Minutes from the EUROSAI Peer-to-Peer Capacity Building Workshop

The Hague, the Netherlands, 12-14 February 2019

Representatives from eight EUROSAI member SAIs[1] and the IDI met over 3 days to explore how to improve the quality and to increase the quantity of long-term peer-to-peer cooperation. They shared experiences, methods, approaches and tools concerning peer-to-peer cooperation. The workshop was organised as part of the EUROSAI project "Enhanced capacity for peer-to-peer support" and in cooperation with INTOSAI's Capacity Building Committee.

On the first day, a lecture took place about learning from failures and a discussion on the theme paper of the Capacity Building Committee on strengthening SAIs. On the second day, the participants shared experiences with project management of peer-to-peer cooperation. On the last day, several SAIs presented practical tools for providers of peer-to-peer support, which can be shared with other SAIs. Furthermore, tools in development were discussed and remaining issues to address in the future.

1. Lecture by Prof. Dr. Paul Iske of the Institute of Brilliant Failures.

According to Dr Iske, people rather share their success stories than their failures. He explained that this fact impedes innovation, because failures are first attempt in learning. A "brilliant failure" is nothing less than a well-prepared opportunity with a different outcome than planned, and a learning effect. The institute has identified a number of typical failures and categorized them. These categories can be used to explore what has gone wrong and what can be learned from the failure. Dr Iske invited the participants to share during the workshop successes and especially failures, to learn from each other and to stimulate innovation.

2. CBC theme discussion on good practice in peer-to-peer partnerships

Mr Magnus Lindell from the Swedish National Audit Office (Vice-Chair of the INTOSAI Capacity Building Committee) introduced the theme of peer-to-peer capacity development and its relation to the INTOSAI CBC. This cooperation is popular within INTOSAI, because it offers SAIs the opportunity to learn from each other based on a common identity and common experiences.

The guide produced by the Capacity Building Committee of INTOSAI (October 2018): *Strengthening Supreme Audit Institutions – A guide for improving performance* (see: https://www.intosaicbc.org/cbc-guides-and-flyers/) distinguishes 3 levels for required change in the process of strengthening SAIs: the institutional level, the organizational level and the professional level. Any successful long-term capacity development project tries to relate to all three levels, and the guide provides good practices and lessons learned over the last ten years .

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[1] SAIs of France, Latvia, the Netherlands, Norway, Portugal, United Kingdom, Spain and Sweden

The CBC has also produced an Occasional Paper (February 2019*): Sustainable organisational change – good practice in peer-to-peer partnerships* (see: https://www.intosaicbc.org/download/sustainable-organisational-change/) which identifies key lessons from both recipients and providers of support.

3. The project management cycle[2]

The participants shared their experiences in peer-to-peer capacity building projects based on the following 5 phases of the project management cycle:

1. Initiation & needs assessment
2. Design & planning
3. Implementation & monitoring
4. Evaluation
5. Exit

Phase 1: Initiation & Needs assessment

<u>What critical factors will make you not start the project (red flags)?</u>

- Lack of commitment top management by both the provider SAI and the recipient SAI.
- The agreed approach is not matching the needs.
- The requests for assistance from the recipient SAI are not for the development of the SAI, but for gap filling in key positions.
- The recipient SAI is known to donor-shop (when there are already too many provider partners involved in the recipient SAI).
- When there is a substantial risk of corruption in the recipient SAI.
- An unsecure situation that severely hampers operations in the country of the recipient SAI.
- Project is donor-steered, imposed and therefore not seen as of value by the recipient SAI.
- The recipient SAI has no expertise or resources available to address the needs.
- There is no on-going development of the public financial management system on a national level, and/or no apparent will to change.

<u>What are the essential components during this phase?</u>

- Ownership of the project by the recipient SAI.
- Clear demand from the recipient SAI.
- The mapping of the SAI's context.
- Assess current mandate and legal situation, management systems, strategic and operational plans, etc.
- Ensure that requested support is in line with strategic priorities.
- Strive to establish an environment for honest feedback.
- Use already existing baselines of a recipient SAI on e.g. Public Financial Management as a starting point.

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[2] Please notice that the different project phases are inter-linked and elements might reoccur in other phases.

- Continuous strategic dialogue with recipient SAI.
- Building on trust and relationships.
- Use existing structures.
- Notice that the objective of a project is to achieve sustainable results.
- Always invest in an initiation mission
- Take into account the political context in the country

Phase 2: Design & Planning

Defining a baseline:

- Use the strategic plan of the recipient SAI (if available) as a starting point and assess the significance of this document to the SAI and internal ownership of the plan.
- Use the needs assessment as a point of departure to help determine the focus areas of the project, considering the capacity of both the recipient and provider SAIs.
- SAI Performance Measurement Framework (PMF) is an effective and flexible instrument to evaluate the performance of a SAI in relation to standards and good practices. However, executing a full SAI PMF assessment is time- and resource consuming. When defining the baseline for a capacity development project, the SAI PMF tool can be used to create a structure for the process. By focusing on the domains and indicators covered in the project, the point of departure is clearly defined and agreed. The same domains and indicators can be used to define the level of ambition for the project and can be used as the reference point for future evaluations. However, this approach should not be confused with a full SAI PMF assessment.
- Include the recipient SAI in setting the baseline and keep the dialogue going.

Designing the project document:

- The project document has to follow logically from the baseline and should define the goals of the cooperation.
- Set realistic goals and make a distinction between short term and long term goals. Perform a risk assessment of each goal and define meaningful (or SMART[3]) indicators and intended results. These are also important for the monitoring of the project.
- Manage the expectations of both parties in the project document by clarifying assumptions and the expected deliverables by both.
- Estimate the required human and financial resources for both provider and recipient. Keep in mind that certain key functions/people are likely to become bottle necks in driving development while also delivering on the audit mandate.
- Plan for sustainability by considering how the project will be implemented: i.e. offering train-the-trainer programmes and on-the-job training, plan for the partner to take the lead and focus on ownership from the start.
- Plan project activities taking into account the core activities of both SAIs (f.ex. considering peak periods).

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[3] SMART: Specific, Measurable, Achievable, Relevant and Time-bound

- Unforeseen circumstances might occur; the project design needs to be flexible for later adjustments. The budget should contain room for these adjustments.
- Perform an analysis of other (cooperation) partners or organisations involved in the SAI and agree on a coordination process. What has already been done and what lessons can be learned?
- Describe roles and responsibilities in the project, define the project management model (which ensures the involvement of top management) and agreed processes of follow-up and reporting. Include conditions for pre-mature exit as well as a risk analysis (relating to both internal and external risks) and mitigation strategies.
- Be aware of the limitations of the externally funded project regarding for example budget, room for flexibility and project period.

Phase 3: Implementation & Monitoring

Flexibility & Timing:

- Being flexible can be difficult when a project has a very detailed project document. Therefore, it is recommended to build a degree of flexibility in the project implementation.
- The room for flexibility depends, among other things, on the donor requirements.
- Discuss with the recipient SAI which parts of the year are peak production periods for both partners, and plan project activities to either support the production or not interfere with the production – depending on the activity.
- Use flexibility as one of the criteria when selecting advisers.
- Know when to be flexible: take the agreed plans seriously.

Staffing (by provider SAI):

- AGs' attitudes towards international development activities are important in setting the tone and get access to internal resources.
- Having international capacity building work embraced by management is important, since it will make them more willing to allocate staff.
- A careful planning and clarity about the timing of missions help managers in agreeing with allocating staff.
- Establish a pool of auditors or trainers for the international projects, e.g. by a recruitment market or through informal network and organise basic training and facilitation workshops and specific project team meetings.
- To motivate staff to engage in missions abroad, a SAI could post advertisements on the intranet, organise information meetings or offer incentives (e.g. participation bonus).
- Personal circumstances do not always allow for international project work. In such cases, the provider SAI could ask the recipient SAI to visit the provider or to communicate via electronic means.
- Cooperate with other SAIs who may have qualified staff available to act as advisors.
- Using long-term (resident) advisers can be beneficial in narrowing the gap between providing SAI and recipient SAI. But the possibility for this is depending on the context (e.g. in EU projects long-term advisers are compulsory) and on the budget.

Training of advisers:

- Organise a mandatory course for staff working abroad, e.g. with the following components: the capacity building policy of the provider SAI, working methods, teaching techniques and learning styles (and how they should be matched to achieve effect), facilitation techniques, ethical dilemmas, safety and practical issues.
- The advisers of the provider SAI need to be responsive to the needs of the recipient, not to impose ready-made solutions.
- Understand the role as coach or advisor to the recipient SAI. This will require other skills than acting as an auditor.

Monitoring & Feedback:

How do we know we deliver good quality in our projects?

- Performing continuous evaluation (monitoring).
- For monitoring purpose, it is important to have concrete indicators in the project proposal. This can be a dilemma, because flexibility is also important.
- Use (anonymous) evaluation forms to evaluate different activities.
- Perform a mid-term evaluation
- Provide the project managers and involved colleagues with regular feedback and report back on this for use in the internal appraisal procedure.
- Strive to establish trust and an open dialogue to ensure that the recipient SAI can offer honest feedback without fear of consequences.
- Ensure steering committee meetings (or other formal dialogues) that there is time set aside for a one-to-one dialogue with the recipient AG and provider counterpart.

Phase 4: Evaluation

An important question to answer is: who evaluates the project and for what purpose?

The OECD Development Assistance Committee provides criteria for the evaluation of development programmes: relevance, effectiveness, efficiency, impact and sustainability.

Link: http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

There are different types of evaluations:

- Another SAI evaluates (e.g. the SAI of Norway has evaluated the Swedish NAO's capacity development projects, and vice versa). This requires a significant investment by the evaluating SAI, but also a learning opportunity. There are relatively few SAIs who have the experience and capacity to carry out this type of evaluation. As a result they run the risk of becoming too interdependent and thus less likely to be critical of colleagues.
- Using an external consultant. An external consultant has the advantage of being completely independent; however, they are also relatively costly. There is the risk of the consultant not being familiar with SAIs and not being able to provide immediate substantial feedback.

- An internal or semi-internal evaluation, carried out by the provider SAI (e.g. team members are from the provider SAI but not involved in the project, and the team may also include consultants and/or SAI colleagues). This type of team can combine different skill sets and usually provide quick and relevant feedback. They may also have the best understanding of the projects/context and thus offer the best learning opportunities. However, they are the least impartial evaluators of the different approaches.

Purpose of evaluation

In general, evaluation can have two purposes: accountability (relating to donors) and learning (to improve the continued implementation of the project). The focus of the evaluation is to get a clear view of the progress of the project, an assessment of achievement of the goals and possible impact, as well as sustainability of the project.

The publication of the results of evaluations (e.g. via the website of the CBC) might help other provider SAIs to learn from the experiences.

Phase 5: Exit

When the project comes to an end (preferably when goals are reached in the agreed project period), the exit phase is at hand. To ensure sustainable results the exit phase should be planned from the start to know when and how will the project conclude. By the end of the project, ideally, the results of the project should be incorporated in the organisation (both at personal level and system level).

How do we organize a successful exit?

- Plan the exit at the start of the project and include it in the project design.
- Agree on an exit strategy with the parties involved (i.e. recipient, provider and donor).
- All project documents, including annual implementation plans, should consider how to achieve sustainability of project activities throughout the project and following the exit. The issue should be on the agenda of each steering committee meeting to ensure focus.
- The agreement between the participating parties, it should also be made clear that the project may be terminated

What components are needed in the exit plan?

- The plan has to take into account a gradual decrease of initiative taken by the provider SAI.
- Reasonable objectives to promote and maintain sustainability after the closing of the project.
- Organised closure, e.g. by a workshop and/or through a joint final report on results.
- The exit strategy should specify roles and responsibilities following the conclusions of the project. I.e. the provider can become a "sleeping partner" who is not actively involved in the development of the recipient SAI anymore but available for questions.

4. What has been developed and can be shared with other SAIs:

1. Facilitation training:

The SAIs of Norway and Sweden regularly organize training for facilitation. This is a basic level training focusing on the methods of facilitation, the qualities of an effective facilitator and the various situations in which facilitation skills can be meaningfully used. External participation is possible.

2. Data science:

Within the informal working group on data analytics (consisting of the SAIs of Finland, the Netherlands, Norway and the United Kingdom) a code for the software program R (originally made by the SAI of the UK) has been shared. This can be used to search through SAI reports for e.g. particular themes, words, values, etc. The R code is available upon request. A few apps have been made that can be shared too.

3. Safety and security training:

The SAI of Sweden has developed a web course for its employees who travel outside of the EU. The course teaches staff how to prepare for a mission, bringing attention to internal rules and processes. A video shows situations with a safety or security dilemma and gives some tips on how to deal with these situations. At the end of the course the employee has to take a test, which is mandatory on an annual basis. The web course can be provided upon request.

4. Database:

The website of the INTOSAI Donor Initiative (IDI) has a Capacity Building Database. This database is a collection of capacity building projects all over the world. 455 projects in 192 locations are registered. SAIs register their own projects and can use the search function to see projects of others. Link: https://intosaidonor.org/project-database/.

5. Games to use in workshops:

The SAI of Sweden has created several games to stimulate interaction in workshops. These games can be shared upon request. The games cover different areas, such as: strategic planning, quality assurance, compliance audit, financial audit (focusing on findings and process). In addition, a Lego visualisation tool has been developed to support the understanding of SAI PMF assessment results.

6. Incentive pay for staff to work abroad:

In order to encourage staff to participate in international projects and to provide incentives for managers to make their staff available, the SAI of Latvia offers financial incentives. The monthly salary of the involved staff member is increased by 20% to 30% during the mission abroad. Additionally, the audit directorate of the staff member gets a financial bonus for having released staff. The SAI is willing to share more information about this policy upon request.

7. IT audit manual:

The EUROSAI and INTOSAI working groups on IT are jointly developing an interactive tool based on the IT Audit Handbook of the IDI. This tool will be available on the internet in autumn 2019, but the working group is willing to share a draft upon request.

8. Cross cultural workshop:

The SAI of Norway has developed a one-day workshop on effective communication with partner SAIs to facilitate smooth bilateral cooperation. During the workshop cultural differences and potential miscommunications are explored. The SAI of Norway is willing to share the program upon request.

5. In progress

The participants shared several projects, methods and courses which they are currently developing and that are of possible interest for other SAIs:

- Learning techniques and methods (SAI of Sweden)
- Course design and development (SAI of Norway)
- Ethical dilemma training (SAI of Norway)
- E-learning module on "performance auditing in the petroleum sector" (SAI of The Netherlands and AFROSAI-E)
- SAI status and needs assessment guideline (IDI)
- Models for scaled up support (IDI)

6. Remaining issues for the future

Participants were invited to consider possible ways forward to continue sharing information and experiences of long-term peer-to-peer cooperation. The following ideas were introduced:

- Material and information relating to the peer-to-peer cooperation workshop should be made available through the CBC website – thereby creating a one-stop site for capacity development issues. A link from the EUROSAI website should be provided.
- A long-term ambition could be to develop a train-the-trainer programme or academy by EUROSAI.
- When possible, SAIs are encouraged to share training seats in their own training.
- Dealing with the complexity of the conditions set by donors in externally funded projects (e.g. EU twinning projects), through a dialogue within the INTOSAI-Donor Cooperation.
- Engaging more EUROSAI provider SAIs in peer-to-peer projects and increasing the number of SAIs offering assistance, e.g. by inviting new providers as junior partners.
- Organize additional meetings/workshops with experienced peer-to-peer providers, focusing more detailed on elements of the project cycle or other areas of interest.
- Organize training events for interested new (or less experienced) peer-to-peer providers.