Seoul Accords

XVII INCOSAI Korea 2001

Congress Themes and the Seoul Accords

Background

The XVII Congress discussed two important subjects: how to promote the governance of international and supranational institutions and how to contribute to the success of administrative and government reforms. The increased roles and heavier responsibilities of the SAIs mean higher expectations of the people – the ultimate clients of the SAIs. To make the most of the given mandates, all the Congress participants recognized the importance of knowledge, skills and abilities of the staff of the supreme audit institutions, and discussed how best they could acquire and develop them. They also agreed that the great challenge of our times is to be able to adapt to the new environment successfully.

The Seoul Accords, unanimously adopted at the XVII INCOSAI, demonstrated that all INTOSAI members are ready to get prepared for future challenges. As the result of Theme I discussions, it was agreed to establish an *ad hoc* working group of a limited number of interested SAIs, with a time-restricted mandate up to the next congress, to elaborate and propose supplementary guidance on the audit by SAIs of international institutions. The Accords summarizes the theme discussions, conclusions reached, and recommendations approved at the Second General Plenary of the Congress.

The Congress Themes

At its 46th meeting in Vienna, Austria in 1999, the Governing Board approved "The Audit of International and Supranational Institutions by SAIs" and "The Contribution of SAIs to Administrative and Government Reforms" as Congress Themes I and II. Two subthemes were selected for Theme II to address "The Role of SAIs in Planning and Implementing Administrative and Government Reforms" and "The Role SAIs in Auditing Administrative and Government Reforms."

The Board also selected the SAIs of Norway, Germany, and Austria to write principal and discussion papers for Theme I, and Subthemes IIA and IIB respectively. In addition, other SAIs were appointed to oversee theme preparations and/or guide theme discussions at the Congress. The themes, subthemes and theme officers were as follows:

Theme I: The Audit of International and Supranational Institutions by SAIs

Chair	Norway
Vice-Chair	Uruguay
Moderator	Switzerland and Tunisia
Rapporteur	Canada and Ghana
(Alternative)	Philippines and Saudi Arabia
Technical Liaison	Korea

Theme II: The Contribution of SAIs to Administrative and Government Reforms

Subtheme IIA: The Role of SAIs in Planning and Implementing Administrative and Government Reforms

Subtheme IIB: The Role of SAIs in Auditing Administrative and Government Reforms

Theme Chair	United States
Theme Vice-Chair	Morocco

	Subtheme IIA	Subtheme IIB
Subtheme Chair	Germany	Austria
Subtheme Vice-Chair	India	Hungary
Moderator	Gambia	Zimbabwe
Rapporteur	New Zealand	Trinidad and Tobago
(Alternative)	Costa Rica	Croatia
Technical Liaison	Korea	Korea

Preparing for the Congress

By the end of February 2000. Themes II and II principal papers had been prepared by Theme I Chair (Norway), and Subthemes IIA and IIB Chairs (Germany and Austria). Then, they were translated into five INTOSAI working languages, and sent to INTOSAI members with an invitation to submit country papers on their experiences with the topics covered by any or all of the three principal papers. Most of a total of 161 country papers – 47 for Theme I, 52 for Subtheme IIA, and 62 for Subtheme IIB – were received by August 1, 2000 or the prescribed submission deadline. They were translated into English if they were not written in English, and sent to the principal paper writers.

During its 47th meeting in May 2000, the Governing Board approved the "Proposed Rules of Procedures for XII INCOSAI," which explained theme discussions and the roles and responsibilities of theme officers as well as other arrangements for the Congress.

By September 2001, preparations for theme discussions during the Congress were almost complete.

The preparations included
- discussion papers for Theme I and Subthemes IIA and IIB being written based on the major points and experiences raised in the principal and country papers;
- the Congress Secretariat translating and publishing the discussion papers in all five INTOSAI working language, and distributing them to SAIs and others invited to attend the Congress
- the Congress home page (http://www.koreasai.go.kr) posting all principal, country, and discussion papers for an easy access of the Congress participants; and
- leading theme officers meeting or communicating in other ways to help them prepare for theme discussions during the Congress

Preparations for theme discussions continued until just before theme discussions began at the Congress on Tuesday, October 23. On the afternoon of Monday, October 22, delegates serving as theme officers met together to discuss their roles and responsibilities and clarify the procedures to be followed in producing the summaries for theme plenary sessions for presentation to the Second General Plenary session.

Theme Deliberations during the Congress

During the Congress, the theme discussions took into consideration the invaluable contributions of views and opinions on discussion issues by SAIs, and theme and subtheme Chairs. Discussions for Themes I and II were held for Theme I and each of Subthemes IIA and IIB in two groups running concurrently allowing each discussion group to be appropriate in size for group discussion. After the group discussions, theme officers met to summarize each group's discussions for presentation to the theme plenaries held on Friday, October 26. The final summary reports were translated into the five INTOSAI working languages and distributed to participants before the theme plenary sessions.

The Theme Chairs prepared the draft recommendations based on the final summary reports and delegates' opinions on them. The draft recommendations

were presented to the Second General Plenary for further discussion. During the Second General Plenary session on Saturday, October 27, the Congress approved, by acclamation, the final results of the theme discussions as presented, and declared them the Seoul Accords.

Theme I

The Audit of International and Supranational Institutions by SAIs

Introduction

Currently, there are hundreds of international institutions around the world. Some are small with relatively few members, while others are huge with global membership. There are relatively few really supranational institutions, although the work of some international institutions may touch on issues of sovereignty. Those that exist generally have well defined audit arrangements commensurate with the sovereignty given up. The audit arrangements of supranational institutions were not covered in the discussion. Also, from the country papers it is clear that the arrangements for the audit of organizations within the UN system are long established, and changes in these were not considered.

International institutions are basically financed through grants from the member states. As such, grants are part of the national budget. SAIs have a vested interest in good governance, accountability and transparency in international institutions, and are of the opinion that good, well–organized and independent audit systems will contribute to better and more transparent control of international institutions, thus contributing to their efficiency, effectiveness and economy. This opinion has also been the outcome of previous discussions of the issue by INTOSAI, the last being at INCOSAI X, in Kenya, where a definition of international organization was formulated as follows: "an organization set up by agreement between two or more national states for a common purpose, as a working partnership".

A total of 46 SAIs submitted country papers in response to the Principal paper for Theme I. 23 SAIs stated that they, together in 1999, were the auditors of 75 international institutions. The theme chair has analyzed the country papers, which represent an important collection of views and experience on the topic, and used this as the basis for the Theme I Discussion paper.

Discussion Results

The XVII INCOSAI delegates discussed a number of issues concerning the audit of international institutions.

Audit Mandate

The delegates discussed the need to have explicit provisions for performance audit, in addition to those related to financial audit, in the audit mandate. They pointed out that audit is dynamic, and that the mandate set when the institution was founded may no longer reflect best practice.

Delegates called for audit mandates to be formalized in writing and made visible, both within the organization being audited as well as to its stakeholders.

Delegates also emphasized that mandates should cover all relevant audit issues, including employee pensions and the funding of projects.

Most delegates considered that performance audit, like financial audit, should be an integral part of the work of external audit, and the audit mandate should include scope for this kind of audit. The arguments expressed in favor of this position were that performance audit leads to greater transparency. This is important given the fact that this public money is not administered directly by accountable national governments. Views expressed in country papers against including performance audit in the audit mandate are the absence of a clear understanding of the concepts, a "lack" of critical readers able to address such reports, and the added cost of the audit.

Delegates cautioned that performance audits could not and should not be conducted unless basic financial management controls are present. As well, performance audits may not be appropriate in all circumstances, such as for very small organizations with limited activities.

Audit Arrangements

The delegates emphasized that the audit arrangements must be adapted to the needs of the institution. In most cases the auditing system will have been set up when the institution was established, and this may be a long time ago. Since then, the institution may have changed in size and character, without the audit arrangement being reassessed. The country papers indicate that the majority of the audits of international institutions are undertaken by a single SAI. The second most common approach is the board system.

The majority of the speakers, as well as the country papers, were in favor of an arrangement with a board of auditors only for the largest institutions, where the members may have the opportunity to be in charge of the audit of discrete parts of the institution. This may also be relevant where the participation of more member states is seen to give an international or regional balance to the audit. Some SAIs

indicated a preference for a board arrangement in smaller institutions as well. Disadvantages mentioned were the significant increase in the cost of administration, the difficulties caused by the need for members to work in a foreign language and major problems coordinating the inputs of different members.

The main benefits, as expressed by the delegates and noted in country papers, of audits by a single SAI are that this will lead to less bureaucracy, that there is a clearer line of command and a single approach to the audit. This is therefore likely to be the most inexpensive form of external audit, as the overhead administration costs will be lower. It is also the arrangement favored by the governing bodies of most international organizations.

Delegates expressed that the mandates should be long enough to ensure continuity and avoid the heavy costs involved in the first year of audit. A period of 3 – 5 years was mentioned.

Some delegates also expressed a preference for an auditing arrangement that would include more than one SAI, but without a board structure. This may provide some of the benefits of a board arrangement, without the increased administrative cost. Such arrangements may also give SAIs with less experience in audit of international institutions an opportunity to gain such experience. There could also be a role for private sector auditors in the financial and compliance aspects of these audits, reporting through the SAI or the board of auditors.

The overriding principle that was emphasized by delegates was the promotion of equal opportunity for SAIs to participate in the audits of international institutions. Creativity was encouraged in crafting arrangements whereby SAIs of developing nations could participate in these audits as is currently being done for example in the audit of some UN agencies. Such arrangements would be designed to overcome issues such as staff shortages and the need for specialized skills.

System of Appointment

Three models seem to be dominant in international institutions that periodically change external auditors. These are: rotation, where the position as external auditor is offered to each member state in accordance with a fixed schedule; competition, where interested parties offer their services in a tender document; and application, on given financial terms.

As noted above, it was widely recognized that equal opportunities for qualified SAIs should be the rule, and the system of appointment set up to facilitate this. Delegates also thought that the appointment process should be transparent. The majority of SAIs considers that information on forthcoming vacancies should be communicated

through the national institution representing the member state in the governing body of the institution, not directly to the SAIs. It is for each SAI to establish a line of communication with their relevant national institution. These procedures must be clarified to the satisfaction of SAIs.

Some of the other proposals were that the institutions could copy invitations to SAIs and INTOSAI, and that these could be published on the Internet or advertised through the international press.

In addition, certain practical difficulties were recognized by delegates with respect to issues such as the timing and term of appointment.

Resources

Adequate auditing is dependent on adequate resources. The delegates discussed how and by whom such resources should be acquired. The majority view was that, in principle, the audited institution should cover the cost of audit. The current situation varies from the desired situation to a situation where almost all of the cost in many cases is covered by the SAI.

Delegates also expressed the view that it was important to review the governance structure of the institutions. In this respect, it was felt that the auditor should be paid by and reports to the governing body, and that appropriate arrangements should exist to review and act on audit findings and recommendations.

Arguments expressed by delegates for the majority view included the general opinion that this promoted equal opportunities, and that the cost of audit is a natural and necessary expense for the institution and proof that auditing is considered important. It was pointed out that always giving the audit task to the lowest bidder could cause exclusion of SAIs that have to charge higher fees, sometimes required by law.

Certain delegates expressed the view that a competitive process may not result in the best audit. It was suggested that an appropriate level of fees could perhaps be determined in some other fashion, and that the competition be based on qualifications only.

One aspect highlighted by many delegates is that the arrangement for payment must protect the independence of the auditor. In this respect, payment should be made direct to the SAI, not through the government.

Some cost sharing between the international institution and the appointed auditor are considered acceptable by a limited number of delegates, especially when the

audit is of a small institution and completed over a relatively short period of time each year.

Open and direct communication between the auditors and the delegate bodies of the institution are also important. The delegates pointed out that the auditors should be allowed to propose their budget without the interference of the administration, and if so desired by the delegate body, to justify their proposal.

One way of encouraging international institutions to make available sufficient resources for audit is to ensure that national representatives understand the benefit of well-focused and independent external audit. Promoting INTOSAI recommendations through the national channels, in order to create an understanding that audit is an integral part of accountability, was also mentioned.

Transparency and Reporting

The normal practice is that audit reports are addressed to the supreme body of the international institution, or a delegate body charged with handling such issues. It is normal practice that the reports are submitted through the administration, so that the executive may comment on them before they are tabled for consideration by the governing body.

The majority of delegates are in favor of more transparency, with more audit reports made available to the public. This would add to the credibility of the institution. In addition to making audit reports available to the general public, perhaps using the internet as a low cost medium, delegates pointed out that reports should be made available to parliaments, as they are the ones approving the contribution to the institutions through the national budget. It was also pointed out that the national representative should submit audit reports to the Ministry of Finance and other relevant ministries, as well as the SAI, as they are the institutions with most competence in such matters. Having an established system within the responsible ministry for dealing with audit reports should ensure adequate reactions.

Delegates expressed the view, however, that management letters would not be made public.

Auditing Standards

There was unanimous agreement among the delegates that auditing standards are important tools in any audit. INTOSAI has developed a set of auditing standards for public audit that have been adapted and adopted by a majority of SAIs. Delegates indicated that, because of the general nature of the INTOSAI standards,

they have been supplemented by more specific national and/or SAI standards and related procedures.

IFAC auditing standards are the dominant basis for auditing standards in the private auditing community. The delegates generally agreed that the existing auditing standards are sufficient for financial audit. However, additional attention should be given to the audit of contributions. Particularly where contributions were not made because issues such as accounting errors had to be resolved. Also, there seems to be a general consensus that these standards should continually be improved and adjusted. Some SAIs expressed a need for standards for performance audit, especially as the concept is different in various countries.

Country papers and the further discussions in Seoul indicated that there is a need to develop specific guidelines on the application of existing auditing standards to international institutions, in order to deal with specific conditions and/or situations that may exist in these institutions. Especially for SAIs with little experience in audit of international institutions, such guidelines could be useful, both for the SAI and for the institution to be audited, as that would for them be a guarantee of quality. Two different starting points have been proposed as a basis for drawing up such guidelines: the work done by the informal group of auditors of international institutions with headquarters in Europe (EXAWINT); and the work done by the UN Panel of External Auditors. Delegates cautioned that the development of these guidelines must make full use of existing standards and guidance in order to avoid 're-inventing the wheel'.

Promoting INTOSAI Recommendations

Only a small number of SAIs mentioned that they have made recommendations vis-à-vis their government to promote INTOSAI's recommendations concerning audit issues in international institutions. Generally, the SAIs do not have a direct mandate to review audit issues in international institutions, but some SAIs report that they review the material received by the national representative as part of the audit of that ministry. Any action has to be made on the basis of reports issued by the auditor of the international institution. This has not created a natural environment for the discussion of audit issues

Delegates suggested three main channels through which they can promote the INTOSAI recommendations:

(1) by encouraging international institutions to include a reference to these standards in their financial regulations;

(2) by having SAI representatives as auditors in the international institutions; and,

(3) by communication with the national representative in the institution and promoting these standards with the governing body.

An initiative by INTOSAI as a body has also been suggested.

By having auditors in the institutions representing SAIs consciously referring to auditing standards, international institutions may be made to appreciate the benefit of these and audit arrangements recommended by INTOSAI.

As to INTOSAI's direct engagement in the promotion process, it was pointed out that INTOSAI could, in the first place, inform governing bodies of international institutions about its statements and recommendations. This could be done at one of the meetings of the institution, preferably the meeting when the audit report is tabled. Another proposal was that it would be useful to make available a concise guide of the statements explaining the basic principles of external audit and the benefits that will accrue for the organization from their proper implementation.

However, it was underlined that improvements can only be obtained if you have a dedicated financial management, good internal control, internal audit and a management dedicated to internal capacity building.

Proposed Recommendations

Recognizing the importance that SAIs place on establishing and maintaining adequate auditing of resources administered by international institutions, XVII INCOSAI agreed to continue the work of establishing guidelines on recommended auditing arrangements for international institutions, and supplementary guidance on the application of auditing standards to the audit of such institutions.

Also, recognizing the work done by the UN Panel of External Auditors and others on these topics, the continued work should be done in close co-operation with these and other interested parties.

Based on the ideas in the principal paper, the views expressed in country papers and the discussion paper, and the outcome of the discussions during the XVII INCOSAI, it was agreed to establish an ad hoc working group of a limited number of interested SAIs, with a time-restricted mandate up to the next congress, to elaborate and propose supplementary guidance on the audit by SAIs of international institutions. The definition of these international institutions should be more precise and accompanied by examples. It was also agreed that the working group would begin its work by defining its mandate and a related work plan. These will be communicated to the Secretary General and the INTOSAI Governing Board.

The supplementary guidance that the ad hoc working group will propose, would cover issues such as audit mandate, audit arrangements, system of appointment, resources and application of auditing standards. In conducting this, it was concluded that the working group should not cover the established UN audit system.

It was also agreed by delegates that this ad hoc group should reaffirm the benefits of an external audit by SAIs or auditors seconded by SAIs of member states, and consider how best to promote the involvement of SAIs of developing nations in these audits.

Theme II

The Contributions of SAIs to Administrative and Government Reform

Introduction

Countries around the world are undertaking administrative and government reforms to improve the performance and accountability of public sector management. In order to respond effectively, SAIs need to consider how their independent audit mandate provides a foundation for expanding and evolving the roles they can assume during the planning and implementation of these reforms. Such considerations need to take place within a context that appreciates the widely differing mandates, political and institutional arrangements, and capabilities within which individual SAIs operate. Because of the significance of administrative and government reforms to many SAIs as their respective nation's leading accountability organization, the INTOSAI Governing Board decided at their 46th meeting in May 1999 to make the contributions of SAIs to administrative and government reforms a Congress theme for 2001.

Theme II preparation and development resulted in principal papers for Subtheme IIA, The Role of SAIs in Planning and Implementing Administrative and Government Reforms (Germany) and Subtheme IIB, The Role of SAIs in Auditing Administrative and Government Reforms (Austria). With the able support of Korea, the Congress host, the two principal papers were translated, printed, and distributed to INTOSAI's 178 member SAIs in February 2000.

A total of 57 SAIs – representing every regional working group – prepared country papers that addressed the questions raised in one or both of the principal papers. The country papers describe SAIs' contributions to administrative and government reforms and their related experiences. The theme and subtheme chairs analyzed the country papers and, based on their analysis, determined that the interrelationship of ideas presented in the country papers warranted integrating the information into

one Theme II summary paper for discussion during the Congress. The country papers also served as the basis for the theme's keynote speech by the Comptroller General of the United States, David M. Walker.

Discussion results

The INCOSAI delegates discussed a number of issues concerning administrative and government reforms and their roles and specific experiences with these reforms. The delegates emphasized that SAIs can play a critical role in contributing to good governance while at the same time maintaining the appropriate independence from the government institutions implementing reforms. There was unanimous agreement among the delegates that SAI independence must be upheld and SAI credibility must be maintained regardless of the role assumed in administrative and government reforms. At the same time, many delegates noted that SAIs should seek to make positive contributions in this area as a way to enhance their value while managing any related independence risks. Although the delegates discussed a wide range of issues concerning their roles and experiences with administrative and government reforms, the following topics dominated the session discussions and reflected the points raised in the country papers.

In this context, the delegates discussed how SAIs can and have made contributions to administrative and government reforms using their independent audit responsibilities as a foundation. Specifically, SAIs have served as an auditor, advisor, researcher and developer, and, to a lesser extent (as far as their structures permit) as a model for effective public management. An SAI's statutory authority, their institutional capacity, and the nature of the reform influence the roles assumed, according to the delegates. In that regard, the delegates stressed that, irrespective of the roles assumed, the SAI's independence must be maintained and protected. In addition, great care must be taken to guard against being involved directly (or be seen as involved) in making government policy, which are the responsibilities of the legislative and executive branches. At the same time, SAIs, by performing these various activities and reporting on their findings to the legislative branch and others, provide information and perspective to help inform decision-makers.

Some SAIs indicated that they assumed the auditor role at the completion of the reform planning and/or implementation stages. While some delegates noted that their SAIs might lack the appropriate mandate to assume such a role, there was general agreement that SAIs should strongly consider pursuing such mandates. Moreover, there was widespread agreement that the lack of a specific mandate should not preclude SAIs from making substantive contributions. Specifically, all SAIs, within their current mandates and structures, can assume some role in auditing government reform initiatives. These audit roles can include, for example,

financial audits, compliance audits, and performance audits, as appropriate. The delegates recognized that by doing audits in the early stages, SAIs can report their findings to legislative and executive decisionmakers as reform efforts move forward from planning and initial implementation to integration into ongoing government operations. By helping to influence reform efforts in the early stages, SAIs can help save scarce public resources and improve government performance and accountability.

The advisor role, according to the delegates, should be based on relevant audit work augmented by the auditor's institutional knowledge and professional judgement. The delegates also stressed that SAIs must be very cautious in exercising this role in order to protect their independence. The advisor role includes providing studies, prior reports, and other information to decisionmakers. It also may include being consulted by government when reform initiatives concern issues directly relevant to the expertise and values of SAIs, serving on committees with government agencies (preferably as an observer), and engaging in constructive dialogues with government agencies to address performance shortfalls and management weaknesses. Providing perspective based on experience during the early stages of a reform effort can be used in shaping the reform agenda and helping to improve government performance and accountability.

The researcher and developer role is less often pursued but includes compiling, testing, and assessing opportunities to improve the efficiency and effectiveness of public administration and management. This role is often reported in best practice reports, manuals, checklists, standards for oversight purposes, and guides to inform the legislative and executive branches and other interested parties. It also includes evaluation studies that help to answer the question what works and what does not work. Such a role may be particularly important for an SAI in situations where another credible organization does not fulfil this role (e.g. independent "think tank", university research center).

Finally, SAIs can strive – as far as their structures permit – to improve their operations and enhance their credibility and, therefore, effectiveness by becoming a model organization through the early adoption of best management practices in areas such as financial management, information technology, strategic planning, organizational alignment, human capital management, knowledge sharing, etc. Although there is no clear trend for this role, there was general agreement that SAIs should "practice what they preach" in regards to effective public management. First and foremost, SAIs should lead the way in effectively complying with the rules and regulations (for example, in civil service and procurement) that apply to them as well as other government organizations. Some SAIs indicated that they are following the principle of leading by example–for instance, by voluntarily adopting best management practices and relevant recommendations that they provide to other organizations.

Key Competencies

To be successful in these roles, the delegates noted that there is a need to expand the knowledge, skills, and abilities of their staff. As noted in the country papers, the majority of the SAIs emphasized the need to build knowledge and skills in performance auditing among their staff and, more broadly, among the SAIs. Moreover, many SAIs noted that they have active efforts under way to build the capabilities of their staff in "traditional" audit areas (e.g. financial audits) as well. The different SAI roles have important implications not only for key competencies, but also for recruiting, training, and developing SAI staff. Delegates stressed that to be successful, SAIs must attract and retain staff with the right blend of talent and skills. This could, for example, require SAIs to recruit skills in engineering, the environment, and health care. SAIs also increasingly need to consider if they should contract for the specialized skills they need and how contract employees and permanent staff can be brought together to form effective partnerships.

SAIs working with other SAIs (through INTOSAI and other vehicles) should strive to provide and encourage staff training and professional development. Such initiatives would look to realize staff potential and to inform staff of new concepts, techniques, and methods to fulfil various roles associated with the planning, implementing, and auditing administrative and government reforms.

Information Exchange

Many of the delegates emphasized the value of sharing information and experiences concerning administrative and government reforms, and experiences and approaches to assessing those with SAIs worldwide. In this regard, the vital role that INTOSAI and other co-operative arrangements among SAIs have played in recognizing and responding to SAIs' differing needs was widely regarded as providing a foundation upon which additional efforts can be built. In developing criteria and approaches for audits of reforms, some SAIs identified the benefits and value of consulting with and learning from the experiences of other SAIs, as well as obtaining copies of best practice reviews and benchmarking studies.

Recommendations

Consistent with the overriding value of maintaining independence and using the independent audit role as a foundation, SAIs should continue to demonstrate their vital interest in bringing about improvements in government administration and management. These efforts to assist in making government improvements must be sensitive to SAIs' widely differing needs and capabilities. Nonetheless, it was agreed that, where possible, SAIs should:

With due consideration to their mandate and statutory authority as well as political and institutional arrangements, conduct audits at the early stages of administrative and government reforms. By doing so, the findings of SAIs are available to decisionmakers as reform efforts move forward from planning and initial implementation to integration into daily government operations.

Recognize that the advisor role, without getting directly involved in the decisionmaking process, should be:

Based on relevant audit work augmented by the auditor's institutional knowledge and professional judgement. This advisor role includes a range of management functional areas where the SAI has long–term, demonstrated expertise (such as financial management and accounting or strategic planning and performance measurement) and/or involves values that are of vital concern to the SAI, including transparency, accountability, governance, and propriety.

Started during the early strategic planning stage and continue through implementation.

Considered in the context of the broad audit function with great caution exercised to maintain SAI independence.

Consider the importance that the evolving SAI role of the researcher and developer has now and in the future.

Strive, as far as their structures permit, to adopt the best management practices, guidance, and relevant recommendations that the SAIs provide to other organizations. Doing so can enhance the economy, efficiency, effectiveness and, importantly, the credibility of the SAI and help it to serve as a model in public management for other government organizations.

Seek opportunities to build the needed institutional capabilities within SAIs in order to cope with new management concepts and methods. This includes, at a minimum, recruiting audit staff with the right blend of talent and skills and providing sufficient training and development.

Cooperate in increasing the capabilities of other SAIs through knowledge sharing and by exchanging experiences in the area of government and administrative reforms.

Recognizing that SAIs' specific experiences and needs in employing the various roles – auditor, advisor, researcher and developer, and being a model (as far as their structures permit) – positively effects administrative and government reforms, it is desirable that INTOSAI should:

Look for opportunities within existing standing committees (such as the Auditing Standards Committee with its experience in the area of performance audits) and regional working groups to support the roles that SAIs have adopted.

Encourage SAIs that have significant experience in administrative and government reforms to actively share their experiences through greater information exchange with other SAIs. For example, INTOSAI could invite SAIs to contribute articles to the International Journal of Government Auditing that cover such topics as lessons learned, best practice reviews, and benchmarking efforts in public sector reform.

Establish other knowledge sharing platforms, such as a "Community of Practice," to provide a central point for gathering and sharing information on SAI experiences with reforms. The development and sharing of criteria, approaches, and methodologies for the audit of administrative and government reforms is an area of particular importance and interest. INTOSAI and regional working groups could compile a "Community of Practice–Reforms" contact list for their respective Internet pages. This list could include the names, e–mail addresses, group mail lists, and telephone numbers of SAIs who have experience with reforms and who are willing to be resources of information and knowledge for other SAIs.

Facilitate assistance to SAIs, including opportunities as part of the INTOSAI Development Initiative and the United Nations/INTOSAI Seminars, as a vehicle for developing the expertise and key competencies needed by SAI staff to effectively adopt new and somewhat different roles with regard to administrative and government reforms.