INTOSAI – CBC
Sub Committee 2

CBC Guide for joint audit programs

Status Report

presented by: Bundesrechnungshof

13th June 2008

INTOSAI – Capacity Building Committee (CBC)
Sub Committee 2 – Develop advisory and consulting services
Status Report - 2nd Technical Meeting in Lima 19th/20th June 2008
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## Tasks

<table>
<thead>
<tr>
<th>Component b)</th>
<th>Joint audit programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Task:</strong></td>
<td>Develop the “CBC Guide for Joint Audit Programs”</td>
</tr>
<tr>
<td><strong>Sub Tasks:</strong></td>
<td>Propose alternative participation levels: Bilateral, Multilateral and Regional Prioritize audit areas and topics</td>
</tr>
<tr>
<td><strong>Additional tasks:</strong></td>
<td>Review SAIs regulatory framework</td>
</tr>
</tbody>
</table>

Other tasks: Develop a website to share experiences of joint programs Develop compensation and incentives mechanisms, for the role of an EXPERT *(not part of the work package of the Bundesrechnungshof)*

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**CBC – Sub Committee 2 meeting**

**XIX INCOSAI in Mexico City, November 7th, 2007**

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Timetable

(Step/Activity/Milestone) Deadline targeted: realized at

<table>
<thead>
<tr>
<th>Step/Activity/Milestone</th>
<th>Deadline targeted:</th>
<th>realized at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft project processing note, timetable and circulate information to all staff involved</td>
<td>by December 2007</td>
<td>20 Dec 2007 (green)</td>
</tr>
<tr>
<td>Draft proposed guideline on joint audit missions by SAIs</td>
<td>starting in calendar week 51, 2007</td>
<td>20 Dec 2007 (green)</td>
</tr>
<tr>
<td>Prepare an inventory of the rules included in joint audit agreements concluded by the German SAI with other SAIs</td>
<td>end of calendar week 3, 2008</td>
<td>20 Dec 2007 (green)</td>
</tr>
<tr>
<td>Draft a questionnaire on lessons learnt from and results of joint audit missions</td>
<td>end of calendar week 3, 2008</td>
<td>21 Jan 2008 (green)</td>
</tr>
<tr>
<td>Discuss and decide on the contents of the questionnaire and translate it into English</td>
<td>end of calendar week 5, 2008</td>
<td></td>
</tr>
</tbody>
</table>

**Milestone 1**
Communication of the draft questionnaire to all 188 INTOSAI member SAIs requesting them to modify and/or add relevant information

- 31 January 2008 18 Feb 2008 (yellow)
- Deadline for receiving responses and/or comments from the international audit community
  - end of February 2008 29 Feb 2008 (green)
- Revise the draft questionnaire and adopt the final version
  - end of calendar week 11, 2008 11 Mar 2008 (green)

**Milestone 2**
Communication of the final questionnaire to all 188 INTOSAI member SAIs

- 14 March 2008 14 - 17 Mar 2008 (green)
- Deadline for receiving responses from the international audit community
  - end of April 2008 30 Apr 2008 (green)
- Analysis of the responses received
  - starting in calendar week 18, 2008 31 May 2008 (green)

**Milestone 3**
Draft initial core elements of the guideline on joint audit missions by SAIs

- 30 June 2008 30 May 2008 (green)
- Discuss and decide on the contents of the core elements of the guideline on joint audit missions by SAIs within the German SAI
  - starting in calendar week 27, 2008 15 June 2008 (green)

**Milestone 4**
- Draft of the guideline on joint audit missions by SAIs 30 Aug 2008
- Discuss and decide on the draft of the guideline on joint audit missions by SAIs elements within the German SAI 30 Sep 2008
- Discuss and decide on the draft of the guideline on joint audit missions by SAIs within the CBC – Sub Committee 2 31 Dec 2008

**Kick Off** Establishing Internal Working Group

1st Milestone
2 weeks delayed (turn of the year (holidays); internal coordination)

2nd Milestone
made up for lost time; answers by SAIs in time

3rd Milestone
Core Elements of the guideline / formal agreement
# Draft Questionnaire

## Structure:

1. General information on bilateral and multilateral audit missions carried out so far (seven questions)
2. Formal audit agreement (ten questions)
3. Preparations (four questions)
4. Conduct of the audit mission (seven questions)
5. Reporting (six questions)
6. Conclusions / Evaluation (six questions)

*total: 40 questions*
Comments on the Draft Questionnaire:

Number of Answers

- 41 of 188 SAIs answered (response rate: 22%)
- 27 answers without comments
- 14 answers with comments
- 147 no answers

Regional Distribution

- Europe: 17
- Asia: 12
- Africa: 6
- Oceania: 3
- America: 3

The majority of answers were given by SAIs from Europe and Asia.
Draft Questionnaire

Structure of the Comments by Paragraphs:

<table>
<thead>
<tr>
<th>Paragraph</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General information on bilateral and multilateral audit missions carried out so far (ten comments)</td>
</tr>
<tr>
<td>2. Formal audit agreement (thirteen comments)</td>
</tr>
<tr>
<td>3. Preparations (two comments)</td>
</tr>
<tr>
<td>4. Conduct of the audit mission (one comments)</td>
</tr>
<tr>
<td>5. Reporting (two comments)</td>
</tr>
<tr>
<td>6. Conclusions / Evaluation (four comments)</td>
</tr>
<tr>
<td>overall questionnaire (nineteen comments)</td>
</tr>
</tbody>
</table>

Most of the SAIs recommended the amendment of questions, changes in the order of the questions and in the wording (definitions, misunderstandings, e.g.).
## Questionnaire

### Structure:

<table>
<thead>
<tr>
<th></th>
<th>General information on bilateral and multilateral audit missions carried out so far</th>
<th>(eleven questions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Formal audit agreement</td>
<td>(nine questions)</td>
</tr>
<tr>
<td></td>
<td>Preparations</td>
<td>(four questions)</td>
</tr>
<tr>
<td></td>
<td>Conduct of the audit mission</td>
<td>(seven questions)</td>
</tr>
<tr>
<td></td>
<td>Reporting</td>
<td>(seven questions)</td>
</tr>
<tr>
<td></td>
<td>Conclusions / Evaluation</td>
<td>(nine questions)</td>
</tr>
</tbody>
</table>

*total: 47 questions*
Questionnaire

Main amendment:

• explanation of the number of possible answers \( (1 / n) \) / \( (x / n) \)
• possibility to give answer for more than one audit in one questionnaire
• explanation about the kind of audit mission
  (parallel audit mission / coordinated audit mission / joint audit mission)
• questions about the financial status
• questions about the positives / weaknesses of the audit mission
Number of Answers

- Answers with questionnaire: 32
- Answers without questionnaire: 24
- No answers: 132

The majority of answers were given by SAIs from Europe and Asia.

Regional Distribution

- Europe: 23
- Asia: 21
- Africa: 5
- America: 5
- Oceania: 2

56 of 188 SAIs answered (response rate: 30%)
Answers to the Questionnaire

Experience in bi- und multilateral audit missions (by country groups)

- European SAIs work together very often.
- Asian SAIs seem to have less experience in bi- or multilateral audit missions.
- There is a difference between SAIs which returned the questionnaire and SAIs which participated in bi- or multilateral audit missions.

<table>
<thead>
<tr>
<th>Country Group</th>
<th>No experience in own answer</th>
<th>Yes experience in own answer</th>
<th>Yes experience according to questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrika</td>
<td>3</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Amerika</td>
<td>20</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Asien</td>
<td>3</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Europa</td>
<td>7</td>
<td>34</td>
<td>8</td>
</tr>
<tr>
<td>Ozeanien</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

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There were 69 audit missions, most of them done by two SAIs.

In nearly 65% of the audit mission the participating SAIs signed a formal agreement.
Green issues are the main audit fields.
Questionnaire

Answers to the Questionnaire

Legend:

<table>
<thead>
<tr>
<th>sum</th>
<th>Number of formal agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Description of the audit issue</td>
</tr>
<tr>
<td>b)</td>
<td>Definition of the audit objectives</td>
</tr>
<tr>
<td>c)</td>
<td>List of audit criteria</td>
</tr>
<tr>
<td>d)</td>
<td>Agreed audit methodology</td>
</tr>
<tr>
<td>e)</td>
<td>Information on audit access and audit reservations</td>
</tr>
<tr>
<td>f)</td>
<td>Protection of intellectual property rights</td>
</tr>
<tr>
<td>g)</td>
<td>Confidentiality</td>
</tr>
<tr>
<td>h)</td>
<td>Coordination and monitoring procedures</td>
</tr>
<tr>
<td>i)</td>
<td>Clause how to settle potential conflicts</td>
</tr>
<tr>
<td>j)</td>
<td>Determination of a timetable</td>
</tr>
<tr>
<td>k)</td>
<td>Scope of data sharing</td>
</tr>
<tr>
<td>l)</td>
<td>Type of reporting</td>
</tr>
<tr>
<td>m)</td>
<td>Clause on translation and interpretation</td>
</tr>
<tr>
<td>n)</td>
<td>Clause on cost and cost sharing</td>
</tr>
<tr>
<td>o)</td>
<td>Revision, modification and amendment</td>
</tr>
<tr>
<td>p)</td>
<td>Entry into force, duration and termination</td>
</tr>
<tr>
<td>q)</td>
<td>Others</td>
</tr>
</tbody>
</table>

Regulations Included in Formal Agreements

Possible Answers According to Questionnaire
## Core Elements of the Guideline

**Status:**

- core elements of the guideline on joint audit missions by SAI (cp. annex 1 of the presentation)
- core elements of the standard formal agreement (cp. annex 2 of the presentation)
**Actual Activities**

**Next steps:**

- draft of the guideline on joint audit missions by SAI
- discussion and decision on the draft within the Bundesrechnungshof
- discussion and decision on the draft within the CBC – Subcommittee 2