increase their effectiveness as instruments of accountability, transparency, good governance and anti-corruption in their countries.

STRATEGIC GOAL 1

ACCOUNTABILITY AND PROFESSIONAL STANDARDS

PROMOTE STRONG, INDEPENDENT, AND MULTIDISCIPLINARY SAIs BY

- (1) ENCOURAGING SAIs TO LEAD BY EXAMPLE AND
- (2) CONTRIBUTING TO THE DEVELOPMENT AND ADOPTION OF APPROPRIATE AND EFFECTIVE PROFESSIONAL STANDARDS.

STRATEGIC GOAL 1: ACCOUNTABILITY AND PROFESSIONAL STANDARDS

Existing Strategies and Programs at the end of the Plan period

INTOSAI is encouraging SAIs to lead by example and function as role models for public sector institutions and the society at large by setting high standards for their management and products. Meeting these standards maintains SAIs' integrity and validates its recommendations, which focus on improving the operations and services of government agencies. By increasing the effectiveness of government spending, SAIs enhance the citizens' trust in their government. SAIs must perform their duties competently and impartially and apply high professional standards in carrying out their work. Therefore, it is a fundamental role for INTOSAI to define and promote professional standards, which are relevant to SAIs, and address the core work practices related to audit, internal control, accounting and reporting. To establish these guidelines, INTOSAI is working within the organization as well as with external standard-setting bodies.

INTOSAI's development and adoption of appropriate professional standards, which member SAIs have adapted for their use, is based on the work of the Professional Standards Committee (PSC). PSC has developed an up-to-date framework of professional international audit standards and implementation guidelines (ISSAIs) relevant to INTOSAI members. In addition, INTOSAI offers guidance in areas central to public sector financial management and accountability—INTOSAI Guidance for Good Governance (INTOSAI GOVs).

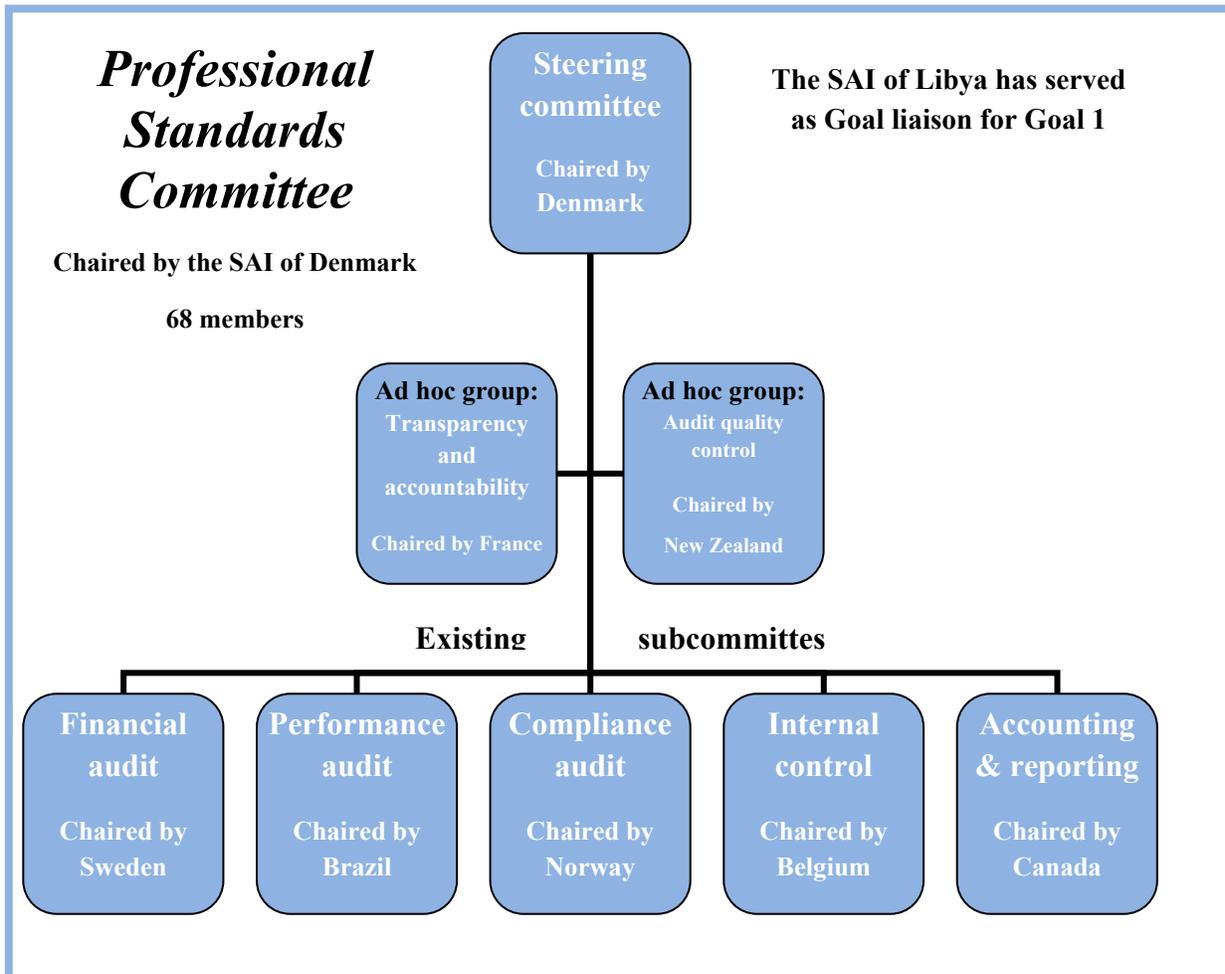
Founding principles are laid down in The Lima Declaration of Guidance on Auditing Precepts. In addition, prerequisites for the functioning of SAIs, such as the Code of Ethics, The Mexico Declaration on SAI Independence and the newly developed principles for Transparency, Accountability, and Audit Quality Control, offer guidance to SAIs on values and general principles guiding the daily work of auditors and for organizational and financial independence. In addition to these prerequisites, the Fundamental Auditing Principles contain the fundamental principles in carrying out auditing of public entities. The Auditing Guidelines translate the fundamental auditing principles into more specific, detailed and operational guidelines that can be used on a daily basis for auditing tasks. The ISSAIs and INTOSAI GOVs can be found on the website: www.issai.org.

The **Dual Approach** that guides the work on the ISSAIs and INTOSAI GOVs means that these are preferably based on standards that are widely recognized among SAIs. By recognizing, utilizing and building on standards issued by other standard setting bodies to the maximum extent possible and appropriate, PSC will work to harmonize public sector audit internationally. INTOSAI will develop complementary guidance where there is a special need and/or a pressing concern in the SAI environment and will seek to influence international standards to address issues of particular interest to SAIs. In doing so, PSC will look to eliminate any duplication within the framework of INTOSAI’s professional standards.

Partnerships with other international standard setters are established, and Memoranda of Understanding have been signed with the International Federation of Accountants and with the Institute of Internal Auditors. In developing professional standards, and in recognition of the differences between public and private sector auditing, there is a mutual benefit derived when INTOSAI works with other external accountability partners to establish standards and guidelines. The Memoranda recognize that the parties share a common language (standards) and understand the different roles, responsibilities and expectations of each other, enabling the parties to benefit from the cooperation.

Goal 1: Professional Standards – Committee Structure

The **structure** is based on the organizational principles laid down in the Strategic Plan 2005 – 2010. A subcommittee on SAIs Independence, chaired by the SAI of Canada, was dissolved at XIX INCOSAI after delivering an important document on independence, which was adopted as a standard by the Congress in Mexico.



The arrangements and structure within the PSC, which comprises the necessary subcommittees, projects and expert teams to address the plan and its related strategies under this goal, have proved effective in developing standards and guidance documents. This way of organizing the work ensures a high level of engagement from many SAIs, which is needed in the development phase.

STRATEGIC GOAL 2

INSTITUTIONAL CAPACITY BUILDING

BUILD THE CAPABILITIES AND PROFESSIONAL CAPACITIES OF SAIs THROUGH TRAINING, TECHNICAL ASSISTANCE, AND OTHER DEVELOPMENT ACTIVITIES.

STRATEGIC GOAL 2: INSTITUTIONAL CAPACITY BUILDING

Existing Strategies and Programs at the end of the Plan period

INTOSAI's role under this objective is to engage in capacity building; that is, fostering the transfer and application of knowledge and skills relating to the SAIs' organization and work so that SAIs are better able to perform their function. All capacity-building efforts must be tailored to INTOSAI's varied membership, which encompasses SAIs that operate in widely different political and administrative contexts and require different skills and experience of the staff. The INTOSAI community includes diverse SAI models in different phases of evolution. Capacity-building efforts should focus on the strategic and sustainable development of SAI's in the following areas:

- professional audit capacity
- organizational capacity
- capacity to deal with the external environment

Each and every member SAI should benefit from the capacity-building proposals contained in the plan, in line with its institutional environment and with due respect to its independence.

Consistent with its motto, *Mutual Experience Benefits All*, capacity building has been a major priority of INTOSAI since its creation in 1953. While all SAIs are engaged in strengthening their organizations through capacity building and continuous learning, INTOSAI has a long tradition of focusing on the needs of emerging and developing countries. Through its regional working groups, Strategic Goal committees, and other bodies, INTOSAI engages in and supports a number of programs that develop the capacity of member SAIs globally, regionally, and locally:

1. **The INTOSAI Development Initiative (IDI)** enhances the institutional capacity of SAIs in developing countries by need-based collaborative and sustainable development programs meeting existing and emerging needs in INTOSAI regions and groups of SAIs.
2. **The UN/INTOSAI symposium in Vienna** provides an exchange of subject-specific experiences and information on specific topics of external public auditing. Participants are selected SAI heads from regional working groups. An established UN/INTOSAI platform has focused on such areas as: the value and benefits of SAIs, partnerships between SAIs, international organizations and civil society organizations, capacity building of SAIs, as well as follow-up and audit of cross-border funding for disaster-relief fund and international money laundering and corruption.

3. **Capacity building projects** such as conferences to strengthen external government auditing in the INTOSAI regions or projects where one or more SAIs work to develop the professional audit capacities as well as organizational capacity of an SAI in another country. Frequently, these projects are funded by bilateral or multilateral donors and may be part of a wider, long-term program of assistance to enhance the governance capabilities of the countries.
4. **Voluntary peer review programs**, which have identified best practices in improving the quality of SAIs' audits and operations.

The Capacity Building Committee (CBC) has, through training, technical assistance and information sharing and other professional development activities, increased capabilities and professional capacities of SAIs. A Capacity Building Guide for practical use on how to develop SAIs has been created, widely translated and disseminated through regional and sub-regional workshops. A directory of capacity building project, has been created and will be updated each year and a collection of training materials relevant to capacity building in SAIs will be made available to the membership. Furthermore, remote learning programs for SAIs have been developed. The CBC and its subcommittees have created websites to communicate and share its work with interested parties. The IDI is interwoven into the INTOSAI organization by representation in governing bodies, budgetary contributions, cooperation with working groups and committees, and reporting to INTOSAI governing bodies. IDI is aligning its activities with the INTOSAI Strategic Plan 2005 - 2010 and coordinates its efforts with the INTOSAI CBC and other INTOSAI entities, to ensure synergy and to avoid duplication of effort. **IDI was in 2010 appointed as Secretariat for the INTOSAI-Donor cooperation mentioned below.**

The cooperation with international development organizations has been strengthened in the plan-period 2005 – 2010, within the frame of INTOSAI's independence requirements. Most multilateral organizations at the global and regional level share with INTOSAI the objectives of strengthening governance and accountability and fighting corruption and fraud. These international organizations are vital partners in the work to accomplish the institutional capacity building objectives under strategic Goal 2. Based on the overarching role INTOSAI plays in providing global strategic leadership for the SAI community, INTOSAI established an External Funding Task Force in 2007 to work in partnership with the international donor community. A Memorandum of Understanding (MoU) established by INTOSAI and the international donor community seeks to secure the commitment of all relevant parties to sustained financial support and to translate this commitment into practical action. The MoU also fosters closer and ongoing dialogue among INTOSAI and its members and the multilateral organizations, focusing on development requirements on regional as well as country levels, and through this, emphasizing the important role the SAIs play in striving towards better governance in their countries.

Information on advisory and consultant services to SAIs is being collected in a database, including lists of professional experts in government auditing that could participate in auditing programs. A website has been created to offer consultancy services. As the experience of the people in the INTOSAI community is one of our most important resources of experts and investigators in the public finance field, the database, together with guidelines on bilateral and multilateral cooperative audit, will maximize the use of practical knowledge and expertise gathered from SAIs. This initiative is both to facilitate joint audits where SAIs have common areas of interest but also a way to bring support to less developed SAIs. Joint programs are useful to validate methodology, generate guidelines, and improve processes. Guidelines on internship and technical visit programs will facilitate visits of professionals between SAIs to share provide and receive current knowledge in innovative audit areas.

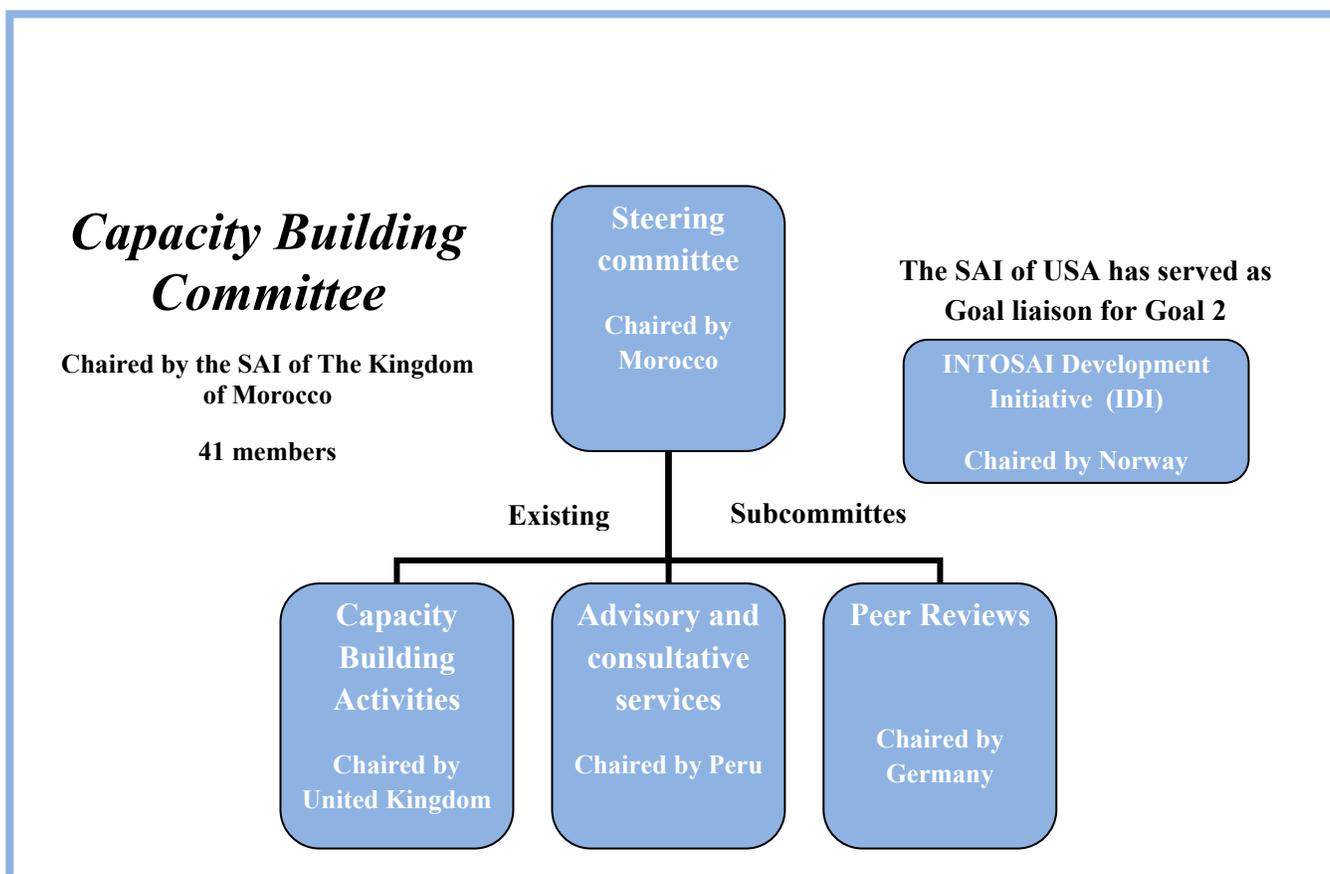
Best practices and quality assurance through voluntary peer reviews. Peer reviews serve a number of purposes, such as capacity building, knowledge sharing and quality assurance. Voluntary peer reviews

performed by SAIs foster the exchange of new ideas and new audit methods and provide a positive learning experience for both the SAI undertaking the review and the SAI choosing to undergo it. In addition, peer reviews provide a good response to the question “Who audits the auditor?” SAIs can use the results of these voluntary peer reviews to demonstrate commitment to the need for open and transparent governance in public institutions.

The different types of peer reviews (quality assurance and compliance reviews, management reviews for economy and efficiency, and accountability reviews) serve SAI management by highlighting best practices, facilitating learning, and thus enabling SAIs to lead by example. And those SAIs where a peer review may not be feasible (or ones which choose not to participate) can also benefit by employing the methodology used for peer review preparation. The database on peer reviews performed in the INTOSAI community, with results included as appropriate and agreed upon by participating SAIs, will help provide evidence of the utility of peer reviews. The guidelines and checklists on how to undertake voluntary peer reviews will establish interest and lead to more reviews in the coming years.

Goal 2: Institutional Capacity Building – Committee Structure

The structure is based on the organizational principles laid down in the Strategic Plan 2005 – 2010. IDI and the UN/INTOSAI Platform are placed under Strategic Goal 2 but those entities are not part of the committee structure.



The arrangements and structure within the CBC, which comprises the necessary subcommittees to address the plan and its related strategies under this goal, have proved effective in promoting capacity building activities.

This way of organizing the work ensures the high level of engagement from many SAIs, which is needed to build up capacity, both as supplier as well as receiver of knowledge.

STRATEGIC GOAL 3

KNOWLEDGE SHARING and KNOWLEDGE SERVICES

ENCOURAGE SAI COOPERATION, COLLABORATION, AND CONTINUOUS IMPROVEMENT THROUGH KNOWLEDGE SHARING, INCLUDING PROVIDING BENCHMARKS, CONDUCTING BEST PRACTICE STUDIES, AND PERFORMING RESEARCH ON ISSUES OF MUTUAL INTEREST AND CONCERN.

STRATEGIC GOAL 3: KNOWLEDGE SHARING/KNOWLEDGE SERVICES

Existing Strategies and Programs at the end of the Plan period

Communication, cooperation, and collaboration have been hallmarks of INTOSAI since its inception in 1953. Over the years, these concepts have given life to INTOSAI's motto, "*Mutual Experience Benefits All,*" and INTOSAI supports these concepts in several ways. Working groups are established to share knowledge on common issues and find joint solutions in areas of importance for auditors worldwide. In addition, specialized task forces have been created to address specific issues for a defined period of time. Communities of practitioners can also follow up on recommendations stemming from Congressional themes and assist in monitoring and reporting on the implementation of recommendations adopted by INTOSAI Congresses. All these groups play important roles in successful knowledge sharing.

INTOSAI also disseminates publications, including the International Journal of Government Auditing and INTOSAI circulars, and maintains the INTOSAI web site at the Secretariat in Vienna and other electronic means of sharing information, such as web sites of strategic goal committees and working groups and the INTOSAI Collaboration Tool, which significantly facilitates communication and coordination of collaborative initiatives. Informal networks of SAIs and international relations/liaison offices within SAIs also meet to discuss mutual concerns and exchange views and experiences. The challenges and opportunities of an interdependent world and new technologies suggest a number of ways for INTOSAI to enhance communication and knowledge sharing among its members and other partners.

INTOSAI's seven regional working groups are essential components of the organization, offering their members many services and publications designed to share knowledge and facilitate collaboration within each region. INTOSAI Strategic Plan recognizes the importance of these groups' organizational autonomy within INTOSAI, as well as the enduring benefits they bring to their members. The plan does not infringe upon or in any way limit the autonomy of the regional working groups. Rather, Goal 3 proposes to expand the benefits of the regional working groups by facilitating the additional sharing of the key work, successes, and lessons learned for individual regions with all other regional working groups. In this way, information would be shared horizontally or globally. For example, some regions have developed their own strategic plans, and such plans can be shared with other regions.

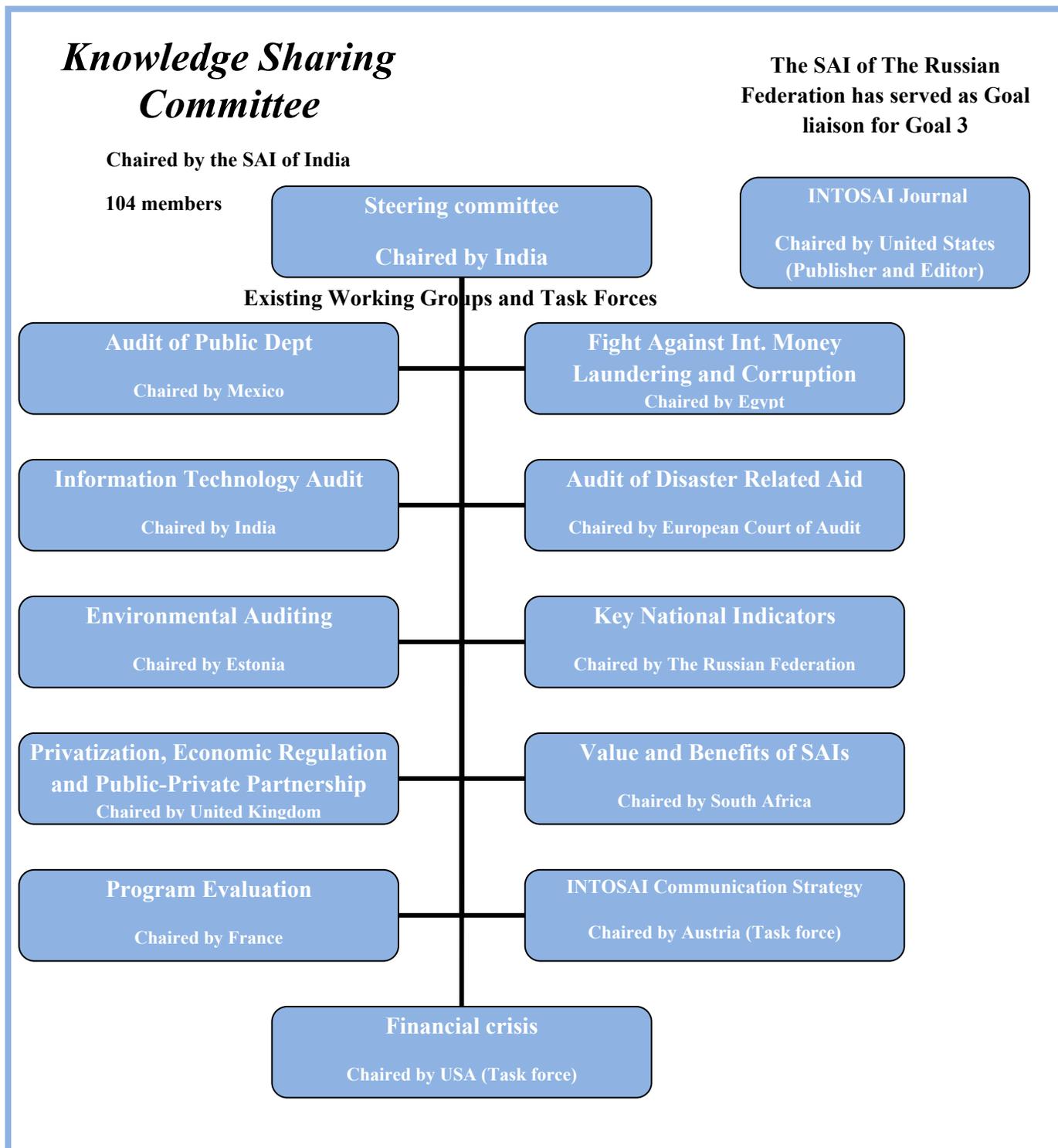
To facilitate best practice studies, allowing for diversity and sovereignty considerations, the Chairs of INTOSAI committees, working groups and task forces are asked to include case studies in their products when appropriate and feasible, and prepare best practice guidelines as experience accrues. A process where certain elements of work in a SAI are compared to that of other SAIs is a useful way to identify potential areas for improvement. This can also help SAIs in making effective cases for the need for additional resources. Comparative studies of key elements of SAIs' activities can and have been used to identify areas where best practice studies would be beneficial.

The INTOSAI Policy and Strategy for Internal and External Communication guides INTOSAI to communicate efficiently internally and act as a recognized voice of member SAIs within the international community in the fields of public audit and related issues of accountability and governance. The common framework of the Communication Policy provides principles of communication. Strengthening communication is a key element in making INTOSAI a model international organization. To ensure effective, transparent and accurate communication, which is also timely and accessible, a common strategy for communication has been established. The strategy is based on the defined Communication Principles and Objectives of communication for the organization. The INTOSAI Communication Policy and Strategy supports free flow of information and knowledge supporting the strategic goals, and along this line INTOSAI has developed a Communication Guideline.

Partnerships with academic/research institutions and professional associations, consistent with INTOSAI's independence requirements, are established in some SAIs which associate with universities and other entities to promote undergraduate and graduate programs in public sector auditing and related programs at colleges and universities.

Goal 3: Knowledge Sharing/Knowledge Services – Committee Structure

The structure of the Committee follows the decision at the XIX INCOSAI and is aligned with the structure of Goals 1 and 2 laid down in the Strategic Plan 2005 – 2010. The International Journal of Government Auditing, published by the SAI of the United States of America, is an observer under Strategic Goal 3 and is not part of the committee structure.



STRATEGIC GOAL 4

MODEL INTERNATIONAL ORGANIZATION

ORGANIZE AND GOVERN INTOSAI IN WAYS THAT PROMOTE ECONOMICAL, EFFICIENT, AND EFFECTIVE WORKING PRACTICES, TIMELY DECISION-MAKING, AND EFFECTIVE GOVERNANCE PRACTICES, WHILE MAINTAINING DUE REGARD FOR REGIONAL AUTONOMY, BALANCE, AND THE DIFFERENT MODELS AND APPROACHES OF MEMBER SAIs.

INTOSAI believes that it is essential to lead by example. This commitment is reflected in the fourth strategic goal for INTOSAI: to strive to become a model international organization. As such, Goal 4 differs in substance and nature from Goals 1, 2, and 3, which focus on enhancing professional standards, building capacity, and facilitating knowledge sharing among members. It cannot, therefore, be addressed in a manner similar to the other strategic goals. Whereas Goals 1, 2, and 3 apply to specific areas of INTOSAI's operations, Goal 4 is intended to align the whole of INTOSAI's organization and operations with these goals. Goal 4, which includes ensuring the economy, efficiency, and effectiveness of INTOSAI's own operations and living within its budget, is, therefore, fundamental for the achievement of strategic Goals 1, 2, and 3.

STRATEGIC GOAL 4: MODEL INTERNATIONAL ORGANIZATION

Guiding Principles

Building on the central principle that “Mutual Experience Benefits All,” the following principles guide INTOSAI's future administrative and organizational development:

- a. There should be a clear focus on the agreed-upon set of strategic goals in all of INTOSAI's work.
- b. INTOSAI should adopt organizational and administrative practices that encourage the widest possible involvement of member SAIs in its work.
- c. INTOSAI should have decision-making structures that balance timeliness with the importance of ensuring that key decisions have the broad-based support of INTOSAI's membership.
- d. There should be active engagement by the Governing Board and strong links among the Governing Board and the committees, subcommittees, working groups, and task forces created to carry forward INTOSAI's work.
- e. INTOSAI should be financed in ways to ensure that it is living within its budget and to promote the effective implementation of this plan and the continued viability of the organization.

f. The Secretariat's capacity to support the membership and the Board in implementing the strategic plan should be enhanced.

STRATEGIC GOAL 4: MODEL INTERNATIONAL ORGANIZATION

Existing Strategies and Programs at the end of the Plan period

The Finance & Administration Committee's (F&AC) mandate is to help the Board and its Chairman to "Organize and govern INTOSAI in ways that promote economical, efficient and effective working practices, timely decision-making, and effective governance practices, while maintaining due regard for regional autonomy, balance and the different models and approaches of member SAIs." The current structure of the organization serves INTOSAI well, but the INTOSAI Strategic Plan recognizes that INTOSAI's ability to make decisions and respond to organizational issues in an efficient and timely manner is an on-going responsibility. The Finance & Administration Committee (F&AC) works to ensure the efficient, economical, and effective achievement of the strategic goals.

The existing committees, subcommittees, working groups, and task forces under the Strategic Goals are aligned with the organizational principles laid down in the Strategic Plan 2005-2010 (see appendix II for a current INTOSAI organization chart). With respect to the international legal status of INTOSAI, INTOSAI is an international organization, legally registered in Austria as an organization to which the privileges of a non-governmental international organization are granted.

In considering the relationship of committees, subcommittees, working groups, and task forces to the Governing Board, the F&AC established criteria for regional working group membership related to representation on the Governing Board. The F&AC also, in line with the framework of its mandate and tasks, identified and selected SAIs to serve as goal chairs and goal liaisons for the Strategic Goals 1-3. The committee forwarded these recommendations to the Governing Board, which fully endorsed the recommendations and made the appointments. It is envisioned that committees, subcommittees, working groups, and task force chairs would be invited to Governing Board meetings as rapporteurs/observers and make a report to the Governing Board at least annually on their activities. Alternatively, such chairs could, if they so chose, ask their goal liaisons to present their report to the Governing Board.

The chairs of the committees, subcommittees, working groups, and task forces under all four goals consult, as appropriate, with the Chairman of the Governing Board, the Secretary General, and the goal liaisons to help ensure that their plans and activities are generally aligned with this overall plan. Specifically, the existing committees execute their work plans with the option to create subcommittees, as appropriate, is a matter for the committee chairs to consider in consultation with the Chairman of the Board.

The arrangements and structure within the Professional Standard Committee, the Capacity Building Committee and the Knowledge Sharing Committee, which comprises the necessary subcommittees, projects and expert teams, and also the necessary working groups and task forces, to address the plan and its related strategies, have proved effective. This way of organizing the work ensures the high level of engagement from many SAIs, which is needed in developing standards and guidance documents in the development phase of work. This way of organizing the work also ensures engagement from concerned SAIs needing to build up capacity, both as supplier as well as receiver of knowledge, and has proved effective in encouraging SAI cooperation, collaboration and continued improvement.

INTOSAI has over the years been funded solely by annual member assessments and is heavily reliant on in-kind contributions from members for the support of its activities. To augment funding, INTOSAI relies on

good will and substantial in-kind contributions from the Austrian SAI in its role as the INTOSAI Secretariat, and from those SAIs willing to serve as committee, working group, and task force chairs; host meetings; or provide other direct support to the various programs and activities of INTOSAI. In summary, INTOSAI's activities are based on secondments and in-kind contributions from its members.

INTOSAI's overall success depends on resource efficiencies. An ever-smaller number of members provide a growing share of INTOSAI's financial and non- financial resources. Against this background, several issues related to the organization's finances have been studied, and improvements recommended by the F&AC adopted by the Governing Board and INCOSAI included:

- Reducing the budget allocation to the INTOSAI Journal from 35% to 25%
- Changing the frequency of the UN/INTOSAI seminar to once every two years instead of once every year
- Charging registration/attendance fees for Congresses
- Considering inviting vendors/professional firms to set up exhibits at Congresses for a fee
- Providing that graduated sanctions should be applied to those SAIs in arrears for their annual assessments, as follows:

After 1 year: after giving SAIs in arrears a 90-day grace period to pay their back dues, delinquency should be made transparent within INTOSAI.

After 2 years: loss of voting rights and participation in committees/Congresses.

After 3 years: loss of membership.

The F&AC considered issues related to the sale of INTOSAI publications and charging fees for INTOSAI training courses, and recommended that the publications should remain available free of charge since SAIs that need these publications most are those least able to pay for them. In addition, it recommended that training courses remain free of charge.

The consideration of membership assessment also has to do with strengthening INTOSAI's financial capacity to address strategic issues and the F&AC, therefore, before each Congress, assesses whether, and if so to what extent, INTOSAI may require additional resources to implement the strategic plan, which may require an increase in assessments.

This issue has also been seriously deliberated and debated by the Board at each of its meetings since adopting INTOSAI's first Strategic Plan, and has been analyzed by the F&AC with the assistance of the General Secretariat. It was noted that INTOSAI membership assessments had not been increased since 1983, and that increased revenues were needed to maintain INTOSAI's stable financial condition and to continue to implement the strategic plan. The General Secretariat developed different scenarios to increase annual revenues by Euro 100,000 and the Board endorsed the following proposal:

- a) Change the scale of assessments for the INTOSAI dues for contribution groups I and II (group I \geq 20% of the total assessments of the UN scheme; group II between 11 and 19.99% of the total assessments of the UN scheme)
- b) Raise the contribution of the United States of America to dues category I according to the change of the scale of assessments
- c) Increase the annual contribution for dues categories I–V by 89%

- d) Increase the annual contribution for dues categories VI and VII by 20%
- e) All dues categories will be subject to indexing for inflation every three years (starting with INCOSAI XX in 2010)

In identifying possible additional sources of funding and opportunities for strategic partnerships with external organizations, consistent with INTOSAI's independence standards, an integrated, strategic framework and a policy paper for dealing with external donors has been developed. Furthermore, meetings that brought together representatives of INTOSAI and the donor community have been held and negotiations resulted in a significant accomplishment when INTOSAI entered into a milestone agreement with 15 organizations, including international donor institutions and country development agencies, to enhance the development capacity of SAIs around the world. A Memorandum of Understanding between INTOSAI and the wider donor community, signed in October 2009, established a cooperation to strengthen capacity of SAIs to increase their effectiveness as instruments of accountability, transparency, and good governance and anti-corruption in their countries.

In strengthening INTOSAI's internal capacity to address the strategic issues identified in this plan, the F&AC, in collaboration with relevant INTOSAI entities, recommended proposals on how all INTOSAI bodies can make greater use of modern technology, to facilitate consultation, coordination and decision-making during the time between Board meetings and the Congresses. As a result, the INTOSAI Collaboration Tool (ICT), which was approved by the Board at its 55th meeting in November 2006, in Mexico City, is now operational and available on the INTOSAI website.

According to INTOSAI Statutes, Article 6, the Auditor General of Austria is the Secretary General and the headquarters of the INTOSAI Secretariat is Vienna. To enhance the capacity of INTOSAI to achieve the strategic goals, the plan encourages potential staff secondments and assignments – based on needs arising from implementation of this strategic plan – from a range of member SAIs to supplement existing Secretariat and other INTOSAI resources. Depending on the nature of the function to be undertaken, seconded staff may remain in their home SAI. However, some staff should be based in Vienna. In all cases, secondments would be arranged through advanced consultation with and approval of the General Secretariat, and all related staff and residency costs would be borne by the sending SAI.

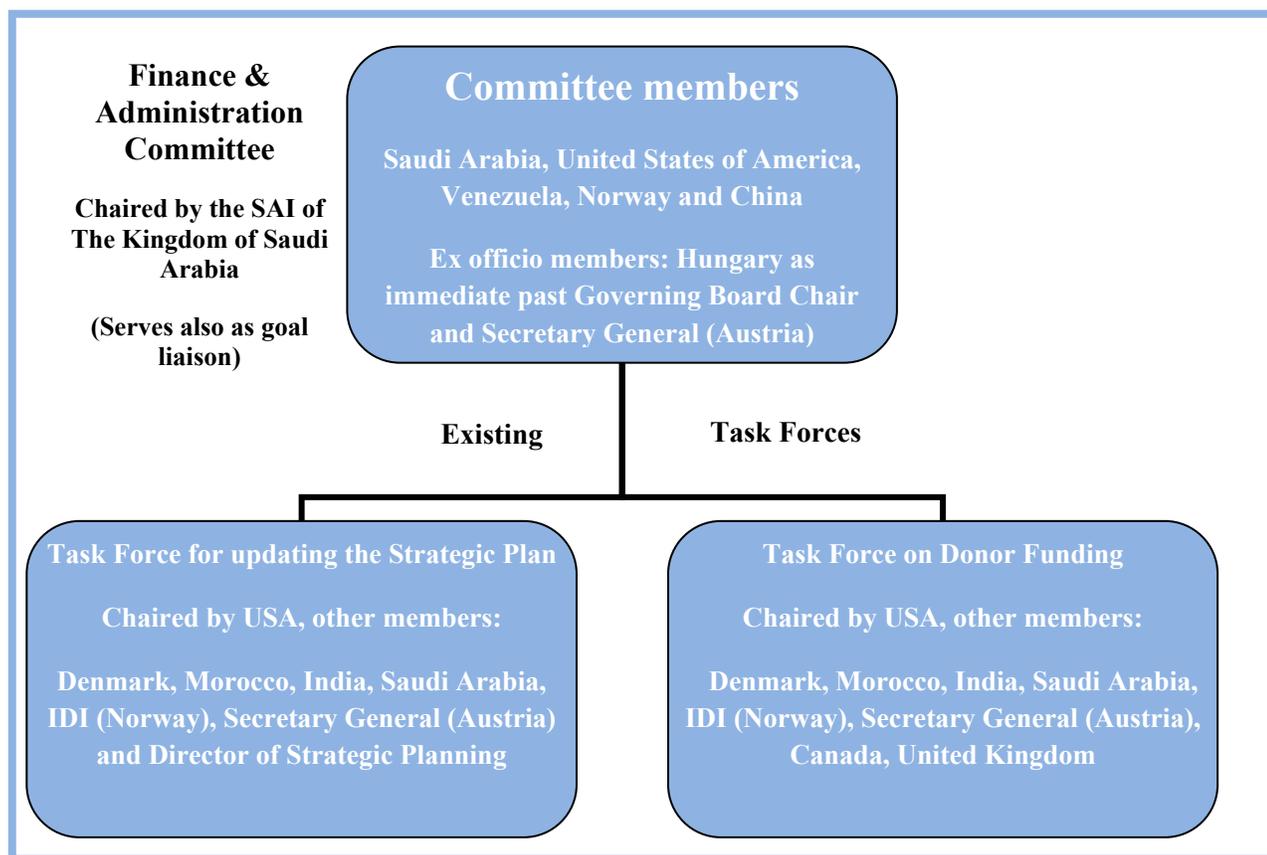
To help ensure continued organizational focus on the strategic goals and effective coordination and implementation of the plan, the post of Director of Strategic Planning (DSP) is established. The DSP duties and responsibilities laid down in Guidelines adopted by the Governing Board will permit sustained attention to implementing the strategic plan over time. The Director of Strategic Planning would also, in consultation with the Secretary General, work closely with the Chairman of the Board, goal liaisons, and regional Secretariats and others to help ensure that the strategic objectives are being achieved. The XIX INCOSAI in Mexico City approved a recommendation by the F&AC to retain the position of Director of Strategic Planning of INTOSAI. This position should be continued in the future, subject to an SAI offering to second a staff person.

INTOSAI has established associate membership and some organisations have joined the organization. Identification of potential associate members is based on the established four criteria for identifying and selecting organizations for associate membership:

1. International organizations that operate on a global scale;
2. Such organizations must be directly or indirectly involved in accountability, transparency, anti-corruption, governance, etc.;
3. They must be governmental or non-profit/not-for-profit organizations; and
4. They must be non-political and have broad-based support within the INTOSAI community.

Goal 4: Model International Organization – Committee Structure

The structure is based on the organizational principles and structure implemented by the Strategic Plan 2005 – 2010, which re-designated the former finance committee as the F&AC with a mandate to take the lead on implementing Strategic Goal 4. The F&AC is chaired by the second vice chairman of the Board, as this is an appointment voted on by the Governing Board, and the chair will also serve as goal liaison for Goal 4. The committee’s five voting members (including the chair) are elected from within the Governing Board.



In addition to the five voting members, the Secretary General of INTOSAI and the previous Chairman of the Board serve as *ex officio* members of this committee. The Director of Strategic Planning is not a member, but is to be invited to attend the committee’s meetings.

APPENDIX I: Current Principal INTOSAI Bodies

INTERNATIONAL CONGRESS OF SUPREME AUDIT INSTITUTIONS (INCOSAI)

Hosted by a member SAI, the triennial Congress offers all INTOSAI members a unique opportunity to gather at one time in one place to share experiences, discuss issues, and share recommendations aimed at improving government accountability worldwide. Participation at Congresses by the United Nations, the World Bank, and other international and professional organizations reflects INTOSAI's relationship with these world bodies.

INTOSAI includes two categories of membership:

□ **Members:** national and supranational supreme audit institutions that meet specified criteria and would have all membership rights described in the existing statutes. This plan provides that SAIs continue to be allowed to join multiple regional working groups, but that SAIs must declare one regional working group to be their “home” group with regard to INTOSAI-level issues such as allocation of Governing Board seats, funding for IDI regional and other training programs, etc.

□ **Associate members:** international, professional, and other organizations that share INTOSAI's goals. Associate members would not have voting privileges but could participate in INTOSAI events and programs and benefit from INTOSAI capabilities (e.g., publications and knowledge sharing). They would pay an annual associate member assessment and might also be required to pay additional fees for some events (e.g., attendance at congresses). The initial assessments and fees would be set by the Governing Board based on a recommendation from the Finance and Administration Committee. When organizations apply to the Board for associate membership, the Board will consult with the SAI representing the country from which the application originates; the Board will solicit and give great weight to the views of such member SAIs in connection with any application.

GOVERNING BOARD The 18-member Board meets annually to provide leadership, stewardship, and continuity between Congresses. To ensure balanced representation of all member countries, each of INTOSAI's seven regional working groups and the main types of public auditing systems are represented on the Board. The Chairman of the Board is the head of the SAI that hosted the last Congress.

□ **Finance and Administration Committee.** The Finance & Administration Committee's mandate is to help the Board and its chairman to: “Organize and govern INTOSAI in ways that promote economical, efficient and effective working practices, timely decision-making, and effective governance practices, while maintaining due regard for regional autonomy, balance and the different models and approaches of member SAIs.” The F&AC is chaired by the second vice chairman of the Board, as this is an appointment voted on by the Governing Board; and the chair will also serve as goal liaison for Goal 4. The committee's five voting members (including the chair) are elected from within the Governing Board.

□ **Goal Liaisons.** Goal liaisons consult with all chairs of INTOSAI entities within the strategic goal to help facilitate communication and awareness within and among strategic goal areas and across regional working groups, and establish stronger links among the Governing Board, the committees, working groups, and task forces. Goal liaisons would not lead, direct, or intrude on committee, working group, task force, or regional working group functions. Rather, they would serve as facilitators and enablers for continuous improvement. Goal liaisons would always be nominated and approved at the Governing Board meeting immediately following each Congress.

GENERAL SECRETARIAT

Located in Vienna, Austria, the General Secretariat provides central administrative support to INTOSAI, manages the INTOSAI budget, assists the Board and congresses, facilitates communications among members, and organizes symposia and special studies. The Secretary General is the President of the Court of Audit of Austria. The Director of Strategic Planning (DSP) supports INTOSAI in achieving the strategic objectives and

ensures effective coordination in the implementation of the Strategic Plan. The DSP is responsible to the Secretary General and reports directly and regularly to him.

REGIONAL WORKING GROUPS

Seven Regional Working Groups promote INTOSAI's goals regionally, thus providing members with opportunities to focus on issues characteristic of their regions. Regional working groups are a central element of INTOSAI and have significant autonomy.

GOAL COMMITTEES, SUBCOMMITTEES, WORKING GROUPS AND TASK FORCES

Most of INTOSAI's technical work occurs in the committees, subcommittees, working groups and task forces that are established to advance the profession by developing and issuing professional standards, audit guidance and other practical reference materials. Fostering the transfer and application of knowledge and skills relating to the SAIs' organization and work and making them better able to perform their function by capacity building efforts also takes place in committees. INTOSAI members participate in this work by joining committees and working groups etc, commenting on developed products, and attending technical sessions at Congresses.

□ **Committees.** Committees of INTOSAI, such as Strategic Goal committees and subcommittees, are formed by the organization to deal with issues of significant, recurring interest to all members. As such, committees should ideally have a balanced representation of the organization's membership and clear direction from the Governing Board.

□ **Working groups.** Working groups have traditionally been formed as a result of INCOSAI themes and recommendations to address SAIs' interests in specific topics, and their benefits are evident by the number of SAIs taking part and the guidance on best practices they have promulgated. These working groups do not require any direct oversight by the INTOSAI Governing Board, and because members are free to join according to their interests, there is no requirement for them to reflect regional or other representational factors.

□ **Task forces.** In addition to committees and working groups, task forces are formed by the Congress or the Governing Board as needed to deal with issues of significant interest to many member SAIs. Task forces operate for a finite period of time and are dissolved by either the Congress or the Governing Board when their assigned tasks (as outlined by the Congress or Governing Board) are complete. Like committees, task forces should ideally have a balanced representation of the organization's membership.

INTOSAI Development Initiative

The INTOSAI Development Initiative (IDI) is a non-profit organization that aims to enhance the professional and institutional capacities of SAIs in developing countries through needs-based, collaborative and sustainable development programmes. The IDI works in cooperation with INTOSAI regions and groups of SAIs to meet the existing and emerging needs of stakeholders. Emphasis was on training of professionals and establishment of sustainable training infrastructures in INTOSAI regions until 2006, when the scope was significantly broadened to encompass also institutional strengthening of SAIs and knowledge sharing. The IDI collaborates with INTOSAI Committees and Working Groups and seeks partnership with other organizations to enable delivery of high-quality capacity building programmes. After establishment at the 1986 INTOSAI Congress, the SAI of Canada hosted the IDI Secretariat until 2000; the SAI of Norway took over in 2001. The IDI is organized as a separate legal entity with the Norwegian Auditor General as Chairman of its Board. The IDI reports regularly to INTOSAI Congresses and Governing Board. The IDI secretariat has a complement of 15-20 multidisciplinary, internationally recruited staff and operates in 4-5 languages.

International Journal of Government Auditing

The International Journal of Government Auditing (Journal), which is the official organ of INTOSAI, is dedicated to the advancement of government auditing procedures and techniques. The Journal is also used as a teaching tool. Articles focus on pragmatic aspects of public sector auditing and case studies. It is published quarterly in the five official languages of INTOSAI. The Journal is published by the SAI of the United States (Government Accountability Office – GAO)

APPENDIX II: Current Organization Chart

SC = Subcommittee
 WG = Working Group
 TF = Task Force

April 2010

