



INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —



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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>

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READY TO CONQUER STANDARD SETTING JOURNEY

by Minister Raimundo Carreiro, President of the Federal Court of Accounts of Brazil

As I undertake the challenging mission of chairing INTOSAI's Professional Standards Committee (PSC), I am grateful for this opportunity to address the worldwide Supreme Audit Institution (SAI) community to discuss this new period of standard setting in public auditing. The 22nd INCOSAI inaugurated a new phase by approving the 2017-2022 Strategic Plan, authorizing the review of the current International Standards of Supreme Audit Institutions (ISSAI) Framework, adopting the "Due Process for the International Organization of Supreme Audit Institutions (INTOSAI) Framework of Professional Pronouncements" and creating the Forum for INTOSAI Professional Pronouncements (FIPP).

These accomplishments culminated the hard work of many people and institutions, including, notably, the SAI of Denmark, which preceded Brazil's Federal Court of Accounts (TCU) as Chair of the PSC.

Now is the time to convert these accomplishments into further gains on various levels: in the quality of each individual standard and guideline and of the ISSAI Framework as a whole; in INTOSAI's credibility and prestige as the government auditing standard setter; and, most importantly, in worldwide public auditing improvements resulting from the generalized implementation of standards by SAIs.

Achieving these gains, however, will depend on hard work, dedication and close cooperation among various INTOSAI entities. We have an arduous journey



ahead, but we are fortunate to undertake it alongside the European Court of Auditors, our Vice-Chair and an institution of recognized excellence, which has already shown itself to be a strong partner. I am also heartened when I reflect on the tremendous contribution that our collaborative work can make to oversight institutions across the globe. In short, it is a privilege to participate in this crucial moment in INTOSAI.

The SAI community already enjoys a solid framework of professional standards and guidelines that are available to guide and enhance various areas of oversight work by auditing institutions. Headway is also being made on the immense challenge of ISSAI dissemination and implementation, thanks to a combination of initiatives within INTOSAI, including remarkable efforts by the INTOSAI Development Initiative (IDI). The ISSAI brand has won broad recognition among SAIs and external stakeholders.

At this stage in our standard setting journey, I believe our main challenges to be:

- Improving the planning of projects that relate to standard setting
- Honing the process for producing and approving standards—through the work of PSC subcommittees, various working groups and the FIPP—to help ensure quality and consistency
- Universalizing knowledge about ISSAIs and the capacity building initiatives to implement them
- Ensuring ISSAIs are SAIs' preferred solution for standards
- Ensuring INTOSAI is seen as the primary international government audit standard-setting body

To meet these challenges successfully, we must continue to strengthen cooperation with the Capacity Building Committee (CBC) and Knowledge Sharing Committee (KSC) leadership, as has occurred in recent years.

While I tackle these important duties as PSC Chair, I must also undertake the complex task of guiding Brazil's Federal Court of Accounts (TCU) in its mission to improve public administration for the benefit of Brazilian society. As

President of the Court since January, one of the priorities I have established for my term—in line with the legitimate aspirations of countless Brazilian citizens—is fighting fraud and corruption. In pursuing this goal, we will strengthen inter-institutional partnerships and focus on building capacities among civil servants.

Fighting fraud and corruption is not a new endeavor for the SAI of Brazil. On the contrary, the TCU has worked relentlessly on this front, curbing mismanagement of public resources and improving governance of public agencies and policies. Thus, the Court already acts in two complementary fashions: preventing and correcting fraud and corruption. My goal, however, is to significantly increase the scope of these activities.

To this end, in addition to internal measures, we are looking outward, seeking partnerships with other Brazilian auditing institutions, as well as international organizations. We will count, once again, on international cooperation within INTOSAI to buttress our efforts. In this vein, the TCU has requested membership in the INTOSAI Working Group on the Fight Against Corruption and Money Laundering. Undoubtedly, we will make intensive use of ISSAI 5700 (Guideline for the Audit of Corruption Prevention) and other INTOSAI documents to underpin our work in fighting fraud and corruption.

In short, as President of the TCU, I intend to put into practice the ideal expressed by the INTOSAI motto: *Experientia Mutua Omnibus Prodest*.

Like so many other SAIs, the TCU offers its capacities to INTOSAI in areas in which it can contribute, and, in turn, receives from its invaluable knowledge and experience. At this particular juncture, the TCU will seek to contribute significantly to the standard setting system. We are greatly encouraged by the realization of how much auditing standards and guidelines can contribute to the work of SAIs, and, by extension, to good government worldwide.

In carrying out our mission at the helm of the PSC, we hope to count on the support of all of INTOSAI.

“I intend to put into practice the ideal expressed by the INTOSAI motto—
Mutual Experience Benefits All.”

—Minister Reimundo Carreiro

NEWS FROM SAIs AROUND THE WORLD

News from the Czech Republic

CZECH REPUBLIC'S SUPREME AUDIT OFFICE PROVIDES VALUE, BENEFITS TO PUBLIC THROUGH TRANSLATION

The President of the Supreme Audit Office (SAO) of the Czech Republic, Mr. Miloslav Kala, signed an agreement with the International Federation of Accountants (IFAC) in December, granting the SAO permission to translate and publish the 2016 Handbook of International Public Sector Accounting Pronouncements (IPSAS). The 2016 IPSAS Handbook includes a conceptual framework for general purpose financial reporting by public sector entities; numerous accrual-based IPSAS; recommended practice guidelines; and additional IFAC-developed documents.

The SAO capitalizes on previous experiences. This is the third edition the SAO, with IFAC approval, will have translated and published (in both soft and hard copy formats). In sharing its best practices with the international audit community, the SAO aims to help other Supreme Audit Institutions (SAIs) by highlighting the processes they have implemented and demonstrating how offering translated materials at no cost can greatly add value and benefits to the public.

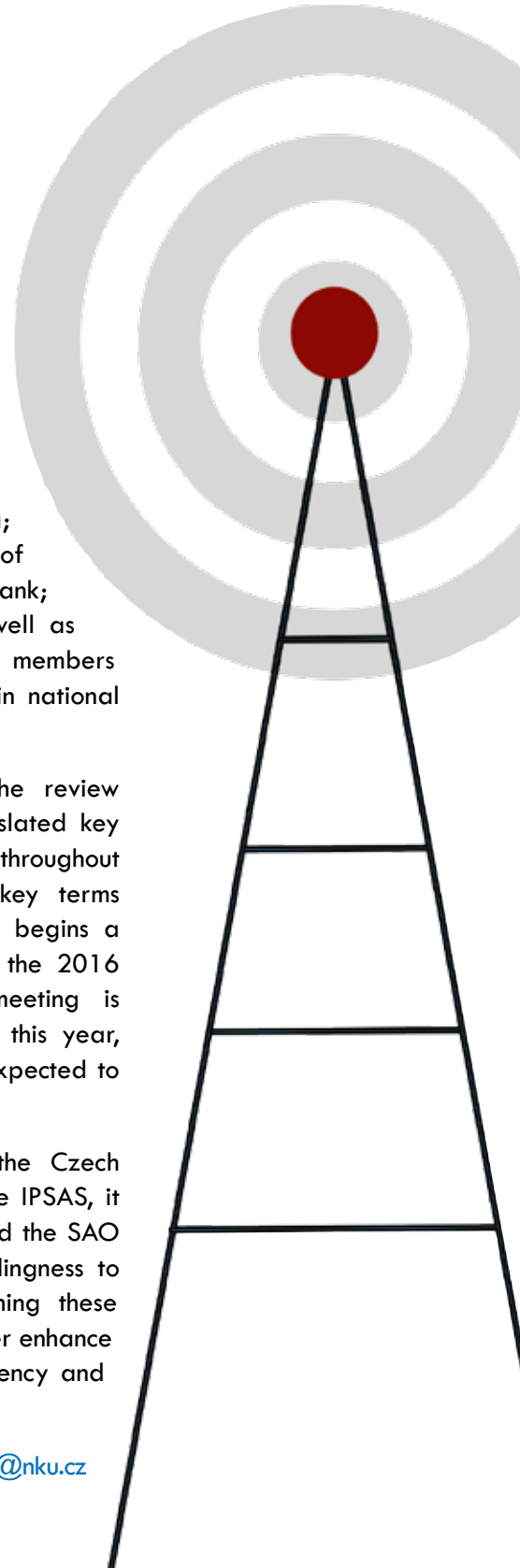
Currently, the established translation process includes a principal translator (responsible for the translation process), a number of other translators, a review committee, and the IFAC staff. The review committee,

comprised of nine members and four observers, is formed through SAO-appointed representatives and is chaired by the principal translator. In its member selections, the SAO attempts to involve key stakeholders and includes colleagues from the Ministry of Finance; academia; Chamber of Auditors; Union of Accountants; Big Four; Central Bank; National Statistical Office; as well as SAO staff. All review committee members and observers are well-versed in national and/or international standards.

The principal translator and the review committee finalize a list of translated key terms to ensure consistency throughout the translation process. Upon key terms approval, the review committee begins a series of monthly meetings. For the 2016 IPSAS Handbook, the final meeting is anticipated to take place later this year, where the review committee is expected to approve the edition.

Though financial reporting in the Czech public sector is not based on the IPSAS, it is definitely inspired by them, and the SAO has declared its desire and willingness to continue translating and publishing these important works in order to further enhance public sector reporting, transparency and accountability.

For more details, email podatelna@nku.cz or visit the website at www.nku.cz.



News from Mongolia



MONGOLIA APPOINTS NEW AUDITOR GENERAL

Mr. Khurelbaatar Dorjsurenkhorloo was appointed by the State Great Hural (Parliament) of Mongolia as the Auditor General (AG) of Mongolia January 12, 2017. He succeeds Mr. Zangad Ayur, who resigned due to health reasons.

Mr. Khurelbaatar earned his bachelor's degree in construction engineering-economics from the Ural Polytechnic Institute of USSR in 1986 and a bachelor's degree in law from the National University of Mongolia Law School in 1996. He also holds a master's degree in business administration from the National Academy of Governance of Mongolia.

Prior to his appointment as Mongolia's AG, Mr. Khurelbaatar held numerous positions, including Supernumerary Advisor to the Prime Minister of Mongolia and the Ministers of Construction and Urban Development and Energy; Supernumerary Commissioner of the Energy Regulatory Commission; legal advisor for Terra Energy Company, Ltd.; Chairman of the Board of Directors of Mongol 555 Company, Ltd; State Secretary of the Ministry of Mineral Resources and Energy; and Ministry of Industry and Trade State Secretary.

News from New Zealand



NEWCONTROLLERANDAUDITOR-GENERALOFNEWZEALAND BEGINS SEVEN-YEAR TERM

Martin Matthews began his seven-year term as New Zealand's Controller and Auditor-General on February 1, 2017. Matthews, who has worked in public service for more than 36 years, joined the Audit Office in 1979, where he spent his first 18 years holding various portfolios and reaching the role of Assistant Auditor-General from 1990 to 1998.

He has also held the positions of Chief Executive of the Ministry of Culture and Heritage; Secretary for Transport; and Chief Executive of the Ministry of Transport. Matthews was the select committee's advisor on the Public Finance Act 1989 and led much of the policy design work for the Public Audit Act 2001, which establish the principal functions and duties of the Controller and Auditor-General and include (1) ensuring the office carries out its obligation to conduct audits of public sector bodies, and report to Parliament on the results of those audits; and (2) ensuring the efficient, effective and economical management of the Office of the Auditor-General.

Matthews is a Fellow of Chartered Accountants Australia and New Zealand, New Zealand Institute of Management, New Zealand Institute of Chartered Logistics and Transport, and Companion of the New Zealand Institute of Professional Engineers.

News from the Slovak Republic

SUPREME AUDIT OFFICE OF THE SLOVAK REPUBLIC, SLOVAK UNIVERSITY OF AGRICULTURE PERFORM COOPERATIVE AUDIT ON MUNICIPALITY USAGE

by Peter Bulla, Director, Regional Branch Nitra, Supreme Audit Office of the Slovak Republic and Eva Balážová, Public Administration Department Head, Slovak University of Agriculture

“No man is an island.” This famous phrase, written by John Donne, suggests we are better together than we are apart. This simple notion is behind all cooperative efforts, no matter how large or small.

As of 2015, there were 2,890 municipalities in the Slovak Republic, and the Supreme Audit Office of the Slovak Republic (SAO SR) has the responsibility to audit all of them. With such a high number of municipalities and audit subjects, SAO SR (having 8 regional offices), always welcomes assistance in this area.

To date, the SAO SR has concluded 14 contracts on cooperation with various state and independent organs and institutions, such as the Slovak Academy of Science; Antimonopoly Office; Slovak Chamber of Auditors; and Office for Public Procurement. SAO SR also cooperates with universities, notably The Matej Bel University and The Slovak University of Agriculture (SUA).

The cooperation with universities lies primarily in joint participation on educational, development and research projects, as well as practical solutions on selected audit issues, one of which is an audit recently executed by SAO SR and SUA, “Effectiveness of Municipality Property Usage at Selected Competencies Administration by Local Municipalities in the Slovak Republic.”

Local municipalities usually enjoy wider freedom to administer property (and revenues from it) when compared to their rights to manage other budget revenues. This leverage stems from (1) the fact that the municipality owns the property and (2) the manner in which the municipality administers the given property.

The audit’s fundamental goal was to assess the effectiveness of municipality property usage at selected competencies administration by municipalities in relation to municipalities’ categories formed by the number of inhabitants.

An audit assumption was formed that, as a municipality grows in size, it is accompanied by effectiveness and efficiency of the relevant competencies application. Stratification and random sampling were chosen to select a statistical set—the stratification would maintain the size and geographic representation of all municipalities, and the selection guaranteed that the results could be applied to all Slovak municipalities with a 90 percent reliability rate.

Performance benchmarking was used to assess the municipalities’ achievement in fulfilling competencies, which were analyzed and compared using suggested benchmarks oriented to assess the municipalities development potential, reproduction strength and reproduction abilities.

Results showed greater reserves, especially with the smaller municipalities, and led to the hypothesis confirmation that, with the selected municipalities’ competencies, growing municipality size augmented the effectiveness and efficiency of applied competencies.

Statistical evaluation of the findings (in relation to municipality size) also suggested a need for another phase of municipality reform. Based on the audit findings, SAO SR provided four recommendations to be performed at the national level.

The hypothesis that larger municipality creates more effective and efficient use of municipality property was upheld.

For more on the topic contact SAO SR at info@nku.gov.sk.

News from Japan



Mr. Teruhiko Kawato, President of the Board of Audit, left, and Mr. Shinzo Abe, Prime Minister of Japan. Source: Official Website of the Prime Minister of Japan and His Cabinet.

JAPAN BOARD OF AUDIT ISSUES ANNUAL REPORT

Teruhiko Kawato, President of the Board of Audit of Japan (the Board), submitted the Fiscal Year 2015 audit report to Prime Minister Shinzo Abe. The report, containing results on audits the Board conducted between 2015 and 2016, includes final accounts of annual expenditures and revenues of state and government-affiliated institutions. After the submission to the Cabinet, the Cabinet, in turn, provided the report to the National Diet (Japan's bicameral legislature) along with the audited final accounts. This audit report contains 455 audit cases resulting in 1.2189 Trillion Yen (approximately 10.2 billion USD) of "improper amounts."

The Board continuously aims to conduct agile, flexible audits and respond to issues in a timely and appropriate manner. In this annual audit report, the Board noted issues on several matters, including:

- Recovery from the Great East Japan Earthquake
- Securing the safety of citizens' well-being

- Proper execution of budget and appropriate management of public accounts
- Assets, funds and other stock
- Efficient use of administrative expenses and the effectiveness of projects
- Social security
- Environment and energy
- Information technology

The Board can, throughout the year, report to the Diet and Cabinet at any time on issues which the Board has presented its opinions, demanded measures, or finds particularly necessary (even prior to the completion of the audit report) for that fiscal year. In 2015-2016, there were 10 cases that fell into this category. Likewise, the Diet can request the Board to conduct audits on specific matters and report the results (the Board reported two cases to the Diet in 2015-2016 in this category).

For additional information, contact the Board of Audit of Japan via email: liaison@jbaudit.go.jp or web: <http://www.jbaudit.go.jp/english/>

News from Afghanistan



Photos(fromtop):MeetingbetweenAfghanistanPresidentandSAO AuditorGeneral;SAOAuditorGeneralmeetswithPACandWorldBank.

AFGHANISTANSUPREMEAUDITOFFICE CAPS2016WITHPOSITIVEENGAGEMENTS

Auditor General Meets with Afghanistan's President

Muhammad Ashraf Ghani, President of the Islamic Republic of Afghanistan met with Dr. Mohammad Sharif Sharifi, Auditor General (AG) of the Supreme Audit Office (SAO) of Afghanistan, and his team in the Presidential palace. The AG updated the President on the SAO's work and activities.

SAO Holds 5-Day Seminar with Senior Government Officials

SAO Afghanistan hosted a seminar for more than 100 senior officers from government ministries, including the Ministry of Finance, to discuss challenges faced in government accounting and the audit process, as well as the way forward for overcoming these challenges. Afghanistan's Second Vice President, Mr. Sawar Danesh, expressed pride in the SAO's work in ensuring better accountability and transparency of public funds.

SAO Learns About Citizen Engagement Mechanism in Nepal

Senior staff from SAO of Afghanistan visited Nepal's Office of the Auditor General (OAG) to study Nepal's lessons learned during the implementation of its Citizen Engagement Framework. World Bank representatives and various Civil Society Organizations (CSOs) working with SAI Nepal also met with SAO Afghanistan delegates to share best practices on citizen engagement.

Afghanistan, Sweden Auditors General Discuss Cooperation

SAO Afghanistan's Auditor General met with SAI Sweden's Deputy Auditor General, Mr. Magnus Lindell, in December 2016. The historic meeting focused on how the two SAIs can collaborate on future endeavors.

AG Hosts Public Accounts Committee and World Bank

The Afghanistan Parliament Public Accounts Committee (PAC) and World Bank representatives visited with Afghanistan's AG and discussed various issues on improving the working relationship between SAO and the PAC. The AG also updated the team about SAO's current capacity building initiatives.

Auditor General's Report Presented to Media, General Public

Afghanistan's Deputy Auditor General, Mr. Mehdi Hussaini, presented the AG Report on the audit of government accounts for the last fiscal year at the Government Media and Information Center in November.

Intensive Training of 180 Auditors Completed

All auditors of SAO Afghanistan completed a one-month intensive refresher-training course on audit fundamentals in December 2016. The training focused on equipping auditors with skills in the areas of audit planning, risk assessment, internal control reviews, analytical reviews, working paper management and report writing.

Afghanistan Auditors Attend Training in India

Staff from the SAO Afghanistan's Performance Audit and State Owned Enterprises Audit Departments participated in a 10-day training session facilitated by the SAI of India at the end of last year.

SUPREME AUDIT OFFICE OF AFGHANISTAN INCREASES STAFF KNOWLEDGETHROUGHTRANSLATION

by Dr. Mohammad Sharif Sharifi

Auditor General, Afghanistan Supreme Audit Office (SAO)



Throughout its history, the International Organization of Supreme Audit Institutions (INTOSAI) has taken great strides to develop and improve the public sector body of knowledge, including the creation of various guidelines and principles to help SAls deal with numerous challenges faced in their operations. Roughly 3 years ago, the Afghanistan Supreme Audit Office (SAO) senior management realized a need for radical change to become more open to the use and adaptation of best practices associated with INTOSAI's guidelines and standards.

This realization came from a slower-than-expected pace associated with implementing best practices that was occurring, even though staff were exposed to numerous training programs and sent abroad for international meetings and capacity building sessions. A survey was conducted to understand the underlying cause, and the most prevalent answer pointed to the fact that most of the technical literature is in English, making it hard for many staff to easily comprehend and appreciate the concepts being discussed. While English is used and encouraged within our SAI, Afghanistan's primary languages are Dari and Pashto. This is also the case for training conducted within many institutions in the area.

Solving this Roadblock

Believing it was important that all key INTOSAI technical documents and guidance materials be translated from English to Dari and distributed to staff, SAO senior management enlisted the help from the firm currently providing technical assistance in developing the SAO's compliance audit capacity, Cowater International.

Within five months, the first drafts were submitted to SAO senior management and key technical staff for review.

Necessary adjustments were made, and the SAO training department began organizing intensive training and distributing the Dari-translated materials, which have resulted in SAO staff gaining a better understanding and appreciation of the numerous INTOSAI standards and guidelines. Electronic versions have also been uploaded onto the SAO's website to provide no-cost access to interested stakeholders.

The following are some of the INTOSAI documents that have been translated into Dari:

- INTOSAI Strategic Plan;
- Fundamental Principles of Public Sector Auditing;
- Fundamental Principles of Performance Auditing;
- Fundamental Principles of Compliance Auditing;
- Compliance Audit Guidelines;
- Performance Audit Guidelines

Fruits of this Initiative and the Way Forward

Our SAI has been able to see a significant improvement in the quality of discussions and deliverables of our audit staff as a result of this initiative due to audit staff gaining knowledge and becoming more conversant with the ISSAI requirements and guidelines.

We are continuing to use these developed materials for our newly recruited audit staff. Refresher training is also regularly conducted for staff who previously took the introductory training.

The SAO also plans to continue translation important materials into Dari deemed useful for our auditors. Though the translation process is quite grueling, the results are testament that going the extra mile in acquiring knowledge is a worthwhile cause.

Recommendation to Regional SAls

Given the diversity of languages used by various SAls worldwide, various regional groupings should consider translating important INTOSAI Publications into the common, regional languages. Translating will go a long way in helping to ensure important insights are more widely read and used to the betterment of our public sector auditors.

News from Egypt



EGYPT'S ACCOUNTABILITY STATE AUTHORITY PARTICIPATES IN COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA EVENTS

Egypt's Accountability State Authority (ASA) participated in several Common Market for Eastern and Southern Africa (COMESA) events, including the 36th COMESA Committee meeting on Administration and Budgetary matters held in Lusaka, Zambia. Several key recommendations were issued, including the 2017 COMESA court of justice schedule for policy adoption; mobilization of additional resources to support training activities; limited postal services and new recruitments until organizational framework audit report issuance; and guidance on general secretariat draft budget submissions.

The ASA also participated in the 18th Audit and Budgetary Subcommittee Meeting where the necessity to endorse procedures related to the regional integration support program was discussed and recommended.

ASA HEADS WORKING GROUP ON FIGHT AGAINST CORRUPTION AND MONEY LAUNDERING

Counselor Hesham Badawy, Egypt's Accountability State Authority (ASA) President and Chairman of the Working Group on the Fight Against Corruption and Money Laundering (WGFACML) led the group's 10th meeting held late last year in Bonn, Germany. ISSAI 5700, "Guideline

for the Audit of Corruption Prevention in Government Agencies," and INTOSAI GOV 9160, "Enhancing Good Governance for Public Assets-Guiding Principles for Implementation," were approved at INCOSAI XXII in Abu Dhabi, United Arab Emirates.

Other significant events included promoting cooperation with the INTOSAI Development Initiative and SAI professionalism and capacity building. Badawy's speech to attendees focused on Egypt's efforts in battling corruption and money laundering and noted that efforts have led to enhanced integrity and transparency, reflecting the true will of the Egyptian people.

ASA HOSTS EVENT FOR PERFORMANCE AUDITS ON HUMAN RESOURCE DEVELOPMENT PROGRAMS

In accordance with the Arab Organization of Supreme Audit Institutions (ARABOSAI) training and scientific research working plan, the ASA of Egypt hosted a meeting dedicated to Performance Audit on Human Resources (HR) Development Programs in Cairo, Egypt. The conference offered valuable exchanges on several topics to include performance audits in light of INTOSAI standards; strategic planning, modern approaches, theories and implementation approaches for HR development; and the role of Supreme Audit Institutions in HR performance auditing and development.

News from Romania

The Romanian Court of Accounts has adopted new Methodological Norms in the field of public procurement and has recently published guidelines on public procurement and sectoral procurement examination on the institution's [website](#). The guidelines act as a work tool for staff having field control competencies. The guidelines have been drafted in keeping with the (1) legal mandate and basic functions of the Court of Accounts; (2) International Standards of Supreme Audit Institutions (ISSAIs); (3) provisions of the organizational Rules and Court of Accounts specific activities; as well as (4) follow-up of the documents resulting from these activities.

In keeping with Law no. 94/1992, "Organization and Operation of the Romanian Court of Accounts," the institution is under the obligation to draft an Activity Report and Public Report on a yearly basis. The 2015 Public Report and 2016 Activity Report were both published in January 2017. The Public Report for 2015, which the Court of Accounts submits to the Parliament, includes Court of Accounts observations on budget execution for annual accounts being audited; conclusions of controls conducted on self-managed entities, integrally- or majority- state owned equity companies, as well as other legal entities subject to Court control; and deviations found, along with recommendations made, by external public auditors. The Activity Report for 2016 covers institutional data and information; specific activities and obtained results; international activities; and human and financial resources available to the Romanian Court of Accounts in 2016.

News from Maldives

MALDIVES PUBLISHES STRATEGIC PLAN FOR 2017-2019

The Auditor General's Office (AGO) of the Republic of Maldives published its Strategic Plan (SP) for 2017-2019, which has been officially launched by the Vice President of the Republic of Maldives, Mr. Abdulla Jihad.

Mr. Jihad noted that auditors are to report facts, not to find fault, and he urged government and state entities to cooperate with auditors and facilitate access to records. He also acknowledged and praised the recent improvements in AGO's audit works.

The SP 2017-2019 theme is "Providing Value and Benefits to the Nation and Citizens through Public Sector Auditing." The AGO used International Standard of Supreme Audit Institutions (ISSA) 12, "Value and Benefits of SAIs—Making a Difference in the Lives of Citizens," as a framework in formulating the new SP.

The Auditor General, Mr. Hassan Ziyath, said the strategic plan would "act as the road map to guide AGO's ongoing effort toward becoming a model organization." He emphasized the critical role audit plays in the country's development and noted the importance of having a strong working relationship among independent institutions to hold government accountable.

AGO's strategic goals and strategies are aligned, and SP 2017-2019 also includes the agency's new motto, vision, mission and core values. AGO believes that the outcome of public sector auditing should be to create better value for the nation and its citizens, and in an effort to foster better stakeholder engagement and communications, AGO has made the new SP publicly available online at AGO's website www.audit.gov.mv.



His Excellency Mr. Abdulla Jihad,
Vice President of the Maldives

News from Turkey

TURKISH COURT OF ACCOUNTS HOSTS ECOSAI GOVERNING BOARD MEETING AND ASSEMBLY

The Turkish Court of Accounts (TCA) hosted several meetings in Ankara, Turkey, in October 2016, including the 21st Economic Cooperation of Supreme Audit Institutions (ECOSAI) Governing Board Meeting; 16th Training Committee Meeting; and 7th ECOSAI Assembly. Mr. Seyit Ahmet Bař, ECOSAI Chairman, kicked off the meetings with opening remarks to attendees, which included representatives from Afghanistan, Azerbaijan, Iran, Pakistan, Turkey, and the Turkish Republic of Northern Cyprus (TRNC). Dr. Mohammad Sharif Sharifi, Auditor General of Afghanistan; Mr. Rana Assad Amin, Auditor General of Pakistan; and Mr. Adil Maharramov, Deputy Chairman of the SAI of Azerbaijan also provided remarks at the Assembly, which featured “Overcoming the Difficulties Encountered in the Implementation of International Standards on Auditing (ISSAIs),” a seminar that included presentations from the SAIs of Iran, Kazakhstan, Pakistan and Turkey.

TCA, SUPPORT FOR IMPROVEMENT IN GOVERNANCE AND MANAGEMENT ENHANCE KNOWLEDGE SHARING

TCA, along with Support for Improvement in Governance and Management (SIGMA), co-organized a workshop on the “Forming of Audit Opinions.” The workshop brought together SIGMA representatives, senior experts from EU countries, and the department heads, members and auditors from the TCA. Together, TCA and SIGMA also organized a conference on “Developing Effective Working Relationships Between SAIs and Parliaments,” uniting representatives from the SAIs and parliaments of Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, and Serbia along with EU Delegation representatives and SIGMA experts. The conference focused on sharing knowledge and experience on parliamentary relations, as well as contributing to the draft guidance paper associated with these relationships.

TCA SIGNS COOPERATION AGREEMENT WITH AUDITOR GENERAL OF PAKISTAN

TCA’s Auditor General, Mr. Seyit Ahmet Bař, and the Auditor General of Pakistan, Mr. Rana Assad Amin, signed a cooperation agreement designed to promote cooperation on the exchange of experiences in several areas, including public external audit methodology and procedures; professional training and improvement of professional standards; information and documentation on professional activities of both parties; consultations, joint researches and parallel audits; and seminars, conferences and technical meetings.



Photos(fromtop):21stECOSAIGBM;7thECOSAIAsembly;TCAandSIGMA Workshop;TCA and Pakistan Sign Cooperation Agreement

News from Bulgaria

BULGARIANATIONALAUDITOFFICE LAUNCHES E-HEALTH ANALYSIS

In 2016, the Bulgarian National Audit Office (NAO) began implementing an audit to assess the effectiveness on the development of e-health in the country. E-health, as determined by the European Union, is a key factor for the European market of health services and control to manage progressively increasing health system expenditures.

E-health seeks to improve citizens' health status and quality of life—providing equal access to modern, effective and high quality health services using new technologies and opportunities.

E-health introduction in Bulgaria began in 2006 and is referenced in the government's strategies and plans as a priority. Until now, an adequate health information system that provides (1) necessary information for decision-making processes, and (2) cross-border health data exchange, has not yet been deployed. The available information systems and databases are not integrated, thus overall insight into the national healthcare system cannot be achieved, which impedes healthcare policy process planning. Key measures, including electronic consultation requests; digital prescriptions; and comprehensive electronic health records have yet to be achieved, therefore the NAO implemented an e-government audit in the healthcare sector.

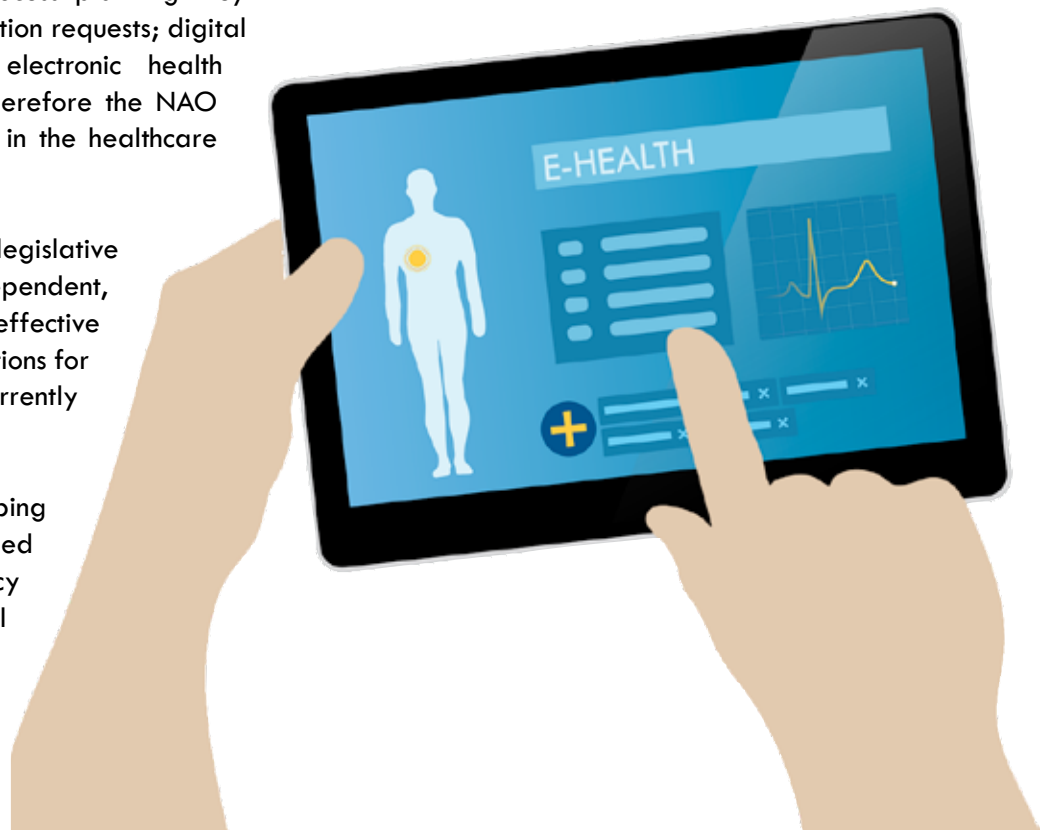
The audit's main goal is to provide the legislative and executive branches with an independent, objective assessment to e-health's effective realization and to make recommendations for overcoming the difficulties which currently hinder e-health development.

The existing pre-conditions for developing e-health will be analyzed and assessed within the audit scope, and the adequacy of e-health strategic and operational planning will be surveyed. The coordination among institutions will be analyzed to uncover any establishment of relationships and

sufficiency of funds. The degree of goals accomplishment, including measures for standardization and information security will also be examined and assessed, as will the effectiveness of the system established to monitor and control the realization of measures and activities. An analysis will be conducted on present Bulgarian citizen satisfaction and awareness about institutional measures undertaken and the results achieved up to this point.

Standard and specific methods for data gathering and analysis will be utilized for accomplishing audit goals. Citizen satisfaction and awareness will be measured through public opinion polls assigned by the National Audit Office. To assess data accuracy and integrity in electronic health records, the mystery shopping tool will be used, and special measures will be taken to safeguard participants' private data.

Audit engagement is progressing and results are expected to be released later this year. Additional information can be received from Ventsislava Tomova, Chief Auditor and Audit Team Leader by e-mail: vtomova@bulnao.government.bg and on the Bulgarian National Audit Office website: www.bulnao.government.bg.



News from Peru

NEW NATIONAL TRAINING CENTER NOW OPEN

A model of academic excellence for public management and government control in Latin America

The opening of Supreme Audit Institution (SAI) Peru's new National Training Center reflects the Office of the Comptroller General of the Republic of Peru's dedication to institutional strengthening continuously promoted over the years. The event reaffirms the commitment to institutional culture and practices that enhance public management in terms of integrity, effectiveness and efficiency, aiming to meet citizens' demands and contributing to the economic development of the country.

From its beginning, almost 25 years ago, the National Training Center has demonstrated a remarkable presence—training thousands of public officers and government auditors nationwide. For example, in 2016 alone, 560 training programs were carried out, corresponding to more than 24,000 public servants trained.

The National Training Center's academic offerings are designed to face major challenges. Now, with the creation of the new Center of Excellence, second major degrees and master degree programs in government control will be available for all civil servants.

The training center's goal is to become a global training scenario for critical reflection and research, and the Training Center relaunch responds to a focus on learning about government control. In that sense, experience and modern infrastructure join together as a valuable opportunity for the international SAI community.

For further information, please contact cooperacion@contraloria.gob.pe.



News from Kuwait

STATE AUDIT BUREAU OF KUWAIT CAPITALIZES ON KNOWLEDGE SHARING AS 2016 COMES TO A CLOSE

Kuwait's State Audit Bureau (SAB) participated in numerous workshops, seminars and committee meetings to cap off 2016, including the European Organization of Supreme Audit Institutions (EUROSAI) Working Group on Environmental Auditing (WGEA) 14th Meeting in Macedonia that included a training seminar on "Audit Sustainable Development."

SAB also contributed alongside International Organization of Supreme Audit Institutions (INTOSAI) regions in an INTOSAI Development Initiative (IDI) workshop in Norway, as well as the INTOSAI Capacity Building Committee and INTOSAI Donor

Cooperation Steering Committee Meetings held earlier in the year. SAB attended the INTOSAI WGEA 17th Meeting in Jakarta, Indonesia and took part in the "Audit Data Collection Project" held in the United States.

Within the framework of the cooperation agreement signed with the Netherlands Court of Audit, SAB staff traveled to Amsterdam for the "Quality Assurance and Control" workshop, and in the spirit of collaboration, SAB signed a cooperation agreement with the National Audit Office (NAO) of Estonia when SAB hosted Dr. Alar Karis, NAO Estonia's Auditor General. SAB also attended the XXII Congress in Abu Dhabi, United Arab Emirates, where the delegation participated in general plenary sessions and contributed to several INTOSAI committees, including the Knowledge Steering Committee, Capacity Building Committee and Public Steering Committee.

News from Lithuania

NAOL ENHANCES TRANSPARENCY THROUGH OPEN DATA MEASURES

Each audit carried out by the National Audit Office of Lithuania (NAOL) results in an audit report describing findings, as well as recommendations on how to improve the performance of an audited entity. Audit recommendations, part of the audit report, are accessible on the NAOL website after the audit is completed. Until now, progress on the implementation of recommendations was recorded into the NAOL database, visible only internally to NAOL staff.

In November 2016, the NAOL released data on the implementation of recommendations submitted to audited bodies during performance audits finalized in 2014 or later. This data from the internal information system has now been made public, allowing all stakeholders to check the status on the implementation of each recommendation. The data is published online in several formats to ensure each reader has accessibility based on needs and preferences.

A full set of data on recommendations is published in downloadable xml format that enables analysis to the reader's taste. This is the most complete data set that includes the recommendation itself; entity to whom it is addressed; agreed date of implementation and postponements (if any), including the cause for such postponement; and implementation status, progress and results.

Data for every public sector area is presented in a user-friendly format allowing readers to have a quick overview about a particular situation, as well as allowing for the application of filters, such as implementation status, year of the recommendation, and/or audited entity. This user-friendly design negates the need to download and use particular data analysis tools.

Data on the implementations of recommendations associated with a particular audit is provided in the Report on Monitoring of Recommendations, a pdf file enabling a quick results overview of a particular audit. This report is automatically generated from the information system and published online adjacent to the audit report once recommendations are entered into the information system.

Updated implementation changes become live overnight, resulting in near-immediate, up-to-date information on any recommendation.

Introduction of this new tool for tracking audit recommendations may seem like a small step in modernizing NAOL's information system, but it is a giant leap in transparency and disclosing one of the many benefits Supreme Audit Institutions provide to the public.

Open data is available on the website of the National Audit Office of Lithuania at www.vkontrole.lt. For more information, please contact Kristina Jakštonytė at: kristina.jakstonyte@vkontrole.lt.

News from Korea



KOREA'S BOARD OF AUDIT AND INSPECTION HOSTS TRIENNIAL SEMINAR

The Board of Audit and Inspection (BAI) of Korea hosted a triennial seminar themed on “How to Ensure Efficient Auditing and Effectiveness of Audit Results.” The seminar, held in Seoul, Korea, mid-October last year, saw 50 participants from 31 SAIs in the Asian Region.

Mr. Sohn Chang-dong, President of the Audit and Inspection Training Institute (AITI) of BAI; Mr. Jan Roar Beckstroem, Deputy Director General of Norway's Office of the Auditor General; Dr. Moon Ho-seung, Chief Audit Executive at Seoul National University of Korea; and Mr. Makoto Ukai, Senior Advisor to the Board of Audit of Japan provided opening lectures to seminar attendees.

During the event, participants were divided into three groups, where they shared individual Supreme Audit Institution (SAI) policies and practices; discussed avenues to tackle common challenges; and promoted good practices relating to the seminar's sub-themes:

- Improvement of the Audit System
- Improvement of Professionalism in Audit
- Strengthening of Follow-up Management

Upon the event's conclusion, the BAI produced a collection of meeting materials, including lectures, country reports and final participant recommendations to enhance knowledge sharing among all attendees.

For more information, email: koreasai@korea.kr or visit the webpage: www.bai.go.kr.

News from Guatemala

REINFORCING STAFF CAPABILITIES THROUGH LEARNING, APPLYING INTERNATIONAL STANDARDS

As part of the ongoing effort in implementing the International Standards of Supreme Audit Institutions (ISSAI), the Comptroller General (CG) of the Republic of Guatemala, Mr. Carlos Enrique Mencos Morales, successfully finalized necessary actions to develop an e-Learning program, "Professional Update on International Standards of Supreme Audit Institutions."

The Government Regulatory and Training Department led the training program under the direction of the Deputy Comptroller of Public Expenditure Quality. The program also found support from the online learning platform designer and administrator, as well as a pedagogy advisor.

Furthermore, employees responsible for materials and tutorial development were staff members who participated in training programs related to international standards—programs provided by the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), as well as the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) Capacity Building Committee and Working Group for the Application of International Audit Standards.

Currently, the CG of the Republic of Guatemala has trained 1,203 participants, including executive and technical staff, in

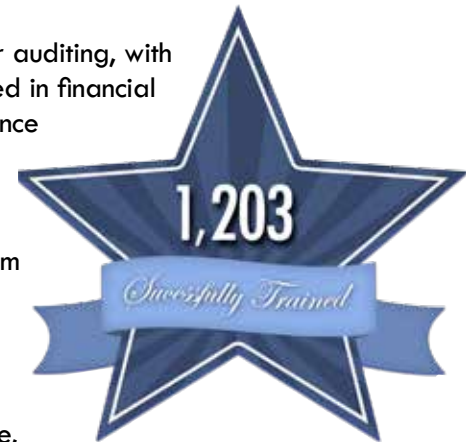
the areas of public sector auditing, with 513 staff members trained in financial auditing, 478 in compliance auditing and 212 in performance auditing.

The e-Learning program has allowed government auditors to become more familiar with international standards, and, at the same time, they have experienced the challenges associated with the implementation of ISSAIs in Guatemala.

The Republic of Guatemala's CG recognizes the efforts made by the International Organization of Supreme Audit Institutions (INTOSAI) and OLACEFS throughout the process of establishing, encouraging and developing capacities to implement international standards.

Moreover, as a Supreme Audit Institution, we are committed to putting forth our best efforts to reinforce our employees' capabilities to improve audit processes and obtain better tools to combat corruption.

For more information, email allima@contraloria.gob.gt or visit us online at www.contraloria.gob.gt.



News from Myanmar



MYANMAR, NORWAY COLLABORATE ON MUTUALLY BENEFICIAL WORKSHOP

The Supreme Audit Institutions (SAIs) of Myanmar and Norway joined efforts to implement a Production Sharing Contract (PSC) workshop earlier this year.

The workshop, designed to facilitate effective audits in the Oil and Gas sector, was hosted by SAI Myanmar and included experts from SAI Norway along with staff and officers from SAI Myanmar, Yangon Region's Auditor-General Office, Ministry of Electricity and Energy, and Large Taxpayers Office.

Throughout the week-long event, experts from SAI Norway discussed essential issues that included regulatory provisions; allocation of revenue from petroleum operations; financial provisions and production disposition; supervision, control and audit of oil and gas revenue management (government perspective); and international best practices.

Separate group work centered on identifying stakeholders, matters requiring follow-up and review by government, and potential audit topics.

Roles and responsibilities of staff working within the Oil and Gas sector were also touched on as were audit areas of future focus and working relationships among the government agencies who participated in the workshop.

News from Latvia

NEW LAW PERMITS AUDITOR GENERAL TO SET APPLICABLE INTERNATIONAL STANDARDS

In December 2016, the Parliament of the Republic of Latvia made legislative changes to the law "On Sworn Auditors," which was replaced with a new one entitled "On Audit Services."

The new law extends the mandate of the Auditor General (AG). As the Head of the State Audit Office of the Republic of Latvia (SAO), the AG now has the right to set applicable public auditing standards in Latvia. The law provides the legal framework for applying and recognizing International Standards of Supreme Audit Institutions (ISSAI) during public sector audits in state and local government bodies.

This is an important step towards consistency of public sector audits, which are performed by the SAO, as well as by sworn private sector auditors (in certain cases).

For example, in order to gain assurance on the accuracy of Annual Reports of the 119 local municipalities of Latvia, the SAO collaborates with, and relies on, sworn auditors (as prescribed by ISSAI 1600—Special Considerations—Audits of Group Financial Statements). The new law stipulates sworn auditors are obligated to pursue duties according to SAO guidance and instructions.

The new law also requires SAO involvement in the quality control process for work performed by sworn auditors. Additionally, a rotation policy for sworn auditors will be introduced, thus limiting the possibility for an individual auditor to audit the same state or local government body for a period exceeding six years.

SUPREME AUDIT INSTITUTIONS AND CLIMATE CHANGE ADAPTATION

Auditing to Address a Complex Risk

by Michelle R. Wang (United States Government Accountability Office)
and Willemien Roenhorst (Netherlands Court of Audit)



INTRODUCTION

Climate change is considered, by many, to be a complex, crosscutting issue that poses risks to several environmental and economic systems. According to the National Research Council of the United States, although exact details cannot be predicted with certainty, there is a clear scientific understanding that climate change presents serious consequences to human society and many of the physical and ecological systems upon which it depends. Climate change adaptation (adaptation)—adjusting to natural or human systems in response to actual or expected climate change—is an important part of managing these risks.

Despite adaptation's role in managing climate change risks, a 2012 audit from the European Organization of Supreme Audit Institution's (EUROSAI) Working Group on Environmental Auditing (WGEA) found that adaptation is not a priority among the eight European governments included in the audit.¹ Most of these governments developed risk and vulnerability assessments to gather information about climate change impacts, but only two of them had developed a comprehensive adaptation strategy. Very few governments had initiated actions or assessed future climate change implications for their national economies. Measures implemented were largely in response to current climatic challenges and were not initiated to adapt to anticipated medium- or long-term climate change impacts.

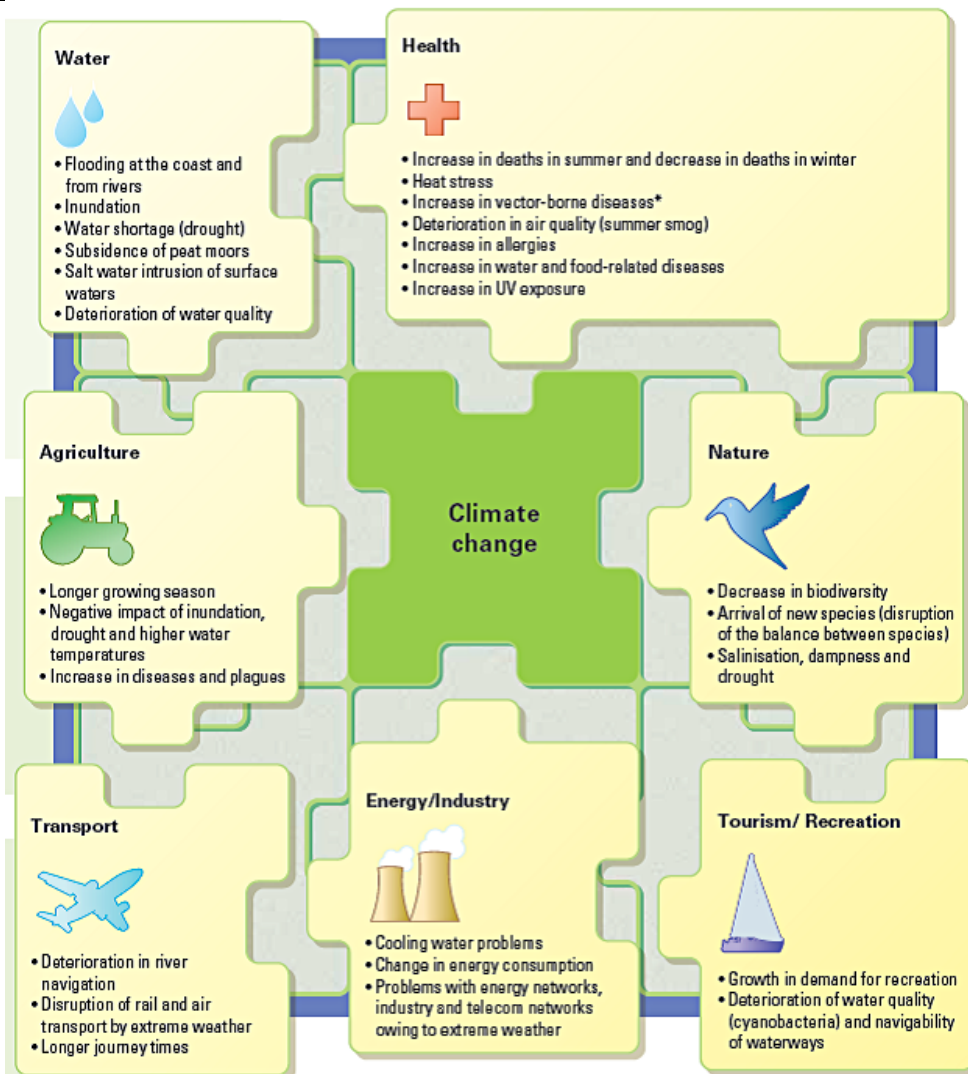
Adaptation is becoming an increasingly important subject for Supreme Audit Institutions (SAIs) as climate change impacts pose financial risks to governments. For example, over the last decade, the U.S. government incurred over

\$300 billion in costs due to extreme weather and fire (as reported in the president's 2016 budget request). In addition, the National Academies of the United States believes costs are expected to increase as rare weather events become more common and intense due to climate change. The SAIs of the Netherlands and United States have conducted audits on adaptation for a number of years. This article provides an overview of the frameworks used for these audits, outcomes and impacts of this work, and challenges SAIs may encounter. These examples show that adaptation can be audited by SAIs in various ways and that such audits can have positive impacts.

THE AUDIT FRAMEWORK

The SAI of the Netherlands (Netherlands Court of Audit or NCA) conducted an audit in 2012 at the request of EUROSAI WGEA to take part in a coordinated audit of adaptation.² From a national perspective, this audit was relevant due to the issue's significant social importance and international agreements to which the Netherlands has committed, such as the United Nations Framework Convention on Climate Change (UNFCCC). In addition, previous NCA audits found that government expenditures on climate policy could strain future public finances. The NCA examined the 2007 Dutch climate adaptation policy, specifically with a focus on:

1. Assessments of risks and vulnerabilities at the national level (see Figure 1);
2. Setup, coordination and monitoring of the national adaptation policy;
3. Financial aspects (i.e., expenditures, costs, benefits).



* Vector-borne diseases are infectious diseases transmitted to humans by insects, ticks and rodents. The most common vector-borne disease in the Netherlands is Lyme disease, which is transmitted to humans by ticks

Figure 1: Potential Effects of Climate Change in the Netherlands (by Policy Sector). Source: Netherlands Court of Audit, Adaptation to Climate Change: Strategy and Policy (2012).

This framework reflects a comprehensive audit approach designed to provide insight into the organization and progress of the national adaptation policy.

Over the years, the United States Government Accountability Office (GAO) has issued several reports on adaptation. Based on this body of work, in 2013 GAO added “Limiting the [U.S.] Federal Government’s Fiscal Exposure by Better Managing Climate Change Risks” to its High Risk List, which calls attention to U.S. agencies and program areas that are considered high risk due to vulnerabilities, such as fraud, waste, abuse, mismanagement or being most in need of transformation. In particular, GAO identified areas where U.S. government-wide improvement is critical to reduce fiscal exposure, creating a framework for conducting audits of adaptation. These areas include, but are not limited to, the U.S. government’s role as:

1. Leader of a strategic plan that coordinates federal efforts and also informs state, local and private-sector action;
2. Owner or operator of extensive infrastructure;
3. Insurer of property and crops vulnerable to climate impacts;
4. Provider of data and technical assistance to various decision makers responsible for managing the impacts of climate change on their activities; and
5. Provider of disaster relief.

In February 2017, GAO issued an update to its High Risk List and determined that the federal government has made some progress on this issue but has not met all of the criteria for removal from the list.³

CHALLENGES

SAls are well-suited to audit adaptation. Climate change is a cross-cutting issue, and many SAls are mandated to review a range of policy fields to enhance government functions. However, SAls could face certain challenges when auditing adaptation efforts, including:

Uncertainty. Adaptation attempts to address a complex and long-term problem with impacts that may emerge gradually with varying levels of uncertainty. As such, auditors should keep the long-term, evolving nature of adaptation in mind during audits and when formulating conclusions and recommendations, which the NCA did in its 2012 audit. The NCA concluded, among other things, that successive governments did not have a full understanding of the risks presented by climate change in a number of areas and had limited awareness on how these risks potentially interacted. As a result, NCA recommended governments periodically analyze climate change risks and vulnerabilities in all policy sectors, then integrate and evaluate the results of these analyses so that comprehensive, government-wide decisions can be taken, as needed, to revise climate adaptation policy.

Local, regional, and global dimensions of adaptation. It is important for auditors to be aware that potential climate change impacts in a specific country can affect other regions of the world and across sectors.⁴ For example,

according to a study commissioned by the U.S. General Services Administration, a single climate-related event can have compound effects, with a range of direct and indirect impacts, across sectors. According to the study, these effects were demonstrated in 2011 when severe flooding disrupted electronics manufacturing in Thailand, leading to delays and disruptions to companies around the world. At the time of the flood, 45 percent of the world's computer hard drives were manufactured in Thailand. Despite the regional nature of climate change impacts, auditors should be aware that adaptation efforts are usually country- and location-specific. Each country and location has its own adaptation needs and resources, which can make it difficult to compare efforts across countries. However, SAs can still learn from other countries' practices. For example, as part of a 2015 review of U.S. federal efforts to provide climate information, GAO studied how Germany, the Netherlands and the United Kingdom used climate information systems to provide lessons learned for developing a U.S. national climate information system.⁵

Appropriate criteria. Criteria exist that can be used or tailored for adaptation audits, even though this is a relatively new field. As an example, the 2012 NCA audit criteria were derived mainly from (inter)national agreements the Netherlands signed (e.g., UNFCCC) and the 2010 standards set by the International Organization of Supreme Audit Institutions (INTOSAI) WGEA in "Auditing the Government Response to Climate Change: Guidance for Supreme Audit Institutions."⁶ INTOSAI also provides basic standards on good governance, such as clear allocation of responsibilities to public actors involved in policy. GAO has used a variety of criteria, including "Standards for Internal Control in the Federal Government,"⁷ internal agency guidance, and Presidential Executive Orders that direct certain agencies in execution of laws or policies.

Terminology. Although a newer field, adaptation is related to concepts familiar to SAs, such as risk management, resilience and hazard mitigation, as GAO illustrated in May 2016 (see Figure 2 in link below).⁸ Therefore, SAs are able to use similar terminology when auditing adaptation.

Figure 2: Relationships Among Risks, Resilience, Hazard Mitigation, and Climate Change Adaptation

AUDITS WITH IMPACT

SAs can audit adaptation to enhance government practices and develop potential cost savings, despite the uncertainty and complexity of climate change. In 2014, GAO found that rising growth and property values in hazard-prone areas has increased losses, and that climate change may compound this effect. Data from the Federal Emergency Management Agency (FEMA) and the Risk Management

Agency (RMA) showed that exposure to potential insured property losses grew by 8 percent, from \$1.3 trillion in 2007 to \$1.4 trillion in 2013.⁹ GAO recommended that FEMA and RMA take steps to encourage flood and crop insurance policyholders to adopt practices that reduce long-term risk and federal exposure to losses. FEMA agreed with GAO's recommendation, while RMA neither agreed nor disagreed. In another instance, in 2015, GAO found that few selected U.S. federal agencies had implemented actions to manage climate-related risks to federal supply chains—which transported roughly \$445 billion in goods and services in fiscal year 2014—in part due to being in early stages of planning and not fully identifying these risks.¹⁰ GAO concluded that, not knowing the potential risks means U.S. agencies are not well-positioned to identify or implement actions to manage these risks, which could compromise missions and stretch limited resources. To help U.S. agencies manage these risks, GAO recommended the U.S. Council on Environmental Quality clarify its guidance on including supply chain risks in agency adaptation plans and develop a plan for convening an interagency working group on supply chain climate vulnerability. The Council agreed and implemented GAO's recommendations within a year of the report. In addition, one of NCA's main 2012 recommendations was that the government should soon implement a national climate adaptation program consisting of a coherent package of actions, projects, and activities, and cover all policy fields requiring adaptation to climate change. Since 2012, the Dutch government has addressed all of the report's recommendations. In December 2016, the cabinet presented a new National Climate Adaptation Strategy to Parliament, aimed at making the Netherlands climate resilient in all sectors.

¹EUROSAI Working Group on Environmental Auditing, *Adaptation to Climate Change—Are Governments Prepared? A Cooperative Audit* (2012).

²Netherlands Court of Audit, *Adaptation to Climate Change: Strategy and Policy* (2012).

³GAO, *High-Risk Series: An Update*, GAO-17-317 (Washington, D.C.: Feb. 15, 2017).

⁴Riverside Technology, Inc. and Acclimatise, *Climate Risks Study for Telecommunications and Data Center Services* (2014).

⁵GAO, *Climate Information: A National System Could Help Federal, State, Local, and Private Sector Decision Makers Use Climate Information*, GAO-16-37 (Washington, D.C.: Nov. 23, 2015).

⁶INTOSAI Working Group on Environmental Auditing, *Auditing the Government Response to Climate Change: Guidance for Supreme Audit Institutions* (June 2010).

⁷GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

⁸GAO, *Climate Change: Selected Governments Have Approached Adaptation through Laws and Long-Term Plans*, GAO-16-454 (Washington, D.C.: May 12, 2016).

⁹GAO, *Climate Change: Better Management of Exposure to Potential Future Losses is Needed for Federal Flood and Crop Insurance*, GAO-15-28 (Washington, D.C.: Oct 29, 2014).

¹⁰GAO, *Federal Supply Chains: Opportunities to Improve the Management of Climate-Related Risks*, GAO-16-32 (Washington, D.C.: Oct. 13, 2015).

For more information about audits mentioned in this article, please contact: Ms. Michelle Wong (WongM@gao.gov) or Ms. Willemien Roenhorst (w.roenhorst@rekenkamer.nl).

ENVIRONMENTAL PERFORMANCE AUDITING

in Australia, Canada and India



by Awadhesh Prasad, Australian National University, Canberra, Australia

INTRODUCTION

Environmental performance auditing in Australia, Canada and India was studied as part of a three-component doctoral research. Other components included a global trend analysis and an investigation of current practices in environmental performance auditing. Following a brief examination of the mandate and institutional arrangements of the Supreme Audit Institutions (SAIs) of Australia, Canada and India and the study methodology, this article provides an overview of results and emerging issues.

MANDATE AND INSTITUTIONAL ARRANGEMENTS

Having a common British heritage, the Australian, Canadian and Indian SAIs are similar in many respects. They are independent statutory institutions—not subject to any directions when selecting performance audit topics and methods employed to audit them; and they have full power to call witnesses and documents. Through the public accounts or other relevant committees, they report their findings to parliament and assist in holding the executive government accountable. These institutions, however, do have some notable differences. With few exceptions, the Canadian and Australian SAIs have only national jurisdiction, whereas the Indian SAI's jurisdiction covers all three levels of government.

Unlike its Australian and Indian peers, the Canadian SAI has a specific mandate to audit environmental matters. The Commissioner of the Environment and Sustainable Development, a statutory official with a dedicated workforce within the Canadian SAI, undertakes this function. The institutional arrangements of the three SAIs reflect their respective mandates. While Australian (1 office, 350 staff) and Canadian (5 offices, 600 staff) SAIs have a few offices and moderate staff strength, the Indian SAI is quite large with 48,000 staff in 141 offices.

METHODOLOGY

The study of the three SAIs included their enabling statutes, performance audit standards, manuals and guidelines, as well as environmental performance audit reports (Australia: 22; Canada: 30 and India: 20; Total 72) for a five-year period, 2010-2014. The key attributes of performance audits, such as audit objectives and criteria, methods for evidence gathering, argumentation and reporting style along with audit recommendations were recorded and analyzed. The observations from the content analysis presented 'what is'. This was compared with the relevant requirements of SAIs' standards, manuals and guidelines presenting "what should be."

RESULTS AND DISCUSSION

Audit Planning and Quality Control Framework—Good Practices. The three SAIs' audit planning and Quality Management Systems (QMS) are considered either sound by peers (Australia: Wilson, 2011; Canada: Australia et al., 2010) or adequate but needing enhancement (India: Australia et al., 2012).

The Australian and Canadian performance audit standards (and manuals) are obligatory, while the Indian standards (and manuals) are discretionary. Likewise, the Australian and Canadian performance audit reporting standards are highly prescriptive compared with the Indian reporting standards that barely specify any content requirement.

The three SAIs use risk-based analysis and employ long-term strategic planning for selecting performance audit topics. The Australian "blue book" preparation and Canadian "one

pass planning” are quite similar in that they produce rolling lists of potential performance audit topics that are annually reviewed. In a slightly different approach, the Indian SAI’s long-term strategic plan and medium-term perspective plan guide annual audit planning. The Indian SAI has established Audit Advisory Boards for the headquarters office and regional audit offices that comprise eminent persons and highly qualified professionals from diverse fields to assist in audit planning.

Notwithstanding their differences, all three SAIs have exhibited notable practices in planning and undertaking performance audits. For example, the SAI of Australia publishes its “blue book,” the finalized annual audit work program, on its website informing all interested parties, including the public, and it provides opportunities for stakeholders to make contributions to every performance audit. The Canadian SAI developed a manual, “4th E Practice Guide,” to integrate environmental considerations in all performance audit work. The Indian SAI created separate “Environment and Climate Change–Auditing Guidelines” to enable more effective environmental audits.

Reporting of Audits: Matters Needing Attention. As the end product of performance audits, the quality of audit reports largely determines the credibility and reputation of SAIs in the eyes of parliament and the public. Consequently, SAIs are very conscious about the presentation of their reports and tend to specify related requirements in their standards/manuals. SAIs are expected to adhere to their standards and produce reports that are consistent in terms of key parameters, such as audit objectives, criteria and alignment between objectives and conclusions.

However, this is not always observed, as the reports from the three SAIs showed significant variability. For example, the alignment between audit objectives and conclusions, which are estimated using a rule-based index varying between 0-no alignment and 1-perfect alignment. All three SAIs’ performance audit standards/manuals prescribe that

a performance audit must conclude against each of its objectives. However, environmental performance audits of all three SAIs did not always meet this requirement. Only 32% of Australian, 93% of Canadian and 15% of Indian environmental performance audits (Figure 1) achieved an alignment between 0.9-1, meriting them as well-aligned

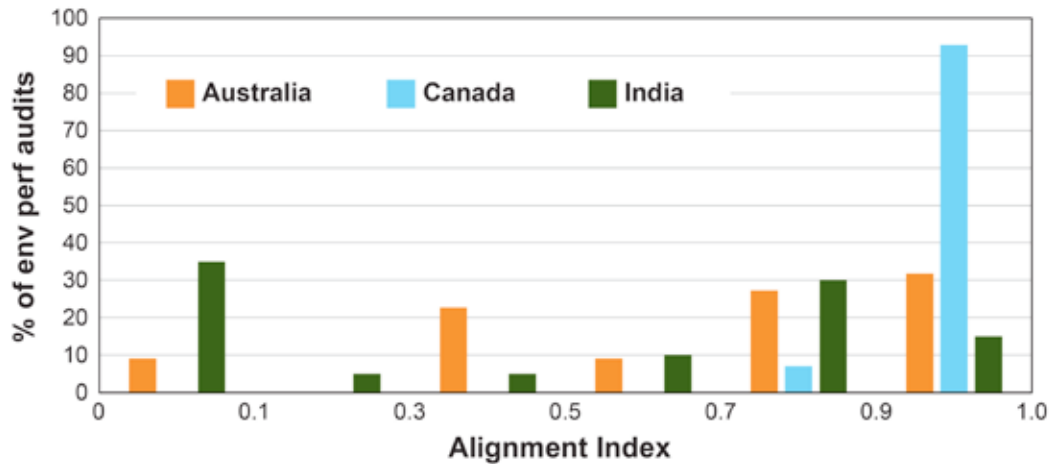


Figure 1: Frequency Distribution of Alignment Index. In this graph, a “0” indicates no alignment and a “1” indicates a perfect (one-to-one) alignment between performance audit objective(s) and conclusions.

audits, where each objective had a directly or closely matching conclusion. About 10% of Australian and 35% of Indian environmental performance audits (Figure 1) did not align conclusions with their respective objectives at all. In these cases, either the audit objectives were not defined clearly, or the conclusions did not address the stated objectives, or both.

It is recognized that objectives, and hence conclusions, might change during the course of audit. However, in such circumstances, the objectives should be amended, and conclusions made against the new objectives rather than leaving objectives intact and creating a misalignment between conclusions and objectives.

On almost all aspects studied (entirety of results not given due to space constraints), the Indian environmental audit reports, when compared to those of the Australian and Canadian SAIs, illustrated more variability. This could, in part, be attributed to the Indian SAI possessing a wider jurisdiction, complex institutional arrangements, less prescriptive auditing standards and variable quality of

supervision. However, though the Australian and Canadian SAIs are characterized as having a much narrower jurisdiction, less complex institution and more prescriptive standards, significant inconsistency was also present in their audit reports. This inconsistency points to some generic underlying causes, one of which could be an opportunity for improved adherence to performance auditing reporting standards.

Deficient and/or Inconsistent Reporting of Methods. The reporting of methods associated with evidence collection received inconsistent attention from the studied SAIs (Table 1) suggesting somewhat lesser importance being attached to it. Roughly 93% of Canadian, 91% of Australian and only 40% of Indian environmental performance audit reports contained a methods section. Further, Canada recognized all methods, yet they reported them variously while Australia (3) and India (5) did not recognize (used but not reported) the use of several methods, including case study, economical/statistical analysis, system/process review, literature survey, benchmarking and modeling.

No	Method	Australia	Canada	India
-	Number of performance audits 2010-14 (N)	22	30	20
-	Method section present	91%	93%	40%
1	Document examination	9%	13%	70%
2	Interview of officials	9%	13%	75%
3	Survey of officials	-	0%	0%
4	Stakeholders consultation/survey	5%	5%	25%
5	Site visit	9%	43%	80%
6	Sample examination	54%	14%	58%
7	System/process review including database	59%	25%	100%
8	Expert opinion	0%	0%	50%
9	Literature survey	94%	64%	100%
10	Case study	100%	50%	100%
11	Benchmarking	75%	89%	100%
12	Focus group	-	-	-
13	Economical/statistical analysis	100%	-	-
14	Other modelling such as hydrological, ecological	100%	-	100%

Table 1: Methods (% of audits) Interpreted as Used But Not Reported.

However, this is not unusual given that these less frequently used methods lack consistent definitions. The creation of a standard definition by INTOSAI on various methods would facilitate a common understanding and minimize interpretational differences.

While non-reporting of uncommon methods by some SAIs is understandable, non-reporting by all three SAIs of all methods on some occasions (even the commonly used methods, such as document examination and interview) indicates a generic gap in documentation and transparency.

SAIs may argue that audit reports are not deficient, since current standards do not mandate the inclusion of such details and primary clients, parliamentarians, appear to show a lack of concern regarding these details. SAIs should lead by example in promoting transparency rather than make arguments inconsistent with this ideal.

Despite the maturity in the field of performance auditing and development of related standards, performance audit, unlike financial audit, is still not considered a routine exercise. Given that every performance audit is a standalone endeavor and the fundamental role methodology plays in reaching conclusions, it would be beneficial to include a methodology section in every performance audit report.

Transparent reporting on each aspect of performance audit (e.g. objectives, criteria, methodology) and ensuring conclusions are aligned with objectives are critical to maintaining SAI reporting credibility. Thus, establishing a reporting standard for performance audits would address this need.

CONCLUSIONS

The results of a comparative study of environmental performance auditing in Australia, Canada and India suggest while the three SAIs have adequate QMS in place, the quality of their reports varies, not just between them, but also within them. Although institutional arrangements, traditions and variable implementation of QMS needing individual SAI’s attention can explain some differences in reporting, improved adherence to performance auditing reporting standards may help to address some of the reporting variations noted.

For more information about this article and a full list of references, email the author at Awadhesh.Prasad@anu.edu.au.

INTOSAI LAUNCHES NEW CODE OF ETHICS



A new Code of Ethics was adopted at the XXII INCOSAI in Abu Dhabi. The new Code responds to needs of the current public auditing environment.

WHY DO WE NEED OUR OWN CODE OF ETHICS?

Ethical behavior is of key importance to Supreme Audit Institutions (SAIs) in establishing a positive reputation and building trust with stakeholders. A code of ethics provides SAIs (and staff) a set of values and principles to guide behavior. Since the environment of public sector auditing often differs from that of the private sector, the international SAI community requires a dedicated code of ethics that incorporates guidance on how to embed values and principles into daily work, as well as particular situations.

The first International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics was adopted at the XVI Congress in Montevideo in 1998. INTOSAI regularly evaluates pronouncements to ensure needs are met and current challenges are addressed, and ISSAI 30: INTOSAI Code of Ethics came under such review some 15 years after the original code's adoption.

OUT WITH THE OLD, IN WITH THE NEW

The entire INTOSAI community provided input through an online survey, where SAIs were asked whether the extant Code of Ethics was in need of a revision to ensure relevancy, and, if so, what directions should such revisions take. Results showed a desire for the Code to be updated as to create more useful, more relevant standards for SAIs. A large majority of replies indicated that the Code should include provisions, more detailed guidance and good practice examples.

A team composed of SAI representatives from Albania, Chile, Hungary, Indonesia, Kuwait, Mexico, Namibia, the Netherlands, New Zealand, Poland (Team Leader), Portugal, South Africa, the United Kingdom, the United States and the International Ethics Standards Board for Accountants (IESBA) united to develop this new Code.

Following the Due Process that establishes INTOSAI pronouncement revision principles, the Team developed a draft that was exposed for public opinion from November 1, 2015 to February 1, 2016. During the exposure period,

which provides a unique opportunity for all INTOSAI members, partners and stakeholders to voice opinions and present suggestions for changes, the Team received nearly 300 comments, many of which were used to amend the draft. Commentary analysis represented quite the challenge, as the Team had to satisfy two opposing needs: (1) some SAIs required more detailed definitions, examples and solutions, and (2) the document had to be universal—applicable to all INTOSAI members globally.

The current Code incorporates universality along with specific application suggestions and ready-made practical solutions. With its new approach and structure, the Code responds to the needs of the SAI community, expressed first in the survey and later during the exposure period.

THE NEW CODE'S FUNDAMENTAL ETHICAL VALUES

In the revised INTOSAI Code of Ethics, ethical values are the concepts of what is important, what should drive decisions for the organization and staff.

There are five defined values for SAIs:

1. **Integrity**—to act honestly, reliably, in good faith and in the public interest
2. **Independence and Objectivity**—to be free from circumstances or influences that compromise (or may be seen as compromising) professional judgement and to act in an impartial and unbiased manner

3. **Competence**—to acquire and maintain knowledge and skills appropriate for the role and to act in accordance with applicable standards and with due care
4. **Professional Behavior**—to comply with applicable laws, regulations and conventions and to avoid any conduct that may discredit the SAI
5. **Confidentiality and Transparency**—to appropriately protect information, balancing this with the need for transparency and accountability

While they don't stray too far from the Code of 1998 and are almost identical to values comprised in ethical codes of several other organizations, when compared to those provided during the survey and exposure periods, there is one distinction—the wording of the last value.

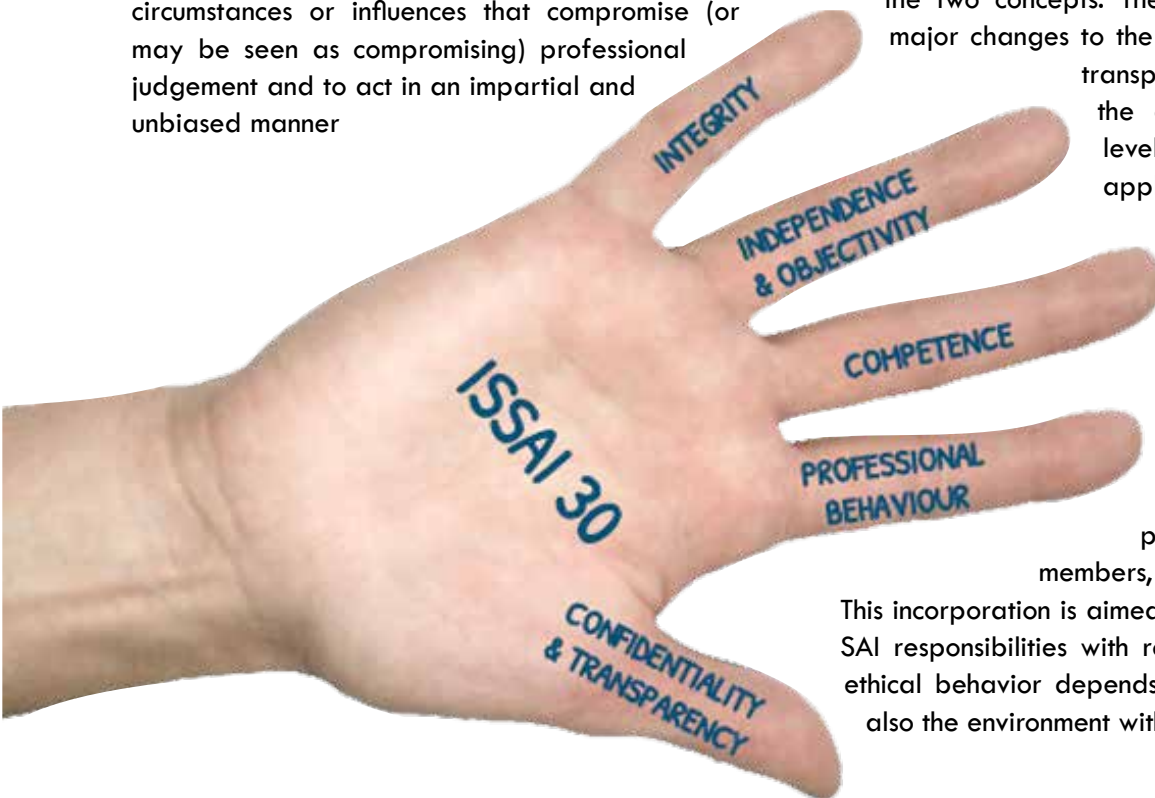
Prior to the release of the new version, the value labeled “Confidentiality” created a fair amount of controversy, as some SAIs voiced concerns that, for many, transparency may prevail over confidentiality.

Taking into consideration both views, the value was modified to the present label “Confidentiality and Transparency” along with a definition that reflects the need to balance the two concepts. The modification did not result in major changes to the Code's contents as the issue of transparency was emphasized at the document's onset, both at the level of requirements and practical application guidance.

THE NEW CODE'S SAI INCLUSION

The main difference between the new version of the Code and that of 1998 is the inclusion of the SAI perspective (as an organization) alongside the perspectives of individual staff members, auditors and non-auditors alike.

This incorporation is aimed at identifying and emphasizing SAI responsibilities with regard to ethics, since individual ethical behavior depends not only on the individual, but also the environment within which they work.





INTOSAI Code of Ethics Team Meeting
September 2015

SAls play a large part in establishing the ethical culture for the organization, particularly to ensure staff are not left unaided to deal with ethical dilemmas. The Code's section, "Overall responsibilities of Supreme Audit Institutions," addresses this issue by listing ethical requirements SAls should achieve, including promoting an ethical culture, setting the tone and leading by example; and implementing an ethics control system to support ethical behavior and address breaches of ethical values. This set of requirements serve as a checklist against which the actual functioning of a SAI can be assessed and areas for improvement can be identified.

Another novelty of the new code is the document's structure. The preamble is followed by a list of the fundamental values and definitions and a portion dedicated to SAI requirements. There are also segments dedicated to each fundamental value. Within each of these sections, ethics-related requirements are defined separately for SAls and

staff, and auditors and non-auditors, respectively. The sets of requirements, which have been clearly differentiated through the language (with the use of the modal verb shall) and graphical presentation are followed by "application" areas that focus on practical guidance to implement the previously listed requirements. These, too, are divided into groups for SAls as organizations and SAI staff.

WHAT NOW?

SAls are now encouraged to develop or adopt a code of ethics and an appropriate ethics control system to implement it. However, as stated in the Preamble, No code can address all ethical circumstances that will arise in practice. Accordingly, the Code is written at a principle level. SAls and their staff should apply their professional judgement to the circumstances they encounter and follow the relevant requirements set out in this Code.

PREPARING SUPREME AUDIT INSTITUTIONS FOR SUSTAINABLE DEVELOPMENT GOALS



by Blucer W. Rajaguguk, I Gusti Bagus Tridarwata Yatnaputra and Adrianus Paulus
The Audit Board of the Republic of Indonesia (BPK)

Supreme Audit Institutions (SAIs) are invaluable in implementing the Sustainable Development Goals (SDGs), a set of 17 global goals with 169 targets to be accomplished by 2030. The United Nations (UN) believes SAIs are essential in promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration.

The International Organization of Supreme Audit Institutions (INTOSAI) has set out to develop a framework for SDG-related audits. Because SDGs are global agendas, now, more than ever, coordination between SAIs in an audit is imperative. This article explores how working together through the audit process, particularly for SDG-related audits, can lead to more effective results and provide the most value to citizens worldwide.

THE COOPERATIVE AUDIT

Cooperative audits (as outlined in the exposure draft of ISSAI 5800) are audits performed by two or more SAIs. There are three types of cooperative audits: parallel, coordinated and joint audit.

In a parallel audit, similar audits are conducted simultaneously by two or more auditing bodies. While each audit body has a separate audit team that reports to its own governing body on issues within its own mandate, both share the audit methodology and approach.

A coordinated audit is either a (1) joint audit with separate audit reports delivered to the individual SAI governing bodies or (2) parallel audit with a single audit report (in addition to separate national reports). In the joint audit, key decisions are shared, and the audit is conducted by one audit team composed of auditors from two or more autonomous auditing bodies who, usually, prepare a single joint audit report for presentation to each respective governing body (INTOSAI, n.d).

Table 1 outlines the characteristics associated with each type of cooperative audit; however, the distinction among the types is not always clear. According to the ISSAI 5800 exposure draft, the degree of cooperation “varies along a continuum from parallel audits to joint audits, and the type of cooperative audit chosen is not as important as is ensuring the SAIs holding the same opinion about all relevant points.”

Cooperative audits have been conducted by SAIs in the past, particularly in the environmental arena (see Table 2). Cooperative audits enable SAIs to share audit standards, knowledge and experiences, and they provide a benchmark between SAIs, as well as between governments. Therefore, SDGs can be implemented evenly among countries, as countries are able to implement SDGs at the same phase and speed.

According to the 2015 Millennium Development Goals (SDG predecessor) report, global action is the only path to ensure that the development agenda leaves no one behind (United Nations, 2015). Cooperative audits are one such way to promote global actions in achieving SDGs and ensuring no one is left behind.

IS THERE A BEST TYPE OF AUDIT?

Compliance and performance audits are the most common types of cooperative audit to use on SDGs. Compliance audits are best in situations where SDGs are either partially embedded in a government’s programs or not embedded at all. In these environments, some existing government policies may have complied with SDGs (though not officially stated) while others might not.

Although SDGs are not legally binding, governments are expected to (1) adopt and establish national frameworks to achieve SDGs, (2) review the implementation progress using reliable data collection and analysis at the national level, and (3) contribute to the review at the regional and global levels (International Council for Science and International Social Science Council 2015, cited in Simpson 2016, p. 116).

	TYPE OF AUDIT			
	Parallel Audit	Coordinated Audit		Joint Audit
TEAM	National Audit Teams	National Audit Teams	Joint Audit Team	Joint Audit Team
OBJECTIVES	Similar/ (Partly) Identical	Similar/(Partly) Identical	Identical	Identical
SCOPE	Similar	Similar/(Partly) Identical	Identical	Identical
METHODOLOGY	Similar	Similar/(Partly) Identical	Identical	Identical
CONDUCTING	(Nearly) Simultaneous	Simultaneous		
REPORT	National Audit Reports	Joint Audit Report	National Audit Reports	Joint Audit Report
EVALUATION	National Audit Teams	National Audit Teams	Joint Audit Team	Joint Audit Team

Table 1: Cooperative Audit Characteristics (by type). Source: Exposure Draft of ISSAI 5800.

YR	AUDIT SUBJECT	PARTICIPATING SAIs
2007	Parallel audit of protection of the Bug River	Belarus, Poland, Ukraine
2007	Performance audit about the state projects and environmental situation of the Pilcomayo River	Argentina, Bolivia, Paraguay
2010	Coordinated International Audit on Climate Change-Key Implications for Governments and their Auditors (UNFCCC, Kyoto Protocol)	Canada, Australia, Austria, Brazil, Estonia, Finland, Greece, Norway, Poland, Slovenia, South Africa, United Kingdom, United States
2013	Parallel audit on disaster preparedness	Turkey, Azerbaijan, Chile, India, Netherlands, Pakistan, Philippines, Romania, Ukraine

Table 2: Cooperative Audit Examples from INTOSAI WGEA. Source: INTOSAI WGEA Website.

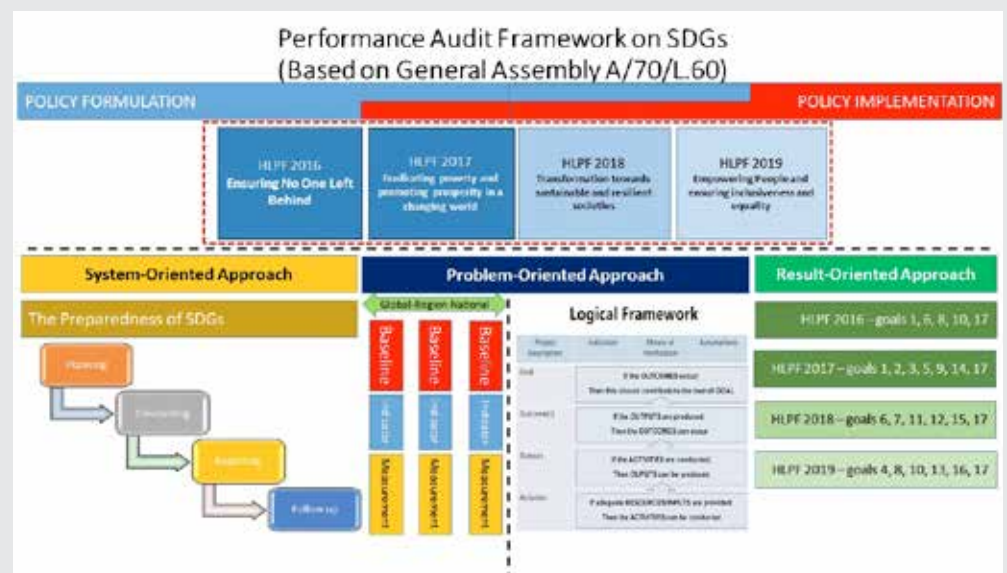


Figure 1: Performance Audit Framework on SDGs. Source: INTOSAI Development Initiative website.

GOAL 1: NO POVERTY	TARGET	INDICATOR
1.1	By 2030, eradicate extreme poverty for all people everywhere	1.1.1 Proportion of population below the international poverty line
1.2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty	1.2.1 Proportion of population living below the national poverty line
		1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
1.3	By 2030, achieve substantial social protection coverage of the poor and the vulnerable	1.3.1 Proportion of population covered by social protection floors/systems
1.4	By 2030, ensure that all men and women have equal rights to economic resources, basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	1.4.1 Proportion of population living in households with access to basic services
		1.4.2 Proportion of total adult population with secure tenure rights to land
1.5	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	1.5.1 Number of deaths, missing persons and persons affected by disaster per 100,000 people
		1.5.2 Direct disaster economic loss in relation to global Gross Domestic Product
		1.5.3 Number of countries with national and local disaster risk reduction strategies
1.a	Ensure significant mobilization of resources from a variety of sources to implement programs and policies to end poverty in all its dimensions	1.a.1 Proportion of resources allocated by the government directly to poverty reduction programs
		1.a.2 Proportion of total government spending on essential services (education, health and social protection)
1.b	Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies	1.b.1 Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups

Table 3: Targets and Associated Indicators for Goal One. Source: *United Nations unstats.un.org/sdgs*

In light of these expectations, the compliance audit objective is to assess the extent to which a country’s policies are compliant with the goals, targets and indicators at the national level. A cooperative compliance audit can also be conducted to review the compliance at regional and global level.

THE PERFORMANCE AUDIT APPROACH

Performance auditing generally follows one of three approaches: system-, results-, and problem-oriented approach. An approach is selected based on the conditions and stage of implementation in each country.

The system-oriented approach is suitable for assessing national preparedness (or policy formulation), which included various activities associated with planning, conducting, reporting and follow up.

A results-oriented approach is suitable for the implementation phase, characterized by the exercising of deviations between fact and criteria (target). The system-oriented approach includes the planning, conducting, reporting, and follow-up processes. Planning refers to the incorporation of the Agenda into the national framework, such as national development plan, regulation and policies. Conducting refers to the availability of means of implementation, such

as responsible bodies, prioritized target, and relevant data for performance measurement. Reporting refers to the availability of reporting mechanism and responsible bodies to collect the report. Follow up relates to an adjustment mechanism to use the monitoring report as an evaluation tool to improve the program in the future.

Problem-oriented approaches can be used in conditions where there is a high familiarity with implementing SDGs, which is often the case in most developed countries. Yet, the selected approach should also consider the availability of indicators. The challenge of sustainable development requires consistent, standardized and objective information that is timely and publicly accessible at no cost to end users. The United Nations Economic and Social Council (ECOSOC) has already established general indicators, and each country may have specific indicators previously developed. Auditors need to review the applicability of indicators to assist SAs in audit result aggregation, both in the domestic and international framework.

INDONESIA’S EXPERIENCE DURING IMPLEMENTATION

In the future, SAs could design an appropriate audit based on indicator mapping. The United Nations has developed tables that illustrate targets and their associated indicators.

Specifically for Goal One (see Table 3), the alphabetical target listed at the end refers to the means of implementation necessary for the numerical target to be well-achieved. Indicators shown in the red area refer to available indicators in Indonesia.

Because audits on SDGs can be focused on specific targets or indicators, in the implementation phase SAIs can audit accomplishments of a single indicator or all available indicators associated with a target.

However, the data for some indicators are owned by several ministries, not solely the Bureau of Statistics. For example, nearly all of the Goal One data belongs to the Ministry of Agriculture, which requires SAIs to address the data's validity.

Several questions are brought to light in these circumstances, such as “Does the Ministry of Agriculture have the authority and required resources to conduct data collection and computation? Is the data collected using accepted tools and methodologies?” Similarly, questions may also be raised for ECOSOC’s list of indicators that are not available locally, including, “Should SAIs encourage the government (in this case, the Bureau of Statistics) to start collecting those indicators?”

COORDINATED TEAM AUDITS ON POVERTY REDUCTION PROGRAM—A CASE STUDY

The poverty reduction strategy in Indonesia is complicated, as it involves nine programs delivered by a state-owned enterprise and eleven ministries (Figure 2). Despite these various programs, the poverty reduction target 2010-2014 was not accomplished. Not achieving the desired target motivated BPK to conduct a performance audit.

BPK configured a coordinated audit between BPK’s central and representative offices in several provinces. There are 12 audit teams from the central office to audit 12 government entities and 15 teams from each representative office that audit 15 provincial governments. Auditing provincial government is required to assess convergence between national and local strategy on poverty reduction. The audit resulted in a national (consolidated) report, as well as audit reports for each government entity.

CONCLUSION

Cooperative audits among INTOSAI members are crucial in sharing knowledge among SAIs, thus extending audit impact. Cooperative audits—parallel, coordinated, and joint—can be used to assess government preparedness and SDG implementation.

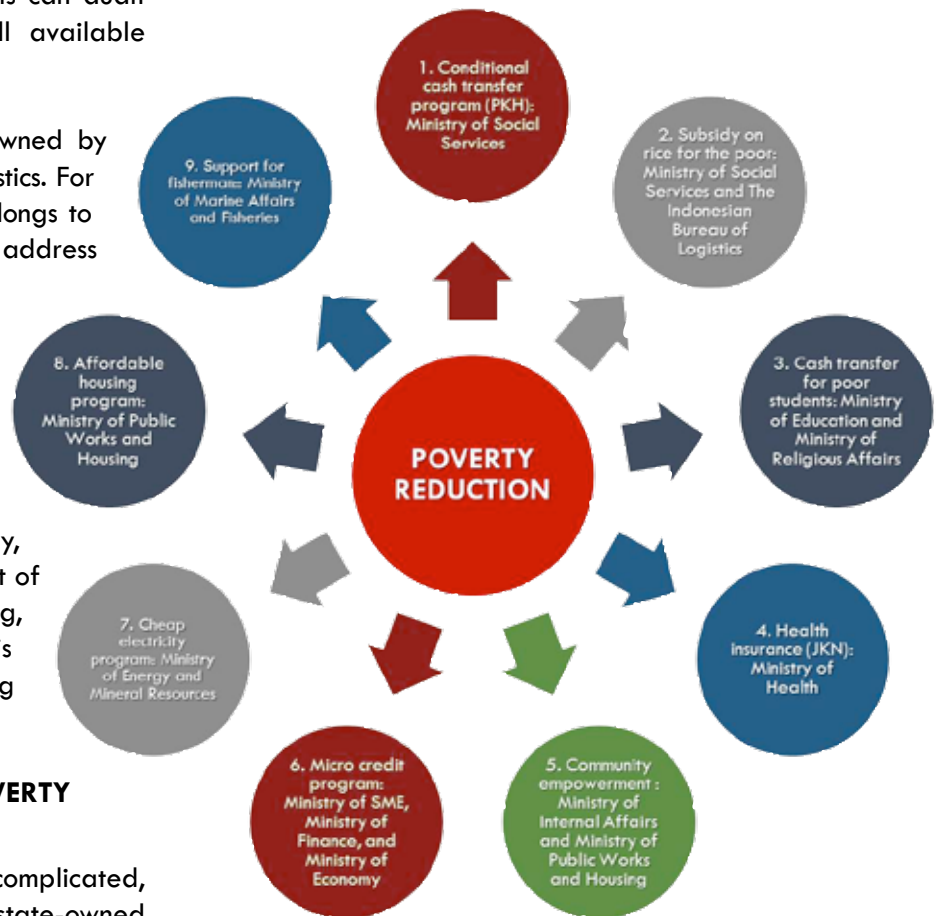


Figure 2: Poverty Reduction Program in Indonesia.

Compliance and performance audits can be utilized for SDG cooperative audits with the compliance audit being geared more so to a government that has not fully embedded SDGs into its program, yet. Regardless of the type of cooperative audit selected, collaborating on audits, sharing knowledge, experiences and best practices can help overcome obstacles, capitalize on opportunities, and, ultimately, better results for all stakeholders, particularly the citizens of the world.

For more information about this article and a full list of references, please contact Adrianus.Paulus@bpk.go.id.

▶ INSIDE INTOSAI



*Mutual Experience
Benefits All*



The incoming chair and vice-chair of the Professional Standards Committee (PSC), the Brazilian Federal Court of Accounts (TCU— SAI Brazil) and the European Court of Auditors (ECA—SAI European Union) took the baton from the outgoing chair (Rigsrevisionen—SAI Denmark) during the INTOSAI Congress in December, and they have plans for an ambitious program for the next three years! The platform centers on two key elements: the “Objective 1” goals agreed upon in the 2017-2022 INTOSAI Strategic Plan and strengthening INTOSAI’s standard setting and implementation.

The strategic goals, strongly influenced by the 2014 PSC evaluation, mean that many changes came into effect at the Congress. INTOSAI standards will be restructured by 2019 into the INTOSAI Framework of Professional Pronouncements (IFPP). And, as part of the revised due process endorsed by Congress, a new body—the Forum for INTOSAI Professional Pronouncements (FIPP)—will work under the oversight of the PSC Steering Committee to ensure quality, consistency and relevance of the included pronouncements (as developed by the distinct subcommittees, working groups and project groups).

As members of the PSC Steering Committee, the chairs of the Capacity Building and Knowledge Sharing Committees will play an important part in the governance of the FIPP. Together, the three goal chairs are responsible for maintaining FIPP membership and proposing any new needed members to the

Governing Board following an annual call for nominations. This process will be significant in enhancing collaboration between the goal chairs in the future.

Under INTOSAI’s revised due process, the PSC assumes overall responsibility for ensuring the effective operation of INTOSAI’s standard-setting activities. The revised due process also introduces the Strategic Development Plan (SDP) which will include all INTOSAI standard-setting activities, and the PSC chair team will institute systems to monitor the SDP’s implementation.

Included in the ambitious program is the task of strengthening the consultation process with external stakeholders. By reinforcing this process, the PSC intends to improve the planning and development of professional pronouncements. The incoming chairs will also examine the feasibility of establishing a permanent technical support structure to support INTOSAI’s standard-setting.

All of these initiatives (and more!) will be a part of the PSC Steering Committee meeting agenda currently scheduled for June 8-9, 2017, in Brasilia. It promises to be a significant and interesting event!

At INCOSAI XXII, the incoming chairs highlighted the excellent work accomplished by the outgoing chair, as well as the excellent support received from SAI Denmark during the transition period.

JOINT SEMINAR ON SUSTAINABLE DEVELOPMENT GOALS, OVERSIGHT A SUCCESS!



The seminar on Sustainable Development and Oversight included technicians from the SAIs of Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Mexico, Paraguay, Peru, Dominican Republic, United States, Uruguay and Venezuela



The International Seminar on “Sustainable Development Goals and Oversight” held in Santiago, Chile, shortly after INCOSAI XXII, came to a successful conclusion. The seminar’s aim was twofold—to serve as a platform to disseminate the [2030 Agenda](#) and to encourage discussion on the role external control should play in implementing the goals. In addition, the seminar provided an opportunity to launch the [OLACEFS Coordinated Audit](#) on preparing governments for the implementation of [Sustainable Development Goals](#) (SDGs) in Latin America.

The event was jointly organized by the OLACEFS Special Technical Commission on the Environment ([OLACEFS-COMTEMA](#)) and the [Supreme Audit Institution \(SAI\) of Chile](#). Additional organizations supported efforts, including [Gesellschaft für Internationale Zusammenarbeit \(GIZ\)](#), [Inter-American Development Bank \(IADB\)](#), [United Nations Development Program \(UNDP\)](#), [World Bank](#), the [World Health Organization \(WHO\)](#) and the [United Nations Food and Agricultural Office \(FAO\)](#).

Participants in the event included technicians from the SAIs of Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Mexico, Paraguay, Peru, Dominican Republic, United States, Uruguay and Venezuela, who will also take part in the coordinated audit.

The first day and a half of the seminar focused on common thematic areas with discussions focused on the sustainable development goals—what they are, their purpose and how the various nations should orient their work in order to achieve them.

Group discussions followed where participants were separated into groups concentrating on two different topics. The first group discussed the challenges of achieving the SDGs, with an emphasis on various sectoral issues, such as health, education, gender and public works. The second group discussed preparing auditors (from member SAIs of OLACEFS who will be taking part in the coordinated audit) on evaluating the readiness of national governments for meeting [SDG 2 Goal 4](#).

The seminar, linked to the commemoration of International Anti-Corruption Day, also addressed how corruption hinders efforts to achieve SDGs; undermines democracy and the rule of law; violates human rights; distorts markets; and threatens human security. As such, a strong call was made for governments, civil society, the media and the general public to participate in, and address, challenges to promote anti-corruption practices.

To access the presentations, videos and picture galleries for the event, please click [here](#).

INTOSAI COMMUNITY PORTAL

Let's Interact



Over the years, the International Organization of Supreme Audit Institutions (INTOSAI) community and various groups working with INTOSAI support have moved towards electronic communication. Information on various committees, working groups, their functions, membership and meetings are available online via countless websites. Useful as these sites are for providing data and information, most do not provide a forum for community interaction on a regular basis.

Due to the static nature of the information being shared, INTOSAI identified the need for an INTOSAI Collaboration Tool (ICT). The ICT was developed in 2005 and was managed by the Supreme Audit Institution (SAI) of India. Through the use of modern technology, the ICT was designed not only to distribute information, but, more importantly, to enable open communication, and knowledge sharing, as well as facilitate decision making within INTOSAI.

THE INTOSAI COMMUNITY PORTAL EMERGES

With the passage of time and the convergence of mobile and Internet technologies, the requirement for an updated forum allowing for even more collaboration was evident. With this aim in mind, the Knowledge Sharing Committee (KSC) and the INTOSAI Development Initiative (IDI) partnered to create the INTOSAI Community Portal (Portal) as a replacement mechanism for the ICT. The Portal, available at intosaicommunity.org, is open to all members of the INTOSAI community.

IDI provides the technical infrastructure and support to the Community Portal, while daily operation support stems from the SAI of India.

THE IMPACT OF THE PORTAL ALREADY FELT

Currently, the Portal hosts several Communities of Practice (CoPs) and facilitates virtual meetings for various INTOSAI groups. The CoPs have proven to be an efficient and effective tool to share knowledge and experiences, particularly for specific subject matters. As the Portal becomes more popular, expectations include an increase in CoP activity.

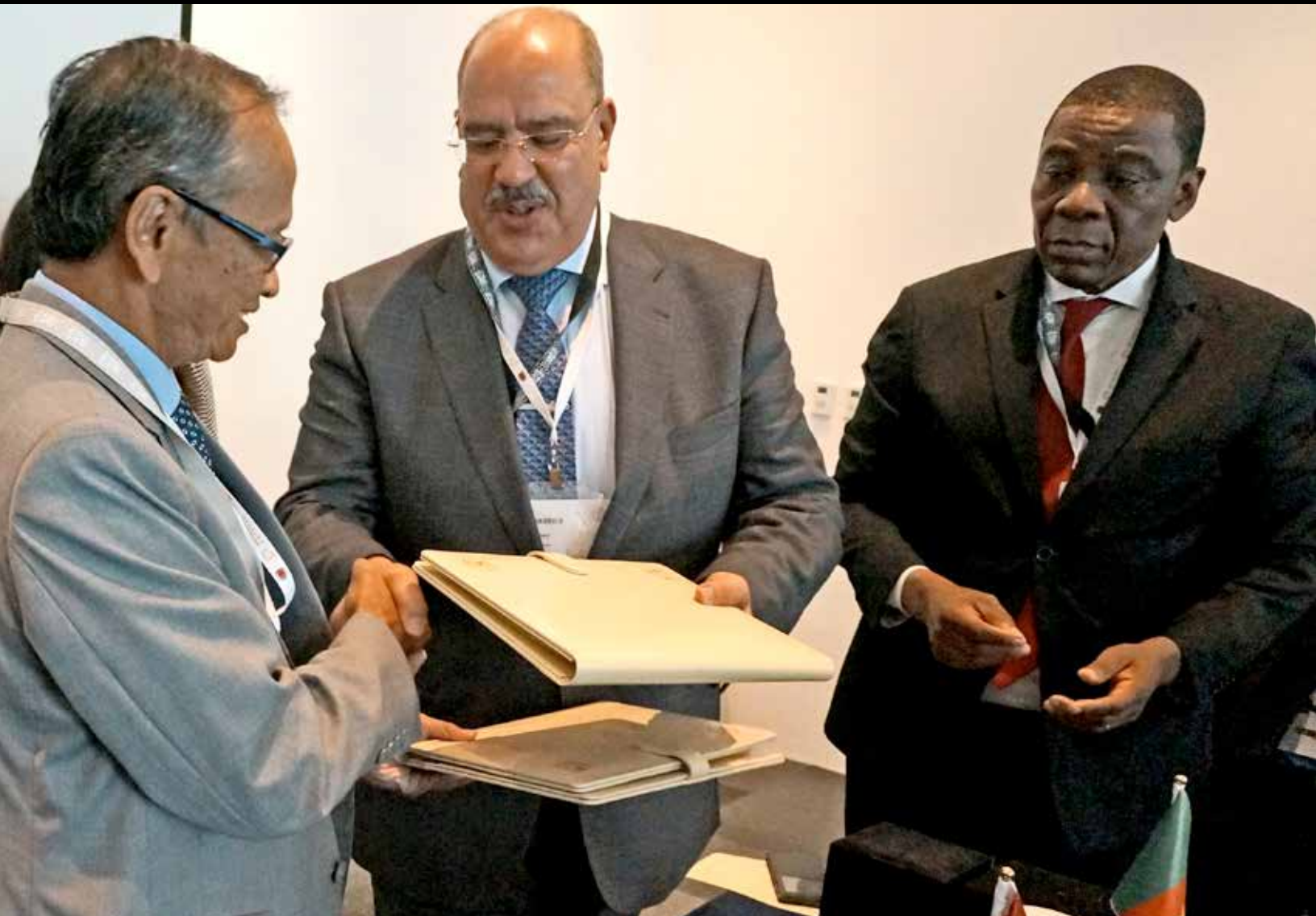
The Portal also includes an extensive Digital Library (Library) where important INTOSAI-related documents can be easily accessed. Ultimately, the intent is to populate the Library with essential INTOSAI and regional standards, guidelines, best practice studies, handbooks, research papers and journals to create a single window of reference for the entire INTOSAI community.

Additional tools include blogs, chat, video conferencing and polls/surveys. The Portal has the potential for expansion using more dynamic elements depending as user requirements evolve.

IN THE SPIRIT OF SHARING

The success of the portal and its evolution into a hub of activity for the larger international auditing community depends on its patronage. Member SAIs are encouraged to spread the word to employees. Various working groups, task forces and sub-committees, too, are urged to utilize the CoP for interaction and discussions.

Getting started is easy! There are two ways to access the Portal. Online registration is now available on the Portal at intosaicommunity.org. Interested members may also enroll by sending an email to ir@cag.gov.in that includes the person's name, email, position held in the SAI, and SAI authentication.



ASOSAI, AFROSAI SIGN MEMORANDUM OF UNDERSTANDING

At the XXII Congress in Abu Dhabi, United Arab Emirates, ASOSAI and AFROSAI signed a Memorandum of Understanding (MoU) that launches an outline to initiate, develop and follow-up on standardized cooperation through a systematized and regular cooperation mechanism.

Through this MoU, both organizations will facilitate the enhancement of professional capacities to improve auditing by promoting the development and transfer of knowledge.

Detailed methods of cooperation will be discussed by Governing Board members and shared between the two regional organizations.

The MoU signing establishes a profound framework for future cooperation and collaboration, and the important event was attended by ASOSAI representatives and AFROSAI governing board members.

For more information about the ASOSAI-AFROSAI MoU, email the ASOSAI Secretariat at koreasai@korea.kr or learn more on the ASOSAI website at www.asosai.org.

EVALUATION WORKING GROUP: ACHIEVEMENTS AND FUTURE PROSPECTS

Supreme Audit Institutions (SAIs) pursue three objectives when evaluating public policies: (1) enlighten public debate, (2) offer recommendations to improve or discontinue a public policy and (3) analyze the follow-up to these evaluations.

The Evaluation Working Group (EWG), composed of 22 SAI members and chaired by SAI France, was tasked with establishing widely accepted guidelines on evaluating public policies. The resulting document, “INTOSAI GOV 9400: Guidelines on the Evaluation of Public Policies,” was adopted at XXII INCOSAI in December 2016.

Following the International Organization of Supreme Audit Institutions (INTOSAI) Due Process, the EWG initiated a draft that highlighted the distinct characteristics of an evaluation and its methodology. The draft, submitted for exposure via the issai.org website, led to the formulation of 149 commentaries by 11 SAIs and international organizations, including the Organization for Economic Cooperation and Development (OECD) and the United Nations (UN).

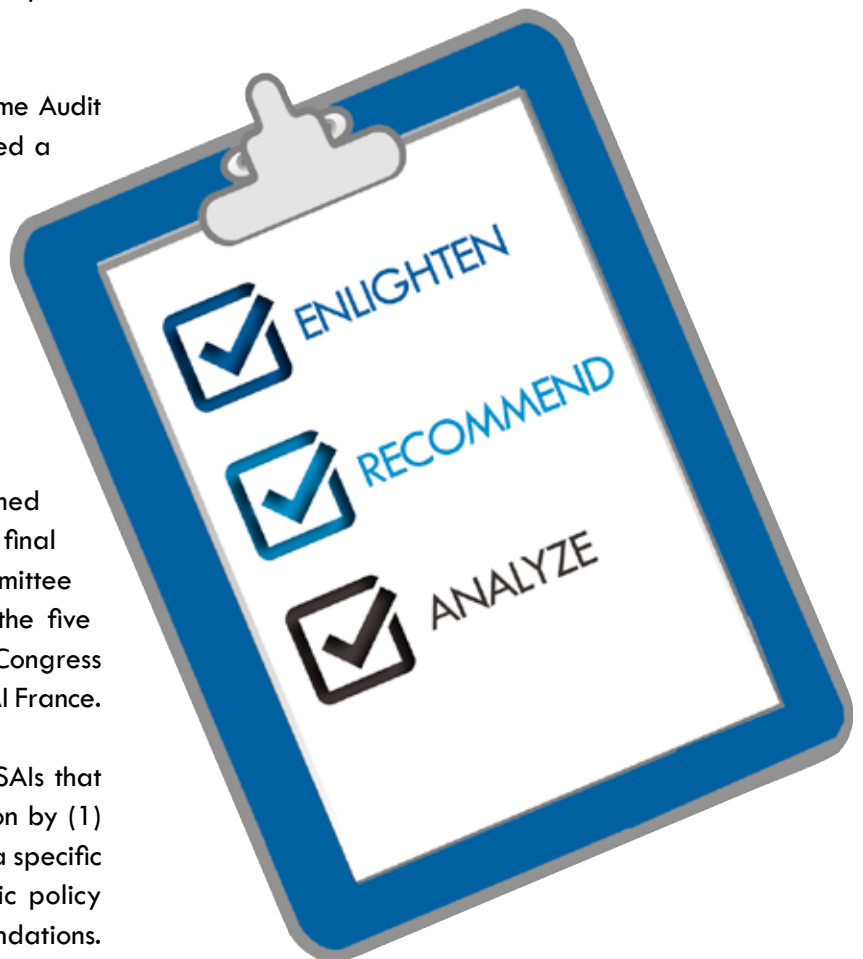
All of the comments were analyzed and, if deemed relevant, were included in the Guidelines. The final draft, adopted by the Knowledge Sharing Committee (KSC) in September 2016, was translated into the five official INTOSAI languages and presented to the Congress for endorsement by Mr. Didier Migaud, Head of SAI France.

The purpose of INTOSAI GOV 9400 is to assist SAIs that practice (or plan to do so) public policy evaluation by (1) leading a neutral and independent analysis using a specific method, (2) allowing for the assessment of public policy usefulness, and (3) to offer, if warranted, recommendations.

These Guidelines underline the unique features of a public policy evaluation, which consists of assessing effectiveness and efficiency, as well as consistency, relevance and usefulness.

The EWG’s work is ongoing, and several meetings have already been scheduled to continue valuable exchanges on methodologies and experiences among all members.

EWG’s agenda in the coming years include the development of a methodological workshop on the optimal combination of socio-economic studies and use of statistical data; an experience-sharing seminar using practical cases (particularly in health and education sectors); and a workshop on methodological issues identified throughout previous engagements. For further information: program-evaluation@ccomptes.fr.





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>.

WELCOME TO THE NEW IDI WEBSITE



Login to eCourses

			
About IDI	News	Capacity Development	INTOSAI Donor Cooperation
			

The new website presents an interactive user experience where downloading different IDI publications—guidance materials, IDI plans and reports, previous IDI and INTOSAI-Donor Cooperation newsletters and other global public goods—is now possible. Information about IDI, various capacity development programs and the INTOSAI-Donor Cooperation are also available on their respective pages.

The website also includes a link to the IDI eLearning portal, which provides registered users access to courses offered as part of IDI’s comprehensive capacity development programs. The courses are a blend of eLearning and face-to-face modules.

Communities of Practice related to a wide array of contemporary public sector auditing subjects are available to registered users, too!

Contact details for all IDI staff can be found under “IDI Staff”, and IDI activity updates are located in the “News” section.

We welcome your comments and suggestions for improving the website by using the “Contact Us” link.

Happy surfing!

IDI RECRUITMENTS

The IDI will recruit candidates for several positions during the first half of 2017. The announcements can be found at the IDI website at www.idi.no.

ISSAI-BASED FINANCIAL AUDITS INITIATED



At the INTOSAI Development Initiative (IDI)-Arab Organization of Supreme Audit Institutions (ARABOSAI) Financial Audit Planning Workshop held in Morocco in November 2016, six participants from Iraq, Palestine and Sudan (pictured left) were introduced to the IDI draft audit planning methodology for financial audits, which they learned to use to plan pilot audits.

IDI provided online support to the teams early on in 2017 during pilot audit preparations, and similar online support will be provided in parallel as the teams plan the International Standards of Supreme Audit Institutions (ISSAI)-based Cooperative Compliance Audit on Procurements.

ISSAI FACILITATOR AND MENTOR CERTIFICATION



Eighty-eight ISSAI Certification Program participants from French-Speaking Africa (CREFIAP) Supreme Audit Institutions (SAIs) were certified as ISSAI Facilitators upon completion of all components, including the finalization of their ISSAI Implementation Strategies. The certifications entail 30 facilitators for Performance Audit from 15 SAIs; 30 for Compliance Audit from 18 SAIs; and 28 for Financial Audit from 17 SAIs. Twelve ISSAI mentors (four for each stream), who served as resource staff for the program, were also certified.

IDI-PASAI 3i COOPERATIVE AUDIT REVIEW MEETING



The IDI-Pacific Association of Supreme Audit Institutions (PASAI) 3i Cooperative Audit Program on Audit of Procurement has reached its final stage. Participating SAI teams completed the audit and attended the audit review meeting in Samoa December 2016 to discuss draft audit reports.

Twenty-two auditors from 10 SAIs—Cook Islands, Fiji, Federated States of Micronesia, State of Pohnpei Federated States of Micronesia, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga and Tuvalu—participated in the review meeting to finalize their draft reports. Teams presented the draft reports, which were peer reviewed by other SAI team members. SAI teams

then made revisions using guidance provided and discussions with subject matter experts, resource personnel, IDI and PASAI staff. SAI teams finalized their reports for submittal to SAI heads for approval in January.

DRAFT GUIDANCE UPDATES

- **Draft version 0 of “Guidance on Auditing Preparedness for Implementation of SDGs”** is now online at the on Knowledge Sharing Committee (KSC)-IDI portal. It can also be found in the XXII Congress materials. Representatives from the IDI, United States Government Accountability Office (GAO) and United Nations Department of Economic and Social Affairs (UNDESA) met in Washington, D.C., earlier this year to finalize the guidance. A version centered on an audit model based on whole of government approach is expected in the next few weeks.
- Delegates from Cameroon, Morocco, PASAI Secretariat and IDI met in Oslo, Norway in November 2016 to compile and review **draft guidance on SAI Independence**. The draft guidance is currently out for external comments.

IDI SUPPORT THROUGH ASSESSMENTS AND ONSITE VISITS

- The IDI and Supreme Audit Office (SAO) of Afghanistan, capitalizing on a bilateral partnership, conducted performance assessments of the SAO regarding International Standards for Supreme Audit Institutions (ISSAIs). The IDI held a seminar with SAO senior management in Kabul, Afghanistan in December 2016, resulting in a common understanding of key areas for improvement and identifying the most important (and feasible) strategic actions to address these issues.
- The IDI is undertaking onsite visits to selected SAIs to assist in audit planning and reporting finalization. After conducting visits in Malawi and Rwanda, IDI provided support to SAI Liberia in November 2016 that included staff from the IDI and Sierra Leone alongside delegates from SAI Liberia.

INTOSAI-DONOR STEERING COMMITTEE LEADERSHIP MEETING

The INTOSAI-Donor Steering Committee Leadership teleconference took place late January 2017. The meeting included discussions regarding the relaunch of the Global Call for Proposals, Communication plan for 2017, the 2017 Steering Committee meeting and recruitment of a new head of the INTOSAI-Donor Secretariat.

STAKEHOLDER COMMUNICATIONS

Updates on the IDI's activities and performance were presented to the INTOSAI Governing Board and the Congress at the XXII Congress in Abu Dhabi. For Theme I "Sustainable Development Goals," IDI participated in parallel sessions on Approach One—"Auditing National Systems of follow-up"—and Approach Four—"Being models of transparency and accountability in their own operations, including auditing and reporting." The IDI also participated in committee seminars, including the Knowledge Sharing and Capacity Building committees. The IDI's presence was front and center as part of the joint CBC-IDI-INTOSAI Donor Secretariat and SAI Performance Measurement Framework (PMF) booths. The SAI PMF and the post-2016 SAI PMF Strategy were endorsed at the Congress. Going forward, IDI will function as the operational lead for SAI PMF with the CBC acting as Strategic Governance lead.

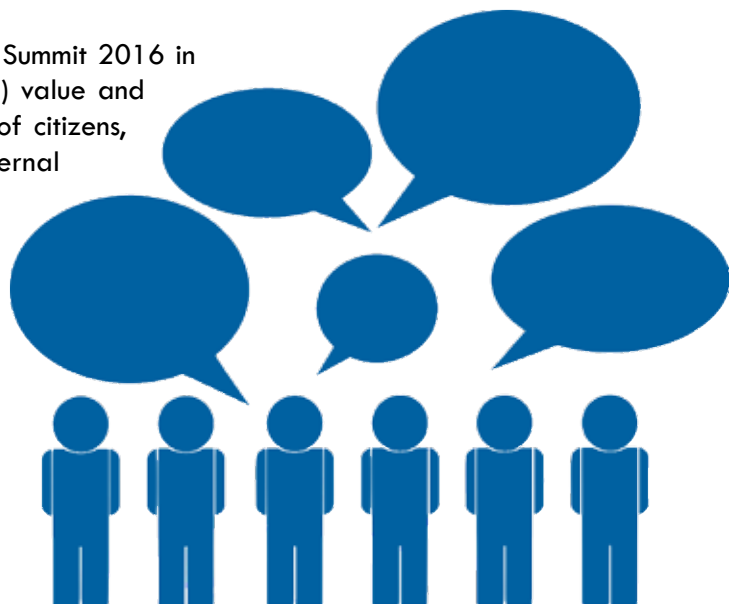
The IDI participated at the Asia Pacific Region Financial Management Forum held in Bangkok, Thailand the first week in December, where the IDI presented a status update on the IDI/IFAD Program—Audit of Externally Funded Projects. The IDI also updated participants on ISSAI standards specifically focusing on Level 4 Compliance, Financial and Performance Audited standards.

The IDI participated at the Open Government Partnership Global Summit 2016 in Paris, France, in December. The IDI gave a presentation on the (1) value and benefits of SAIs, (2) how SAIs can make a difference in the lives of citizens, and (3) need for SAIs to engage with civil society and other external stakeholders.

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Check out the IDI's events and activities:
<http://www.idi.no/en/calendar>





NEW GLOBAL CALL FOR PROPOSALS TIER ONE LAUNCHED

The INTOSAI-Donor Cooperation has relaunched the Global Call for Proposals (GCP). The GCP matches SAIs' needs-based capacity development proposals with donor funding and/or INTOSAI support. The GCP is being relaunched in a stronger format with a two-tiered approach.



March 31 marked the launch of the new Global Call for Proposals (GCP) Tier 1 by the INTOSAI-Donor Cooperation. Similar to GCP 2011 and GCP 2013, Tier 1 will continue to accept proposals from all Supreme Audit Institutions (SAIs) and International Organization of Supreme Audit Institutions (INTOSAI) bodies for projects benefiting SAIs in developing countries. Tier 2, will provide more intensive support to a small group of the most-challenged SAIs and will be launched later in the year.

Following a strategic process in 2016, GCP has been strengthened to better fit the needs of SAIs and increase the ability of donors to support project proposals. It is a matching mechanism where the applicant actively develops the project proposal. The GCP provides guidance and support to SAIs to develop Concept Notes to be distributed amongst donors working with SAIs.

Key features of the GCP Tier 1 include:

A Rolling Process: The new GCP seeks to empower SAIs in developing countries to drive capacity and performance

forward. A rolling process means SAIs can take their time to develop Concept Notes and apply for support when it best fits with their strategic cycles. The new Tier 1 does not have deadlines, so SAIs and INTOSAI bodies can submit Concept Notes to the INTOSAI-Donor Secretariat at any time.

Concept Notes: All SAIs, INTOSAI bodies and INTOSAI regions may submit Concept Notes at any time for projects benefiting SAIs in developing countries. The Concept Note, a key document to help applicants prepare and present a brief but precise outline of its capacity development needs and the proposed support, demonstrates SAI ownership and clearly refers to documented assessment of the SAI's capacity development needs. The Concept Note template and guidance is available on the IDC website. Concept Notes should be submitted to intosai.donor.secretariat@idi.no.

Information about sources of support: To develop a high quality Concept Note, knowing more about donor practices and understanding how providers can support SAIs may be useful for applicants. Fact sheets for donor members and INTOSAI members of the INTOSAI-Donor Cooperation have been created, and SAIs can make use of this information that includes funding cycles and support mechanisms in preparing concept notes.

Peer to Peer Support: SAIs have unique roles best understood by other SAIs. Peer support is already established as a credible and independent form of support within INTOSAI. The GCP seeks to facilitate greater use of SAIs and INTOSAI bodies as providers of peer support. SAI applicants and donors can utilize INTOSAI Capability Statements to identify potential peer support providers.

Stronger Quality Checks: Quality review by the INTOSAI-Donor Secretariat is a support measure to help SAIs complete relevant needs-based and demand-driven concept notes that can be distributed to potential support providers. The quality review helps to ensure adherence to Memorandum of Understanding (MoU) principles that lay at the foundation of the INTOSAI-Donor Cooperation, including: linkage to the SAI's strategic plan; harmonization and coordination with existing support; and being SAI-led, rather than donor-driven.

To find out more about the GCP Tier 1, including downloading the application template and guidance, visit IDI's [website](#).

Templates and concept note examples are available in English, French, Spanish and Arabic. For questions, contact the INTOSAI-Donor Secretariat via email at intosai.donor.secretariat@idi.no.

SPOTLIGHT ON SUCCESS

Working with Supreme Audit Institutions is important in making a difference in the lives of citizens. How do we communicate this importance to stakeholders? How do we convey the significance of funding and supporting SAIs?

The [INTOSAI-Donor Cooperation](#) is taking steps towards this objective through a stronger focus on measuring results and sharing these results in success stories.

In 2016, the INTOSAI-Donor Cooperation (Cooperation) decided to update the organization’s strategic direction. As a result, the Cooperation is now entering a new phase with an increased focus on results measurement and communication. In relation to this new results framework, a [Communications Strategy](#) has been developed, which encompasses objectives to maintain Cooperation support by raising awareness on the Cooperation’s value and to influence behavioral changes to ensure the objectives of the INTOSAI-Donor [Memorandum of Understanding](#) (MoU) are achieved.

One of the key activities is the development of success stories to better:

- Share results accomplished through the combined efforts of INTOSAI and Donor communities in strengthening SAI performance
- Illustrate how these joint efforts have had an impact on the lives of citizens
- Demonstrate how the MoU principles contributed to these results.

The success stories will be based on evidence—the work is closely related to results measurement where the Cooperation seeks to objectively measure changes in SAI performance over time.

The Cooperation, with support from the United States Government Accountability Office (GAO), has already collaborated with SAI Bhutan (RAA), SAI Sierra Leone (ASSL) and the PASAI Secretariat for the creation of three success stories, all of which have a country-level focus. Key achievements are illustrated in the figure below.

While the PASAI chronicle is based on a regional capacity development program, its primary focus is on the concrete results in SAI Kiribati and SAI Tuvalu. The stories, first made publicly available during the XXII Congress, have now been published on the Cooperation website.

The Cooperation has defined three criteria that need to be in place:

1. Enhanced Internal Capacity
2. External Impact
3. Contribution of INTOSAI-Donor MoU Principles

Enhanced Internal Capacity. The success stories associated with SAI Bhutan, SAI Sierra Leone, SAI Kiribati and SAI Tuvalu all include enhanced internal capacity and improved audit quality experiences. Dasho Tshering Kezang, Auditor General of SAI Bhutan, noted, “External support has been instrumental in enhancing the institutional capacity of our audit office.”

External Impact. Internal improvements must also translate externally. In Bhutan, increased audit quality has influenced Bhutan’s public debt management. Based on audit recommendations, the Ministry of Finance (MOF) developed a Public Debt Policy that provides a single overall threshold, as well as sector-specific thresholds for external debt.

Shortly after the policy’s implementation, the MOF established a new department of Macroeconomic Affairs,



whose mission is to “maintain a sustainable level of public debt.” In Sierra Leone, capacity development programs have led to a strengthened relationship between the SAI and the Public Accounts Committee (PAC) resulting in improved parliamentary scrutiny of audit reports, public access to the SAI’s reports and publicly broadcast PAC hearings.

Additionally, the prompt audit of the 2015 Management of Ebola Resources and the resulting report on mismanagement and corruption in the use of Ebola aid funds led to strong debates among stakeholders and increased pressure for accountability.

Increased capacity in the SAIs of Kiribati and Tuvalu, both in the PASAI region, has driven timely completion of the whole of government audits, positively contributing to the availability of up-to-date and reliable financial information for the respective governments in preparing budgets and formulating relevant policies.

Mr. Eli Lopati, Auditor-General of SAI Tuvalu, stated, “The Sub-regional Audit Support (SAS) program has contributed to increased trust by our clients in the reports we deliver.”

The ultimate goal is to demonstrate concrete effects on the lives of citizens, a challenging task particularly due to the Cooperation having only been established in 2010. However, we believe showcasing the external impact already achieved can affect the lives of citizens in the long run.

Contribution of INTOSAI-Donor MoU Principles. The PASAI story provides a good example of regional support aligned behind a regional strategic plan, leading to coordinated and harmonized cooperation. Both the Bhutan and Sierra Leone stories illustrate SAI-led support, with donor sponsorship backing the SAI strategic plans, subsequently enhancing SAI capacity.

Where possible, the Cooperation’s regional and global initiative influence toward these results will also be highlighted, such as the project stemming from the SAI Capacity Development Fund, the Global Call for Proposals, or that the [SAI Capacity Development Database](#) was used to ensure effective coordination with other partners.

While this is not an absolute requirement, the goal is to have an all-inclusive development of narratives that recognize successes that have come, in part, as a result of united stakeholders coming together working for a common goal (the essence of the INTOSAI-Donor Cooperation).

The positive developments are inspiring! Yet, the coming years will still be challenging for SAI Bhutan, SAI Sierra Leone, SAI Kiribati and SAI Tuvalu as they continue the

journey in relation to performing audits in accordance with international standards and making those changes sustainable.

Mrs. Lara Taylor-Pearce, Sierra Leone’s Auditor General, echoes these sentiments and has “embraced the sustained support given by our development partners and harmonized development programs with our strategic plans. We hope the intense development assistance to ASSL can continue until we reach a level of maturity where we can make an impact based on our own sustainable capabilities.”

In the coming years, these success stories will be widely distributed using a number of forums, and the Cooperation will continue developing new ones as cooperative projects and associated efforts progress to completion. The forums include the current Website, as well as the new Cooperation Portal (planned for launch later this year). A new Portal feature will be SAI country sites—a great place for SAIs to demonstrate their work, the support they have received from others and how this is making an impact on society.

In light of the current challenges the world is facing, now, more than ever, it will be important to find effective ways to communicate to stakeholders that working with SAIs is important, makes a difference to the lives of citizens, and should be funded and supported.

Globally, reduced economic growth, tremendous investment needs to meet the Sustainable Development Goal objectives, rising inequality within the developing world and enduring corruption, greatly impact society. Though these factors can potentially lead to a lack of appropriate funding to SAIs and may hinder SAI ability to deliver on mandates, it is important to note that they also enhance the central role of the SAI in the Public Financial Management system of a country.

Making effective use of scarce resources, identifying improvement opportunities, holding the government accountable and promoting transparency are just a few examples of how SAIs can contribute. For a more in depth article about the important role of SAIs, see the [Cooperation update in INTOSAI Journal Summer Issue 2016](#).

The INTOSAI-Donor Cooperation [Secretariat](#) is always seeking examples of SAI capacity development success stories that can potentially be developed into communications pieces. If you wish to share examples, please email the Secretariat at intosai.donor.secretariat@idi.no.

Follow the INTOSAI-Donor Cooperation on [Linkedin](#).



U.S. GAO 2017 INTERNATIONAL AUDITOR FELLOWSHIP PROGRAM UNDERWAY

This year's International Auditor Fellowship Program (IAFP) kicked off Wednesday, March 22, at the United States Government Accountability Office (GAO) headquarters in Washington, D.C.

Mr. Gene Dodaro, U.S. Comptroller General, and Ms. Patricia Dalton, GAO's Chief Operating Officer, welcomed the 15 auditors representing 12 countries in an opening ceremony.

The auditors—who hail from Albania, Argentina, Bhutan, Brazil, Estonia, Kuwait, Nigeria, Pakistan, Rwanda, Singapore, Uganda and Zimbabwe—provided brief introductions on who they are and what they would like to accomplish during the 4-month intensive study program.

The IAFP, designed to enhance SAI capabilities to fulfill their missions and increase accountability, transparency and governance worldwide, was initiated by GAO in 1979 in response to increased federal government expenditures abroad and the related need to strengthen accountability over these funds.

To date, more than 570 middle- to senior-level SAI officials from more than 105 countries have graduated from the program, many of whom have since become Auditors General, Deputy Auditors General or Government Ministers.

Key objectives of the IAFP include:

- Enhance participant skills to strengthen institutional SAI capacity;
- Sustain professional competencies and skills through continuous learning and knowledge sharing; and
- Strengthen professional networks to promote institutional relationships among SAIs, donors, and other accountability community partners.

Fellows participate in an intensive, multifaceted learning program that includes a blend of classroom instruction, observation of key management meetings, intergovernmental auditing exposure, and strategy development to implement change in SAIs.

The comprehensive and rigorous program includes training on professional standards; performance auditing; internal controls; as well as leadership and diversity; data analysis and reliability; and evidence and documentation fundamentals.

Fellows are also given opportunities to dialogue with international financial institutions; federal, state, and local government officials; inspectors general; and internal auditors.

The program also includes social activities held outside the professional workday in an effort to help the fellows feel welcome and provide opportunities to explore the area in and around Washington, D.C.

Middle- to senior-level officers who are positioned in their SAIs to transfer learning are encouraged to apply. Applicants must have a proven English proficiency based on TOEFL test scores and must be nominated by the SAI head. Please refer to the [application](#) for specific requirements.

While there is no tuition for the program, participating SAIs are responsible for securing the required funding for travel and living expenses. Funding assistance may be available from the United Nations Development Program, the World Bank, regional development banks, national development assistance agencies, as well as national governments.

Deadline to apply for the 2018 IAFP is August 21, 2017.

MAY 2017

9-10	4th Meeting of the WGFMR—Washington, D.C., United States of America
18-19	4th GALF Meeting—Copenhagen, Denmark
22-23	26th Meeting of the Working Group on IT Audit—Seoul, Korea
22-25	X EUROSAT Congress—Istanbul, Turkey
26	LXV OLACEFS Board of Directors Meeting—Mexico City, Mexico
31-2 Jun	24th UN/INTOSAI Symposium—Vienna, Austria

JUNE 2017

6-7	Meeting of the Subcommittee on Internal Control Standards—Brasilia, Brazil
8-9	PSC Steering Committee Meeting—Brasilia, Brazil

AUGUST 2017

8-11	PASAI Congress—Tuvalu
23-25	9th Meeting of the KSC Steering Committee—Bali, Indonesia

SEPTEMBER 2017

7-8	10th Meeting of the WGVBS—Mexico City, Mexico
11-14	3rd Young EUROSAT (YES) Conference—Tallinn, Estonia
11-14	INTOSAI WGEA 15th Steering Committee Meeting—Washington, D.C.
18-20	Capacity Building Committee Annual Meeting—Washington, D.C.
20-21	INTOSAI-Donor Cooperation Annual Meeting—Washington, D.C.

OCTOBER 2017

2	AFROSAT General Assembly—Namibia
3-7	OLACEFS General Assembly—Asunción, Paraguay

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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