



INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —



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The editors invite submissions of articles, special reports, and news items, which should be sent to the editorial offices at:

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Given the *Journal's* use as a teaching tool, articles most likely to be accepted are those that deal with pragmatic aspects of public sector auditing. These include case studies, ideas on new audit methodologies, or details on audit training programs. Articles that deal primarily with theory would not be appropriate. Submission guidelines are located at <http://www.intosaijournal.org/aboutus/aboutus.html>

The *Journal* is distributed electronically to INTOSAI members and other interested parties at no cost. It is also available electronically at www.intosaijournal.org or www.intosai.org and by contacting the *Journal* at intosaijournal@gao.gov.

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CULTIVATING CAPACITY

Growing our global capabilities for a more robust, prominent and professional audit community of the future



by Heather Santos, Editor, *International Journal of Government Auditing*

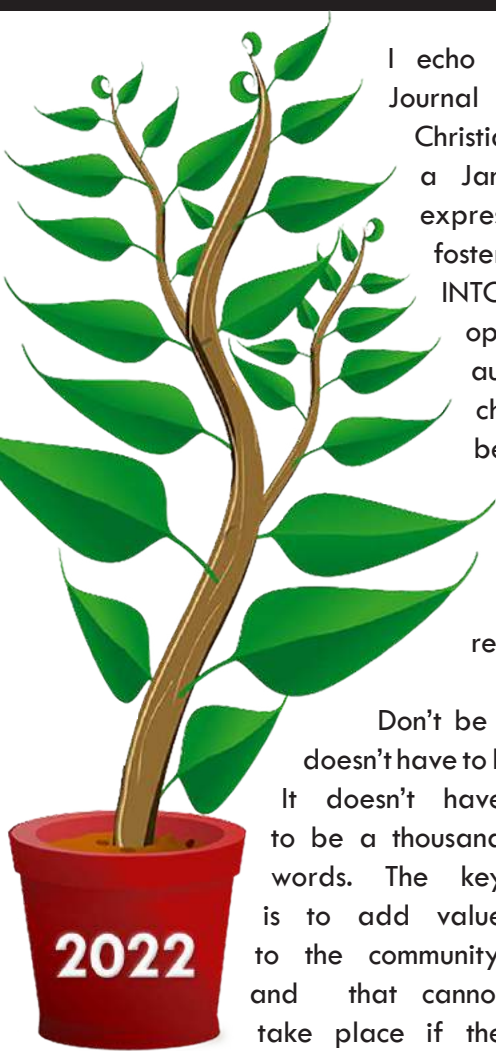
With the Capacity Building Committee meeting in Cape Town, South Africa, wrapping up a few weeks ago, ideas brought to the forefront during the event inspired me to share how, together we can further advance capacity building, and in doing so, contribute to a more robust, more prominent, more professional International Organization of Supreme Audit Institutions (INTOSAI).

When I joined GAO to support the *International Journal of Government Auditing* (the Journal), I was excited to be a part of the “voice” of INTOSAI. After having read numerous submissions over the past few months and gaining a better understanding of INTOSAI and

the government auditing community in general, there is an extraordinary amount of ideas, knowledge and experience that can be harnessed, and if shared on a larger scale, can truly affect positive change.

Change can be difficult. Change can be slow. Yet, I have wondered, despite the limitations, are we doing enough? Are we taking the right steps, making the right decisions, performing the right actions to create an organization typified by seamless and continuous knowledge sharing and transfer?

The word “we” includes the Journal, which should be a major force driving this enlightenment—providing a conduit for learning, a path to promote transparency and good governance, a means to communicate all of the ideas, knowledge and experience INTOSAI has to offer.



I echo the sentiments of the Journal President, James-Christian Blockwood, who, in a January 2015 editorial, expressed a desire to further foster community among INTOSAI members. With an open invitation for public auditors to share their challenges, concerns and best practices with the Journal, the goal is for auditors to apply this knowledge not only individually, but also regionally and globally.

Don't be afraid to contribute. It doesn't have to be a big or new concept.

It doesn't have to be a thousand words. The key is to add value to the community, and that cannot take place if the thoughts, the ideas are never shared. Sometimes, we need to create those opportunities.

There is a new section that makes its debut in this issue, "Spotlight on Capacity Building." The intent is to highlight tools, guidance and testimonials from the audit community and inspire contributions that can be used and implemented across all levels. I invite all to contribute. Let us look to the future, to how we can get more involved, to how we can be a part of change—good change.

As we head into INCOSAI XXII, we will have more opportunities for the transfer of knowledge and experience, more opportunities to learn from one another, more opportunities for growth. This year's Congress provides for an open discussion on several pivotal

developments and will allow for further reflection and decisions as we contemplate INTOSAI's way forward—a future that includes the roll out of the next strategic plan.

The Strategic Plan 2017-2022 was created with a more inclusive approach that resulted in several key highlights including reconfirmation toward standard setting, capacity development and knowledge sharing as cornerstones of INTOSAI's activities; commitment towards playing a major role in the review and follow-up of the 2030 Agenda on Sustainable Development as launched by the United Nations in 2015; ensuring INTOSAI supports all of its members and protects the independence of SAls in financial, administrative and operational senses; building up INTOSAI regions towards providing more professional support to SAls; and improving the relevance, responsiveness and services offered by INTOSAI to its member SAls.

"The success of INTOSAI and its regions is determined by how we collectively contribute to the performance and capacity of the SAls."

—Einar Johan Gorrissen,
Director General
INTOSAI Development Initiative

Adding to the emphasis of achieving a stronger, more visible and efficient audit community are the themes at this year's triennial event:

Theme I—How can INTOSAI contribute to the 2030 Agenda for Sustainable Development, including good governance and strengthening the fight against corruption?

Theme II—Professionalization: What can promote INTOSAI's credibility to become a more prominent international organization?

I look forward to the triennial event and am excited about all the opportunities to come together to demonstrate the value of INTOSAI and discuss with each other new and enhanced ways to do so. We just need to seize the opportunities, create the opportunities where they are nonexistent, and capitalize on them. I am excited about such a challenge and am eager to go on this journey with the INTOSAI community and hope that you are too!

NEWS FROM SAIs AROUND THE WORLD

News from Ecuador

SAI OF ECUADOR FORMS COMMITTEE TO UPDATE NATIONAL STANDARDS

The Office of the Comptroller General of the Republic of Ecuador has created an auditing committee to evaluate the current “Ecuadorian Auditing Governmental Standards” and incorporate the main content of the International Standards of Supreme Audit Institutions (ISSAIs) into the updated norms.

This important initiative stems from (1) international consensus on ISSAI implementation relevance in control mechanisms and (2) standards consultations with the Supreme Audit Institutions (SAIs) of Chile, Mexico and El Salvador, who have already applied the ISSAIs in their national frameworks.

The proposal, submitted by the Head of the Technical, Standards and Administrative Development Direction, Esquire Valentina Zarate (Attorney), was put into effect upon approval by Dr. Carlos Pólit Faggioni, the Comptroller General.

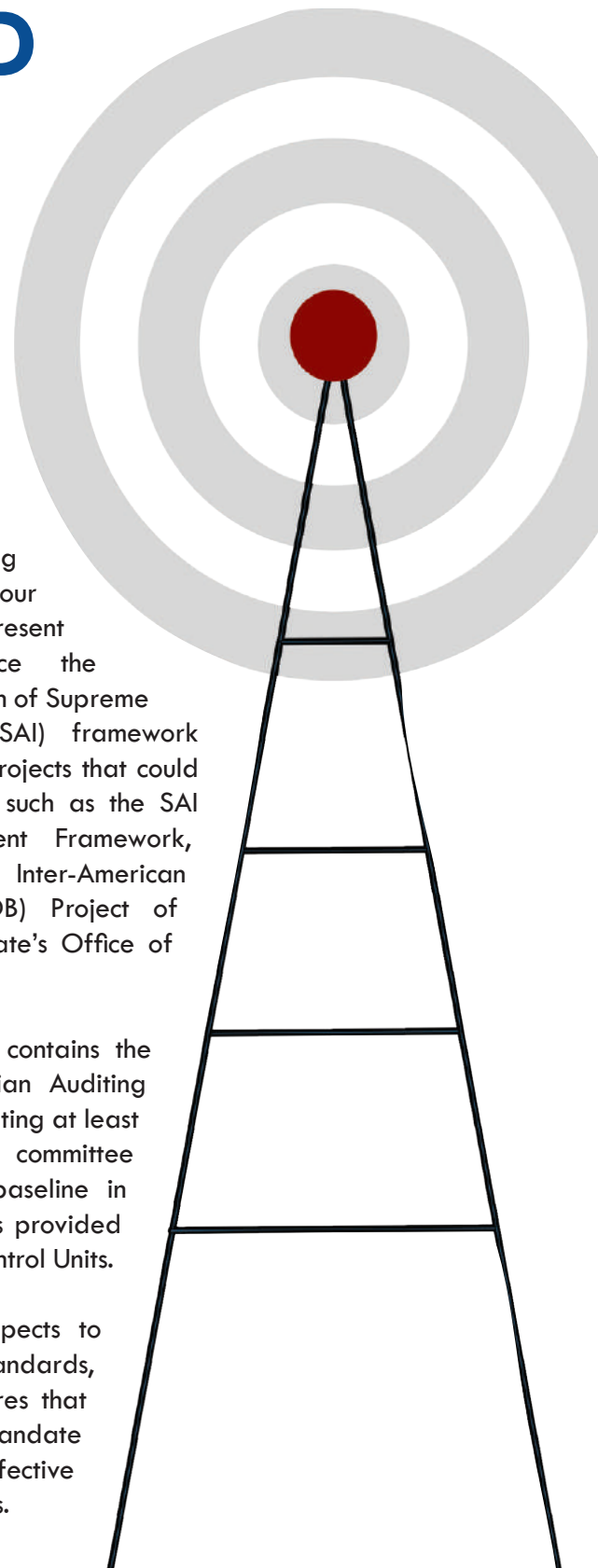
The Auditing Committee is chaired by Antuan Barquet (Political Scientist), Head of International Affairs Coordination, and vice-chaired by Hugo Pérez (Engineer), Head of Planning and Institutional Assessment. Other members of the committee include the Heads of Control Units and the

employees that have been trained by the INTOSAI Development Initiative-Organization of Latin American and Caribbean Supreme Audit Institutions (IDI-OLACEFS) 3i Program.

To date, the auditing committee has held four meetings designed to present the initiative, introduce the International Organization of Supreme Audit Institutions (INTOSAI) framework and discuss crosscutting projects that could contribute to the ISSAIs, such as the SAI Performance Management Framework, 3i Program and the Inter-American Development Bank’s (IDB) Project of Strengthening for the State’s Office of the Comptroller General.

Part of the IDB project contains the revision of the Ecuadorian Auditing Standards aimed at updating at least 80 norms. The auditing committee work will serve as a baseline in conjunction with comments provided by the directors of the Control Units.

The SAI of Ecuador expects to launch the updated standards, along with new procedures that will enhance the SAI’s mandate and contribute to the effective control of public resources.



News from the European Union



PRESIDENT OF EUROPEAN COURT OF AUDITORS ASSUMES POST

Klaus-Heiner Lehne assumed his post as the 11th President of the European Court of Auditors October 1, 2016, for a renewable three-year term. Mr. Lehne, a German national, became a Member of the European Court of Auditors in 2014 and has been responsible for audits in the area of external action. Born in Düsseldorf, Germany, in 1957, he has served as a Member of the German Parliament (Bundestag) and European Parliament, including positions on several parliamentary committees.

News from Kuwait

- The State Audit Bureau—State of Kuwait (SAB) participated at the International Organization for Standardization Audit Data Collection Project Committee (ISO/PC 295) meeting May 23-25, 2016, in China. ISO/PC 295 brings together countries from around the world to develop an international standard that will define how auditors can obtain accounting data.
- SAB took part in the 2nd Meeting of the INTOSAI Working Group on Statutes July 21, 2016, in the United States and joined the IDI Workshop with INTOSAI Regions August 31-September 2, 2016, in Norway.
- SAB is scheduled to participate in the 3rd Meeting of the INTOSAI Working Group on Extractive Industries Audit October 24-26, 2016, in Kenya.

News from Peru



APPOINTMENT OF NEW COMPTROLLER GENERAL OF SAI PERU

On June 9, 2016, the Congress of the Republic of Peru appointed Edgar Alarcon Tejada, CPA, as the new Comptroller General for the period 2016-2023. Alarcon Tejada served as Deputy Comptroller between 2013 and 2016 and has 19 years of experience in SAI Peru. He has worked as Financial Manager, Central Manager of Operations and Manager of Specialized Auditing. As the Comptroller General, he has reaffirmed his conviction and commitment of continuing to work on strengthening the institution on a regional and global level. The SAI of Peru can be contacted at cooperacion@contraloria.gob.pe or online at www.contraloria.gob.pe.

News from the United Kingdom

UNITED KINGDOM NATIONAL AUDIT OFFICE RELEASES NEW PUBLICATIONS

The United Kingdom National Audit Office (NAO) has released “Governance and Supreme Audit Institutions: Reflections from the UK.” One of the challenges for Supreme Audit Institutions (SAIs) is to “practice what we preach,” and this publication shows how the NAO seeks to ensure its own governance arrangements draw on best practices, both private and public sector. The approaches are encouraged globally across the SAI community. A copy of the publication can be found [here](#).

News from Romania

ROMANIAN COURT OF ACCOUNTS ASSUMES ADVANCED ROLE IN PUBLIC PROCUREMENT AUDITS

By Elena Doina Dascălu, Vice President of the Romanian Court of Accounts and Cristina Breden, Director, Audit of Public Procurement, Methodology and Training

Last year, the Romanian government approved the National Strategy on Public Procurement, which bears the primary objective of reforming the institutional framework of the Romanian public procurement system. This reformation will be achieved through the incorporation of European directives into national law, as well as transforming the institutional framework and ensuring functionality.

The Romanian Court of Accounts was actively involved in issuing this strategy, especially regarding the ex-post control, primary and secondary legislation. The Court provided commentary on draft laws and secondary legislation prior to adoption, and representatives participated in debates organized by the specialized committees of the Romanian Parliament, the ministries and the National Agency for Public Procurement.

Due to the provisions of the newly adopted laws on public procurement, it became necessary to strengthen the role of the Romanian Court of Accounts. In total, 300 additional public auditor positions have been approved by law to increase the capacity of the Court to perform public procurement audits. The recruitment process began earlier this year and is still ongoing (and projected to continue well into 2017). The Chamber of the Romanian Court of Accounts has also approved the establishment of a directorate that will be an immediate report to the President of the Court. This new directorate will:

- Develop comprehensive guidelines for public procurement audits;
- Harmonize the Court's audit procedures and methods with those carried out by the Audit Authority, which

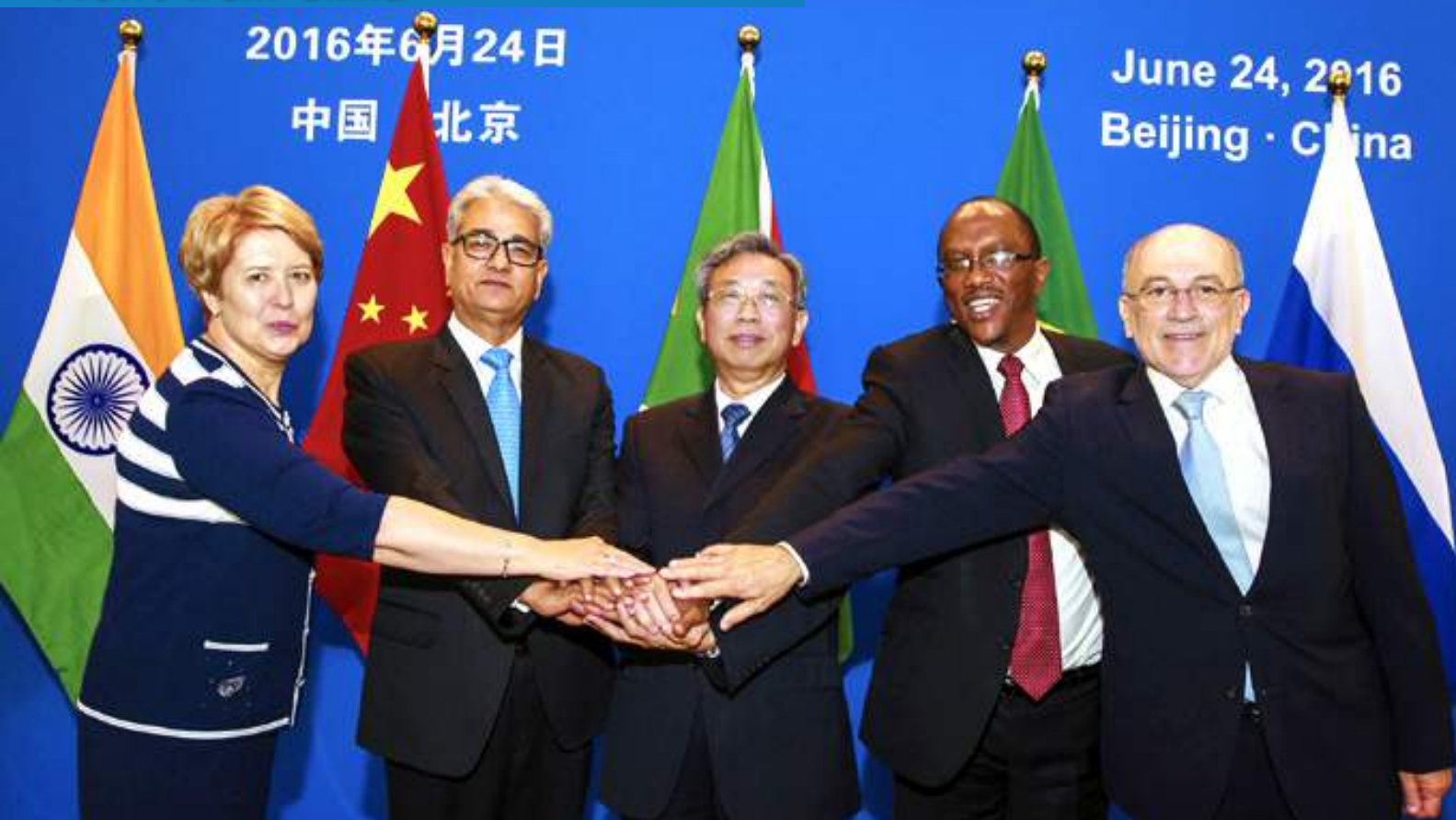
performs audits of EU-funded public procurement. *(This will help to achieve consistency in approaches and interpretations).*

- Monitor the legislative process in Romania, mass media and international bodies concerning issues in the public procurement arena.
- Identify risk factors associated with public procurement, particularly in areas where there is heightened probability for public funds misuse; record such factors indicated by the National Agency for Public Procurement, National Agency for Integrity and the Competition Council; and post pertinent information on the directorate intranet in an effort to promote data accessibility to all auditors and assist in audit plan development.
- Prepare studies, assessments and reports concerning irregularities in the public procurement system.
- Train roughly 1,000 auditors working for the Romanian Court of Accounts at the central and local offices. The training program will commence at the end of 2016 and will continue during the first quarter of 2017.
- Perform audits of public procurement in high-risk areas.

All these measures are designed to strengthen the role of the Romanian Court of Accounts in the audit of public procurement, as well as enhance the quality of the country's overall audit work.

For more information, visit the Romanian Court of Accounts online at www.curteadeconturi.ro or send an email to rei@rcc.ro.

News from China



In this photo (L to R): Tatyana Manuylova, Auditor of the Accounts Chamber of the Russian Federation; Shashi Kant Sharma, Comptroller and Auditor General of India; Mr. Liu Jiayi, Auditor General of China; Kimi Makwetu, Auditor General of South Africa; Aroldo Cedraz de Oliveira, President of Brazil's Court of Accounts.

STACKING THE “BRICS” FOR INAUGURAL LEADERSHIP MEETING

Impact, Quality and Communication: New Development Direction Leading to Increased Public Sector Efficiency and Value

The first Brazil, Russia, India, China, South Africa (BRICS) SAI Leaders Meeting took place June 24, 2016, in Beijing, China. Mr. Liu Jiayi, Auditor General of China; Mr. Shashi Kant Sharma, Comptroller and Auditor General of India; Mr. Aroldo Cedraz de Oliveira, President of Brazil's Court of Accounts; Mr. Thembekile Kimi Makwetu, Auditor General of South Africa; Mrs. Tatyana Manuylova, Auditor of the Accounts Chamber of the Russian Federation; and their delegates were all in attendance.

Participants shared experiences in keeping with the event's theme, “The Role of Supreme Audit Institutions (SAIs) in Promoting National Economic and Social Development,” where they learned how national audit can help contribute to combatting corruption, eradicating poverty, protecting the environment, improving governance and livelihood and coping with challenges associated with sustainable development.

At the conclusion of the meeting, the SAIs of the BRICS countries realized the need for strengthened cooperation and adopted the “Outcome Document,” which highlights establishing a mechanism for regular exchange and cooperation, as well as finding ways to further enhance knowledge sharing and transfer.

AUDITOR GENERAL OF CHINA RECEIVES PRESTIGIOUS AWARD

On May 25, 2016, the Federal President of the Republic of Austria, Dr. Heinz Fischer, conferred the Grand Decoration of Honor in Gold with Sash for Services to the Republic of Austria award to Mr. Liu Jiayi, acknowledging Mr. Liu's outstanding contributions in his capacities as the Auditor General of China, Chairman of INTOSAI's Governing Board and the member and Chair of the United Nations Board of Auditors.

In his speech, Dr. Fischer highlighted some of Mr. Liu's efforts in promoting cooperation between the Supreme Audit Institutions (SAIs) of China and Austria; strengthening SAIs' roles in encouraging national governance; and enhancing INTOSAI through advocating adapting to global trends. Mr. Liu accepted the award with appreciation and emphasized that he would continue to promote INTOSAI's role in global economic governance and implementation of the 2030 Sustainable Development Goals, as well as enhance the cooperation between the SAIs of China and Austria.



Photo: Dr. Heinz Fischer awards Mr. Liu Jiayi with the Grand Decoration of Honor in Gold with Sash for Services to the Republic of Austria.



CHINA-INDIA YOUNG AUDITORS' FORUM HELD IN CHINA

The 7th China-India Young Auditors' Forum was held in China May 10-20, 2016, where 20 young auditors (10 from each Supreme Audit Institution (SAI)) participated in lively exchanges based on two themes, "Quality Control in the Process of Auditing," and "Data Analytics."

The forum, initiated from a proposal put forth by the Auditors General of China and India in 2010, has thrived since its

inception, and Mr. Liu Jiayi, Auditor General of China, praised the vigor this mechanism instills into capacity building of young auditors and SAI development.

Ms. Qin Boyong, Deputy Auditor General, also attended the forum, as did Mr. Kamaljit Singh Ramuwalia, Senior Deputy Accountant General and head of the Indian delegation, who extended his gratitude to Liu Jiayi and the China National Audit Office (CNAO) for the continued opportunities for knowledge transfer, hospitality, cultural immersion and the CNAO's overarching development and achievements.

News from Kazakhstan



The Supreme Financial Control (Audit) Institutions of the Shanghai Cooperation Organization (SCO) member states held their third meeting May 27, 2016, in Astana (the Republic of Kazakhstan).

Both heads and representatives of the People's Republic of China, the Kyrgyz Republic, the Republic of Kazakhstan, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan took part in the meeting.

Mr. Erlan Idrissov, Minister of Foreign Affairs of the Republic of Kazakhstan, welcomed participants at the opening of the event, where attendees discussed issues including increased public audit efficiency in light of economically unstable conditions and global risks; relevant issues in the sphere of public financial control (audit); and perspectives of cooperation.

Chairman of the Accounts Committee, Mr. Kozy-Korpesh Janburchin, also spoke to the audience, emphasizing the transition to public audits being conducted from 2016—this in accordance with the order of the President of the Republic of Kazakhstan, Nursultan Nazarbayev. The primary objectives of this transition are to reveal financial violations and identify the causes and means of prevention.

“In conditions of existing economic situations and limited resources, public audit bodies should promote, to the utmost, increasing the efficient use of public funds.

Integrating efforts of supreme public audit and financial control institutions of our countries is one of the most crucial directions of the SCO activity,” Janburchin said.

The Chairman also noted that interaction within the SCO promotes capacity building and professional growth through conducting audit activities; knowledge and experience sharing; developing efficient ways to respond to new challenges; and enhancing public audits.

At the end of the meeting, the Joint Statement, 2016-2017 Action Plan and meeting minutes were adopted.

The Joint Statement declares that meeting participants intend to promote and enhance interaction, collaboration and further enhance knowledge sharing through conducting workshops, conferences and other activities on the most topical public audit issues. In the October 2016 seminar in Astana, the Action plan calls for SAls of SCO member states to participate in the seminar “Experience of SAls of member states, observer states and dialogue partners of the SCO in the implementation of certification of public auditors.”

The next SCO meeting of the Supreme Financial Control (Audit) Institutions of the SCO member-states will be held in the Kyrgyz Republic in 2018. For more information, contact the SAI of Kazakhstan via e-mail at int.rel@esep.gov.kz or visit the SAI of Kazakhstan website at www.esep.kz.

News from Turkey

TCA WELCOMES NEW LEADER, BIDS FAREWELL TO OUTGOING PRESIDENT



Mr. Seyit Ahmet Baş,
President, Turkish
Court of Accounts

Mr. Seyit Ahmet Baş was appointed as the President of the Turkish Court of Accounts June 23, 2016, at the session of the Turkish Grand National Assembly for a term of five years. His former positions and duties include undersecretary, deputy undersecretary, advisor and tax inspector at the Ministry of Finance; department head at the Revenue Administration; and founding general director at the General Directorate of Revenue

Policies. He has participated in many committees and groups, such as co-chairman of the Taxes and Incentives Committee of Investment Environment Improvement Coordination Council; member of the Coordination Council; chairman of the Taxes Committee of the Istanbul International Finance Center Project; chairman of the Technical Delegation of Turkey (*within the framework of the aid program for the Turkish Republic of Northern Cyprus*); and founding chairman of the Public Oversight, Accounting and Auditing Standards Authority. He is a 1989 graduate of the Department of Public Administration at Istanbul University, earned a master's degree in finance at Boston University (*United States*), and speaks English and Arabic.



My term as the President of the Turkish Court of Accounts (TCA), which began seven years ago with the election held at the the General Assembly of the Turkish Grand National Assembly on June 25, 2009, has officially ended.



Dr. Recai Akyel, former
President of the Turkish
Court of Accounts.

While my role as the TCA President has come to a close, I will continue serving within the TCA as the member with the highest seniority.

I would like to extend my gratitude and special thanks to all colleagues from the member Supreme Audit Institutions (SAIs) for the support they provided during my tenure, and it is my hope that the existing cooperation and friendly relations between TCA and other SAIs will be further strengthened in the upcoming periods."

COOPERATION AGREEMENT SIGNED WITH QATAR STATE AUDIT BUREAU

The Turkish Court of Accounts (TCA) and State Audit Bureau of Qatar signed a cooperation agreement May 31, 2016. The agreement promotes cooperation and collaboration in the areas of experience exchange; public external audit methodology and procedures; professional training and improvement of professional personnel standards; and information sharing on both parties' professional activities (*consultations, joint researches and parallel audits, seminars, conferences and technical meetings*).



INFORMATION TECHNOLOGY AUDIT TRAINING A SUCCESS!

The Turkish Court of Accounts hosted an “IT Audit” training program May 23-27, 2016, for Supreme Audit Institution (SAI) colleagues from around the world. Twenty representatives from the SAIs of Albania, Estonia, Georgia, Qatar, Kyrgyzstan, Northern Cyprus (TRNC), Latvia, Moldavia, Saudi Arabia, Oman, Jordan and Turkey took part in the week-long event.

News from Bulgaria

BNAO AUDITS BANKING SUPERVISION EFFECTIVENESS

The Bulgarian National Assembly tasked the Bulgarian National Audit Office (BNAO) with performing an audit on banking supervision following much public attention on the difficult situation of one bank in particular.

Pursuant with the National Assembly’s decision in April 2015, the BNAO performed the audit with the specific focus on the “Effectiveness and Efficiency of Banking Supervision by the Bulgarian National Bank for the Period January 1, 2012-December 31, 2014.”

The audit, in the spirit of the adopted “Contact Committee Statement” of the Heads of the Supreme Audit Institutions (SAIs) of the European Union Member States and the European Court of Auditors (June 2015 in Riga, Latvia), aims to ensure effective banking supervision arrangements following the introduction of the Single Supervisory Mechanism (SSM), a new European system of banking supervision.

The audit scope included identifying key issues concerning the (1) legal framework of banking supervision, (2) planning of supervisory functions, as well as (3) performing and reporting distant supervision

and on-the-spot checks. Specific supervisory activities were examined using a random sample of on-the-spot checks and distant supervision performances during the audited period.

System- and results-oriented approaches were primarily used based on risk assessments associated with implementing audit tasks.

The following methods for collecting information used to achieve the audit objectives included:

- Study of legal and internal acts;
- Collecting and researching documents that dealt with:
 - The legal framework of banking supervision;*
 - Planning and performing supervisory on-the-spot checks (including distant);*
 - The collection and analysis of documents for undertaking actions as a result of the performed supervision; and*
 - Documentary checks, interviews, questionnaires and examination of documentation associated with on-the-spot checks and distant supervision defined on a sample basis.*

Quantitative, qualitative, system analysis and systematizing methodologies were used to analyze the data, followed by a summation gathered from questionnaires, interviews and reports.

The audit report, presented to the National Assembly by the BNAO President, Tzvetan Tzvetkov, included 13 recommendations the BNAO made to the Bulgarian National Bank Governing Council on how to improve the banking supervision and increase its effectiveness.

Though the deadline for implementing the recommendations is November 1, 2016, the Bulgarian National Bank announced that many of them have already been implemented.

You can find the published audit report on the BNAO website at www.bulnao.government.bg.

News from Saudi Arabia



Dr. Hussam Al-Angari was appointed as President of the General Auditing Bureau (GAB) of Saudi Arabia on May 7, 2016. His education includes the Al-Thager School in Jeddah, as well as degrees from the Accounting Department of the Faculty of Economics and Administration at King Abdulaziz University, and a PhD in accounting and financial management from Essex University in the United Kingdom.

Dr. Hussam Al-Angari has an impressive record of research in the field of accounting and is a published author in both English and Arabic languages. His experience includes active participation in the fields of administration, management sciences, accounting and auditing; he has contributed to the works of a large number of administrative and academic boards and committees.

His prior positions include Associate Dean for Post Graduate Studies and Academic Research at the Faculty of Economics and Administration in King Abdulaziz University; Dean of the Faculty of Economics and Administration; and Acting Dean of the Faculty of Law. He has been instrumental in improving faculty ratings, and the Masters in Business Administration (MBA) and Executive MBA programs have achieved accreditation.

Dr. Al-Angari has led the Faculty of Economics and Administration to establish the first digital library in the Kingdom; organized the 1st Academic Conference on National Economy; coordinated ongoing academic seminars; converted the Law Department into The Faculty of Law; transformed the Islamic Economic Center into the Islamic Economics Institute; and established a number of Academic Research Chairs.

In 2013, he was selected to be a member of the Majlis Ash-Shura Council, where he was appointed as vice chair for the Financial Committee and the chair of the Financial Committee. During his committee tenure, Dr. Al-Angari has submitted five proposals to issue new laws and amend existing laws, including public sector governance, fees on foreign employee money transfers, civil pension, certified public accountants and justice.

- H.E. Dr. Hussam Al-Angari, President of the General Auditing Bureau (GAB), headed the GAB delegation at INTOSAI's 13th FAC Meeting held in Washington, D.C., July 21-22, 2016.
- GAB will host the 15th Meeting of Their Excellences, Presidents of Gulf Cooperation Council (GCC) SAIs in Riyadh October 26-27, 2016, and Riyadh will host the 9th Meeting of the Deputies of GCC SAIs September 21-22, 2016.
- Dr. Al-Angari co-chaired in the INTOSAI Donor Cooperation Steering Committee meeting, as well as the steering committee meeting for the Capacity Building Committee October 3-6, 2016, in Cape Town, South Africa.

News from New Zealand

POPULARITY OF AUDITOR-GENERAL'S REPORT PROMPTS REPRINT

New Zealand's Auditor-General, Lyn Provost, authored the report "[Reflections from Our Audits: Governance and Accountability](#)," which brings together findings and lessons from the office's recent work. The report has sparked important conversations across New Zealand's public sector, and it contains lessons that can be useful for organizations worldwide. Provost's third reflections report, in fact, is in such high demand that a reprint has been ordered.

The report takes a look at the Auditor-General's program of work under the theme "governance and accountability." In the report, the question is posed, "What is good governance?" It's an important question and one with which many audited entities grapple.

The reprint demand was a great opportunity for the New Zealand Office of the Auditor General to lead the discussion on good governance, asking organizations to consider their own governance arrangements and to use the report to create opportunities to talk about the important issues they face.

In the report, Mrs. Provost says that the quality of governance in the New Zealand public sector can be improved. One matter for improvement is to clearly define roles and responsibilities between governance and management at both an organizational and project level. When governors perform managerial functions, it

becomes difficult to hold management accountable. A second matter for improvement is risk management. Too often, the focus is on identifying risks, without sufficient attention to the management of those risks.

The report, available on the Office of the Auditor-General's website, identifies examples of both good and poor practices on these two matters. The Auditor-General also highlights some emerging trends, such as new reporting standards, integrated reporting, co-governance and network governance.

In New Zealand, there are, quite rightly, high expectations of the public sector. These expectations are the foundation of good accountability. In general, good accountability stems from being guided by principles that support trust between citizens and the public sector and include:

- **Openness**—being transparent.
- **Value for money**—using resources effectively, economically, and without waste while having due regard for costs and benefits, as well as the contribution to outcomes.
- **Lawfulness**—acting within the law and meeting legal obligations.
- **Fairness**—meeting a general public law obligation to act fairly and reasonably.
- **Integrity**—managing public resources with the utmost integrity.

From the practices observed and assessed eight elements of good governance have been identified. The eight elements deemed essential for effective governance are:

1. *Set a clear purpose and stay focused on it.*
2. *Have clear roles and responsibilities that separate governance and management.*
3. *Lead by setting a constructive tone.*
4. *Involve the right people.*
5. *Invest in effective relationships built on trust and respect.*
6. *Be clear about accountabilities and transparent about performance against them.*
7. *Manage risks effectively.*
8. *Ensure you have good information, systems and controls.*

All of New Zealand's public sector has been encouraged to consider these eight elements for their own governance arrangements. And, by the looks of the empty report shelves around the office, they have!

PROFESSIONALIZING THROUGH UNDERSTANDING PUBLIC AUDIT VALUE

New Zealand's Office of the Auditor-General (AG) recently received draft research results from an independent academic research team¹ examining the value of public audit. The research specifically focused on financial statement auditing, which comprises nearly 90% of the Supreme Audit Institution's (SAI) annual expenditure. This study was commissioned due to the strategic importance for the AG's office to understand and demonstrate relevance to citizens, parliament and stakeholders in the rapidly changing public sector environment.

The investigation used (1) private sector theories as to the reasons for audit, (2) Moore's (2013) concept of public value², and (3) International Standards of Supreme Audit Institutions (ISSAI) 12: The Value and Benefits of SAIs—*Making a Difference to the Lives of Citizens* (Copenhagen, 2012) to explore ways the public auditing sector creates value.

Under Moore's concept, public value cannot be delivered without an organization aligning legitimacy, capacity and public worth with stakeholders. Applying Moore's concept to ISSAI 12, without an appropriate level of resources, SAIs will be unable to (1) undertake core work at quality levels that are high enough to deliver public value or (2) support public sector reform without maintaining legitimacy and support from stakeholders.

Sixteen SAIs' annual reports and annual and strategic plans were analyzed to assess the primary private sector reasons behind the relevancy of public sector audits:

- **Agency**—auditing reduces agency costs where one party delegates authority, especially control over resources, to another.
- **Information**—Managers have better information about the business than outside investors, which can be overcome by an auditor's assurance.
- **Insurance**—Stakeholders may demand audits as a way of increasing the chance of recovering losses with the auditor a "target" for recovery.
- **Organizational Control**—Business owners may purchase audits as part of a system for loss of control.
- **Confirmation**—audited financial performance and position information is important for verifying earlier unaudited announcements.
- **Risk Management and Corporate Governance**—Auditing can be useful for organizations whose stakeholders are subject to higher risk.
- **Public Benefits, Choice And Externalities**—Auditing provides benefits to a range of parties and externalities that could benefit society at large and create incentives for auditing to be used in the political system.

SAIs' reporting generally supports these reasons (with the exception of insurance and confirmation); however, the tendency is to not discuss negative consequences. The research suggests that this means some measures of value may be misleading.

The New Zealand Office of the Auditor-General is interested in hearing about other projects across the INTOSAI community looking into this question and would also like to hear about additional values associated with public audit research to share such results and seek additional learning as efforts are underway to prepare for the upcoming 2016 INCOSAI in accordance with Theme 2: Professionalization.

To learn more about these research results and share your ideas and experiences with similar projects, contact Ann Webster at Ann.Webster@oag.govt.nz.

¹The research team was comprised of: (1) Investigations conducted by: David Hay, Kevin Simpkins and Carolyn Cordery; (2) Advisers: David Emanuel, W. Robert Knechel, and Tony van Zijl; OAG Participant: Karen Smith.

²Moore, M. H. (2013) *Recognizing Public Value*. Cambridge & London: Harvard University Press.

News from Afghanistan

SUPREME AUDIT OFFICE (SAO) OF AFGHANISTAN CONDUCTS TRAINING

Training is at the core of the Afghanistan SAO's strategy, since a skilled workforce is key to its success. The Auditor General and his team are focused on ensuring that all SAO staff receive the requisite skills to efficiently and effectively perform their duties, and the Afghanistan SAO has conducted the following training sessions in the past few months:

IT Audit Training

Afghanistan's government has been moving toward the use of Information Technology (IT) in most of its financial operations and transactions. SAO senior management saw the need to ensure that our auditors are well equipped to audit the various IT platforms, such as the Afghanistan Management Information System (AFMIS) and in July 2016 implemented training focused on IT auditing and the use of Computer Assisted Audit Techniques (CAATs) in the audit process.

Accounting, budget and financial report writing training course

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been contracted to conduct a one-month training course for the Afghanistan SAO. This training is aimed at further equipping SAO staff with the relevant skills needed to efficiently and effectively conduct their duties.

AFGHANISTAN SAO CONDUCTS KEY MEETINGS, SIGNS MOUs

- In March 2016, Afghanistan top leadership, led by the Auditor General, Dr. Mohammad Sharif Sharifi, signed a Mutual Cooperation Agreement with Thailand's Auditor General. As part of this agreement, Afghanistan and Thailand's Supreme Audit Institutions (SAIs) will be sharing training, learning and professional development experiences.
- The Afghanistan Auditor General, Dr. Mohammad Sharif Sharifi, provided a keynote speech at "Identification of Practical Approaches for

Encountering Administrative Corruption" conference held June 4-5, 2016, at the Intercontinental Hotel, in Kabul, Afghanistan. This high-level conference focused on necessary strategies aimed at fighting corruption within the Afghan government. Dr. Sharif highlighted the need for the various corruption agencies to work closely together to achieve progress in the fight against corruption and emphasized the urgency to establish a Public Accounts Committee within Afghanistan's parliament.

- Mr. S.M. Mehdi Hussaini, Deputy Auditor General, and Mr. Abdallah Amiri, the International Advisor to the Auditor General, met with General Gordon Davis, Commander, Combined Security Transition Command-Afghanistan (CSTC-A) and his leadership team, May 28, 2016, at the CSTC-A Headquarters. The meeting primarily focused on ways in which the SAO can work more closely with the CSTC-A team. Gen. Davis and his team pledged to continue supporting the SAO and to further linking the SAO to other partners for capacity building support.

For additional information about the Afghanistan Supreme Audit Office, please contact afghancao@gmail.com or noon.sao@gmail.com.

News from Belarus



Minsk (the Republic of Belarus) hosted the XVI Council of Heads of Supreme Audit Institutions (SAIs) of the Commonwealth of Independent States (the Council) June 7-8, 2016.

The President of the Republic of Belarus, Alexander Lukashenko, along with the Chairman of the Executive Committee, Executive Secretary of the Commonwealth of Independent States, Sergei Lebedev, greeted attendees of the XVI session that included SAI representatives from the Republics of Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyz, Moldova, the Russian Federation and the Republic of Tajikistan. The delegation from the SAI of the Slovak Republic also participated in the event as a guest.

Leonid Anfimov, Head of the SAI of the Republic of Belarus, opened the conference, which focused on relevant issues on the SAI role of ensuring economic security. The heads of participating delegations shared progressive experiences and achievements in the realm of financial control, particularly from a national legislative view.

Session participants agreed on the value of increasing transparency and accountability; ensuring state property and funds are legitimately and effectively used; performing expert, analytical activities (audit);

protecting national interests through economic and social security risk identification; and contributing to enhanced SAI interaction are critical.

Lukashenko met with the heads of delegations, and, during this meeting, he expressed confidence that audit institutions can play a key role in the development of the Commonwealth of Independent States and in the harmonization of relations among the various countries. “Only tough state control over financial flows and strict observation of legal regulations in this sector can guarantee productive development,” he emphasized.

The conference ended with the signing of final documents, including the:

- Decision of the XVI Session of the Council
- Council’s Work Plan for the Period Between the XVI and XVII Sessions
- Resolution, which defines the commitment to mutual understanding, trust, friendship and cooperation.

The XVII Session of the Council will be held in Baku (the Republic of Azerbaijan) in September 2017.

News from France



RABAT DECLARATION ADOPTED

The Cour des comptes of the kingdom of Morocco welcomed the members of the Association of the Supreme Audit Institutions (SAIs) having in common the use of the French language (AISCUFF), May 30-June 3, 2016, in Rabat, Morocco. More than 90 people gathered (representing 22 SAIs¹) at the event with the intent to educate participants on SAI independence, capacity building and communication.

The occasion was a joint effort among the French Cour des comptes, Moroccan Cour de comptes, International Organization of La Francophonie and the UNPD/France Pole of Dakar, who all supported training sessions that included capacity building and budgetary and financial discipline. The Senior Presidents of the Moroccan (Driss Jettou), the Ivorian (Kanvaly Diomande) and the French SAIs (Didier Migaud) opened the event.

Jettou noted the expansive turnout and participation of AISCUFF members, which, according to Migaud, is “the sign of the association’s dynamism and of the collective will to defend and promote the values shared by AISCUFF members in more frequent, visible and efficient common actions.”

Diomande reminded those present that the establishment of an independent and efficient SAI with jurisdictional functions was required in accordance with Central African Economic and Monetary Community (CEMAC) and West African Economic and Monetary Union (UEMOA) public finance regulations. These control entities guarantee the

good use of public resources, thus contributing to good governance and budgetary transparency. Beyond the control of public accounts, the Community directives aim to provide SAIs having jurisdictional function with new skills, such as evaluating public policy performance. In this context, the conference made it possible to assess the present state of affairs of Central and Western African SAIs.

At the end of the workshops and mutually beneficial networking exchanges among SAIs, a common declaration, the Rabat Declaration, written in support of two “regional road maps”, was adopted by all present AISCUFF members. The declaration is now the basis of a political advocacy to promote SAI interests within international bodies.

The regional economic Commissions, the regional SAIs and the SAIs of both zones’ member states pledge to support the implementation of the directives to ensure the independence and autonomy of SAIs; to elaborate human resource management strategies (to attract necessary talents); and to improve the visibility of publications to reinforce the acknowledgement of SAIs and the impact of their works on the lives of citizens.

¹In attendance were the SAIs of : Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, CEMAC, Congo, Ivory Coast, France, Gabon, Haiti, Mali, Morocco, Mauritania, Niger, Central African Republic, Senegal, Chad, Togo, Tunisia, UEMOA, Union of the Comoros.

News from Albania



MOST EFFICIENT SAI RECOMMENDATIONS TO SERVE AS PUBLIC ADMINISTRATION PRECEDENTS

by Fatos Çoçoli, Albanian Supreme Audit Institution

The Albanian Supreme Audit Institution (ALSAI) organized its fourth Annual Scientific Conference in Tirana, Albania June 20-22, 2016. The conference, entitled “Risk Analysis,” garnered much attention, including that of the European Parliament (EP), represented by Member of the European Parliament (MEP) Dr. Igor Šoltes, Deputy Chairman of the EP Budgetary Control Committee.

The conference, co-chaired by Dr. Šoltes alongside Dr. Wojciech Kutyla, Vice President of the Supreme Audit Office of Poland, saw more than 150 representatives from partner SAIs, as well as local academics, professors and experts in various

fields of audit and public finance management. The risk analysis conference was designed under INTOSAI’s motto “Experientia Mutua Omnibus Prodest” and highlighted the regional problem of the lack of due risk analysis in public institutions’ major decision making.

The conference’s central message was that countries of the region do, in fact, face similar risks and that these risks should be dealt with in a professional manner and high level of integrity. Public institutions should cooperate with each other to gain maximum contributions for recognition and risk mitigation.

Dr. Šoltes recommended working groups be established to combat this phenomenon that continues to undermine public finances. “We all should play our role to fight corruption,” said Šoltes, who added, “although in these last two years, it has spread even more in the European Union into areas such as construction, energy, transportation, defense and public health.”

According to Šoltes, educating public administration staff who

manage public finances is extremely important and, in this context, the SAI plays a significant role in strengthening citizens’ trust in state institutions. He concluded by urging the country’s authorities to fortify institutional independence to better ensure efficient and proper tax collection and use of public funds.

ALSAI’s Chairman, Dr. Bujar Leskaj, identified systematic corruption as a major risk in Albania and presented a map of risk areas that threaten the country due to high public debt, irrational exploitation of natural resources and a lack of clear rules on concessions and public-private partnerships. Leskaj echoed the concerns raised by the International Monetary Fund, World Bank and United States Agency for International Development offices in the country.

Albania’s Minister of Finances, Mr. Arben Ahmetaj, agreed with Dr. Leskaj’s map of risks and noted that commentary should be prepared with the SAI’s recommendations serving as precedents and standards for public administration.

Dr. Milan Dabović, President of the Senate of the SAI of Montenegro, provided a detailed analysis on the definition of risk, materiality and sampling at the audit’s planning stage. Representatives of the SAIs of Croatia and Turkey also provided presentations at the conference where they highlighted experiences of their respective countries in risk analysis.

At the conclusion of the conference, ALSAI agreed to develop a review on risk analysis, as well as a risk map for 2017-2018.

ROMANIAN COURT OF ACCOUNTS AUDITS CAPITAL'S SUBWAY SYSTEM

The Romanian Court of Accounts initiated a performance audit on the subway transport system, particularly regarding traffic safety compliance. The subway system is the primary (and preferred) means of transport for citizens due to convenience and speed of travel. Although the subway system covers only 4% of the length of the entire public transport network of Bucharest, it provides transportation for approximately 20% of public transportation passengers, accounting for a daily average of 600,000 people and a monthly average of more than 15 million travelers.



by the Romanian Court of Accounts

The need to optimize, modernize and extend the current metro network is rigorous and is generated by a number of factors including:

- Estimated population growth dynamics of Bucharest (in 2020, there will be 2.36 million inhabitants and in 2030, about 2.55 million residents).
- Impact and positive benefits on the capital's general transport and living conditions by (1) avoiding overcrowded surface traffic and (2) reducing the number of accidents, amount of travel time, pollution, energy consumption, road degradation and associated costs of transportation maintenance and repairs.
- Perspectives on building the future "Bucharest metropolitan area" in the absence of which the sustainable development the capital and nearby towns cannot be approached, planned and achieved.

DEVELOPING THE SUBWAY TRANSPORT SYSTEM—CHRONOLOGY AND EVOLUTION

Currently, there are two primary organizations that provide modes of public transportation for Bucharest:

- The Underground Transport Commercial Company Bucharest METROREX, S.A. (referred to as METROREX), which operates under the authority of the Ministry of Transportation. The company has duties, powers and responsibilities associated with managing and operating the subway transport system.
- The Autonomous Transportation Company of Bucharest (RATB): a self-managed public company subordinate to the General Council of the Bucharest Municipality. RATB has duties, powers and responsibilities in the management and operation of surface transport (trams, buses and trolleys).

Prior to 1970, to meet the demand for public transport in Bucharest, tracks were provided for the major surface routes in accordance with the city's architecture (generally characterized by having relatively narrow streets and urban agglomeration areas whose systematization is confronted with significant obstacles). The solutions applied to surface transportation proved insufficient and unattractive and did not provide adequate conditions for passenger comfort. Thus, in the 70s, the decision was made to introduce a new mode of transport—the underground electric railway—a solution designed to ease surface transport congestion, while providing significant time savings for users due to higher commercial speeds. The electric railway would also drastically reduce pollution and enhance convenience and safety. As the 1980s neared, the Bucharest underground network had been built, equipped and was operational.

To better understand the dimensional coordinates of the METROREX activity, refer to the map of the Bucharest City metro network (Figure 1) and the chart highlighting the number of passengers (travelers) during the years 2010–2014 (Chart 1).

THE AUDIT APPROACH

The audit mission's overall objective was to evaluate government transport programs and activity performance with respect to implementation and operational efficiency and effectiveness. The audit also intended to assess if performance indicators were established in accordance with requirements as prescribed in "The Overall Strategy for Development and Modernization of the Metro Transport in Bucharest 2008-2030."

The audit mission focused on risk identification, as well as vulnerability management (with the potential to generate failures and deficiencies found in previous audit actions carried out by the Court of Accounts).

Specifically, the proposed objectives were:

1. Identify vulnerabilities, specific risks, failures and shortcomings (and consequences and associated responsibilities) associated with METROREX, S.A.
2. Evaluate the consequences and responsibilities related to actions (and non-actions) of the State entities with duties, powers and responsibilities in the field.
3. Identify potential areas and issues for improvement and make recommendations for enhancing performance in areas noted in the first two objectives.

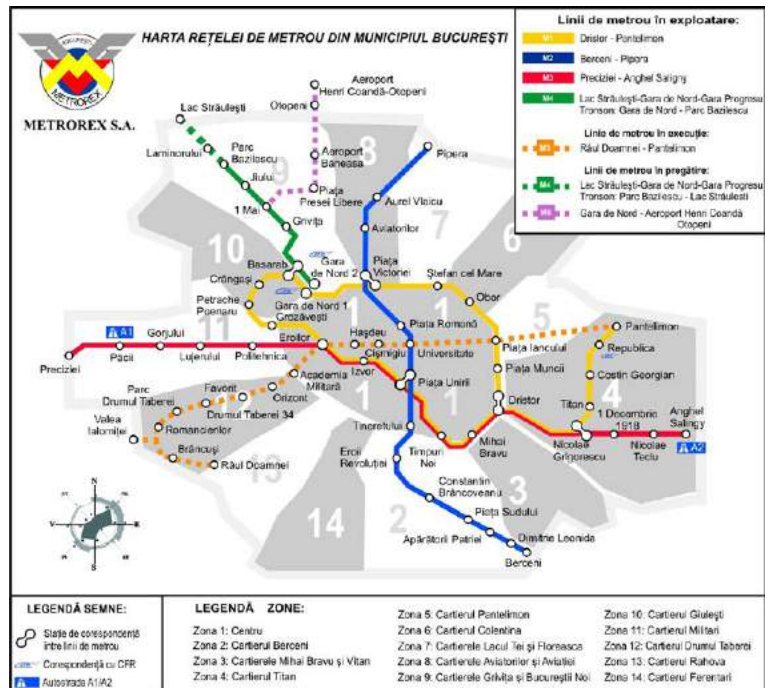
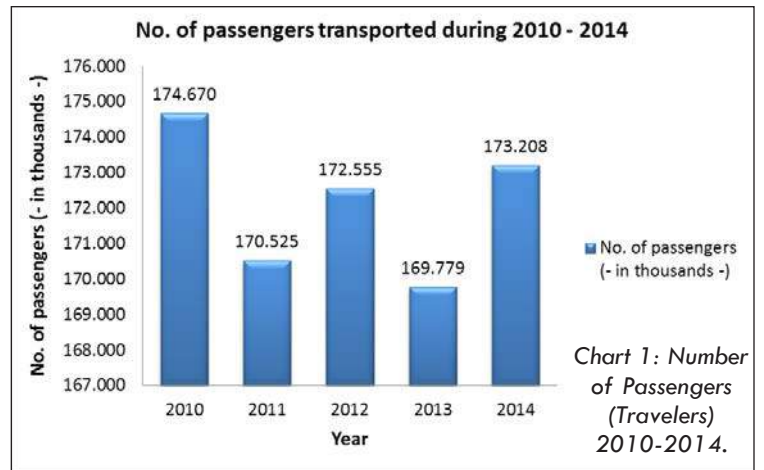


Figure 1: Map of Bucharest City Metro.



The audit METROREX was conducted in terms of passenger satisfaction involving: (a) delivered services (by increasing quality and diversification), and (b) level of passenger security and safety (expanding to attract more travelers to use underground transport).

FINDINGS AND CONCLUSIONS OF THE AUDIT

The audit found two key conclusions:

1. The Bucharest City metro has recorded an upward trend in work quality and trust of the traveling public despite the difficulties of (1) infrastructure maintenance, updates and expansion (in technical

and technological terms) and (2) insufficient government-approved financial and staff resources.

2. The grant from the state budget for operating activities was inadequate and not predictive in nature. The allocations for investment projects were constantly at a precarious level.

There were also a number of relevant findings connected to the entity's activities: (1) the development strategy of the underground transport in Bucharest, (2) financing of the activity, (3) citizen reaction to travel tariff increases, (4) slow progress in expanding the metro network, (5) operation and administration of premises, (6) passenger satisfaction for services offered and (7) issues related to emergency situations.

RECOMMENDATIONS OF THE AUDIT

The recommendations cover several steps and measures, such as taking steps to include METROREX's own strategy as part of a national program/strategy/transport master plan approved by the government or parliament would provide the "legal force" necessary to ensure funding predictability; identifying solutions to achieve proposed objectives; analyzing and adopting appropriate management by METROREX decision-makers and staff; performing comparative (benchmarking) and SWOT analyses to determine whether the activities are conducted in accordance with reported and recognized best practices; and improving the legislative framework.

IMPACT OF THE AUDIT

The audit mission, "Performance Audit Covering the Underground Transport of Persons in Bucharest," provides a tremendous public impact. Objective and reliable information on these issues helps to increase transparency and accountability of all key players.

Parliament and Government—well-informed institutions.

The legislative branch needs reliable and independent information on government actions and on the effects of its own decisions and laws. The performance audit, an independent assessment of the Bucharest public subway service's performance, provides evidence and secures guidance on critical points that need to be reformed. Identifying potential improvements assists with reformation and public administration efficiency, as well as reduces government spending, all of which add

substantially more value than that of a single control mechanism. Providing proper information will facilitate the implementation of recommendations on improving the legislative framework to support the work of the underground metro transport and will help the metro network optimize, modernize and expand.

Increase management performance at METROREX. The audit mission offers data concerning the degree of achieving program and activity objectives financed via public funding. Through its recommendations, the audit covers a wide spectrum of issues and provides, where possible, generic solutions with respect to: developing a formal and effective framework (organizational); performing measurements and evaluations; stimulating an objective; and performing unbiased internal reviews of processes, practices and systems. By referring to the best practices, the audit recommendations also show an clear methodological role.

Public interest and media communication. The general public are also taxpayers, making them primary stakeholders in knowing how public funds have been spent. Relevant social, political and economic matters also have an impact on the sustainable improvement of the general conditions of transport and life of the Romanian capital population.

In this framework, good communication with the media helps bridge the gap with citizens and other stakeholders and helps to build an accurate image concerning public services. Media opinions can generate significant impact on different issues included in the audit report.

Monitoring the implementation of recommendations, as well as the suggested improvements to the legislative framework on the underground transport (metro) activity provided by the Court of Accounts as a result of this audit will significantly help to optimize, modernize and expand the metro network, thus leading transport and quality of life sustainable improvements for residents of the Romanian capital.

To read the full report and request more information, contact the Romanian Court of Accounts at international.romania@rcc.ro or online at www.curteadeconturi.ro.



The State Audit Institution (SAI) of the Republic of Serbia conducted a performance audit on the “Justification for Establishing Committees and Other Permanent and Temporary Working Bodies in the Public Sector” to address the issue of taxpayer money (*in the hundreds of millions of dinars*) being spent on committee payments with no clear criteria and control of the work for which these committees have been formed. The audit, conducted from July 2015 to May 2016, was published in July 2016, and aimed to:

- Determine the justification(s) used to establish committees and working bodies.
- Establish whether these entities conducted tasks and realized defined goals efficiently.
- Issue recommendations for improving the state of affairs in this field.

A large number of committees and other working bodies are being established in the public sector of the Republic of Serbia, and significant funds are allocated

for this each year. Establishing, selecting and disbursing compensation to committee members (and other permanent and temporary working bodies) is often done with no defined criteria and benchmarks, which gives rise to the potential for fiscal abuse due to the broad authorizations given to management.

To acquire basic data on committees, the SAI sent 191 questionnaires to public funds beneficiaries. Based on quantitative and qualitative criteria, 14 auditees were selected, which included the Secretariat General of the Government of the Republic of Serbia; Ministries (Education, Science and Technological Development, Justice; and Finance); Cities (Pancevo, Cacak and Sabac); and Municipalities (Ruma, Backa Palanka, Merosina, Pecinci, Zitoradja, Kovin and Backi Petrovac).

Analysis of the submitted data showed that within the 14 auditees selected, there were 488 committees in 2014, totaling 3,332 hired members. Nearly 67% of the 488 committees received funds for compensation and

324 committees that received those funds held 2,652 sessions. Roughly 2,200 members received compensation amounting to 364.8 million dinars (3,015,915 Euros).

Mr. Radoslav Sretenović, SAI President and Auditor General, provided additional results at a press conference dedicated to the audit report presentation.

“During the audit process, we concluded that auditees did not keep records (single or comprehensive) on committees; founders largely did not define deadlines for work completion and/or committee reporting methods. There were also cases where goals or tasks were not defined, greatly affecting work efficiency. Some auditees had no defined criteria (sometimes no criteria at all) for committee establishment, the number of members necessary nor the compensation for working on a commission basis, leading to the risk of overspending. In several instances, committees’ work often overlapped regular activities, and managers did not review committee existence justification and appropriateness, resulting in an extraordinary amount of committees being formed along with significant funds being allocated for their work,” Sretenovic highlighted.

LARGE NUMBER OF VARIOUS COMMITTEES IN THE PUBLIC SECTOR OF THE REPUBLIC OF SERBIA

Ms. Svetlana Toma Anokic, Supreme State Auditor in the Performance Auditing Sector, reiterated Sretenovic’s remarks about the overlapping nature of activities belonging to core competencies of auditees. She provided examples of this intersecting phenomenon, including an inventory committee given the task to conduct an inventory count of movable and immovable property and monetary assets, as well as a public procurements committee, where public officials received additional funds for jobs within their core scope of work. Anokic also addressed the portion of the performance audit that determined a large number of committees had no defined tasks and goals, in addition to undefined deadlines for job completion reporting methodologies.

She mentioned that, for ten years of work performed by the Committee for Drafting Civil Code, more than 134 million dinars (1,107,820 Euros) have been spent, and the only result to show for this time and money is a rough draft of the law. Anokic remarked that there were some municipality representatives questioned during the audit who admitted that certain committees were established simply to satisfy political and party affiliation appetites.

Anokic went on to highlight other ill-formed committee examples of particular interest that were brought to light during the audit process, including the committees for Destruction of Seals and Stamps, Reviewing Vehicle Adequacy for Taxi Transportation, Renting Out Billboards, and Popular Policy.

RECOMMENDATIONS OF THE STATE AUDIT INSTITUTION

The SAI issued recommendations to the *Government of the Republic of Serbia*:

- To determine and reconsider the amount of permanent working bodies, number of members and rights to compensation in the public sector, and to define such criteria via enactments in this field.
- To determine benchmarks, criteria for setting the compensation amounts for work accomplished by a president and committee members and other temporary working bodies in the public sector.

The SAI also issued recommendations to *auditees*:

- To reconsider justification for establishing committees and other working bodies (except for those stipulated by the law).
- To clearly define (when establishing committees and other working bodies), goals and tasks, number of members, deadlines for job completion, compensation amounts, committee work results, reporting manners, as well as methods associated with work control.
- To reconsider the need for payment of compensations (and the amounts) for working on committees and to initiate legislative change (and revisions to other regulations and enactments) that control committee compensation.

Note: Euro figures based on median exchange rate of the dinar according to the National Bank of Serbia as of December 31, 2014.

This is the third in a series of performance audit reports conducted by the SAI of the Republic of Serbia. The first Performance Audit Report, published in 2014, was titled “Management of Company Vehicles of Direct Budget Beneficiaries of the Republic of Serbia.” The second performance audit was published in 2015, when the SAI conducted an audit titled “Utilization of Real Estate Owned by the Republic of Serbia.”

THE FIGHT AGAINST CORRUPTION

How the Supreme Audit Office of Afghanistan is doing their part



by Prof. Dr. Mohammad Sharif Shari, Auditor General, Afghanistan Supreme Audit Office

Afghanistan's Supreme Audit Office (SAO) is responsible for the audit of Afghanistan's government revenues and expenditures and oversees the way public finances are managed. Audit work promotes public sector accountability within the country by scrutinizing public financial management and reporting on whether public bodies are using public funds as directed. This, in turn, helps ensure good governance within government institutions.

SAO is committed to fighting corruption in the country and is currently employing numerous approaches to include (1) focusing audit planning on areas typified by high corruption risk, (2) working closely with other institutions, such as the Attorney General and parliament, and (3) publicizing audit report recommendations publicly on the SAO website.

Any cases of fraud or misuse of public funds discovered during the audits are always referred to the Attorney General for action. SAO is also on hand to lend support to the Attorney General acting as an expert witness when these referred cases go before courts of law.

In the fight against corruption, SAO plays an indirect role by emphasizing deterrence and prevention. Audits (financial, compliance and performance) help to identify internal control weaknesses and allow for the recommendation of ways to strengthen those weaknesses. In doing so, the SAO is promoting strong public financial management.

Audit work also underscores reviewing and reporting on the system of financial checks and controls. This helps ensure transparency in the reporting of government spending and aims to dissuade people from engaging in corrupt practices.

CRITICAL FACTORS NEEDED TO BE SUCCESSFUL IN THE FIGHT AGAINST CORRUPTION

It is important to note that all government agencies must be proactive in their roles if the SAO is to be successful in the fight against corruption.

For example, cases forwarded to the Attorney General's office should be expeditiously handled. It is also essential that parliament establish a Public Accounts Committee (PAC). The role of PAC is fundamental to holding government agencies accountable.

With the PAC in place, SAO audit reports will be reviewed, and the concerned ministries and agencies will be notified to account for and provide action plans on improving any identified internal control weaknesses.

Without the PAC in place, the SAO will continue to see the same challenges including:

- Lack of accountability
- No action taking place on implementing proposed audit recommendations.

These hurdles enable the fostering of corruption in the various government ministries and departments.

HOW AFGHANISTAN'S SAO PLANS TO CONTINUE WITH THE FIGHT AGAINST CORRUPTION

The SAO goal is to remain steadfast in our actions. We aim to:

1. Ensure audits focus on high-risk areas for corruption;
2. Work closely with Civil Society Organizations (CSOs) and the public on identifying and investigating alleged corruption complaints through the Citizen Engagement Mechanism;
3. Continue to publish all audit findings on the SAO public website;
4. Work with parliament to ensure a vibrant PAC is put in place and operating effectively and efficiently;

5. Cultivate relationships with all institutions fighting corruption in Afghanistan.

The importance of Supreme Audit Institutions (SAIs) in the fight against corruption cannot be underestimated. SAIs are an institutional pillar (alongside the legislature, executive, judiciary, ombudsman and electoral management bodies) upon which rests the strength of every country's integrity. For SAIs to be successful in this fight, there is a need to work closely with all institutional pillars. We should also all keep in mind that any weakening in the effectiveness of one of our pillar institutions places a greater strain on the rest.

Special note: The SAO of Afghanistan is in the initial phase of developing the Citizen Engagement Process and will be sharing news on the success of the tool once implemented.

SUPREME AUDIT INSTITUTIONS A NECESSITY IN TURBULENT TIMES

by D. A. Davlatzoda, Chairman of the Accounts Chamber, Republic of Tajikistan

Throughout the global financial crisis over the past few years, social and political instability has amplified the level of uncertainty associated with socio-economic processes. This uncertainty has led to a severe negative impact, particularly on emerging and transitioning nations, including Tajikistan.

Tajikistan's economy, like that of many developing countries, remains vulnerable to international financial and economic changes.

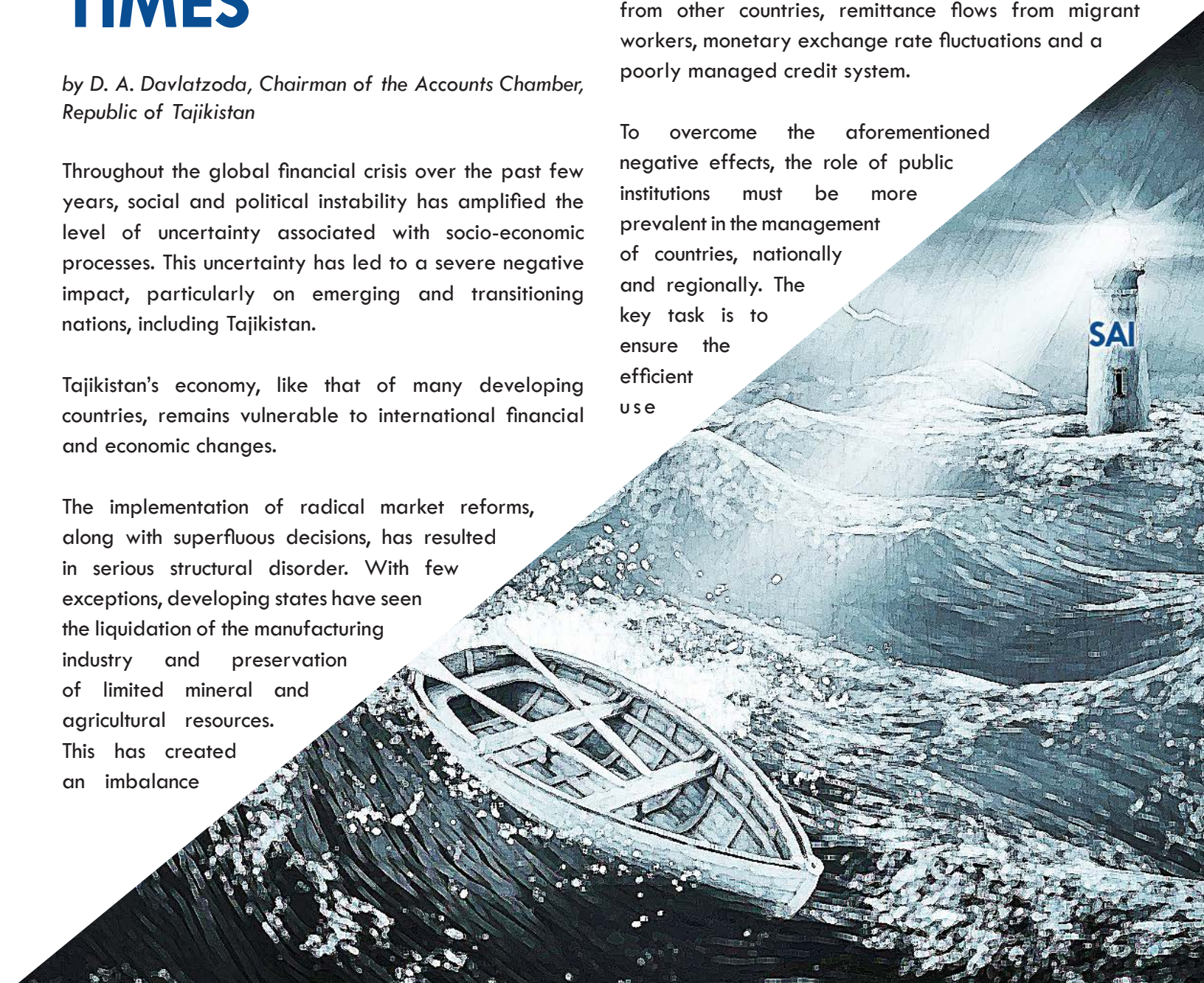
The implementation of radical market reforms, along with superfluous decisions, has resulted in serious structural disorder. With few exceptions, developing states have seen the liquidation of the manufacturing industry and preservation of limited mineral and agricultural resources. This has created an imbalance

characterized by a reduction in exports as importation steadily rises.

Prior to 2000, Tajikistan export volumes exceeded import volumes by 16.2%. However, in recent years, the excess of imports has reached a value of 4.3-4.4 times greater than that of exports, representing a considerable negative balance.

Concurrently, Tajikistan's socio-economic crisis can be attributed to a high degree of economic dependence from other countries, remittance flows from migrant workers, monetary exchange rate fluctuations and a poorly managed credit system.

To overcome the aforementioned negative effects, the role of public institutions must be more prevalent in the management of countries, nationally and regionally. The key task is to ensure the efficient use



of allocated budgetary resources supporting the (1) banking sector and (2) domestic assistance provided to social programs.

The efficient management of funds must be ensured for any form of state support for business, including budget, preferences and tax refunds. Finding additional resources, as well as redistributing the funds already earmarked indicates a clear need for audit institutions to be involved in assessing fund and program effectiveness and the economic and social impact these funds and programs (and any potential changes) may have.

Initially, strategic state management contains a development assessment component, which seeks to merge strategy compatibility with proposed objectives and available resources. This component should also include the establishment and incorporation of state audits, which seem to be a new occurrence in public administration systems, especially in Tajikistan.

Developing state audits as a part of Tajikistan's strategic planning and management process would benefit the nation, particularly during periods of crises, as doing so would combine external financial control and review by specialized government bodies that can monitor budget implementation; economic policy, social programs and environmental projects examination; and the incorporation of various regional elements, such as goal-setting and problem-solving mechanisms currently in place associated with strategic territorial development.

At the same time, transparency is critical, particularly in conditions characterized by a high amount of uncertainty and negative expectations. We have seen many countries

rapidly develop and adopt anti-crisis measures. Recipients of state support often become enterprises, greatly complicating the task of ensuring openness and making it imperative to develop effective mechanisms for cooperation and coordination between government and parliament. State audits address this issue by providing independent observations and evaluations

and helping to remove various bureaucratic hurdles and legal inconsistencies that may hinder objective program research and examination.

Qualified, unbiased and open information is crucial, thus making the role of SAIs even more important than ever before. Ensuring citizens and investors receive such relevant

and impartial information on the state of public finances is essential to any nation, but perhaps more so to countries that are developing, transitioning or facing a crisis. Controlling the implementation of measures, including those put in place in times of hardship, includes monitoring, evaluating and providing useful recommendations on the legality, effectiveness and use of state support funds. Incorporating SAI involvement is the key, not only for today but for the future of the country.

*“Incorporating SAI involvement
is key, not only for today
but for the future of the country.”*

USING GIS TO MONITOR PUBLIC WORKS

by the Federal Court of Accounts of Brazil (André Delgado de Souza, Juliana Santa Cruz de Souza, João Germano Lima Rocha) in partnership with researchers from the Federal University of Pernambuco (Maria do Carmo Sobral and Ana Lúcia Bezerra Candeias)

INTRODUCTION

This article presents an alternative model for auditing public works through intensive use of Information Technology (IT). The model is based on the use of Geographic Information Systems (GIS) for collecting, processing and analyzing data; producing tables, graphs and thematic maps; allowing remote monitoring of a large number of constructions; and providing a quick overview of the audited area.

To develop the model, literature reviews, interviews with experts, technical meetings, workshops, on-site inspections and experimental research were conducted. A case study with sewage public works was performed with experimental applications in 399 municipalities of the Brazilian Northeast, involving 142 contracts, totaling \$300 million (Federal Court of Accounts of Brazil (TCU), 2015).

GIS IN GOVERNMENT AUDITS

Geospatial information pertains to a specific location, associating each entity or phenomenon to an exact location on Earth. These computer tools allow you to store, integrate, maintain, visualize and analyze data from various sources and create geo-referenced databases and thematic maps (in which a great deal of information can be overlaid and interpreted). Figure 1 illustrates a schematic view of GIS layers.

GIS can play an important role in every stage of an audit, including selecting research areas and communicating audit results. Rentenaar and Williams-Bridgers (2006), Jongsmá and Graaf (2008) and

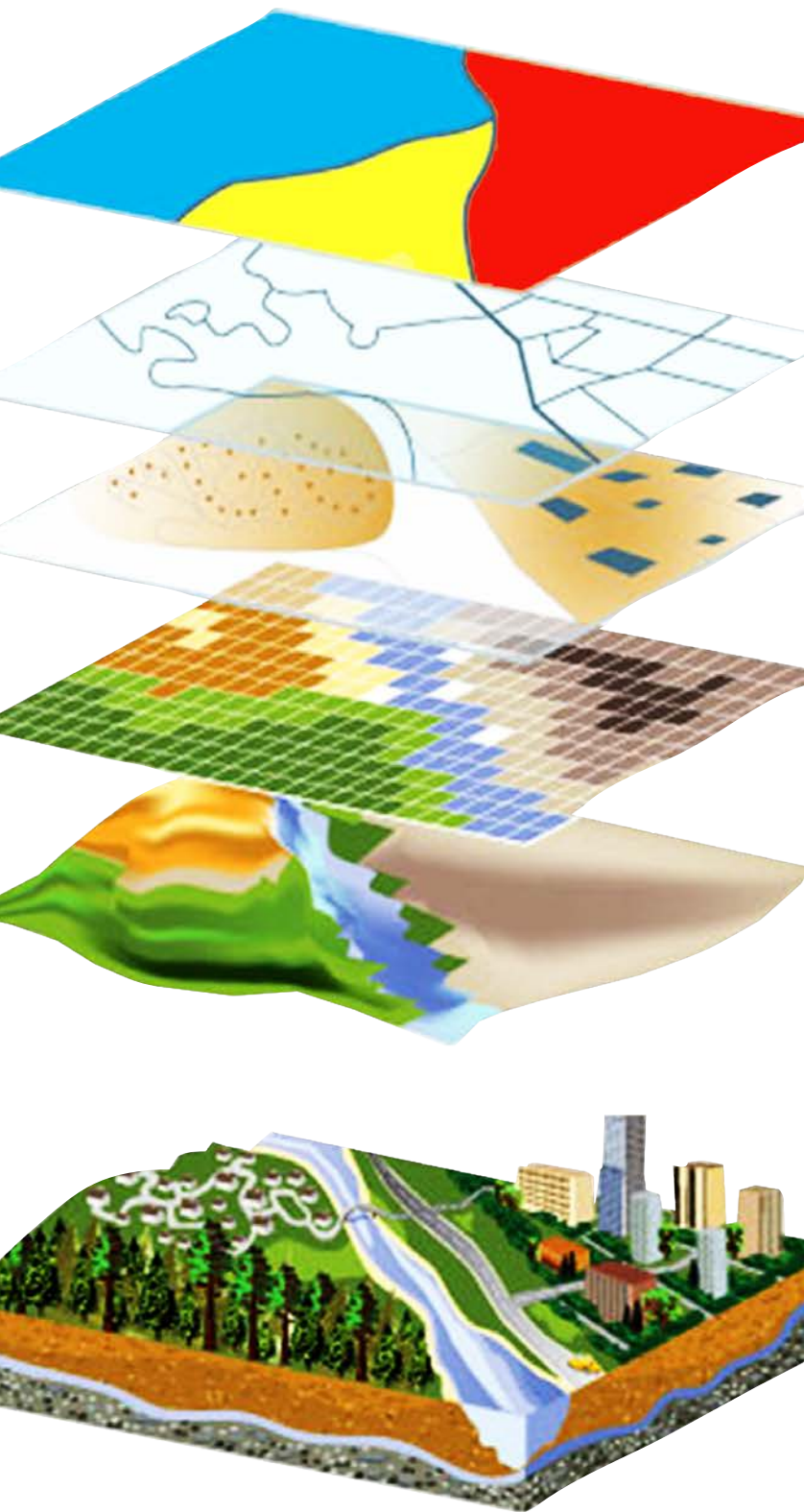


Figure 1: Schema of GIS Layers (Source: www.noaa.gov).

Musa (2012) presented practical GIS applications in audits connected to disaster-related aid, money laundering and the environment, and they highlighted the important contributions of GIS for more effective control, especially by performing complex analyses through linking data layers and overlaying different datasets.

The International Organization of Supreme Audit Institutions (INTOSAI) published International Standards of Supreme Audit Institutions (ISSAI) 5540, concerning the use of geospatial information in auditing disaster management and disaster-related aid. The purpose of ISSAI 5540, to explain the benefits of using geospatial information in audit works, introduces GIS as an audit tool and encourages auditors to improve the use of geospatial information in their work (INTOSAI, 2013).

When analyzing the Brazilian Courts of Accounts, it was observed that roughly 50% of the courts systematically use, or are preparing to use, GIS in auditing public works. This information considered 28 Brazilian courts, 27 state courts and the federal court.

GIS FOR REMOTE MONITORING OF PUBLIC WORKS

Developing methods to use government databases is featured due to the increasingly available amount of data. TCU has been intensively working to use IT resources, particularly public administration databases. The use of IT enables obtaining information about audited objects in a remote fashion to include highlighting audit findings through automated tests.

These systems are important in monitoring public works, as they allow for data treatment, integration and spatial analysis. Figure 2 shows a scheme of the developed model, which can be divided into four steps:

1. *Data collection*: to collect data mainly from public information systems;
2. *Data processing*: to standardize data, correct errors and integrate databases;
3. *Use of GIS*: to organize information in a unique database and produce tables, graphs and maps;
4. *Monitoring of public works*: GIS enables obtaining information about a large number of constructions, allows virtual monitoring, with a quick overview of the research area.

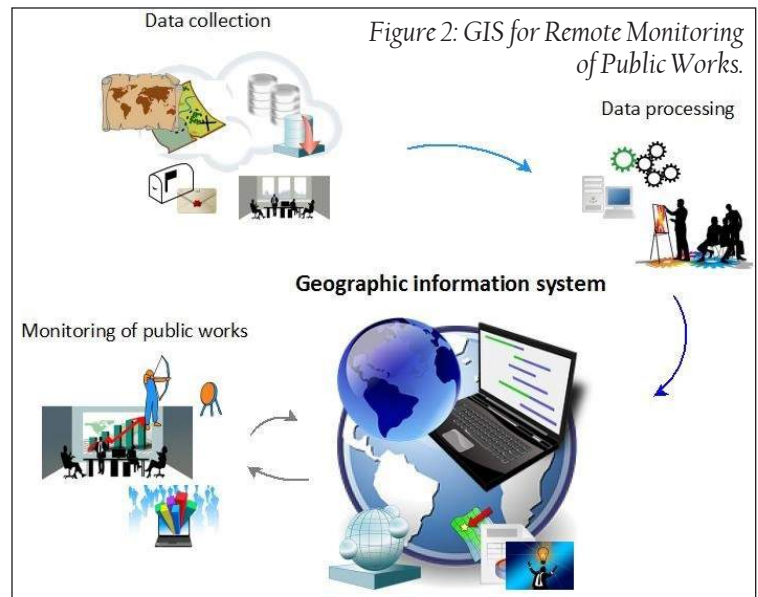


Figure 2: GIS for Remote Monitoring of Public Works.

Thematic maps are an option to support decision-making processes related to the external control of public works. They enable (1) detection of areas with higher or lower occurrence of certain phenomena, (2) geographic pattern identification, and (3) predictive and correlation analyses.

AUDITING SEWAGE PUBLIC WORKS

Between May 2014 and March 2015, TCU audited an area of 399 municipalities in the Brazilian Northeast, involving 142 contracts, totaling \$300 million. The goal was to improve public works sewage governance in the region through the diagnosis and analysis of conditions associated with sewage construction, as well as identifying problems and bottlenecks related to projects never reaching conclusion (TCU, 2015).

The municipalities selected were those that would greatly benefit from Brazilian Federal Government projects. One such example is the São Francisco River Integration Project (PISF), involving the construction of two main channels for river basin incorporation.

Sewage infrastructure construction was among the predicted measures to maximize PISF benefits, a measure especially important for municipalities within the project's Direct Influence Area (DIA), as raw sewage discharges could potentially damage water quality.

Figure 3 (on the following page) depicts the study area. The main audit findings were:

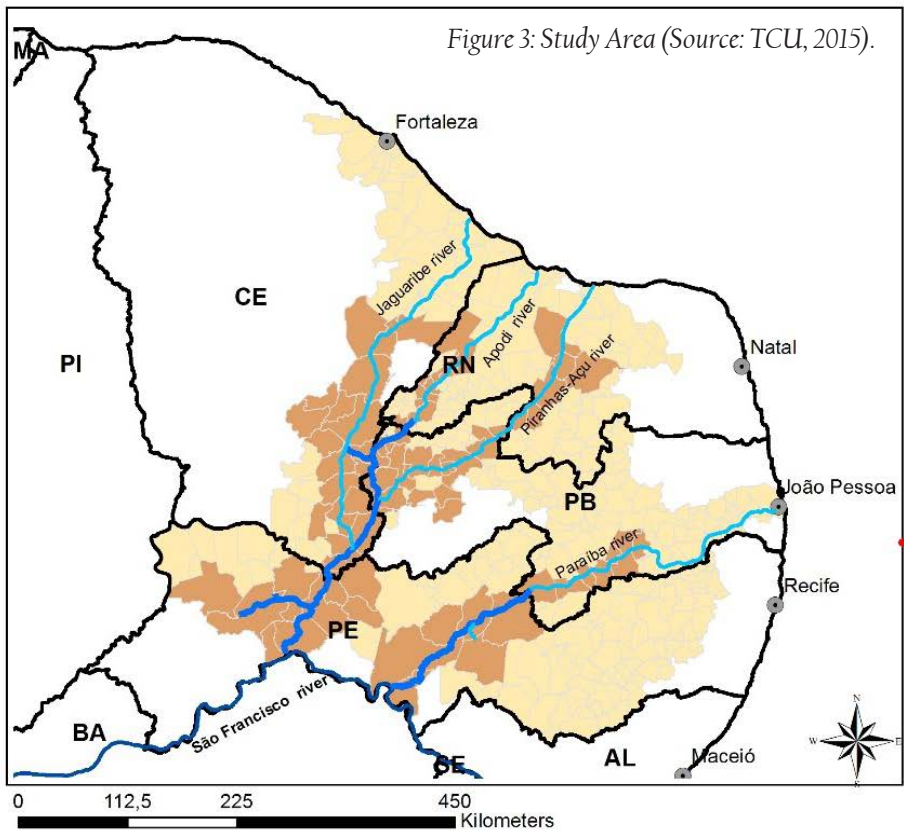
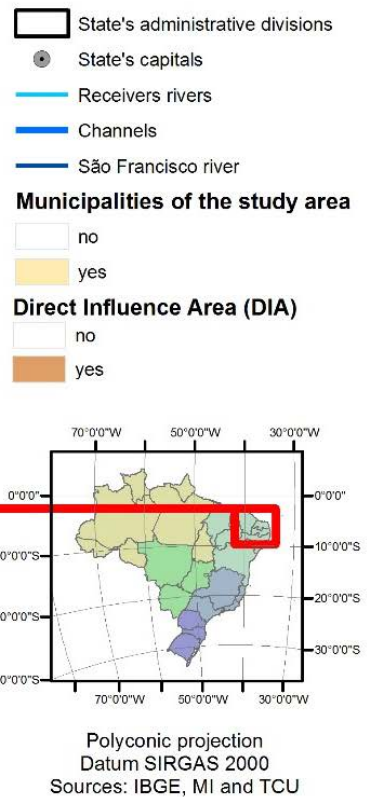


Figure 3: Study Area (Source: TCU, 2015).



55%

Percentage of sewage construction that was halted, in very slow construction rhythm or not even initiated.

39%

Amount of sewage construction that was not concluded, yet the contracts had already expired.

30%

Ratio of expired environmental licenses.

13%

Number of hired construction companies that did not possess operational capabilities to execute the public works.

9%

Percentage of contracts that had atypical financial transactions in bank accounts.

While there were many projects behind schedule and difficulties associated with project completion, there were also several undesired cases where new contracts were signed even prior to the conclusion of previous projects in the same municipality. The map in Figure 5 illustrates municipalities with three or more contracts for sewage constructions. In all of these municipalities, there were unfinished projects (some of them not even initiated and more than two years behind schedule). Additionally, there were projects that expected to be operational nearly 10 years prior, but as of the date of this study, were still under construction.

When it comes to the risk of water pollution, it is important to note that the vast majority of municipalities located in the DIA do not provide appropriate sewage services. Moreover, 57% of those have no agreement in place to improve sewage collection and treatment. See Figure 6 for greater detail related to the municipalities' situations within the DIA.

TCU provided copies of the audit report to more than 20 establishments, and federal institutions directly responsible for the public contracts are required to

There was also a risk of water pollution that existed from potential raw sewage discharges.

Regarding the project schedules in particular, “Figure 4: Sewage Public Works,” details realization conditions. The high percentage of unfinished and halted projects must be emphasized.

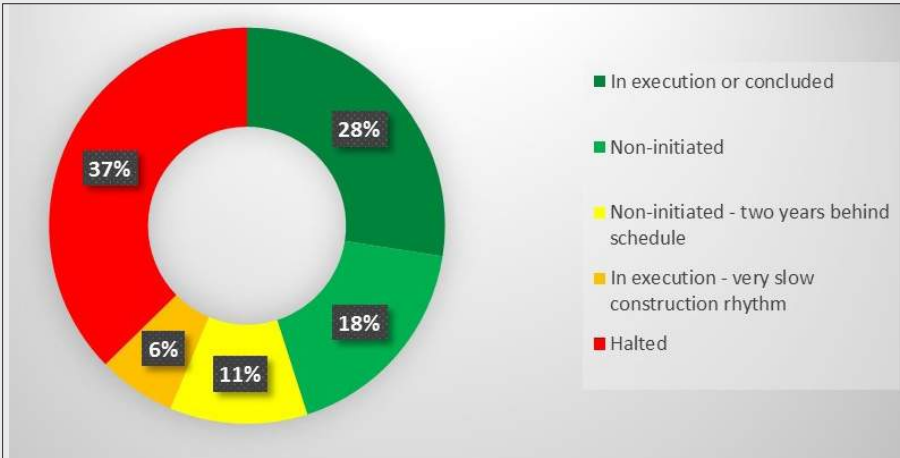


Figure 4: Sewage Public Works (Source: TCU, 2015).

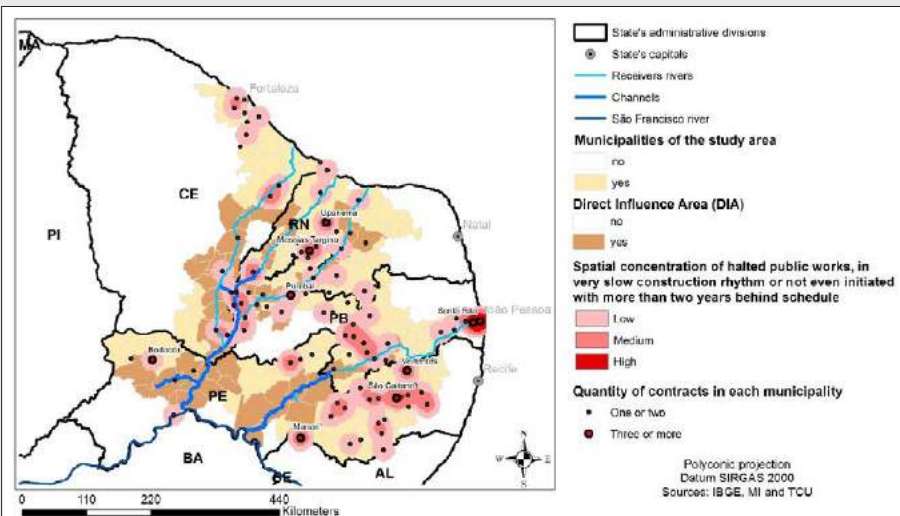


Figure 5: Quantity of Contracts in Each Municipality (Source: TCU, 2015).

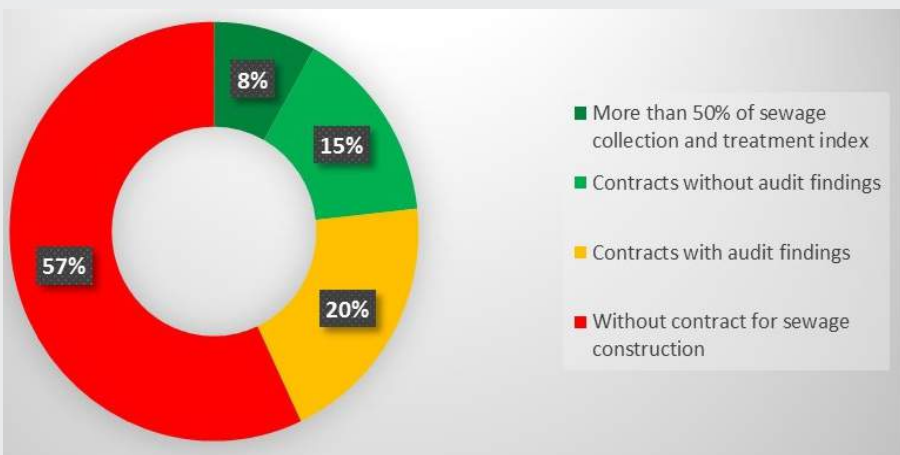


Figure 6: Details of the Municipalities within Direct Influence Area (Source: TCU, 2015).

return an action plan to TCU that includes measures geared toward solving the various problems identified.

CONCLUSIONS AND FINAL RECOMMENDATIONS

GIS application made it possible to remotely monitor public works, allowing for analyses of multiple data points through graphs and thematic maps. Results of the experimental application were satisfactory, enabling the analysis of a large number of sewage constructions. Without IT resources, it would not have been possible to achieve the obtained results.

The present model is an alternative to increase:

- Effectiveness of Supreme Audit Institutions (SAIs), considering the possibility to monitor a large number of public works;
- Audit quality, as information from various sources can be gathered and critically analyzed.

As final recommendations, some studies are required, particularly with respect to:

- Experimental applications of the model in other types of constructions;
- Algorithms for automatized analysis;
- Development of risk indicators; and
- Application of remote sensing.

The authors invite colleagues from other SAIs to provide examples of GIS uses in auditing public works. For additional information, please contact André Delgado de Souza, TCU, at andre.delgado@tcu.gov.br

RECRUITING HEADS OF SUPREME AUDIT INSTITUTIONS



THE UNITED KINGDOM (UK) SHARES KNOWLEDGE, PRACTICES, MOST RECENT EXPERIENCES

by David Goldsworthy, Head of International Relations and Technical Cooperation, UK National Audit Office

The INTOSAI México Declaration on Supreme Audit Institution (SAI) Independence established the principle that SAI heads and members of collegial institutions should be appointed by a process that ensures independence from the executive. Yet, little is written within the SAI community on what constitutes an appropriate process for recruiting and appointing new heads; what is considered reasonable to reassure citizens that these appointments are independent of the executive.

In many countries, the appointment process is some black box out of which emerges, at various times in a SAI's history, a new auditor general or a new chamber president.

To some extent, this used to be the process in the United Kingdom (UK); however, in recent years, the UK has tried to be more transparent and follow what is believed to be a fairer process, resulting in the appointment of the most suitable candidate for the post.

The Comptroller and Auditor General (C&AG) recruitment in the UK is partly covered by law, partly by evolving practice. At its base, the process aims for independence and transparency resulting in the appointment of someone bearing integrity, leadership skills, a passion for reformation, and a background in professional accounting and auditing who can cultivate continued growth and transformation within the National Audit Office (NAO) that best meets the needs of parliament.

At the same time, the appointment process seeks to provide checks and balances that are a central feature of the British constitution. The C&AG is expected to

seek advice from both the government and parliament when drafting the NAO “forward program”, despite the possession of independence and the ability to decide whether or not to accept that advice. Thus, it is essential that the successful candidate be seen as knowledgeable and credible by both parliament and government.

It is important to note that, contextually, in the UK, the C&AG is an independent officer of the House of Commons who is appointed for a fixed, ten-year term by Her Majesty the Queen upon an address to parliament by the prime minister and seconded by the chair of the Committee of Public Accounts (a senior figure from the leading opposition party). This is vital in ensuring that the appointee has the cross-sectional support of members of parliament and is not affiliated with any particular group.

“The process seeks to follow best principles...it is open, transparent, merit-based, competitive and, more importantly, in the political arena in which heads of SAIs operate, bi-partisan.”

To date, the recruiting process for the most recent C&AG has been the most transparent. A firm of recruitment consultants was appointed to administer the process. The company used corporate networks, online advertising and mainstream ads in newspapers to encourage suitable applicants. From the pool of applicants, the recruiting consultants produced a short list of those found most suitable for further consideration by a hiring panel.

The panel was chaired by the Public Accounts Committee (PAC) with the remaining selection committee incorporating the:

- Treasury Permanent Secretary, *representing the interests of government;*
- Outgoing C&AG, *representing the interests of the NAO;* and
- Chairman of the NAO Board, *ensuring an independent scrutiny of the process.*

The panel’s recommendation was accepted by the prime minister, who announced the appointment. At the same

time, the PAC chairman issued a press release welcoming the prime minister’s approval of the appointed C&AG.

The PAC then convened a hearing to query the appointee on his experience and suitability for the post of C&AG, as well as his vision and plans for the NAO. This hearing played no part in the statutory process; however, the committee took into consideration that parliament would find such an inquiry informative.

The next formal step was for the prime minister to table a motion (supported by the PAC Chair) in the House of Commons, at which time he asked the Queen to officially appoint the C&AG. At this time, members of parliament (who had been party to the pre-appointment hearing) were able to offer opinions.

Once the decision was endorsed by parliament, the Queen made the formal appointment through “letters patent,” a type of legal instrument in the form of published written orders issued by a monarch, president or other head of state. These instruments generally grant an office, right, monopoly, title or status to a person or corporation.

This process, uniquely English, focuses on balancing the needs of government and parliament while maintaining independence. At the same time, it seeks to follow best principles for the recruitment of senior public figures. It is open, transparent, merit-based, competitive and, more importantly, in the political arena in which heads of SAIs operate, bi-partisan. While this approach may not work for all SAIs, there is interest to share knowledge and experience with other SAIs who have implemented processes that have achieved similar, or better, levels of independence, openness and transparency.

▶ INSIDE INTOSAI



*Mutual Experience
Benefits All*



FISHING TOGETHER FOR A PACIFIC FREE OF CORRUPTION AND POVERTY

Governor Marcelino Petersion welcomed delegates from 19 Supreme Audit Institution (SAI) member countries to the State of Pohnpei, Federated States of Micronesia (FSM), as the 19th Pacific Association of Supreme Audit Institutions (PASAI) Congress kicked off during the first week in August. Several development partners also attended this three-day event August 2-5, 2016, including the New Zealand Ministry of Foreign Affairs and Trade (MFAT), INTOSAI-Donor Secretariat in addition to stakeholders from the World Bank, the Pacific Island Forum Secretariat, observers from the United States Department of the Interior (DOI), and the Commonwealth Ombudsman.

Peter M. Christian, President of the Federated States of Micronesia, opened the Congress, followed by Mary Kendall, DOI Deputy Inspector General, who both emphasized the values of integrity, strength, trust and relationships as being key characteristics of auditors.

Lyn Provost, PASAI Secretary General and Auditor General of New Zealand, provided the keynote address, presenting her report on “Reflections From Our Audits: Governance and Accountability.” Her address focused on eight elements of good governance, as well as sharing the journey of PASAI. Provost completes her seven-year term this year.

SAI heads discussed the challenges and successes of their roles in combating corruption and poverty in the Pacific. Key solutions considered included advocating for legislative changes, working more closely with other government agencies and increasing public awareness on issues. International attendance beyond the Pacific region at this year’s congress signalled PASAI’s growing value on the global auditing stage.

SAI Samoa was nominated as a new PASAI member on the INTOSAI governing board, and the Chairmanship of PASAI was handed over by John Path, Auditor General of Vanuatu to Ihlen Joseph, Auditor General of Pohnpei, FSM.

The event concluded with SAI heads expressing appreciation to the development partners, stakeholders, observers and hosting SAI for their invaluable contributions to this year’s congress. The 20th PASAI Congress will be hosted in Tuvalu in 2017.



STRENGTHENING SAIs THROUGH TRAINING, COLLABORATIVE AUDITS AND IMPLEMENTING ISSAIs

CAROSAI held its X Congress in Paramaribo, Suriname, May 30-June 2, 2016. “Strengthening SAIs through training, collaborative audits and implementation of ISSAIs” was the theme for this year’s event. Members committed to: implementing ISSAIs in their countries; supporting leveraging cooperative audits as a means to improve audit practices; and providing blended training to facilitate the implementation of, and compliance with, ISSAIs.

To date, six SAIs have participated in a pilot audit (supported by IDI) that focuses on revenue authorities. Though the revenue stream reviewed by the SAIs varied, there was a commonality among issues identified across the countries, which could be further studied and addressed on a regional basis. The participating SAIs reported benefitting from the exchange of information with other SAIs and identified areas to improve upon performance audit practices, while providing better reporting to legislative bodies and stakeholders. CAROSAI intends

to build on the gains from this pilot project and use the challenges acknowledged during the audit process to update strategies for future cooperative audits.

The Caribbean region has a number of common issues, including environmental and disaster risk management, as well as health risks, such as mosquito borne diseases (e.g. ZIKA), all of which provide good opportunities for cooperative audits.

NEW CHAIR AND RELOCATION OF SECRETARIAT

At the X Congress, the chairmanship of CAROSAI was transferred to Suriname for the next Triennium, and the decision was made to relocate the secretariat to Jamaica from St. Lucia. The Congress recognized and commended the SAI of St. Lucia for its contribution over the last 11 years to CAROSAI. The new CAROSAI executive committee members are: Suriname (chair), Jamaica (secretary general), Guyana, Cayman Islands, and Trinidad and Tobago.

GOING FORWARD

The immediate focus of the incoming executive committee is to review the strategic direction of CAROSAI and develop a strategic plan that is forward looking while remaining indicative of the resources available to the secretariat.

The executive committee, along with support from other members and IDI, intend to undertake the strategic planning process over the next several months with the goal of having the final plan developed by December 2016. Key focus areas identified at the Congress are: (1) support SAIs in implementing ISSAIs; (2) foster SAI-stakeholder engagement; and (3) facilitate strategic management, performance measurement and reporting.

New Member. CAROSAI welcomes its 23rd member, SAI Curacao, to the family and looks forward to a beneficial relationship.

New Auditor General, Cayman Islands. CAROSAI also welcomes Ms. Sue Winspear who was appointed Auditor General of Cayman July 8, 2016. Ms. Winspear succeeds Mr. Alastair Swarbrick, who resigned from the position and who CAROSAI would like to thank for his tremendous contributions he made to the region.



Ms. Sue Winspear

Prior to her appointment, Ms. Winspear served as the executive leader of Local Services with the United Kingdom's (UK) National Audit Office (NAO) since 2014. She was an NAO executive board member and part of the senior leadership team who held specific responsibility for the NAO's work on local government, education and health, as well as communications

and external relations. Between 2009 and 2014, Ms. Winspear was a senior civil servant holding the position as director, General Finance and Corporate Services in the Department for Communities and Local Government in addition to working in the Department for Education/ Department for Children, Schools and Families. Her long career includes experience in board-level roles in local government. Ms. Winspear is a CIPFA-qualified accountant and was serving as an elected member of the CIPFA Council prior to leaving the UK for the Cayman Islands.

INTOSAI EXPERTS DATABASE ACTIVE

The Supreme Audit Institution (SAI) of Peru reminds the SAI community that the INTOSAI Experts Database is fully operational. The purpose of the database is to share professional knowledge among all SAIs, therefore promoting the database as a useful tool is key. SAI Peru, following the activities of the Subcommittee on Cooperative Audits, noted the efforts of those who have already registered; invites all INTOSAI community members to continue registration and information updates; and encourages SAI members to browse the database to locate specialized experience. Registered audit professionals have vast experience in a wide array of topics, including the environment, information technology and social programs. These professionals have participated in activities, such as peer reviews and cooperative audits, and are proficient in several different languages. For more information about the Experts Database, please contact expertsdatabase@contraloria.gob.pe.

SAI PERU ISSUES PMF ASSESSMENT

During the "Accountability 2009-2016 and Challenges Toward 2021" event held May 9, 2016, the Office of the Comptroller General of Peru (SAI Peru), presented the results of the SAI Performance Measurement Framework (PMF) external assessment conducted by international consultants. The 9-month process ended in April 2016 and was made possible, in part, through financial assistance from the Inter-American Development Bank (IDB). The INTOSAI Development Initiative performed the quality assurance report. The report, highlighting opportunities for the SAI of Peru to improve, can be found at media.wix.com.

SAI Peru currently chairs the Commission on Performance Evaluation and Indicators of SAIs (CEDEIR) in OLACEFS. This commission promotes the application of the SAI PMF tool among SAIs from the region.



COMMITTEE DEMONSTRATES VALUE OF SHARING KNOWLEDGE

“I appreciate belonging to a community willing to share experiences and knowledge that results in an organization richer than we originally were.”

These words, offered by Benjamin Fuentes, Technical Secretary to the Auditor General of Mexico, officially opened the eighth meeting of the Steering Committee on Knowledge Sharing and Knowledge Services (KSC) hosted by the Supreme Audit Institution (SAI) of Mexico September 7-9, 2016, in Mexico City, Mexico.

Chaired by the SAI of India, the event focused on the crucial importance of knowledge sharing with a deep desire to continue collaborating, communicating and coordinating on many levels—supporting SAIs, task forces, working groups and committees—to promote good governance and provide value that helps shape the audit community of the future.

Mr. H. Pradeep Rao, SAI of India Deputy Comptroller and Auditor General, and KSC Chairman, expressed, “I am proud to be a part of a group that truly benefits all of the International Organization of Supreme Audit Institutions (INTOSAI) and encourages a free exchange of ideas and suggestions.”

Throughout the three-day event, numerous working groups and task forces provided updates and progress reports to the KSC on the accomplishments and achievements

over the past year. Adding to the conference's meaningful exchange were several open discussions, including how the KSC can:

1. Cooperate with INTOSAI regions;
2. Improve upon the KSC-IDI (INTOSAI Development Initiative) development program;
3. Identify research projects of mutual interest and concern;
4. Reach approval of the KSC work plan for 2017-2019; and
5. Expand and enhance the INTOSAI portal.

Monika Gonzalez-Koss, INTOSAI General Secretariat and Director of Strategic Planning, updated the group on the INTOSAI strategic plan, noting the active involvement from across the INTOSAI community. The new strategic plan is equipped with a new vision and mission that "reflects the increased importance of INTOSAI capacity building, good governance and accountability," Gonzalez-Koss explained.

The KSC steering committee approved several key standards and documents to put forward to the Governing Board, including the SAI Performance Measurement Framework (PMF). The establishment of a new working group on big data was introduced and met with overwhelming KSC support. The Working Group on Big Data will be put forth for endorsement by the next governing board and approval by the XXII INCOSAI this December.

Fuentes offered some closing remarks expressing appreciation to all attendees for the hard work during the meeting and for the confidence instilled in the SAI of Mexico to host the event.

Rao officially concluded the session citing his gratitude to the SAI of Mexico, friendly national support and thorough enjoyment regarding the high level of participation and interaction by all throughout the three days of exchange.

EUROSAL GOAL TEAM ON CAPACITY BUILDING ISSUES NEW INNOVATIONS VOLUME

The Supreme Audit Office (SAO) of Hungary and the United Kingdom National Audit Office (NAO) have published the fourth volume of "Innovations."

This volume includes case studies on a wide range of innovations from numerous European Organization of Supreme Audit Institutions (EUROSAL) member Supreme Audit Institutions (SAIs) and captures examples of how SAIs are adapting to technological changes and new approaches to audit work.

According to EUROSAL's Strategic Plan, the main tasks associated with Goal 1: Capacity Building are developing skills, knowledge, structures and ways of working that make an organization more effective.

EUROSAL is committed to facilitating the development of strong, independent and highly professional SAIs, and this volume is part of a spectrum of initiatives to identify and disseminate innovation on a global scale.

Volume IV of EUROSAL Innovations is now available on the [EUROSAL website](#) and is also accessible on the [regional document library](#) of the CBC website.

The former volumes of the series can also be found on these two websites.

STRUCTURED CAPACITY BUILDING DRIVES DEVELOPMENT

Since its inception in 2005, AFROSAI-E has followed a structured capacity building approach to support our 26 member SAIs to strengthen their performance. Our Institutional Capacity Building Framework (ICBF) is the foundation of this approach. The ICBF is a self-assessment tool to gauge progress in terms of five institutional development focus areas, namely Independence and Legal Framework; Organization Management; Human Resources, Audit Standards and Methodology; and Communication and Stakeholder Management, against five developmental levels.

The outcomes of the annual ICBF self-assessment survey, verified by means of structured tri-annual quality assurance reviews, assist member SAIs in setting development priorities and determining short and long term plans. It also provides AFROSAI-E with necessary information to identify development support programs and products most useful in the region. The ICBF self-assessment surveys provide SAIs with the opportunity to take ownership of development and create a shared understanding of fundamental SAI management principles, resulting in a shared regional vision to achieve level three of the ICBF. It is a cost effective approach that enables members to ascertain annual progress, especially since 2015, when the shift was made to administer the survey electronically. Survey results for 2015, in the “Transversal Activity Report,” were tabled at the 13th AFROSAI-E Governing Board meeting May 2016, in Abuja, Nigeria.

Strengthening our regional SAIs contributes to achieving the Sustainable Development Goal (specifically goal 16), as well as African Union Agenda 2063, which aspires to “An Africa of good governance, democracy, respect for human rights, justice and the rule of law.” Its focus is on having capable institutions and transformative



IOB meeting participants (L to R): Mr. Wynand Wentzel (Secretariat), Ms. Keneilwe Senyarelo (Botswana), Mr. Ludovick Utouh (Chair), Mr. Stephenson Kamphasa (Malawi), Mr. Wessel Pretorius (Secretariat), Mr. Edward Ouko (Kenya), Mr. Kealeboga Molelowatladi (representing the AG of Botswana, Ms. Letebele), Prof. Mussa Assad (Tanzania) and Mr. Eltahir Malik (Sudan).

leadership in place at all levels where the organizations are at the service of its people.

AFROSAI-E views competent, professional and performance-driven public sector institutions to be essential to deliver effective, efficient and accountable services. There is an unavoidable demand by African leaders, and AFROSAI-E desires to holistically professionalize public sector accounting and auditing to facilitate broader sustainable public financial management. The importance of this initiative is highlighted by its inclusion in the AFROSAI-E Corporate Plan for the period 2015–2019 as a strategic imperative. An Interim Oversight Board (IOB) on the professionalization of public sector auditing and accounting has been established, and the members met August 15-16, 2016, in Nairobi, Kenya. It is envisaged that the outcomes of this initiative will have far-reaching, positive impacts in the AFROSAI-E region and, ultimately, for the entire African continent.

To access the 2015 Transversal Activity Report or learn more about the AFROSAI-E IOB, visit our website: www.afrosai-e.org.za or contact via email at secretariat@afrosai-e.org.za.

INTOSAI WORKING GROUP ON PUBLIC DEBT PREPARES FOR XXII INCOSAI

The International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Public Debt (WGPD) met July 5-7, 2016, at the National Audit Office of China's (CNAO) Audit Academy.

“It is incumbent on government auditing to reveal hidden dangers, prevent potential risks and maintain economic security.”

Mr. Liu Jiayi, CNAO Auditor General and Chairman of INTOSAI, and Mr. Chen Chenzhao, CNAO Deputy Auditor General, addressed participants of the meeting, which was chaired by Mr. Roberto Salcedo Aquino, Deputy Auditor General of Mexico.

During his keynote speech, Mr. Chen pointed out that government auditing is a significant component and important cornerstone and safeguard to national governance. “It is incumbent on government auditing to reveal hidden dangers, prevent potential risks and maintain national economic security,” Chen noted. He emphasized that it is a statutory function of government audit institutions to audit public debt and promote good national governance and added that, in this endeavor, the CNAO has been closely following the scale and regulation of government debt in China. Mr. Aquino, in his address to attendees, indicated that, in accordance with the Beijing Declaration issued during the XXI INCOSAI, SAIs have a “significant role to play in ensuring long-term financial policy sustainability.”

The WGPD meeting saw 31 representatives from 16 SAIs and international organizations (such as the INTOSAI Development Initiative and World Bank) in attendance and provided a forum for discussing a series of professional working documents and products to be submitted to the XXII INCOSAI.



The INTOSAI Working Group on Public Debt gathers for a group photo at the meeting held at the CNAO Audit Academy July 5-7, 2016.



Mr. Chen Chenzhao and Mr. Roberto Salcedo Aquino.

ISSAI 5600 REVIEW IN FINAL STAGE

by Karol Mitrik, President, SAI of Slovakia

The origins of the ISSAI 5600—Peer Review Guide and its Checklist stem from March 2006, when the INTOSAI Capacity Building Committee (CBC) held its inaugural meeting in London, England. The SAI of Germany became the Chair to the INTOSAI CBC's Sub-Committee 3 (SC 3), which was established to promote best practices and quality assurance through voluntary peer reviews. The SAI of Germany held the chairmanship until 2013, when the SAI of Slovakia officially took over at the XXI INCOSAI in Beijing, China.

Alongside the chair changeover, a revised ISSAI 5600 was being prepared in line with the SC 3 decision taken in 2012 at its meeting in Luxembourg to present updated standards at INCOSAI 2016. The work on documents that later became ISSAI 5600 and Checklist began with seven SAIs, and as the revision is nearing its end, there are 14 members of SC 3: Bangladesh (vice-chair), Sweden, Germany, Austria, Estonia, Croatia, Poland, Morocco, Peru, USA, Hungary, Indonesia and Slovakia (chair). The European Court of Auditors is another valuable and very active member.

The INTOSAI Guide for Peer Reviews serves as a source of good practice and guidance to SAIs on planning, implementing and evaluating peer reviews. Due to the broad differences in SAI mandates, context and activities, ISSAI 5600 was constructed solely as a guide, thus it may not cover all situations, types and areas of peer review. However, it attempts to establish a common understanding on the purpose and nature of peer reviews, notably the principles involved, as well as the options that may be followed by the reviewed SAI and peer review team.

The revised ISSAI 5600 Guide content has undergone significant change to reflect the growing knowledge on the topic within the INTOSAI community in addition

to feedback and suggestions received from INTOSAI members since the standard adoption in 2010 at XX INCOSAI. Its structure also recorded notable amendments, and the original six chapters have been expanded into nine.

The Peer Review Checklist (included as an appendix to the original ISSAI 5600) has been further developed and renamed "Peer Review Areas and Questions" (PRAQ). The PRAQ was based primarily on the principles and guidelines defined in the ISSAI framework, and it provides a list of possible areas to be considered for peer review and questions that might be asked.

The standard and its appendix, in line with the INTOSAI due process, had an exposure period (*approved by the CBC Steering Committee meeting in Stockholm, Sweden, September 2015*) of roughly four and half months beginning October 2015 and concluding mid-February 2016. Thirty SAIs contributed nearly 140 comments and suggestions resulting in 98 valuable amendments adopted.

At the beginning of June 2016, ISSAI 5600 and its appendix PRAQ were sent to the SAIs that volunteered to provide translations into the INTOSAI official languages—Rekenhof-Cour des Comptes of Belgium, Bundesrechnungshof of Germany, State Audit Bureau of Kuwait and Tribunal de Cuentas of Spain.

The endorsement version of ISSAI 5600 and its appendix PRAQ drafts, along with a comprehensive table showing the comments and responses provided, can be found at www.issai.org. INCOSAI XXII brings the cycle of intense work over the past three years to a close as the standard is tabled for approval.

Any INCOSAI participants interested in peer review topics (from any angle) should reach out to the Sub-Committee on Peer Review Slovak representatives at the Congress in Abu Dhabi this December.



IDI UPDATE

IDI Update keeps you informed of developments in the work and programs of the INTOSAI Development Initiative (IDI). To find out more about the IDI and to keep up to date between editions of the Journal look at the IDI website: <http://www.idi.no>. For information related to the International Standards of Supreme Audit Institutions (ISSAI) Implementation Initiative (3i Program), please visit <http://www.idicommunity.org/3i>.

1 ISSAI IMPLEMENTATION INITIATIVE (3I PROGRAM)

3i Phase-I ARABOSAI—Product Adaptation Meeting Held on Compliance Audit. As part of the 3i Program for the Arab Organization of Supreme Audit Institutions (ARABOSAI), the IDI supports SAIs conducting ISSAI-based audits. Centered on regional and SAI consultations, IDI is backing SAIs conducting an ISSAI-based Compliance Audit of Procurements, and a product adaptation meeting took place in Khartoum, Sudan, May 8-18, 2016, in which five regional facilitators adapted a two-week course originally developed for the Pacific Association of Supreme Audit Institutions (PASAI). Three of these facilitators (Iraq, Morocco and Bahrain) were from among the participants in the ISSAI Certification Program (Compliance Audit).

3i Phase-I CREFIAF—Important ISSAI Workshops Held. Yaoundé (Cameroon) hosted the ISSAI Compliance Assessment Tools (iCAT) Review for Compliance and Financial Audits, as well as the Facilitating ISSAI Implementation workshops June 20-July 1, 2016. Thirty participants from 17 SAIs were on hand at the iCAT review workshop, where a team of four experts from Cameroon, the Democratic Republic of the Congo, Gabon and Senegal reviewed iCATs conducted during the workshop. SAI teams also developed first drafts of ISSAI implementation strategies based on the performed iCATs and are expected to continue to modify iCATs and further develop compliance audit ISSAI implementation strategies.

At the workshop on facilitating ISSAI implementation, participants of the ISSAI certification program on compliance audit learned and practiced their roles as ISSAI advocates, project managers and learning facilitators. Four experts from Burundi, Cameroon and

Senegal provided parallel workshops for iCAT review and facilitating ISSAI implementation for financial audit. Twenty-eight participants from 14 SAIs took part in the workshop.

Special Note: After missing the main summer program due to travel restrictions related to Ebola, five members from SAI Guinea received training on implementing ISSAI-based performance and compliance audits in a separate session.

3i Phase-II. Due to high demand for support in implementing ISSAIs, the IDI launched the ISSAI Implementation Initiative—Phase II. The program continues to help SAIs become ISSAI compliant. In Phase II, the IDI will (1) maintain 3i products, (2) move from participation- to competency-based certification, (3) provide ISSAI implementation support at the SAI level, (4) focus on quality assurance, and (5) continue with 3i cooperative audits and the 3i community portal.

1. Performance Audit (PA) Product Update Meeting.

Resource staff from the SAIs of Bhutan, Brazil, Bangladesh, Canadian Comprehensive Auditing Foundation, Indonesia, Sweden and the IDI met in Norway June 20-24, 2016, to discuss and implement updating 3i products related to performance audits. The products were aligned to endorsement versions of level 4 Performance Audit ISSAIs, and the team deliberated on equity questions (such as gender considerations) to be included in the updated version of the ISSAI Implementation Handbook for PA. The PA iCAT will also be revised and repositioned as a quality assurance tool.

2. Compliance Audit Product Update Meeting. A resource team with members from the European Court of Auditors, the SAI of Maldives and IDI worked on updating the ISSAI Implementation Handbook on Compliance Audit in a July 2016 meeting in Oslo, Norway. The team also considered the new ISSAI 4000, as well as lessons learned from Phase-I of the 3i Program.

3. 3i—Phase II Pilot in SAI Bhutan. An IDI team and mentor team from SAI Bhutan designed and delivered a two-week ISSAI Implementation workshop on Financial, Performance and Compliance Audit for 60 officials from SAI Bhutan at Noida, India, July 18-August 8, 2016. The workshops kicked off a SAI-level ISSAI implementation process for SAI Bhutan that included detailed discussions and hands-on practice on mapping current audit practices, conducting iCATs, formulating ISSAI implementation strategies for the SAI and revising audit methodologies. The workshop also included dialogues concerning change management and organizational modifications required to implement ISSAIs. These workshops will be followed by support at the SAI level in implementing ISSAIs. The cost of this workshop is covered by SAI Bhutan from the donor funding received for ISSAI implementation (as per the agreement between the IDI and SAI Bhutan).

2 SUPPORTING INTOSAI REGIONS, NETWORKS AND COMMUNITIES

IDI-PASAI Meeting. The heads and senior management from 19 SAIs of PASAI met in Auckland, New Zealand, June 15-17, 2016, to discuss the IDI Portfolio of eight programs; SAI experiences; initiatives and challenges; and identify SAI priorities. Stakeholders in attendance included representatives from the PASAI Secretariat, Pacific Island Centre for Public Administration (PICPA), Department of Foreign Affairs and Trade Australia, World Bank, and the Pacific Financial Technical Assistance Center PFTAC (regional unit of International Monetary Fund). IDI and the PASAI Secretariat took this opportunity to strengthen cooperative efforts and established a Memorandum of Understanding between the two organizations.

3 ENHANCING E-LEARNING CAPACITY

Global Product Development Meeting to Enhance e-Learning Capacity Program. IDI met with the SAIs of Indonesia, Philippines and Thailand June 20-July 1, 2016, in Oslo, Norway, where they agreed on the final version of the eLearning handbook; designed and developed a program for administrators of the Learning Management System (LMS) of the Asian Organization of Supreme Audit Institutions (ASOSAI); approved a competency framework for eLearning specialists; and created a certification program for ASOSAI eLearning specialists.

4 SAI FIGHTING CORRUPTION PROGRAM

Global Background Research Project. A resource team from Cameroon, Hungary, Thailand, Zambia and the IDI worked on the research project for collecting SAI background information. The effort aims to contribute to guidance development for the two components of (1) SAI Fighting Corruption Program-Audit of Institutional Framework for Fighting Corruption, and (2) SAI Leading by Example-Implementation of ISSAI 30. The research took place throughout June and July 2016, and involved participation from 28 SAIs from varying INTOSAI regions.

SAI Fighting Corruption. A product development meeting for SAIs Fighting Corruption took place August 8-19, 2016, in Oslo, Norway. The goal was to develop guidance for auditing institutional frameworks for fighting corruption,



Photo: Resource Team for IDI Program on SAI Fighting Corruption

as well as SAIs implementing ISSAI 30. The guidelines are designed to serve as global good governance and will form the basis of support provided to SAIs when conducting such audits and assessing the implementation of ISSAI 30.

5 SAIs ENGAGING STAKEHOLDERS

Global Research Project. SAI members from Cameroon, Costa Rica, Philippines, South Africa and the IDI conducted research on SAI stakeholder engagement practices and mechanisms May 2016. This research will be used to develop guidelines for stakeholder engagement for SAI support. The next team meeting is scheduled for August 15-26, 2016, in Oslo, Norway.

6 AUDITING SDGs

Guidance Development Meeting. A resource team from the INTOSAI Knowledge Sharing Committee (KSC) (chaired by India), INTOSAI Working Group on Environment Audit (chaired by Indonesia), PASAI Secretariat, Brazil, United Arab Emirates, United States of America, United Nations Department of Economic and Social Affairs (UNDESA) and the IDI met at United Nations Headquarters in New York July 27-29, 2016, to agree on the emphasis and structure of guidance associated with auditing preparedness for implementing the Sustainable Development Goals (SDGs). The team agreed to take a “whole of government” approach and focus attention on two goals (Goals 16 and 5), which are a part of the

High-Level Political Forum (HLPF) theme, “Empowering people.” The guidance will be discussed at the upcoming INCOSAI 2016 in December.

7 INTOSAI-DONOR COOPERATION

The INTOSAI-Donor Steering Committee Leadership teleconference took place July 13, 2016. Discussions were held regarding the Global Call for Proposals, SAI Capacity Development Database, Communication Strategy and Results Framework for the Cooperation.

8 IDI STAKEHOLDER COMMUNICATION

- IDI participated in the annual INTOSAI Working Group on Public Debt (WGPD) meeting July 5-7, 2016, in Beijing, China. WGPD members were updated on the “Auditing Lending and Borrowing Frameworks” program and discussed future cooperative efforts.

- IDI met with World Bank representatives on July 19, 2016, to discuss the role of SAIs in implementing the Sustainability Development Goals (SDGs) and IDI’s new program portfolio.

- At the INTOSAI High-Level Roundtable Discussion July 20, 2016, IDI participated in “the contribution of Supreme Audit Institutions to ensuring that no one is left behind in the implementation of the SDGs.” IDI also took part in a United Nations side event, “High-Level Political Forum.”

- An IDI team joined the meetings on (1) INTOSAI statutes, (2) INTOSAI Policy, Finance and Administration Committee (PFAC), and (3) INTOSAI Committee on Emerging Issues held in Washington, D.C. July 21-22, 2016.

- IDI shared discussions on a wide range of cooperative issues (including the Auditing SDGs Program) with United Nations representatives from the Development Program (UNDP), UNDESA, Office of Internal Oversight Services (UN OIOS), UN Women and Office of Drugs and Crime (UNODC) July 25-26, 2016.

CONTACTING THE IDI. To discuss any of the issues presented in this edition of the IDI Update, please contact us via email: idi@idi.no.



RESULTS OF PHASE II OF THE INTOSAI DONOR COOPERATION (2013-2015)

In 2009, the International Organization of Supreme Audit Institutions (INTOSAI) and 15 donor organizations signed a landmark Memorandum of Understanding (MOU) to augment and strengthen support to Supreme Audit Institutions (SAIs) in developing countries. The MOU recognized (1) the importance of well-functioning, multidisciplinary and independent SAIs, and (2) support to SAIs from both the INTOSAI and Donor communities could be more effective. Some seven years later, eight additional donor organizations have endorsed the MOU. Phase one of the INTOSAI-Donor Cooperation (the Cooperation) took place June 2010-December 2012, and phase two from 2013-2015. This article summarizes the highlights from phase two (based primarily on the performance report available [here](#)).

SAI PERFORMANCE IN DEVELOPING COUNTRIES HAS IMPROVED

The Cooperation's purpose is to expand SAI performance in developing countries. PEFA data from the 2010-2014 (indicators PI-26 and PI-10, criteria iv) "Global SAI Stocktaking Report 2014-Performance, Capacities and Needs of SAIs" and the "INTOSAI-Donor Cooperation Stocktaking Report 2010-Capacity Development of Supreme Audit Institutions; Status, Needs and Good Practices" reports show SAI operations are, in most indicators and income groups, improving. For example, the percentage of SAIs with strategic plans has increased from 63% in 2010 to 90% in 2014. This is good news, and

the Cooperation is proud to have contributed to positive progression. However, it is important to emphasize (1) SAI performance measures can be challenging due to data complexity and limitations and (2) the results are also not exclusively related to the Cooperation's work.

In an independent evaluation conducted in 2015, the Cooperation's relevance was affirmed, particularly due to the organization's role in SAI capacity building. While evidence also pointed to positive behavioral changes from SAIs and donors alike, there were some Cooperation activities that faced implementation challenges. The steering committee is now working to address those challenges.

HIGHLIGHTS—PHASE II

Scaled-up support to SAIs. Over the program period, the Cooperation has made important contributions to scaled-up support for SAIs. The average annual value of support for SAI capacity development increased from \$54 million in 2012 to \$68 million in 2015, generally indicating increased global SAI support. The SAI Capacity Development Fund was also established, resulting in the funding of seven projects with grant awards to the tune of \$2.6 million by the end of 2015.

Global Calls for Proposals help attract funding. The GCP is a mechanism aimed at providing all SAIs, INTOSAI regions and INTOSAI bodies with the opportunity to put forth demand-led proposals founded on the needs of SAIs in developing countries. The GCP has contributed to SAIs playing a more active role in articulating needs and priorities on the basis of their strategic plans.

The 2013 GCP was launched at the INTOSAI Congress in October 2013. Forty-seven draft applications were received, and financial support sought totaled \$57 million. The INTOSAI-Donor Secretariat provided support geared toward enhancing the quality of the project proposals, which were subsequently shared with potential donors for consideration. According to available information, funding was secured for 53% of the proposed initiatives by September 2015, a figure that is slightly higher than the 2011 GCP of 45%.

SAI Performance Measurement Framework (SAI PMF). SAI PMF has been developed under the auspices of the INTOSAI Working Group on the Value and Benefits of SAIs and was implemented under the stewardship of

INTOSAI in collaboration with the donor community. The Cooperation has provided support to the SAI PMF through financing the Secretariat as the coordinator of the SAI PMF Task Team, as well as through global assessments support. Since its inception in 2011, the SAI PMF has steadily been recognized as the single performance measurement framework for SAs and is expected to be endorsed at the 2016 INCOSAI.

As of December 2015, 840 people from all INTOSAI regions have been trained on SAI PMF, 53 of which have also delivered training. By early 2016, the number of SAs making the decision to perform a SAI PMF assessment (or progressed further with the assessment) amounted to 47.

The SAI Capacity Development Database (Database). The database (www.saidevelopment.org) is used by SAs and donors to (1) improve SAI support coordination; (2) facilitate Global Calls for Proposals; and (3) generate global data on levels and distribution of SAI Capacity Development support. Nearly 400 projects were registered (including planned and proposed projects) as of December 2015, a steady increase from the 260 projects registered in 2012. In 2015, additional efforts were made to increase the accuracy of the data through entry reviews and updates.

Knowledge sharing. The Cooperation has contributed to capturing and sharing knowledge regarding SAI capacity development, most notably through the “Global SAI Stocktaking Report 2014—Performance, Capacities and Needs of SAs” and the “INTOSAI-Donor Cooperation Stocktaking Report 2010—Capacity Development of Supreme Audit Institutions: Status, Needs and Good Practices.” Furthermore, a learning event for international development agency staff on “Working with Supreme Audit Institutions” has been established and is delivered upon request. The Cooperation has also contributed to relevant research projects, including a survey on SAs and citizen engagement practices under the Effective Institutions Platform and a paper on Extractive Industries Audit.

Communication. The Cooperation has published quarterly newsletters since 2014 and has been represented at several international development fora and conferences in coordination with the INTOSAI Capacity Building Committee (CBC).

THE WAY FORWARD

The Program Document for phase three of the Cooperation (2016-18) has been approved, and the Cooperation will see some changes (when compared to phase two). The Steering Committee (SC) welcomed the independent evaluation report as it provided strategic input into the Cooperation’s future direction and strengthening; and led to the establishment of working groups to review and make recommendations on (1) the continuing relevance of primary activities supported by the Cooperation and (2) ways to enhance and strengthen the impact of Cooperation activities. The outcomes of the working groups’ deliberations will be considered by the SC throughout 2016.

The role of the Cooperation regarding SAI PMF will change after 2016. SAI PMF will be mainstreamed into INTOSAI systems and will no longer be funded through the Cooperation, nor will it be supported by the Secretariat. However, members of the Cooperation will retain an interest and influence through an advisory function. While the work to develop a SAI PMF Strategy is now being taken forward under the INTOSAI Capacity Building Committee, the SC is being consulted as to the purpose and set-up of the SAI PMF advisory role.

SAI PMF Virtual Community in French. The French Version of the SAI PMF Virtual Community (VC) officially launched August 15, 2016. The VC is now active in English, Spanish and French. The French-speaking SAI PMF community includes more than 140 members with SAI PMF skills from the AFROSAI, ARABOSAI, CAROSAI, OLACFES, CREFIAF, EUROSAsI regions.

Originally unveiled December 2014 on behalf of the Working Group on the Value and Benefits of SAs, this virtual platform permits certified assessors to (1) access relevant material for SAI PMF assessments and (2) raise questions about the tool and process through dedicated discussions. The platform provides support to users, as well as to developers of the SAI PMF through feedback.

All assessors who have attended SAI PMF training have user profiles for virtual platform use. If you are a certified assessor and have not received an e-mail with a user profile, please contact INTOSAI.Donor.Secretariat@idi.no.

PROFESSIONAL DEVELOPMENT TO BUILD CAPACITY

by Abdallah Amiri (CPA, CIA, CFE), International Advisor to the Auditor General, Afghanistan Supreme Audit Office (SAO)



Capacity building and training are at the heart of all Supreme Audit Institution (SAI) and SAI member strategic plans (having a well-trained and well-equipped workforce) is the only way a SAI can ably fulfill its mandate.

With the audit profession constantly evolving (as evidenced by the continual introduction of new guidelines and standards from the International Organization of Supreme Audit Institutions), auditors need to incorporate continuous learning into daily routines to remain competitive.

However, auditors should **NOT** wait for SAI senior management to organize training. Instead, auditors should, on a daily basis, take the initiative to make continuous professional development a priority and seek self-education.

This article provides resources and techniques anyone can use to improve professional development skills in a wide array of interests.

- **Research on areas and competencies for job effectiveness.** No matter what level within the organizational hierarchy, each member of the team should be conversant with personal job descriptions, roles and functions commensurate with that position. The job description highlights expected duties and responsibilities and provides a way to assess the areas on which the necessary competencies and proficiencies can be improved. This assessment is a good gauge and can steer team members toward best actions to strengthen capabilities.
- **Take advantage of FREE online training.** The internet possesses an abundance of sites offering no-cost training in a multitude of disciplines from some of the world's leading universities, including Harvard and Wharton. Some sites require online registration; however, registration provides unlimited access to training on such topics as accounting, finance and management. Email Abbeyamir@yahoo.co.uk for more information about some recommended online training and suggested sites.
- **Allocate 30 minutes a day to read.** It has been said that all leaders are readers. Reading offers opportunities to learn about a variety of topics from a variety of sources. Each day, allocate 30 minutes to read—there are many sites that provide access to interesting and informative works, including the INTOSAI Journal's website!

The amount of knowledge that can be gained in just a short period of time is surprising. If 30 minutes seems too long, split it up. Read for 15 minutes in the morning, 15 minutes in the evening...whatever works!

Take control of professional development and aim for continuous improvement. The reputation of our SAIs depends on our technical ability in executing our work. Let's make our SAIs (and ourselves) proud by taking steps, each and every day, to ensure we are better than the day before!

DECEMBER 2016

- 5-6 68th INTOSAI Governing Board Meeting—*Abu Dhabi, United Arab Emirates*
- 7-11 INCOSAI XXII—*Abu Dhabi, United Arab Emirates*
- 11 69th INTOSAI Governing Board Meeting—*Abu Dhabi, United Arab Emirates*

MARCH 2017

- TBD 23rd Commonwealth Auditor General Conference—*India*

APRIL 2017

- 5-6 EUROSAI Seminar on Implementation of ISSAI 300—Basic Principles of Performance Audit-Experience and Good Practice

MAY 2017

- 22-25 EUROSAI Congress
- 31-June 2 24th UN/INTOSAI Symposium

JUNE 2017

- 9 PSC Steering Committee Meeting—*Brazil*

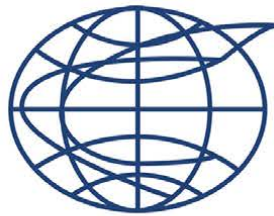
SEPTEMBER 2017

- 28 EUROSAI/AFROSAI Joint Conference “Migration”

NOVEMBER 2017

- 13-17 70th INTOSAI Governing Board Meeting—*Vienna, Austria*
- 13-17 INTOSAI Peer Review on Independence Conference

Editor's Note: This calendar is published in support of INTOSAI's communications strategy and as a way of helping INTOSAI members plan and coordinate schedules. Included in this regular *Journal* feature will be INTOSAI-wide events and region-wide events such as congresses, general assemblies, and board meetings. Because of limited space, the many training courses and other professional meetings offered by the regions will be included according to space available. For additional information, contact the Secretary General of each regional working group. For contact information visit <http://www.intosai.org/regional-working-groups.html>



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