

INTOSAI



POLICY, FINANCE, AND ADMINISTRATION COMMITTEE

TERMS OF REFERENCE

SEPTEMBER 2020

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1. History and Introduction

The Policy, Finance, and Administration Committee (PFAC), formerly known as the Finance and Administration Committee, was established as a result of the first INTOSAI Strategic Plan approved by the XVII INCOSAI in Budapest, Hungary in 2004.

The INTOSAI Statutes under article 4 mention the PFAC as Goal 4 of the four INTOSAI Strategic Goals. The PFAC in cooperation with the INTOSAI Governing Board and the General Secretariat strives to maximize the value of INTOSAI both to its member SAIs and as an international organization. While Goals 1, 2, and 3 of the plan focus on enhancing professional standards, developing capacity, and facilitating knowledge sharing among members, Goal 4 is intended to align the whole of INTOSAI's organization and operations with these goals and other cross-cutting priorities.

2. Purpose and Mandate

Within the parameters and frameworks established by the Governing Board, the INTOSAI Statutes, and the Strategic Plan, the PFAC's purpose is 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 the autonomy of the seven INTOSAI Regional Organizations, balance, inclusiveness and the different models and approaches of member SAIs.

In cooperation with its members and the Governing Board, the PFAC's strategic objectives are to:

- Monitor the implementation of the INTOSAI Strategic Plan including INTOSAI's performance management efforts and contributions to the follow-up and review of the Sustainable Development Goals.
- Manage and oversee INTOSAI's resources to carry out the tasks outlined in its Strategic Plan in the best possible manner.
- Sustain and further develop the efforts of the INTOSAI-Donor Cooperation.
- Ensure INTOSAI's organizational structure, outreach, communications, and decision-making processes operate in an efficient, effective, and economical manner to the maximum benefit of the member SAIs.

ϣ. Members

The PFAC is chaired by the Second Vice-Chair of the INTOSAI Governing Board, and includes the following members:

- 1) The Chair of the Governing Board
- 2) The First Vice-Chair of the Governing Board
- 3) The Chair of Goal 1
- 4) The Chair of Goal 2
- 5) The Chair of Goal 3
- 6) The Secretary General
- 7) The immediate past Chair of the Governing Board
- 8) The Chair of the INTOSAI Development Initiative
- 9) The head of the SAI responsible for the International Journal of Government Auditing

The PFAC Vice-Chair is selected by the Chair at their discretion.

ξ. Structure

The following entities fall under the PFAC:

- INTOSAI-Donor Cooperation Steering Committee

The INTOSAI–Donor Cooperation was established in 2009 through a Memorandum of Understanding between INTOSAI and donor communities recognizing their shared goals of ensuring accountability, transparency, good governance and sound utilization of public funds in partner countries. The Cooperation is an essential element of support for SAI capacity development. The PFAC has a central responsibility within INTOSAI for maintaining and administering the INTOSAI–Donor Cooperation with the INTOSAI Development Initiative and donor leadership. In doing so, the PFAC provides INTOSAI’s policy direction to the INTOSAI–Donor Cooperation.

The PFAC also seeks to raise awareness among SAIs of the INTOSAI–Donor Cooperation, enhance access to the Cooperation to improve SAI capacity development and, more generally, champion the principles articulated in the 2009 MOU.

- Task Force on Strategic Planning

The Task Force on Strategic Planning is assembled at the discretion of the Governing Board at the beginning of each strategic planning cycle and is responsible for developing the INTOSAI Strategic Plan. Based on the direction of the Governing Board, the development of the strategic plan may be conducted under the auspices of the PFAC.

If necessary, the PFAC may establish ad-hoc Task Forces for a short period for special purposes.

- Roles, Responsibilities, and Reporting Duties of the Chair

The PFAC Chair represents the PFAC in INTOSAI meetings.

The PFAC Chair reports annually to the INTOSAI Governing Board on progress toward the objectives of the INTOSAI Strategic Plan. Consequently, it takes the necessary initiatives to ensure the effectiveness of INTOSAI's performance management efforts, coordinating these efforts and guaranteeing their alignment with the Strategic Plan.

The PFAC Chair is also responsible for facilitating communication internally with PFAC members and externally to other INTOSAI bodies.

Every three years, the PFAC Chair will also submit a Performance and Accountability Report to the INTOSAI Governing Board and the INCOSAI that documents progress towards the Strategic Plan and identifies key issues for consideration by the Governing Board.

- ∩. Business of the Committee

- ∩,∩ Meetings

The PFAC generally holds an annual meeting, personally or virtually, to coordinate across INTOSAI; review and approve budget proposals; monitor implementation of the Strategic Plan; sustain and further develop the efforts of the INTOSAI-Donor Cooperation; and address issues related to the structure, outreach, communication, and decision-making across INTOSAI to maximize its benefit to member SAIs.

The PFAC Chair may convene extraordinary meetings.

A simple majority of the vote will decide any issue taken to a decision of the PFAC.

The PFAC Chair, in coordination with the SAI hosting the meeting, is responsible for producing the minutes of its meetings.

٦,٢ Language

The working language of the PFAC is English.

٦,٣ Funding

According to the INTOSAI Financial Rules and Regulations (Rule III.٥) ٢٥% of the INTOSAI income is allocated to the four Goal Committees, including the PFAC, to assist with their operations. These PFAC funds are administered by the Vice-Chair at the direction of the Chair.

The costs of participation in meetings by committee members are borne by the respective SAI. The direct meeting expenses alone are met by the SAI that hosts the meeting.

٦,٤ Communication

Outside of formal meetings, e-mail is the preferred means of communication among PFAC members.