



INTOSAI

International Organization of Supreme Audit Institutions

**THIRD MEETING OF THE INTOSAI KSC WORKING GROUP ON PROGRAM EVALUATION
COUR DES COMPTES, PARIS,
25 JUNE 2012**

DRAFT MINUTES

The representatives of ten Supreme Audit Institutions (SAIs)¹ of the INTOSAI working group (WG) on “program evaluation” and a guest SAI² met at the Cour des comptes in Paris (France) on 25 June 2012.

The meeting was chaired by **Mr Jean-Raphael Alventosa, Director of the International Relations Department**. He was assisted by Ms Adeline Baldacchino, Deputy Director of the International relations Department, and by **Mr Arnold Migus, Liaison officer of the working Group on Program Evaluation**.

Jean-Raphaël Alventosa introduced his talk by giving a basic definition of evaluation and acknowledging the previously issued product of the Working Group (Program Evaluation : a Primer). After recalling that ISC have been working on this matter for 20 years, **Jean-Raphaël Alventosa** presented the objectives of the meeting: review whether it was feasible to agree on a common definition of evaluation and ultimately to draw up a common set of reference material – not all SAIs having mandate for evaluations.

Mr Didier Migaud, First President of the French Cour des comptes, welcomed the working group session. He referred to the recent analysis report on the experimental phase of the first evaluations conducted in 2011 by the Cour des comptes. He mentioned the variety of methods applied during these investigations resulting from the freedom they were given to only follow the quite general international evaluation standards. He explained how he intended to use the series of recommendations of this French report as a support to better formalize the practices and internal rules which will apply to the planned evaluations in the next three-year program of the Cour des comptes. He then described the process by a set of three inseparable factors: the purpose of the evaluation, its scope and lastly the procedures followed.

1. Progress Report of the Working Group; Synopsis of the Questionnaires – Discussion and first conclusions

¹ Belgium, Chile, France, Gabon, Georgia, Republic of Korea, Morocco, Poland, Switzerland, the United States via Webex

² the Brazilian Court of Audit – Tribunal de Contas da União (TCU)

Mr Arnold Migus began by reminding the history of the WG main achievement in 2010, the Primer on “Program evaluation for SAI. Next, he summarized the analysis of the 44 answers to the questionnaire sent out to all members of INTOSAI, on methods and practices for evaluating public policy³. The answers revealed differences and a great variety of situations, with explicit or most of the time implicit approaches. They confirmed the Working Group’s earlier conclusions that as long as the mandate of the supreme audit institution is not limited to auditing compliance, but extends to analyzing the efficiency and effectiveness of actions taken by government administrations, the institution is perfectly capable of assuming a broader scope of analysis, should the SAI be ready to make the necessary changes in its method of work and own culture.

Mr Emmanuel Sangra (Head of Evaluation Unit – Eidgenössische Finanzkontrolle Switzerland) underlined that “performance audit” and “evaluation” were difficult to distinguish and he recommended to analyse the praxis and the content of the report rather than to limit oneself to the vocabulary.

Mr Nikola Mirkovic (Auditor, Cour des comptes – Belgium) stressed the fact that the legal framework in France facilitates a clear definition of practices, which is not the case in Belgium where the issue is often debated. However that does not prevent the SAI from using methods linked with evaluation.

Mr Mohammed Bastaoui (President of the Second Chamber -Cour des comptes – Morocco) recommended to define the core of what is evaluation (minimal definition) in order to go a step further and start a cooperation between SAIs of different levels in this matter. This could be a “quality jump” for less advanced ISCs.

Mr Michel Ikapi (Secretary General - Cour des comptes – Gabon) said that politicians are asking about evaluation. However more advanced SAIs should share what they are doing in this matter and cooperate: there is a lack of practice and knowledge in less developed countries and it could be a good thing to establish workshops and form auditors to manage evaluation.

Mr Hee Jeong Park (Research Managing Director - Board of Audit and Inspection – Korea) reminded the different kinds of evaluation contents and methods.

Mrs Eliane Vieira Martins (Court of audit TCU – Brazil) insisted on going beyond and trying to build a strategy on the working process since evaluation is a controversial term (eg: is financial audit a part of performance audit or is it evaluation?). The main stake is to train people.

Jean-Raphaël Alventosa stressed the fact that financial audit is the same everywhere whereas evaluation has a broad meaning with various impacts (eg. a social impact, an environmental impact etc.) that goes far beyond financial audit. Evaluation could be defined in a general way and as an “umbrella” including other types of (financial performance and organisation) audit.

Arnold Migus noticed that the Evaluation Working Group (EWG) seemed to favor a pragmatic approach, more focused on method than on theoretical definition..

2. Presentations by SAIs

2.1. France presented its first conclusions after two years of evaluation by the Cour des comptes taking into account the example of the audit on biofuels

Arnold Migus reminded that since the 2008 constitutional reform gives the French Court the mandate of assisting both Parliament and Government in the evaluation of public policies, the Court launched in May 2011 a first step in experimentation via seven test evaluations. Lessons learned from this experimentation showed how important it was to evaluate the pertinence of the policy and to provide an opinion on the policy and recommendations; to identify the public policy to be evaluated; and finally implement procedures to evaluate it. Concerning the test evaluation of the French public policy of subsidizing biofuel – once it was asserted that biofuel support looks as an evaluable policy, the Cour des comptes did evaluate the mostly implicit policies justifying biofuel, respectively related to agriculture, energy and environmental issues. Furthermore, the evaluation has provided eleven recommendations to

³ 23 key questions have been asked in 5 areas (Identification of the SAI activity, Planning for program evaluation, Conducting Program evaluation, Developing organisational capacity for program evaluation, SAI cooperation on program evaluation)

the government, detailing on which conditions this program may be pursued in the short term and the issues to be taken into account in the long term.

To **Nikola Mirkovic**'s concern about a difference of appreciation between stakeholders, **Arnold Migus** answered that in the report, there is a whole chapter left for stakeholder's opinion, without any comment from the Cour des comptes. The report actually started with a very accurate description of the situation of biofuel with quantified facts, in France, in the European and larger world context, letting then the stakeholder to defend their interest while the Cour des comptes assessment finishes the evaluation.

Answering **Annaïck Koumba** (*Senior Manager Cour des comptes – Gabon*)'s question whether the Court had chosen itself this control topic, **Jean-Raphaël Alventosa** said that the French Cour des comptes is free to choose the subjects of the evaluations which was the case for biofuel.

To **Michel Ikapi**'s question on special funds having been allocated for this evaluation, the answer was clearly no. **Emmanuel Sangra**'s question was about sustainable and equitable ethic evaluation and about how to valorize biofuel in terms of independence. Concerning ethics, **Arnold Migus** said that the Cour des comptes gave an overview of general conditions to stay ethical with, as a prerequisite, that EU biofuel should be sustainable. Concerning the 2nd question, he said that the three main politics (agricultural, energy and environment) had been quantified in terms of cost o for each hectare devoted to the culture of biofuel, for each imported avoided barrel and for support per ton of CO2-equivalent displaced. They were all relatively costly questioning the interest of biofuel for energy and environmental policies.

Jolanta Stawska (*Director of NIK Regional Branch in Krakow – Supreme Chamber of control – Poland*) stressed the fact that evaluation is a good example to show how performance methodology can be used to go further.

2.2. Brazilian TCU presented its experience

After having defined Performance audit⁴, its dimensions and features, the TCU showed that the distinction between performance audit and program evaluation is based on the purpose of the performed control. The TCU illustrated its presentation with a case in the educational area. The TCU presented the 2 selected audited programs (the University for Everyone – Performance audit (PA) 2008; and the Higher Education Student Financing Fund – Performance audit 2009). It presented for both, the initial problem, the audit objective, the methodology and the main achievements. The follow up 2012 resulted for one PA in 12 recommendations including 8 implemented and 4 partially implemented and for the other PA in 6 recommendations including 2 implemented and 2 in implementation. In both cases advances were: legislative amendments; improvements in the management of programs; and improvement in control instruments.

Jean-Raphaël Alventosa mentioned the fact that the Brazilian Constitution establishes precisely what the TCU mandates are .

Eliane Vieira Martins clarified that the Brazilian Parliament does have the prerogative to ask the TCU to carry out any particular mission. It is part of TCU's regular activities to comply with the requests from the Parliament.

Answering **Arnold Migus**'s questions about the impact on other policies and about benchmarking, **Eliane Vieira Marting** said that in this case it was only a performance audit on a program, without any comparison nor benchmarking process.

Jean-Raphaël Alventosa added that international benchmarking is part of a program evaluation and said alike **Emmanuel Sangra** that it is impossible to try to define program evaluation if one does not benchmark with colleagues from other groups or countries.

⁴ Performance audit is the independent and objective examination of economy, efficiency, efficacy and effectiveness of organizations, government programs and activities, aimed at promoting improvement of public management (definition based on INTOSAI's implementation guidelines for performance auditing ISSAI 3000)

2.2. The Swiss Federal Audit Office stressed again the difficulty to make a clear distinction between Performance Audit and Evaluation.

After having dealt with the necessary distinction of both concepts, Emmanuel Sangra recalled the different definitions used by the SAIs respectively in terms of assessment criteria, of origin of the collected information, of project importance or duration and of methods or of project objectives by mixing them or not - which can result in 7 forms according to our INTOSAI group in 1995⁵. He then developed the evolution at the Swiss Federal Audit Office (SFAO) eg less financial control, even if it is the basis: in the 60's other kind of control appeared and evaluations raised in the 90's. He also underlined the broad understanding of evaluation. The performance audits investigate different aspects of a policy's implementation whereas the evaluations include the effects and investigate the achievement of political objectives. According to the SFAO it is possible to define evaluation more accurately if several criteria are used in terms of **mandate** (questioning objectives, which are defined on a political level), **focus** (examining the causal relationship between governmental action and external effects), **methodology** (using and combining social research methods), **stakeholders** (integrating the stakeholders systematically in the project) and **publication** (results and methods). Emmanuel Sangra preconised the group should concentrate on these criteria and work together with the INTOSAI Auditing Standard Committee.

Hee Jeong Park agreed that evaluation contains performance audit.

Emmanuel Sangra added that the difference did not only lay in methodology, but also and always more in questioning the government policy.

Adeline Baldacchino (Deputy of Head of International relations Department) concluded in summarizing the differences between performance audit and program evaluation, notably governmental politics control and the use of socioeconomic tools.

2.4 The GAO's presentation concerned its new publication on the "Designing Evaluations: 2012 Revision"⁶ as an exemple of "Methodologies and best practices"

Nancy Kingsbury (Managing Director Applied Research and Methods teams Government Accountability Office) presented the five chapters of the publication.

3. Next steps including a Plan of Action

3.1 The discussion was about should we/ can we define evaluation more accurately? Should we aim at defining a new ISSAI in the long term?

Jean-Raphaël Alventosa summarized what could be considered as the criteria of evaluation:

1. An evaluation analyses the pertinence of a public policy, therefore being a systematic approach.
2. It analyses its social impacts/social outcomes.;
3. It involves all the stakeholders.

It is a complex analysis, requiring a lot of information, a lot of data, the involvement of experts, scientists

⁵ regularity audit, economy audit, efficiency audit, effectiveness audit, evaluation of the consistency of the policy, evaluation of the effectiveness of the policy

⁶ Designing Evaluations was first published in 1984, revised in 1991 and then in 2012 to recognize the rise of performance reporting under GPRA, to incorporate methods used to evaluate a broad range of programs and to incorporate lessons learned from GAO studies of agency evaluations.

Michel Ikapi wondered if analyzing the pertinence of a public policy was not in fact the same thing as questioning the opportunity of that policy.

Emmanuel Sangra answered that everything does have political implications.

Nikola Mirkovic said that audit is not based on ISC members own political opinion, but on the fact that governmental politics involve the future of the Nation, and should be submitted to discussion.

Adeline Baldacchino confirmed that the EWG was already in contact with the INTOSAI WG on performance (which explained that Brazil, president of this group, had been invited to participate in the Evaluation WG works) and that France would be attentive to all possible bridges between the 2 groups. A common meeting could even be contemplated in 2013.

3.2 What are the objectives and plan of action for the Evaluation working group? (Discussion and decisions; Proposal (draft Plan of action))

Jean-Raphaël Alventosa again asked the WG what shall the next step be? Are all the members willing to go on or would it better just to put an end to the work of this WG ?

Since all the participants confirmed their interest in this WG and the need to provide the group as soon as possible with a very concrete guide for evaluation, *Adeline Baldacchino* suggested that a small group of the WG members should propose the contents of this guide. (which items should be dealt with in such a guide that could be considered as criterias of an evaluation ? Such as: the aim of an evaluation, the methodology used, the actors, the organization required...).

4. Conclusion of the Meeting

It was decided that France should circulate before the summer the draft minutes of the meeting and the resolution to be presented first at INTOSAI Knowledge Sharing Committee fourth steering committee in Luxemburg September 25 and 26 and then at the 63rd meeting of the INTOSAI Council in Chengdu, China on 20 and 21 November.

The next step would be to circulate a practical draft about what should be in a guide for evaluation. The draft will be prepared by France and will then circulate among a core subgroup of the WG, Switzerland, Poland and the US being already voluntary to participate, before being submitted to all the members of the WG: it was agreed that all countries willing to take part to this first round would confirm their interest while validating the draft minutes before September the 10th.

5. Date and Location of the next Meeting

Next meeting could take place in June 2013. The location will be decided later, taking into consideration the fact that a common meeting with the PAS group could be contemplated if Brazil was ready to host it (Eliane Vieira Martins confirming that she would transmit this idea to the PAS liaison officer in Brazil).