



INTOSAI

Working Group
On Financial Modernization
and Regulatory Reform

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**2020 Annual Meeting (Virtual Session II)
September 29, 2020 8:00-10:00 AM (EDT)**

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AGENDA

2020 Annual Meeting (Virtual Session II) September 29, 2020 8:00-10:00 AM (EDT)

8:00am-8:05am

Welcome

Philippe Le Goff, Principal, Economic Affairs, Office of the Auditor General of Canada

8:05am-8:45am

Climate Change Risks to Financial Stability

Morgan Després, Deputy Head, Financial Stability Department, Banque de France and Head, Network for Greening the Financial System (NGFS) Secretariat

8:45am-10:00am

Working Group Discussion on Finalizing the 2021-2023 Work Plan

United States SAI (US GAO) to facilitate discussion

10:00am

Meeting Adjourns



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VIDEO CONFERENCE DETAILS

2020 Annual Meeting (Virtual Session II) September 29, 2020 8:00-10:00 AM (EDT)

Background: The next virtual annual meeting will be held using Amazon Chime. We highly encourage participants to join using video, if possible. Participants are also welcome to call-in using the toll-free numbers and meeting ID (highlighted) below. Unfortunately, toll free numbers are not available for some member countries.

System testing: SAs that would like to test their systems on Amazon Chime are welcome to do so on September 28 from 8-9 AM (EDT). Separate appointment information for systems testing is on the next page.

To join via video in browser (Google Chrome or Mozilla Firefox) or Amazon Chime app:

Click to join the meeting: <https://chime.aws/7010073604>

Enter the meeting ID: **7010073604**

A headset is recommended or you may use your computer's microphone and speakers.

Note: You can also access the meeting on desktop or mobile using the Amazon Chime app, which you must first download: <https://aws.amazon.com/chime/download>

To call-in using phone only:

Meeting ID (enter after dialing number below): **7010073604#**

Austria Toll-Free (1): +43 800 0706266

Brazil Toll-Free (1): +55 800 047 4258

Canada Toll-Free (1): +1 844-843-8537

Chile Toll-Free (1): +56 80 039 5498

China Toll-Free North: +86 10800 744 0736

China Toll-Free South: +86 10800 440 0806

Cyprus Toll-Free (1): +357 80 077352

Estonia Toll-Free: +372 800 004 4831

Finland Toll-Free (1): +358 800 417475

France Toll-Free (1): +33 805 54 20 66

Germany Toll-Free (1): +49 800 7238486

Hungary Toll-Free (1): +36 809 82584

India Toll-Free: 1800 266 0826

Indonesia Toll-Free (1): 007 803 011 4935

Italy Toll-Free (1): +39 800 902 333

Korea Toll-Free (1): +82 80-007-5702

Luxembourg Toll-Free (1): +352 800 81 090

Mexico Toll-Free (1): +52 800 253 0555

Netherlands Toll-Free: +31 800 0900023

Pakistan Toll-Free: +92 800 90044277

Poland Toll-Free: +48 80 008 03 61

Russia Toll-Free: +7 800 333-23-25

Spain Toll-Free (1): +34 900 813 473

Sweden Toll-Free (1): +46 20 14 08 117

United Kingdom Toll-Free (1): +44 800 085 5175

United States Toll-Free (1): +1 855-552-4463

Dial-in attendees must enter *7 to mute or unmute themselves.

To connect from an in-room video system, use one of the following Amazon Chime bridges:

SIP video system: [7010073604@meet.chime.in](https://meet.chime.in) or meet.chime.in

H.323 system: 13.248.147.139 or 76.223.18.152

If prompted enter the Meeting PIN: 7010073604#



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*****System Testing Appointment Only*****
September 28, 2020 8:00-9:00 AM (EDT)

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Click to join the meeting: <https://chime.aws/1658112202>

Enter the meeting ID: **1658112202**

A headset is recommended or you may use your computer's microphone and speakers.

Note: You can also access the meeting on desktop or mobile using the Amazon Chime app, which you must first download: <https://aws.amazon.com/chime/download>

To call-in using phone only:

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DRAFT

Work Plan (2021-2023)

International Organization of Supreme Audit Institutions (INTOSAI)

Working Group on Financial Modernization and Regulatory Reform (WGFMR)

Background

This work plan reflects the top priorities and defines the main work streams, tasks, and deliverables, by strategic goal, that the INTOSAI WGFMR plans to carry out in fiscal years 2021-2023. The WGFMR originally developed work streams with short-term and long-term deliverables based on its Terms of Reference. At the WGFMR's 2018 Annual Meeting in Beijing, members agreed to update these work streams, and the WGFMR developed a new work plan for 2018-2020 based on a survey of its members. During the 2020 annual meeting (held virtually), WGFMR members revisited the work plan and agree on further modifications to acknowledge group accomplishments and reflect new priorities and challenges.

Focus areas for knowledge-sharing activities

WGFMR members identified the following policy and technical topics as key areas of focus for knowledge-sharing activities in 2021-2023. The work stream activities discussed below will primarily focus on these areas:

- big data analytics,
- central bank intervention (e.g., asset purchase, swap lines, monetary policy),
- climate change risks and climate finance,
- COVID-19 recovery,
- cybersecurity,
- financing for small- and medium-sized enterprises,
- financial technology (e.g., digital currency, payment system),
- IMF loan programs,
- macroprudential oversight,
- nonbank financial intermediaries ("shadow banking"), and
- United Nations (UN) Sustainable Development Goals (17.13)



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Goal 1 (Subgroup Chair: China)

Develop tools and knowledge-sharing opportunities to assist SAIs in evaluating financial modernization and regulatory reforms on a national level

Work stream 1.1. Provide opportunities for working group members to share information on recently completed work and evaluation methodologies

- **Tasks:** Coordinate presentations by working group members on recently completed work and evaluation methodologies during annual and quarterly meetings
- **Deliverables:** Presentation summaries to be shared with working group members

Work stream 1.2. Explore opportunities to hold joint meetings with other INTOSAI working groups to promote collaboration and joint knowledge sharing

- **Tasks:** (1) Identify working groups with common interests (e.g. Big Data, Environmental Audit, Key National Indicators, and SDGs). (2) Meet with group coordinators to identify topics and develop joint learning opportunities. (3) Coordinate and hold virtual learning on topic of shared interest.
- **Deliverables:** Presentation summaries to be shared with working group members

Work stream 1.3. Collaborate with standard-setting bodies (SSB), including the International Monetary Fund (IMF), Basel Committee on Banking Supervision (BCBS), Financial Stability Board (FSB), and others to learn about evaluation methodologies and promote ongoing engagement

- **Tasks:** (1) Meet periodically with SSBs to engage and share information through presentations on evaluation topics. (2) Develop and share contact information for representatives from SSBs.
- **Deliverables:** (1) Summary of correspondence and interactions with SSBs shared with working group members. (2) Contact list for representatives from key SSBs shared via the WGFMR internal website.



Goal 2 (Subgroup Chair: Canada)

Establish mechanisms for sharing information on progress of financial modernization and regulatory reforms between SAIs and international organizations, including about ongoing modernization and reforms, emerging financial regulatory issues, and relevant SAI audit findings and recommendations

Work stream 2.1. Facilitate further engagement between SSBs and working group members to share information on topics related to financial modernization and regulatory reform

- **Tasks:** Coordinate presentations and group discussions between SSBs and WGFMR members during annual and quarterly meetings, especially on areas of focus
- **Deliverables:** Summary of presentations and correspondence shared with members.

Work stream 2.2. Encourage IMF to incorporate SAIs in national financial sector assessments

- **Tasks:** (1) Regularly communicate upcoming Financial Sector Assessment Program (FSAP) evaluations to WGFMR members. (2) Encourage SAIs to outreach to IMF and offer briefings on recent SAI findings. (3) Meet with IMF as a group to discuss options for including SAI authority as an FSAP evaluation criterion.
- **Deliverables:** (1) Emails and internal website communication with upcoming FSAP schedule. (2) Summary of communication with IMF shared during quarterly and annual meetings. (3) Identify criteria for including SAIs' authorities to audit government authorities or programs responsible for identifying and mitigating potential threats to financial stability. (3) Develop proposal and presentation for IMF.

Work stream 2.3. Complement UN efforts to promote achievement of Sustainable Development Goals 17.13 (enhance global macroeconomic stability).

- **Tasks:** (1) Research UN work and identify relevant UN point-of-contact. (2) Coordinate meeting between UN representative and WGFMR to learn more about UN efforts related to SDG 17.13 and ways SAIs can contribute.
- **Deliverables:** Summary of meeting and proposed next steps shared with working group

Work stream 2.4. Enhance online information sharing

- **Tasks:** (1) Continue to develop the WGFMR internal website to support report sharing and discussion forums. (2) Periodically share reports and initiate discussion through the website on topics of interest to member SAIs.
- **Deliverables:** (1) Updated internal working group website. (2) Catalog of recent SAI reports and discussions on topics related to financial modernization and regulatory reform.



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Goal 3 (Subgroup Chair: United States)

Develop a system to track and synthesize information on the nature, scope, and status of financial modernization and regulatory reforms at national and international levels and identify gaps and areas where additional study by the Working Group is needed

Work stream 3.1. Track and synthesize information on the status of financial reforms through annual reporting

- **Tasks:** (1) Monitor the implementation and effectiveness of financial sector reforms (e.g., Basel III) and ongoing or emerging financial sector risks on national and international levels by reviewing key reports from SSBs and others. (2) Survey and summarize recent relevant audit findings and recommendations from member SAIs. (3) Facilitate presentations for SSBs and others on the status of reforms and emerging risks.
- **Deliverables:** (1) Annual and quarterly WGFMR meetings and summary of presentations to be shared with members. (2) Annual report to the INTOSAI Governing Board summarizing the status and impact of financial reforms, recent SAI audit findings, and ongoing/emerging risks.

Work stream 3.2. Document the extent to which INTOSAI members have the mandate or authority to audit government authorities or programs responsible for identifying and mitigating potential threats to financial stability.

- **Tasks:** Develop summary report with visuals depicting results of the SAI audit authority survey to share with SAIs and promote further discussion on varying authority and its impact
- **Deliverable:** Summary report with results displayed visually

Work stream 3.3. Scope and initiate parallel audit on nonbank financial intermediaries

- **Tasks:** (1) Research best practices for parallel audits based on prior work. (2) Develop work plans and reach consensus among participating SAIs on audit approach. (3) Initiate audit activities and prepare reports. (4) Conduct and document a lessons learned analysis.
- **Deliverable:** (1) Audit report(s). (2) Lessons learned document to be shared with relevant INTOSAI bodies.