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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.

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contents

Editorial 1
News in Brief 3
GAO issues framework for managing fraud risks in federal programs . 12
Publishing data visually 16
Uncharted territory: Landscape Reviews 18
Inside INTOSAI 22
IDI Update 29
INTOSAI-Donor Cooperation Update 33
INTOSAI Calendar 35



Supreme Audit Institutions: Partners in good governance for sustainable development

In order to catalyze change that can positively impact people's lives, SAIs need to embrace new challenges and to communicate effectively with society, responding to its needs and aspirations.

by Aroldo Cedraz de Oliveira

President of the Federal Court of Accounts, Brazil

LAST SEPTEMBER, WORLD leaders at the United Nations (UN) adopted an ambitious agenda—a decision that has the potential to propel nations toward more inclusive and sustainable development for all their citizens. The newly approved Sustainable Development Goals (SDGs) lay out a series of priorities: universal commitments in areas as diverse as poverty, education, infrastructure, consumption patterns, and climate change. The final text contains 17 objectives and 169 targets to be achieved by 2030.

These commitments, if properly implemented, will have a deep impact on the lives of citizens worldwide. The international community is now considering the concrete steps necessary to move this agenda from paper to reality. Everyone will have a role to play, from international and regional multilateral institutions to civil society and the private sector. However, governments have a special responsibility to deliver on these promises.

The SDGs highlight the ever-increasing need for governments to be able to effectively address complex policy challenges, taking into consideration the interconnected and integrated nature of the objectives. To transform these global aspirations into realities for people everywhere, governments will need insight, foresight, and a holistic approach to managing public resources.

To fulfill its envisioned role in the SDGs,

the public sector will have to work diligently not only on the specific areas mentioned by the different objectives, but also to significantly improve its overall capacity to plan, implement, and monitor sound policies that integrate economic, social, and environmental objectives and are supported by evidence-based decision making.

Governments wanting to contribute with better policies for sustainable development need to ensure resource management, coordination, and coherence functions are in place, particularly in the current macroeconomic scenario, in which tax limitations require an ongoing evolution regarding the quality of public expenditure. These functions have to be rooted on good governance principles, like rule of law, transparency, integrity, and accountability. This was highlighted by SDG 16, which calls for effective, accountable, and inclusive institutions. Supreme Audit Institutions (SAIs) have a role to play in this regard, as pointed out by two recent UN resolutions (*A/RES/66/209* and *A/66/228*) focusing on activities that are key to delivering better policies and programs.

It is this challenge — of how SAIs can contribute to more effective government — which motivates TCU and the OECD in the ongoing project “Partners for Good Governance: Mapping the role of the Supreme Audit Institutions.” With this initiative, we seek to encourage and enrich dialogue within and among »

“INTOSAI as an organization, and all of our individual institutions, must seize this opportunity: to support, within our mandates, the realization of an ambitious and progressive agenda—a partnership for prosperity, peace, the people, and the planet.”

— Aroldo Cedraz de Oliveira

SAIs, and between SAIs and actors responsible for oversight and implementation of the government’s agenda, in particular, the executive branch.

The main objective of the project is to enhance the impact of SAIs on good governance, exploring how they can contribute to the improvement of four key government functions (Center of Government, Budget, Regulation, and Internal Controls). Each of these functions appears in detail in the project’s first-phase analytical framework, which was developed by a team of OECD experts, with contributions from TCU and 12 peer institutions: the SAIs of Canada, Chile, the European Union, France, India, Korea, Mexico, the Netherlands, Poland, Portugal, South Africa, and the United States.

Currently, in the second phase, the OECD has conducted an extensive survey to collect good practices on auditing center-of-government related activities among a diverse group of SAIs. These practices will underpin the development of a good practice guide that, beyond its immediate utility

for audit institutions, is expected to enrich the debate among key stakeholders on the role of SAIs in inducing governments to become more strategic, agile, and responsive. In phase three, a peer review of Brazil’s SAI will be undertaken to identify options for strengthening its role in enhancing sound public governance. At the end of the project, we hope the results can also help other SAIs meet this responsibility.

In order to catalyze change that can positively impact people’s lives, SAIs need to embrace new challenges and to communicate effectively with society, responding to its needs and aspirations. INTOSAI as an organization, and all of our individual institutions, must seize this opportunity: to support, within our mandates, the realization of an ambitious and progressive agenda—a partnership for prosperity, peace, the people, and the planet. SAIs can leverage their unique expertise and credibility as independent and trustworthy institutions to contribute to effective public policy and the empowerment of citizens.

News

from SAIs around the world



ALSAI celebrates 90th anniversary



The Supreme Audit Institution of Albania celebrated its 90th anniversary with a ceremonial plenary session of Albania's Parliament.

by Dr. Bujar Leskaj, Chairman of ALSAI

Being inspired by the motto of the Young EUROSAI Congress (November 2013, Rotterdam) dedicated to innovation that asked, "When was the last time you did something for the first time?", we in the Supreme Audit Institution of Albania (ALSAI) for the first time commemorated the 90th anniversary of our institution. We did it with a ceremonial plenary session of Albania's Parliament, where, in addition to members of parliament, guests included Dr. Vitor Caldeira, President of the European Court of Auditors; Dr. Josef Moser, President of the Austrian Court of Audit and Secretary General of INTOSAI; Dr. Recai Akyel, President of the Turkish Court of Accounts and Vice-President of EUROSAI; and other distinguished guests, including presidents from partner supreme audit institutions (SAIs) and representatives from academia and civil society. Mr. Gene Dodaro, Comptroller General of the United States and head of the U.S. Government Accountability Office, prepared a video message, congratulating ALSAI on the occasion of its 90th anniversary.

Albania's first attempt to create a special control body dates back to 1912, when the greatest homme d'état of the Albanian nation, Ismail Qemali, founded Albania's modern state. Among the first decrees he issued as Prime Minister of Albania's new State was a decree to "Appoint a group of experienced and prepared people to support and control the Government." The historical background of the State Supreme Audit Institution is tightly connected with the establishment of the Albanian Parliamentary Republic on January 21, 1925. After the approval of the Fundamental Statute of the Republic of Albania, on January 20, 1925, the President of the Republic, Ahmet Zogu, endorsed the Ordinance-Law "on the establishment of the Council of Control."

After the adoption of the Statute of the Republic (1925), during the constitutional monarchy (1928-1939), throughout the communist regime (1945-1991) and through today, ALSAI has adapted its role, organization and type of controls to historical circumstances. >>

In the period after World War II, under communism, the Finances Controlling Council underwent a series of successive changes and reorganization, losing independence and functioning under the executive structure in the service of a totalitarian state.

With the advent of democracy in Albania in 1992, ALSAI changed, regaining part of its independence and cooperating with partner SAIs.

Full independence, depolitization and departization of ALSAI was reached with the approval of its basic law in December 1997 and then the approval of the Constitution of the Republic (Articles 162-165) in October 1998.

Since then, ALSAI has operated independently and cooperates with partner institutions and international bodies. The years 2012-2015 saw a complete turn of ALSAI regarding the application of ISSAIs and active participation in EUROSAI and INTOSAI initiatives and events. Experienced and young auditors have trained intensively domestically and abroad to understand and apply the ISSAIs in their daily work.

ALSAI gained substantial support from the EU General Directorate of Budget (DG-Budget), Support for Improvement in Governance and Management (SIGMA) and the EU Delegation in Tirana, to send to Parliament its new basic law fully compliant

with INTOSAI standards. The Parliament of Albania approved the law in November 2014. Now the road is open for changing ALSAI into a modern SAI similar to developed SAIs of EU member states.

In the future, ALSAI aims to improve its organization and management in order to convey the best practices of European SAIs in these areas. The stability in the progress of reforms will bring about higher results in the improvement of national governance, in synergy and with full cooperation of citizens, Parliament, professional associations and civil society.

This article is dedicated to the troupe of devoted, hard-working, honest and professional controllers, auditors and support staff that have contributed and served in this institution during these 90 years

For more information contact the Supreme Audit Institution of Albania

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Hidden potential of eData in the public administration

Supreme Audit Office of the Czech Republic hosts conference on eData and the future of auditing

On June 16, 2015, the Supreme Audit Office of the Czech Republic (SAO CR) hosted a conference called “eData – Future of Audit.” The conference focused on the issue of big data and open data in the state and public administration, and it was prepared for professionals in this field. Speakers — representatives from audit institutions, public administration, and independent experts — came from both the Czech Republic and abroad.

Among others, Vítor Manuel da Silva Caldeira, President of the European Court of Auditors; Miloslav Kala, President of the SAO CR; delegates from the supreme audit institutions

(SAIs) of Austria and the Netherlands; and representatives from the Czech Ministry of the Interior and the Ministry of Finance — experts in the area of processing and using open data — spoke at the conference. Representatives of other professions who engage in eData also presented at the conference.

“We have overloaded our public administration with data, but we have not dealt with the issue of what path leads from data to information, and from information to knowledge,” said Miloslav Kala, President of the SAO CR. “This conference is about the path to knowledge, the path



Speakers — representatives from audit institutions, public administration, and independent experts — came from both the Czech Republic and abroad for the SAO CR's eData conference.

to the wealth that is hidden inside and that has a significant potential to improve the quality and effectiveness of the public administration. It is the quality and effectiveness of the public administration that represents indispensable conditions for a prosperous and successful society.”

The Czech Republic has more than six and one-half thousand information systems at its disposal, and it spends a great deal of money from public sources on them every year. The presentations at the conference showed various points of view on existing methods of collection, analysis, evaluation, and use of data in the state and public administration — and not only for data stored in the information systems. The common denominator of all the contributions is the challenges that e-data represent for independent audit institutions, and also for the state

and public administration. The aim of the conference was to explore how to fully exploit the potential of eData, and what effect this would have not only in regard to public sources administration, but to the audit of public sources management.

To learn more about the conference, visit: <http://www.nku.cz/en/mezinarodni/konference-seminare/konference-edata---future-of-audit--prague-16-6-2015-id7716/>

For more information contact the Supreme Audit Office of the Czech Republic

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AG resigns from NAO of Finland

Auditor General Dr Tuomas Pöysti prematurely leaves his position

Dr. Tuomas Pöysti has been granted the Parliament's permission to quit his position as Auditor General of Finland and has thereby discontinued his second term prematurely.

As of October 1, 2015, Deputy Auditor General Ms. Tytti Yli-Viikari is standing in as Dr Pöysti's replacement until the Finnish Parliament has elected a new Auditor General.

The Finnish Government decided on August 27, 2015, to invite Dr. Tuomas Pöysti, Auditor General of Finland, to

serve as project leader in charge of the social welfare and healthcare reform in Finland.

Dr. Pöysti will serve as a joint Under Secretary of State for the government, his area of responsibility being the social welfare and healthcare reform.

For more information contact Deputy Auditor General Tytti Yli-Viikari by telephone at 358.9.432.5779

News from SAB Kuwait

The State Audit Bureau (SAB) of Kuwait represented ARABOSAI in the INTOSAI Capacity Building Committee Meeting, held September 8-10, 2015, in Sweden. SAB also represented ARABOSAI in the 14th Steering Committee Meeting of the INTOSAI Working Group on Environmental Auditing (WGEA) that was held September 29 – October 1, 2015, in Egypt.

SAB also took part in several other INTOSAI events: SAB participated in the ISSAI 30 Revision Team Meeting- the INTOSAI Professional Code of Ethics held September 9-11, 2015, in Poland.

SAB also participated in the “Workshop with INTOSAI Regions on Strategy, Performance Measurement and Reporting,” organized by the INTOSAI Development Initiative

(IDI), September 14-16, 2015 in Norway, and in the Planning Meeting with key stakeholders that was held September 17–18, 2015, in Norway.

Within the framework of the cooperation agreement with the Office of the Comptroller and Auditor General of India, SAB participated in the 7th Joint Seminar on “Oil Sector Audit” that was held September 28–October 1, 2015, in India.

For more information contact the State Audit Bureau of Kuwait

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10th Anniversary of the National Audit Academy of Malaysia

The National Audit Department of Malaysia celebrated the 10th anniversary of its National Audit Academy on August 14, 2015.

The event was officiated by Minister of Transparency, the Honorable Paul Low Seng Kuan. The former Auditor General of Malaysia, the Honorable Dr Hadenan A. Jalil, was awarded as the first Fellow of the Academy.

The objective of the academy is to enhance the capacity and capability of the SAI in public sector auditing and related areas. The academy caters to in-house trainings of the SAI’s personnel and conducts customized programs requested by government agencies or by other SAIs, such as those in Afghanistan, Bangladesh, Brunei, Indonesia, Nepal and Oman.

Beginning in 2007, the Academy conducted two Malaysian Technical Cooperation Programs (MTCP)—on Performance Audit and IT Audit—aimed at sharing and enhancing the capacity in those auditing areas. About 45 countries and 375 participants have joined the MTCP since its introduction.

The academy has also been used to host several training programs for the Asian Organization of Supreme Audit Institutions (ASOSAI) and the Asean Supreme Audit Institutions (ASEANSAI).

For more information, contact the National Audit Department of Malaysia

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New President, Board Member for Dutch Court of Audit

Board complete once again as of October 15



Mr. Arno Visser is the new President of the Netherlands Court of Audit.

On July 10, 2015, acting on the nomination of the Minister of the Interior and Kingdom Relations, the Dutch cabinet appointed Mr. Arno Visser as the new President of the Netherlands Court of Audit. Mr. Visser will take office on October 15, 2015, and will be the Court's 23rd President, succeeding Saskia J. Stuiveling who retired at the end of May.

Mr. Visser has been a member of the Court's Board since January 15, 2013, having previously been a member

of the Dutch House of Representatives and the municipal executive in the town of Almere, in addition to holding various other posts. He was also involved in a number of initiatives targeted at emerging democracies, including the former Yugoslavia, Laos and Vietnam. Mr. Visser is a former member of the Parliamentary Assembly of the Council of Europe.

Ms. Francine Giskes will be joining the Court's Board on the same date. Ms. Giskes has been the mayor of »

Ms. Francine Giskes is joining the Board of the Netherlands Court of Audit.



Texel since 2009 and was a member of the Dutch House of Representatives from 1994 to 2004. Among the posts she held prior to that were the directorship of the Netherlands Institute for Multiparty Democracy (NIMD) and the chair of the Supervisory Council of HIVOS (an international development organization guided by humanist values).

The Court's Board is made up of three members, Kees Vendrik being the third alongside Francine Giskes and Arno Visser. Now that the Board is complete, its first task will be to define a new strategy for the Court. This is due to be published in the autumn.

"Public spending comes with public accountability and control," said Mr. Visser. "While this may seem both logical and straightforward, we are talking about processes

that need to be carefully thought through and planned from the viewpoint of the general public. We believe that developments such as digitization, new web-based services and ongoing improvements in access to information through smart devices will all help to create new, dynamic forms of public accountability and control. This means broadening the dialogue on government performance in such a way that all citizens can join in at any time. I'm looking forward to working together with Kees Vendrik and Francine Giskes to shape these new developments."

For more information contact the Netherlands Court of Audit

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News from the Romanian Court of Accounts

Elaboration of a Visual Identity Manual

The Romanian Court of Accounts (RCoA) recently elaborated its visual identity manual, aimed to strengthen its institution's image while supporting its activities. The visual identity manual creates a clear, coherent and recognizable image of RCoA as public institution in Romania. The setting-up of a strong and representative institutional image supports the image of RCoA as an important organization and increases the unity of the institution's staff. Promoting a unified visual identity concept, based on the emblematic value of the logo and on other graphic elements, also strengthens the public's perception of the RCoA as a supreme audit institution.

The working group in charge of expanding the manual was composed of experienced RCoA staff who were inspired by visual identity best practices of SAIs worldwide. The manual was approved by RCoA's Plenum and is posted on RCoA's website.

For more information about the manual, contact RCoA: Doina Draniceanu, Head of Training Unit

**E-mail: doina.draniceanu@rcc.ro
Website: www.curteadeconturi.ro**

Study tour of SAI Turkey representatives to the Romanian Court of Accounts

A study tour by the Turkish Court of Accounts to the RCoA took place September 14-18, 2015.

The delegation participated in professional meetings organized at the head offices of the RCoA of the Audit Authority and of two County Chambers of Accounts (Bucharest Municipality and Prahova Municipality).

The main topics on the agenda were

- audit procedures, types of audit and the reporting process;
- the impact, results, implications of the audit reports established by SAI Romania;

- the relation of SAI Romania with the Parliament;
- audit of public-private partnerships and privatizations, or the experience of SAI Romania in this field;
- audit quality control;
- ISSAI standards processing, and the implementation stage; and
- auditing European funds, and challenges faced by SAI Romania in the U.E. accession process.

Meeting of INTOSAI Subcommittee for Internal Control Standards hosted by RCoA

RCoA hosted a meeting of the INTOSAI Subcommittee for Internal Control Standards from September 22-23, 2015, in Bucharest. The event was jointly organized with the SAI of Poland, which currently chairs the Subcommittee.

RCoA volunteered to organize the meeting in Bucharest as its representatives have been participating in the Subcommittee's activities since 2003.

The main topic of the meeting was risk management in the public sector. The meeting aimed to present the activity of the working group, especially its efforts to update *INTOSAI GOV 9130 – Guidelines for Internal Control Standards for the Public Sector – Further Information on Entity Risk Management*. RCoA is co-ordinator of the working group in charge of updating the mentioned document. In addition to the Subcommittee's members from various SAIs, a representative of the Internal Auditors Institute was also in attendance.

During the meeting, examples of key risks encountered in public sector entities, and reports containing findings on this issue by participating SAIs, were presented.

For more information contact RCoA: Svetlana Mureşan, external public auditor

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The President of the Spanish Court of Audit has been reelected

Mr. Ramón Álvarez de Miranda will continue to serve as the Secretary General of EUROSAI.



On July 24, 2015, after having been appointed by H.M. the King and following the proposal of the full session of the Spanish Court of Audit, Mr. Ramón Álvarez de Miranda was reelected President of the Institution for another three-year term. Consequently, he will continue in the position of Secretary General of EUROSAI.

Mr. Álvarez de Miranda was appointed President of the Spanish Court of Audit for the first time on July 30, 2012. He holds a degree in Economics and Business Studies from the Universidad Complutense of Madrid, and is a chartered accountant and member of the Official Registry of Accounts Auditors. He was also a member of the Spanish Parliament for several years and worked in the economic studies department at Urquijo Bank.

He has contributed articles to several technical publications and sat on the Public Sector Administration and Accounting Commission of the AECA (Spanish Association of Business Administration and Accounting).

Mr. Álvarez de Miranda became an officer of the Spanish Court of Audit in 1986 and has held various positions at that establishment throughout his professional career. In 2001, he was elected Member of the Institution by the Spanish Parliament, being entrusted with the coordination of the Department for Auditing Local Entities. In July 2012, he was reappointed as a Member of the Court of Audit by the Spanish Parliament for a second nine-year term.

For more information contact the Spanish Court of Audit
Email: tribunalcta@tcu.es

New Auditor General for Tonga

Mr. Sefita Sifa 'Akau Tangi assumed his duties as the new Auditor General for Tonga on July 1, 2015, succeeding Dr. Pohiva Tu'i'onetoa.

Mr. Tangi started his career in government in the audit field with the Tonga Audit Office in 1991. He served as Deputy Auditor General from 1993 to 2003, and Acting Auditor General in 1993 and 1994.

Mr. Tangi was Tonga's Commissioner of Revenue from 2003 to 2011. He then took an advisor role under AusAID Technical Assistance from 2011 to 2013. He was the Chairman of Tonga Remuneration Authority at the time of his appointment to the Auditor General's position.

Mr. Tangi was also involved in other activities in the community as either external auditor, treasurer or financial advisor.

Mr. Tangi completed a Bachelor of Business (Accounting and Economics) and Master of Commerce from Macquarie University, Sydney, Australia.

Professionally, he is a Fellow of the CPA Australia (F CPA) of which he has been an active member for more than 25 years. He was also a Fellow of the Taxation Institute in Australia (FTIA) from 2004 and is currently the President of the Tonga Society of Accountants.

**For more information, contact
the Tonga Audit Office:**

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Viet Nam adopts new State Audit Law to take effect in 2016

On June 24, 2015, a majority of deputies of the Viet Nam National Assembly voted to pass the revised Law on State Audit at the ninth session of the 13th Legislature in Ha Noi.

The law comprises nine chapters and 73 articles stipulating fundamental issues related to the operation of the State Audit Office of Viet Nam (SAV), of which the new contents are, among others, audit scope and objectives; the legal validity of audit reports; the auditor general; audit duration; publication of audit results and reports on the implementation of audit recommendations; and the responsibility of agencies, organizations and individuals towards the activities of State Audit Office.

This is the first revision of the State Audit Law since its adoption in 2005. The revision was done to adopt the Law to the new Constitution of Viet Nam which went into effect in 2014. The new Law is designed to improve the independence of the SAV and its operation, and to ensure the validity of SAV's audit reports.

The new law will take effect as of January 1, 2016.

**For more information contact the
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GAO issues framework for managing fraud risks in federal programs

by Steve Lord, Managing Director, Forensic Audits and Investigative Service; Linda Miller, Assistant Director, Homeland Security and Justice; and Erin McLaughlin, Senior Analyst, Forensic Audits and Investigative Service, United States Government Accountability Office

SUPREME AUDIT INSTITUTIONS (SAIs) can play an important role in overseeing the management of public funds and identifying opportunities for government managers to improve their efforts to deliver program and constituent services. In the United States, prior reviews by the U.S. Government Accountability Office (GAO) have highlighted opportunities for managers of U.S. federal programs to take a more strategic, risk-based approach to managing fraud risks.

To help managers combat fraud and preserve integrity in government agencies and programs, GAO issued a *Framework for Managing Fraud Risks in Federal Programs* in July 2015.

Managers of government programs have the ultimate responsibility for overseeing how government funds are spent. However, they may perceive a conflict between their program's mission, such as efficiently disbursing funds or providing services to beneficiaries, and taking actions to safeguard taxpayer dollars from improper use.

Too often, program managers are left trying to recoup money after inappropriate payments have been made, rather than proactively managing fraud risks in order to prevent fraud from occurring in the first place. Proactively managing fraud risks can help facilitate the program's mission and strategic goals by ensuring that taxpayer dollars and government services serve their intended purposes.

The Fraud Risk Management Framework

GAO's Fraud Risk Management Framework (the Framework) focuses on taking a strategic, risk-based approach

to assessing and addressing fraud risks, using extensive stakeholder input. It provides a comprehensive set of leading practices that serve as a guide for program managers to use when developing or enhancing their fraud risk management efforts. The Framework complements existing efforts in the United States, including internal control standards and legislation focused on addressing improper payments. However, the Framework is fraud-specific and is intended to better assist managers with addressing nonfinancial fraud risks, in addition to financial fraud risks, which has been difficult to do historically.

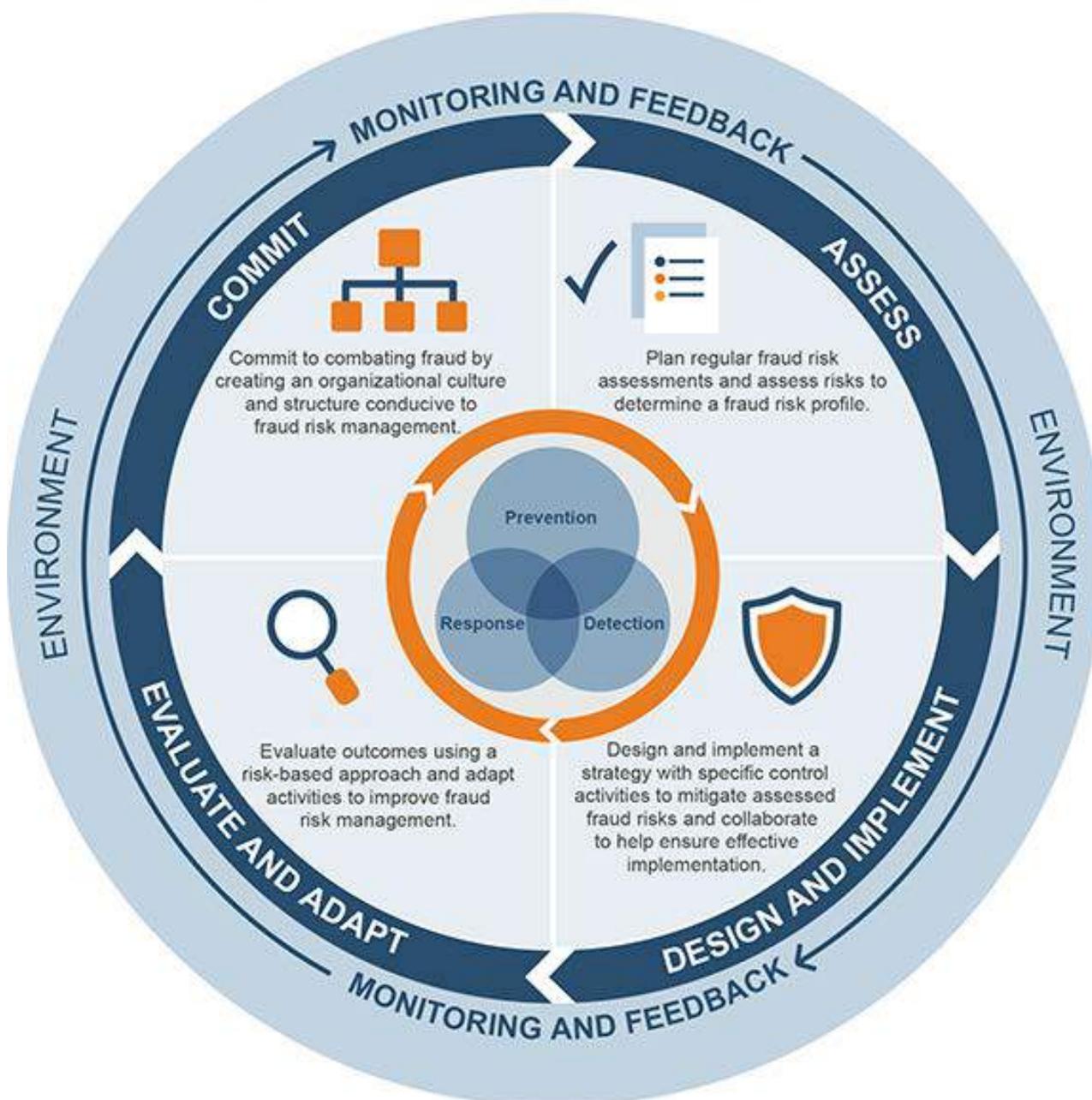
To develop the Framework, GAO sought input from a variety of sources through interviews, focus groups, and an extensive literature review. In particular, GAO interviewed three other SAIs, the World Bank, and the Organisation for Economic Co-Operation and Development, and sought input from dozens of other antifraud experts in the U.S. public, private and nonprofit sectors.

To validate its findings, GAO asked program managers to review the leading practices to ensure their feasibility and applicability.

The Framework encompasses control activities to prevent, detect, and respond to fraud, with an emphasis on prevention. In addition, it recognizes the structures and environmental factors that may influence managers' efforts to mitigate fraud risks.

For example, budgetary constraints can affect managers' ability to pursue certain resource-intensive activities. Fraud can take many forms, some programs are more vulnerable to fraud than others, and managers' expertise to combat fraud varies. The Framework recognizes

The Fraud Risk Management Framework



Source: GAO. | GAO-15-593SP

differences in these factors and is flexible to allow managers to tailor the practices to fit their programs.

The Framework consists of four components and describes leading practices within each component. In addition, the Framework highlights the importance of monitoring and incorporating feedback. These ongoing practices apply to all four components of the Framework.

The Four Components and Select Leading Practices

Commit—Commit to combating fraud by creating an organizational culture and structure conducive to fraud risk management.

As part of this component, effective managers of fraud risks demonstrate a senior-level commitment to combat fraud and involve all levels of the program »

Proactively managing fraud risks can help facilitate the program's mission and strategic goals by ensuring that taxpayer dollars and government services serve their intended purposes.

in setting an antifraud tone. In addition, managers designate an entity within the program office to lead fraud risk management activities and ensure the entity has defined responsibilities and the necessary authority to serve its role.

Assess—Plan regular fraud risks assessments to determine a fraud risk profile.

This component includes leading practices for managers to plan and conduct an assessment of fraud risks. For instance, as part of the process, managers assess the likelihood and impact of fraud risks, determine their tolerance for fraud risks, and examine whether existing controls effectively address fraud risks. In addition, effective managers document the results of this process in a “fraud risk profile.”

Design and Implement—Design and implement a strategy with specific control activities to mitigate assessed fraud risks and collaborate to help ensure effective implementation.

As part of this component, effective managers of fraud risks develop, document, and communicate a strategy to address the fraud risks they have identified. In particular, managers focus on prevention, consider the benefits and costs of controls to prevent and detect potential fraud, and develop a plan for responding to fraud when it occurs.

This component also includes leading practices for designing and implementing data-analytics activities, fraud-awareness initiatives, reporting mechanisms (such as hotlines), and employee-integrity activities (such as standards of conduct).

Finally, this component highlights the importance of collaborating with stakeholders both inside and outside of the program and creating incentives to help ensure the antifraud strategy will be effective.

Evaluate and Adapt—Evaluate outcomes using a risk-based approach and adapt activities to improve fraud risk management.

This component includes leading practices for managers to monitor and evaluate the effectiveness of all components of the Framework. In particular, effective managers collect and analyze data to monitor fraud trends and identify potential control deficiencies, focus on outcomes of fraud risk management activities, and use the results of monitoring and evaluation to improve fraud prevention, detection, and response.

How Can SAIs Use the Framework?

While the primary target audience of the Framework is managers in the U.S. federal government, the practices and concepts described may be applicable to managers of other entities, including managers of government programs in other countries. SAIs can use the Framework to develop their own fraud risk management guidance or incorporate the practices and concepts described into their efforts to assess fraud risk management within their own countries.

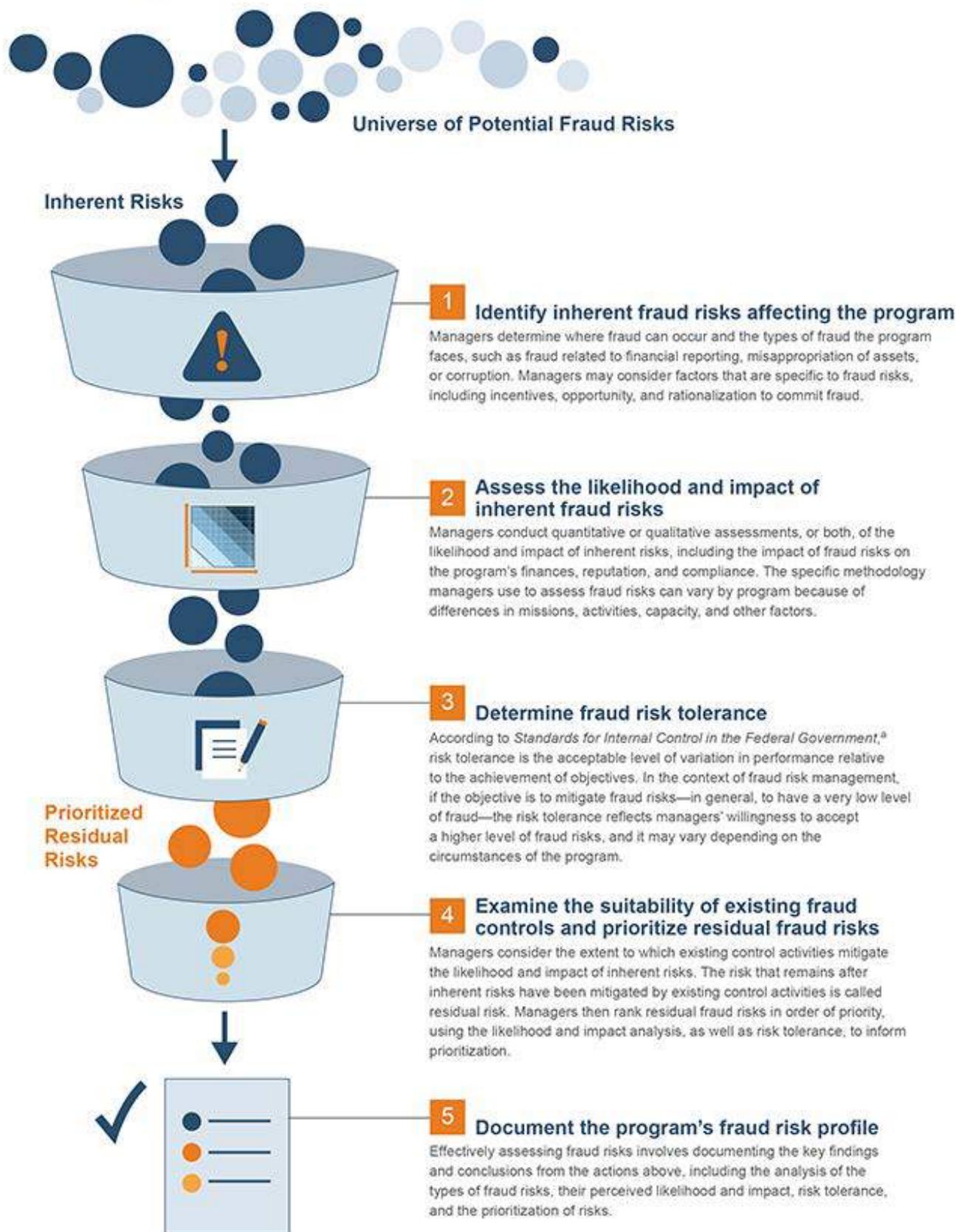
SAIs can also use guidance from other SAIs, such as the Australian National Audit Office's Fraud Control in Australian Government Entities: Better Practice Guide, to help enhance fraud risk management within their own government's programs.

For more information:

A Framework for Managing Fraud Risks in Federal Programs (GAO-15-593SP) is available on GAO's website at www.gao.gov/products/GAO-15-593SP.

To learn more, please contact Steve Lord at LordS@gao.gov.

Key Elements of the Fraud Risk Assessment Process



Source: GAO. | GAO-15-503SP

^aGAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014), 6.08.

Publishing data visually

by Rachel Kirkham, National Audit Office, United Kingdom

THE UNITED KINGDOM'S National Audit Office (NAO) audits 442 sets of Financial Statements and produces around 60 Value for Money (VFM) studies each year. Our reports and client financial statements are data-rich, with the potential to provide insight into the government, the wider public sector, and the citizens who rely on public services.

We are committed to improving public engagement with both our reports and our clients and we have been considering data analytics as a tool to do so.

Better access to data can improve efficiency and public policy decision-making, and can hold the government to account for its financial decisions. The majority of publications created by both the NAO and public sector bodies are released in PDF format. Such a format does not allow users to easily access and analyze the numbers.

By publishing a visual representation of the numbers in a set of financial statements, we offer users with even a minimal knowledge of the government the opportunity to investigate the numbers. These visual aids provide users with a better understanding of the big picture than they would likely have after reading financial statements.

The Whole of Government Accounts (WGA), as seen in Figure 1, contains overarching financial information on the income and expenses of the UK government, alongside the assets and liabilities held. The WGA provides a complete picture of the financial position of government, and is of interest to both members of Parliament and to taxpayers. This document is 227 pages long, and is a good example of where, because of its size, improved access and presentation of data would be useful for a wide variety of users.

Figure 1: Example of Whole of Government Accounts

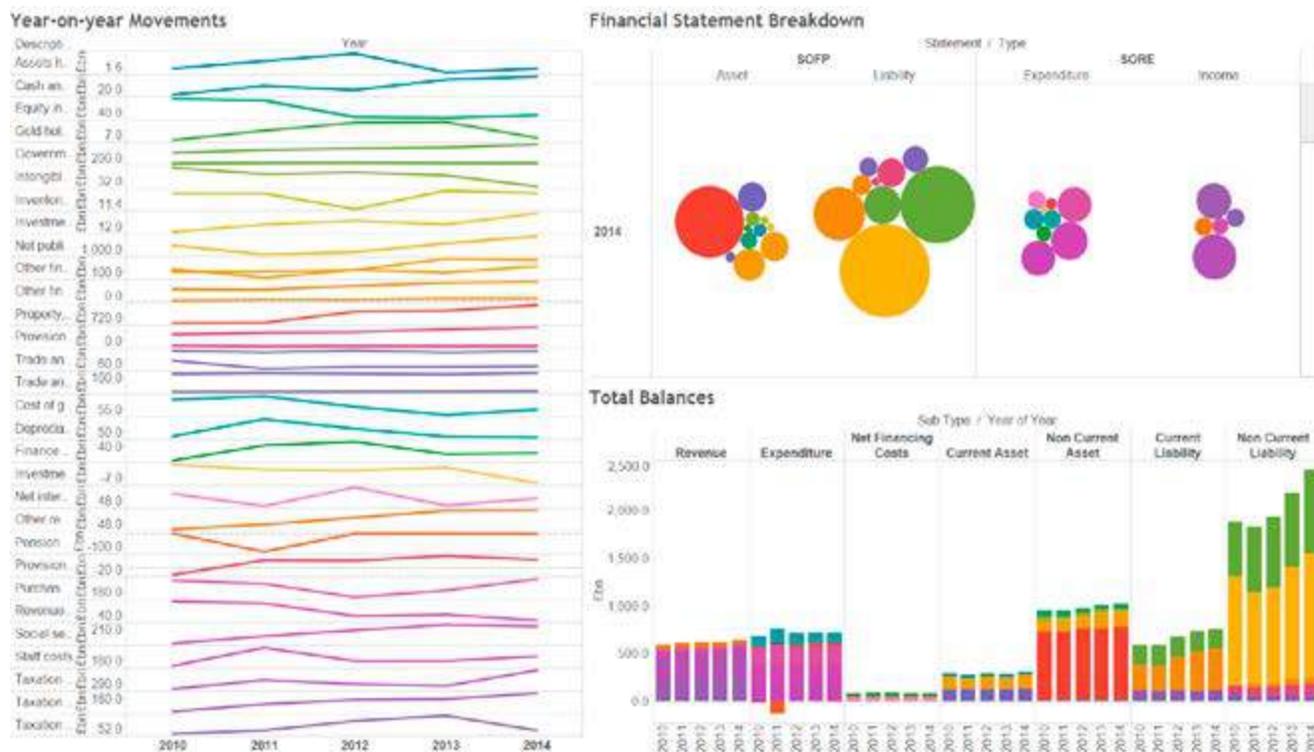
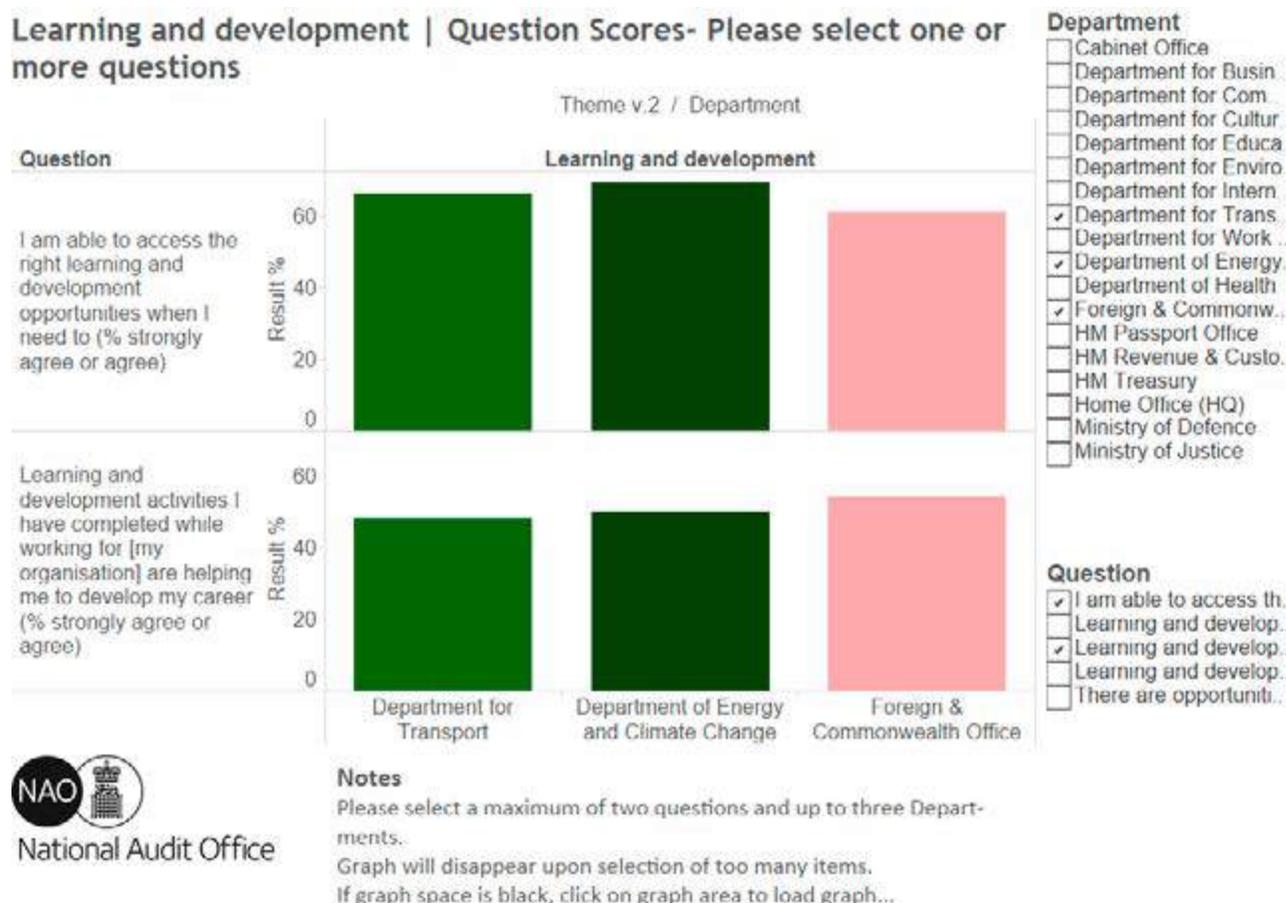


Figure 2: Example of interactive visualization of information



Creating an interactive visualization of financial information

With five years of data available, we decided to present both individual year data and trend analysis. Also, rather than post static graphics, we have published the data in an interactive format. This information is posted online, where users can click on different elements of the graphs to explore the data. They can also select multiple elements, allowing them to compare different aspects of the financial statements—for example property, plants, equipment and depreciation. By publishing the data in an engaging format, we have had seven times the number of website visitors during the first three months of posting the interactive visualization online than we had in 2014.

The user experience has been a key consideration when designing the presentation. The software allows tailoring of every detail, click, hover and transition. If you hover over a data point, for example, detailed information about the figures appears. This gives a much cleaner feel to the presentation than would otherwise be possible.

We have had positive feedback from both government

staff and from our wider stakeholders. We plan to build upon the WGA visualization, enabling users to explore the WGA data to greater levels of detail.

Going forward, we plan to roll out this approach to data presentation across more of our outputs, in order to drive higher engagement with our work. We have recently published a similar tool exploring the data of the Civil Service People Survey; this tool allows users to compare major departments on topic scores such as engagement, bullying and harassment, and leadership.

To see the visualizations in action, please visit the following websites:

Whole of Government Accounts:

www.nao.org.uk/highlights/whole-of-government-accounts/

Civil Service People Survey Explorer:

www.nao.org.uk/tableau-data-civil-service-people-survey-explorer/

For more information contact Rachel Kirkman at the UK NAO:
rachel.kirkham@nao.gsi.gov.uk

Uncharted territory:

Landscape reviews and new ways of adding value to good governance

by Amita Patel, Principal Auditor for the European Court of Auditors,
Member of the Institute of Chartered Accountants in England and Wales

Public accountability is a core value of democratic societies. In the European Union (EU), effective public accountability is essential to protect the EU citizen's financial interests, to promote trust in the EU and its institutions, and to ensure public funds are used properly. In this article, Amita Patel presents the European Court of Auditors' (ECA) experience in preparing its recent Landscape Review (LR), "Making the best use of EU money: risks to the financial management of the EU Budget," and the lessons that can be drawn from it.

Preparing the Landscape Review

Inspired by the innovative work of the United States Government Accountability Office's High Risk Series and of the United Kingdom's National Audit Office, the European Court of Auditors' (ECA) 2013-2017 Strategy proposed a new product—Landscape Reviews (LRs)—to raise awareness and to foster reflection on the European Union's (EU) financial management and accountability issues. The LR publications were planned to coincide with the arrival of the new members of the European Parliament and the new Commission in 2014, as well as the start of the new Multi-Annual Financial Framework (MFF) 2014-2020 seven year spending plan.

Our intention was to give our main stakeholders (European Parliament, Council and the Commission) and other interested parties an up-to-date account of issues presenting risk to the EU budget,

based on our accumulated experience, knowledge and research. We did not intend to offer conclusions and recommendations, but to signpost areas where action was needed.

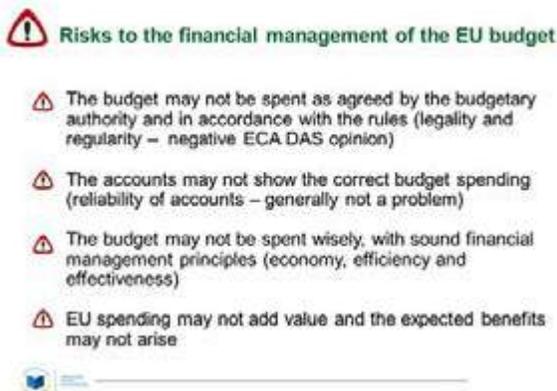
While the EU achieves its aims through legislation, it conducts its business in diverse ways. The EU institutions are responsible for launching activities and for achieving the results, but the activities themselves are mostly managed by others, mainly in the Member States. Thus the multi-faceted and multi-speed nature of the EU can be the source of challenges, especially in regard to accountability and financial management.

The innovative structures and activities that the EU put in place to deal with the financial and sovereign debt crises had side effects: the impact of these crises and austerity measures were biting, leading to rising nationalism and anti-EU sentiment, and ultimately raising challenging questions about what EU membership entails, with a growing erosion of trust in the EU and its institutions. For example, in the negotiations of the Multi-annual Financial Framework (MFF) for 2014-2020, many Member States showed an increasing reluctance to fund the EU budget.

The EU budget comes under a great deal of scrutiny. In preparing the LR we were sensitive to the needs and expectations of our target audiences (European Parliament, Commission, the Council, Member State administrations, academics and others). We wanted to provide the interested reader with a simplified overview of the EU finances,

summarizing our reports and opinions, and highlighting the important risk areas (Figure 1). And we aimed to present this information in one readable and easily accessible report.

Figure 1: The main risks to the EU financial management



Source: ECA

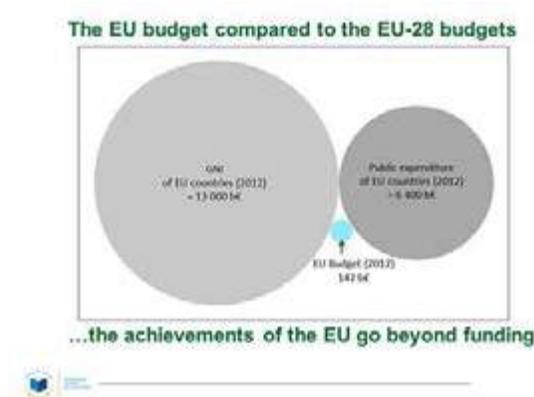
To take account of the differing levels of perceived needs and interest of potential readers, the report was prepared in layers, with an executive summary, a detailed report providing more background, and seven fact sheets (on revenue, procurement, and on each of the five MFF expenditure headings). We used plain language and graphics to convey complex information; and, in order to remain factual and balanced, we gave context to what we were writing.

After defining the high level risks that occur in the EU budget, inspired by the joint OECD-EU Support for Improvement in Governance and Management (SIGMA) framework for risk identification, we identified more than 80 types of external, financial and activity risks and occurrences that may compromise delivery of policy aims of the EU budget. We then analyzed all of our reports since 2009 to confirm the reported occurrence of these instances.

We also analyzed our opinions, documents and websites of the Commission, the European Parliament and Council, evaluations and think-tank papers, and carried out an extensive exercise to collate all this information. We carried out a systematic risk assessment of our audit universe, also with the aim of highlighting areas for future audits. And lastly, we examined how nine main spending Commission Departments (‘DGs’) managed risks in their areas.

For example, to give context to the budget, we pointed out that the main business of the EU is legislation, and that the budget itself is comparatively small (Figure 2). Thus, as the power of the EU lies in its ability to coordinate, influence and legislate, we sought to set out the EU’s achievements in the last 20 years—which go beyond mere funding of activities.

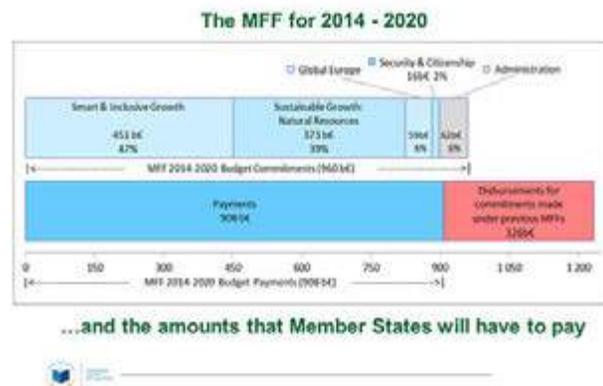
Figure 2: The EU budget in context



Source: ECA and Eurostat

We illustrated the two budgets of the EU—the commitments budget, which can be likened to a credit card limit, setting limits on how much the Commission can spend; and the payments budget, which represents the cash that Member States will have to make available. This shows very clearly the shortfall that will have to be funded in the future as a result of the accumulated differences between commitments and payments budgets in previous years (Figure 3).

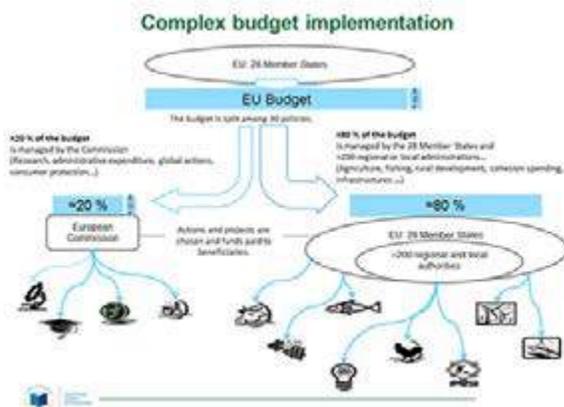
Figure 3: The MF budgets



Source: ECA based on Commission information

Because our LR aimed to foster reflection, we explained that we had never given a positive Statement of Assurance on the legality and regularity of the budget expenditure because we find errors above the materiality level, and that these errors occur because beneficiaries make incorrect declarations or do not comply with the conditions for getting EU support. Moreover, checks and controls by the Commission, Member State authorities and other auditors do not prevent, detect and correct these errors. We set out what was going wrong and why inherent risk is high in the spending of the EU budget (Figure 4).

Figure 4: Spending the EU budget in an inherently risky environment



Source: ECA based on Commission information

Rather than offering a litany of problems from the analysis of our performance audits, we illustrated the most commonly reported problems as shown in Figure 5.

Figure 5: Frequently reported problems in performance audits



Source: ECA

And lastly, rather than concluding and giving recommendations, we gave pointers as to why these issues occurred and challenges to spending the EU budget (Figure 6).

Figure 6: Challenges to spending the EU budget



Source: ECA

Finally, we signposted the areas for future reflection, especially in the mid-term review of the MFF (Figure 7).

Figure 7: Reflections for the future



Source: ECA

In conclusion, did we succeed in our aims with the LR?

The LR better prepares managers and those charged with oversight of EU budget management for their mandates, by providing insights on risk areas and material for the mid-term MFF reflections.

Those who want to learn more about our work find the LR a useful springboard from which to build their understanding of EU finances. Internally, we have created useful repositories of information for our staff, and through the systematic review of our audit universe, we are better able to identify areas for future audits.

The European Parliament's Budgetary Control Committee, which gives discharge to the Commission on its management of the budget, welcomed the LR with high interest, and invited us to distribute it to all MEPs.

In September 2015, the Commission's conference, "EU budget focused on results," discussed many of the issues raised in our LR. Leaders from the EU's political landscape, as well as top officials from the Commission, European Institutions, EU member states and international organizations discussed performance budgeting and public budgets' contribution to policy results. Learn more about the conference at http://ec.europa.eu/budget/budget4results/programme/index_en.cfm

What action will the Commission and Member States take as a result? That remains to be seen. As the LRs are "slow burn" documents aimed at fostering reflection, their practical impact will be apparent only in the medium- to long-term. Awareness is the first step to taking action.

Lessons learned from this experience

Since producing the report, our reflections have resulted in a few lessons which we would recommend to auditors seeking to find new ways to improve governance:

- Carefully select the subject and potential scope before committing to a landscape review.
- Consider timing of LRs to coincide with important events (start of new legislature, changes in legislation, policy or budgets, planned major re-organization of government departments or manner of policy delivery, Parliamentary Committee reviews).
- Know your audience. Does it have an appetite to listen to you, and do you have a mandate?

- What do you aim to achieve with the LR?
- What are your main messages?
- How can you best get these messages across to the target audience?
- Consider how best to present the LRs to the target audience and others to obtain maximum impact from the work done.

The Landscape Review: Making the best use of EU money: a landscape review of the risks to the financial management of the EU budget is available at www.eca.europa.eu/Lists/ECADocuments/LR14_02/QJo614039ENN.pdf

The opinions expressed in this article are those of the author and should not be taken as representing the opinion of the Court of Auditors.

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Inside INTOSAI

ARABOSAI

State Audit Institution of UAE participates in the 51st meeting of the ARABOSAI Executive Council

H.E. Dr. Harib Al Amimi, President of the state audit institution (SAI) of the United Arab Emirates, chaired the UAE delegation participating in the Arab Organization of Supreme Audit Institutions (ARABOSAI) Executive Council 51st meeting held in Tunisia March 23 – 25, 2015.

The meeting agenda included many important topics, such as

- a full report by the Chairman of the Executive Council and the General Secretariat about activity since the last meeting of the council,
- the report of the Professional and Audit Standards Committee from its seventh meeting, and
- the report of ARABOSAI Institutional

Capacity Building Committee from its eighth meeting.

During the meeting the final accounts of 2013 and 2014, as well as the estimated budget of 2015, were approved, as was a budget to cover the expenses of the 51st meeting of the executive council.

SAIs also presented reports about their participation in committees and workgroups stemming from INTOSAI. SAIs which would benefit from the financial grant to participate in the scientific and training meetings to be held in 2015 were named, and the report of the 2014 ARABOSAI strategic planning team of 2014 was presented.

For more information about the Arab Organization of Supreme Audit Institutions, visit www.arabosai.org/En/

CAPACITY BUILDING COMMITTEE

Annual Meeting of the INTOSAI Capacity Building Committee (CBC) held in Stockholm, Sweden



Participants at the INTOSAI Capacity Building Committee discussed CBC work streams, theme discussions and steering committee issues.

In the second week of September, 88 delegates from 40 organizations gathered in Stockholm, Sweden, to attend the second annual meeting of the Capacity Building Committee (CBC).

The CBC Leadership and Secretariat invited CBC members, including those from all INTO-SAI regions and all INTOSAI main committees, and stakeholders from the World Bank, OECD IFAC, IDI, GIZ and Sida, to an intense meeting covering CBC work streams, theme discussions and steering committee issues.

The program started off with the Committee's four work streams meeting with their respective members. Members worked on issues within the frameworks of IntoSAINT (chaired by the Netherlands), Cooperative Audits (chaired by Peru), Peer Review (chaired by Slovakia) and Certification of Auditors (chaired by South Africa).

New for this year's meeting was the gathering of the Regional Forum on Capacity Development (RFCD), a forum which invites the INTO-SAI regions to support each other and to share knowledge and experiences in various capacity development areas. The Regional Forum works to ensure continuity of the CBC's attention to strategic regional issues. The forum worked on

key regional capacity development issues identified during last year's CBC meeting in Lima. Brief updates from the regions were also shared, on issues such as distance learning (OLACEFS / ARABOSAI / ASOSAI), SAI PMF implementation (AFROSA-E / IDI), independence (AFROSAI (CREFIAP) / CAROSAI) and the good practices database (EUROSAI).

Early in the CBC annual meeting agenda was a speech given by invited speaker Mr. Faquih, President of the General Auditing Bureau of Saudi Arabia and Chair of the INTOSAI Finance and Administration Committee and Chair of the INTOSAI-Donor Steering Committee. Dr. Faquih provided a lucid update on the strategic planning process, and in an excellent way informed CBC meeting participants that the Task Force on Strategic Planning now has a clear vision and timeframe to produce a new strategic plan.

Mr. Faquih further indicated that the FAC will propose modifications to the INTOSAI's statutes to recognize the true role of the INTOSAI regions. He said that the new strategic plan must recognize and leverage the INTOSAI regional organizations as the mainspring uniting individual SAIs to wider INTOSAI efforts. Regional organizations also »

help SAIs improve their value and benefits to stakeholders and to citizens.

The two main themes of the CBC Annual Meeting were aligned with the themes for the upcoming INCOSAI in Abu Dhabi, United Arab Emirates, planned for 2016.

Theme 1: Regional professionalism

This theme was dedicated to plenary and group discussions on what professionalism should entail at a regional level. Mr. Khalid Hamid of SAI UAE presented the results of a recent survey on current deliverables of INTOSAI's regions, and proposed that there is room to strengthen both the interfaces between the regions and SAIs, and the regions and INTOSAI. There also is a need to clarify the value-adding role of regions in the INTOSAI statutes.

Theme 2: SAI capacity/relevance in a Post 2015 Development Agenda perspective

This theme was opened by interesting speeches given by Sierra Leone's Auditor General Ms. Lara Taylor Pearce and Ms. Jennifer Thomson of the World Bank. Both speakers gave their perspectives on the post-2015 Development Agenda.

With a high level of participation and intense discussions by a broad range of participants, this year's annual meeting succeeded in building momentum towards the CBC's 2016 meeting, the last in this strategic planning period of INTOSAI before INCOSAI 2016.

The next CBC Annual Meeting will take place in Cape Town, South Africa, in 2016.

CBC Sub-Committee on Peer Review

Invitation to comment on exposure draft ISSAI 5600 revised

The Peer Review Guide with Peer Review Checklist was adopted at the XX INCOSAI in 2010 in South Africa as ISSAI 5600. The revised guide builds on the original ISSAI 5600, in particular on the initial framework of principles and examples of good practices.

The structure and content has, however, undergone significant change in order to reflect the feedback and suggestions received from INTOSAI members since its adoption. New guidance on key aspects of the peer review process has also been included.

The Peer Review Checklist (included as an appendix in the original ISSAI 5600) has been further developed and renamed "Peer Review Areas and Questions," or PRAQ. It provides an updated list of possible areas to be considered for peer review, and questions that might be asked.

The guidance provided by the PRAQ is non-exhaustive and non-prescriptive. PRAQ is based primarily on the principles and guidelines defined in the ISSAI framework.

The result of the ISSAI 5600 review process between 2013 and 2015, after several working versions, is more readable and reader-friendly, and is a clearly structured standard reflecting the latest knowledge collected from the INTOSAI community.

At its annual meeting in Stockholm, Sweden, in September 2015, the Chair of the Sub-Committee on Peer Review, the SAI of Slovakia, presented the revised ISSAI 5600 to the CBC members.

The CBC Steering Committee has approved the revised ISSAI 5600 for exposure.

The revised ISSAI 5600 is available at the www.issai.org and INTOSAI members are invited to provide comments before February 15, 2016, in line with the INTOSAI due process for professional standards.

The Sub-Committee Chair wishes to acknowledge the contributions to the revised standard draft made by the SAIs of Hungary, Poland, Austria, Germany and Sweden and, especially, by the European Court of Auditors.

PASAI

18th Congress: Securing independence of SAIs to improve the effectiveness of audit findings

At a glance

- 18th Congress was hosted by the Vanuatu Office of the Auditor General
- in Port Vila, Vanuatu, October 13 – 16, 2015.
- Theme: Securing independence of SAIs to improve the effectiveness of audit findings.
- The Chairmanship of PASAI was handed over by Mr. Fuimaono Camillo Afele, Controller and Auditor-General of the Samoa Audit Office, to Mr. John Path, Auditor General of Vanuatu.
- PASAI is an organization of 28 members of which 20 are SAIs in the Pacific.
- Conferences are held annually among its members in Polynesia, Micronesia and Melanesia.
- The Congress was attended by the heads or representatives of 24 members, as well as by representatives of the International Organization of Supreme Audit Institutions (INTOSAI), the National Audit Office of the People's Republic of China (CNAO), the Chief Executive Officer of AFROSAI-E, a number of development partners including the Australian Department of Foreign Affairs and Trade, Australian Aid (DFAT), the New Zealand Ministry of Foreign Affairs and Trade, the INTOSAI Development Initiative (IDI), the Asian Development Bank, and the World Bank; and representatives from TeamMate and Confederation of Asian and Pacific Accountants (CAPA).

Independence is the *raison d'être* of SAIs

About 50 people, representing 26 countries and several organizations, gathered in Vanuatu in October to discuss how SAIs throughout the Pacific region can ensure and secure the independence of audit institutions across the Pacific.

Mr. John Path, Auditor General of Vanuatu, welcomed the delegates to the 18th Congress of the Pacific Association of the Supreme Audit Institutions (PASAI), 25 years after the Congress was last in Vanuatu in 1998.

In his opening address, Mr. Path stated, "Independence is the *raison d'être* of SAIs (Supreme Audit Institutions)," emphasizing the theme of the Congress of securing independence of SAIs to improve the effectiveness of audit findings.

Mr. Path also assumed the Chairmanship of the PASAI Governing Board, taking over the position from Fuimaono Camillo Afele, Controller and Auditor General of Samoa.

Mr. Path then introduced the Prime Minister, the Honorable Meltek Sato Kilman Livtunvanu, to open the Congress. Mr. Livtunvanu said that national audit offices are one of the key pillars of a healthy democracy, and Vanuatu is no exception. "It is imperative that the Audit Office is free to carry out its work in total independence and unencumbered by outside influence."

At a time when the Constitution of Vanuatu was being tested, Mr. Livtunvanu said it is important that a zero tolerance policy towards fraud and corruption is adopted.

He also emphasized that, in Vanuatu, the Audit Office is not the only organization that actively works to identify fraud and corruption within the country. The Ombudsman, internal audit units, law courts and the police, and several other regulatory bodies all function independently to ensure their mandates are carried out without any undue influence from outside entities or persons.

PASAI's Secretary General, Ms. Lyn Provost, supported the Prime Minister's statements by stating, "A zero tolerance approach to fraud and »



corruption is of interest and concern to both developed and developing nations and, as an organization, PASAI takes a united stand against it.”

PASAI has five strategic priorities:

- strengthening SAI independence;
- strengthening advocacy to promote good public financial management; conducting and reporting high-quality audits;
- building capacity; and
- having a strong Secretariat capable of supporting Pacific SAIs.

The first strategic priority — independence — was the focus of the Congress.

Independence for audit institutions is important to provide information to allow parliaments to do their job of scrutinizing public accounts, help improve public expenditure, allow citizens to have confidence in how public funds are being spent, and be able to show the importance and value of the work of audit offices.

Independent, together

Donors and development partners noted that PASAI is a good example of what regionalism can achieve. PASAI’s cooperative audits are

world-renowned and PASAI’s flagship Accountability and Transparency (A&T) project will reinforce that SAIs can promote accountability and transparency in the use of public funds in the Pacific, by leading by example; but they cannot do it alone. The main messages of the A&T report will be that SAIs must work with legislatures to improve accountability and transparency and that SAIs must work in collaboration with other key organizations to be effective.

In addition, to effect in-country and legislative change, preparation needs to meet opportunity. Until opportunity presents itself, it is important to maintain the things that are within the SAIs control: leading by example and remaining relevant to citizens. Robert Cohen, Acting Auditor General of the Solomon Islands, stated that it is important to be mindful of the things that are within the SAIs control: “We will continue to lead by example because we can control that; we will continue to remain relevant to citizens because we can control that.”

SAI member presentations have always been an important part of the Congress, and members shared their individual successes as well as the challenges facing them in their quest for independence, accountability and transparency as they relate to the

eight principles of the 2007 *Mexico Declaration on the Independence of Supreme Audit Institutions* and the recent United Nations declarations supporting independence.

SAI Heads affirmed that every country is now clear on their position in relation to independence standards, and all demonstrated a high degree of knowledge of these principles as they apply in their own jurisdictions.

Broadly, across all members, SAIs have the ability to undertake financial, compliance and performance audits that can be tabled in the legislature and made public; reasonable appointment and dismissal processes are in place for SAI Heads; SAIs generally have appropriate relationships with their legislatures; follow-up mechanisms of audit findings are starting to be put in place in some countries; SAIs mostly have good access to information; and SAIs have the autonomy to establish their own work plans and can, if necessary, contract out audits.

All the country papers indicated that regional collaboration is vital, and an allied front is necessary to show legislatures across the Pacific the importance of what SAIs do.

Independence is not only of concern to developing countries. Dr Marco Bini, Executive Director, Governance, Legal and Strategy, Victoria Auditor-General's Office, presented a paper titled, "Applying INTOSAI Independence Principles: An Australian experience." PASAI's more developed members noted that their legislation and positions of independence are "strong, but imperfect," as highlighted by Ian Goodwin, Group Executive Director of the Australian National Audit Office.

But more can be done

A key issue emerging from the country presentations was a lack of financial and human resource independence. Many SAIs in the Pacific region were originally established as government agencies to audit and report on government accounts. Their budgets were set as part of the executive government, and their staff were members of the civil service and subject to civil service controls and terms of employment.

Public sector auditing in the modern era bears little resemblance to that approach. SAIs now follow a professional, risk-based approach to their audits, using international standards. At the same time, citizens and their elected representatives increasingly demand that their SAI goes beyond judgments of compliance and reasonableness of public resources, to also evaluate government performance and the value for money obtained through government

transactions. The mechanisms for the funding and staffing of SAIs are now out of step with these requirements.

There is a need to change the approaches used for the funding and staff arrangements of Pacific SAIs, both developed and developing, to bring them more into line with the international standards and, in particular, to reduce the element of executive control over, and the ability to direct, the SAIs' access to reasonable and necessary resources to perform their role.

Independent leadership

It was also clear that Auditor Generals are more than just reporters of financial management practices; they are also advocates for SAIs as institutions and advocates for good financial management. Behavior — not just a reliance on legislation — demonstrates independence. However, there is a need for SAI bodies and development partners to reaffirm the need to comply with international auditing standards through advocacy, including advocacy for the need for real independence by way of resourcing and protection of the Auditor General and staff from political interference. PASAI's advocacy program, headed by the PASAI Advocate, Mr. Eroni Vatuloka, will be a key program to help strengthen the position of SAIs within the Pacific.

The Samoa SAI demonstrates the kind of progress SAIs in the Pacific are pursuing. The Audit Act of 2013 establishes the independence of the SAI. Samoa's legislative reform has removed its staff from the control of the Public Service Commission and made the appointment and termination of the Controller and Auditor General subject to the input of Parliament. This is also the situation in Tonga, and the New Zealand SAI's independence is respected globally.

PASAI's development partners acknowledged the significant achievements towards independence that have been achieved to date. The representatives of the Australian Department of Foreign Affairs and Trade welcomed the progress that has been made in implementing *PASAI's Long-Term Strategic Plan*, and the significant increase in the numbers and quality of independent audits now being undertaken.

Outsider insights

The Congress also had a number of presentations from countries that are not officially members of PASAI, but with whom PASAI has vital links.

Mr. Bao Shuowang, Director General of the National Audit Office of the People's Republic »

of China (CNAO), presented on behalf of the Chairman of INTOSAI.

Mr. Shuowang said that CNAO is keen to strengthen its ties with PASAI and will continue to deliver training to help build capacity of member SAIs. Mr Shuowang also stressed that it is important for CNAO and PASAI to work together in their approaches to INTOSAI to strengthen the regional and global influence of Pacific nations on the international stage.

Ms. Archana Shirsat, Deputy Director General & Head of Capacity Development, IDI, noted how valuable IDI's partnership with PASAI has been, particularly the success of the cooperative audits. IDI's relationship with PASAI will continue to grow through the IDI's new portfolio of capacity building that will be implemented from 2015–2018, creating more global and regional synergies.

The Asian Development Bank (ADB) stated that the work of PASAI is one of the few successful regional initiatives that showcases to donors how much their investment has achieved.

The ADB said that these accomplishments must be sustained and that the ADB is willing to enhance its partnership and continue to find ways of working with PASAI and its members to that end.

Concluding remarks

PASAI members finished the Congress with a workshop on the UN's Sustainable Development Goals as they relate to auditing institutions; in particular, the importance of public auditing as a part of Sustainable Development Goal 16—peace, justice and strong institutions.

The Congress also welcomed the Micronesian State of Chuuk and the Australian Capital Territory as new members of PASAI.

The Congress thanked their development partners—including the Australian Department of Foreign Affairs and Trade, the New Zealand Ministry of Foreign Affairs and Trade, IDI and the ADB under the Japan Fund for Poverty Reduction-supported technical assistance—for their support.

Resources to learn more about issues emerging from the 18th PASAI Congress:

- PASAI: www.pasai.org
- IDI's Capacity Building program: www.idi.no/artikkel.aspx?MIId1=93&AId=551
- Cooperative Performance Audit Reports: www.pasai.org/Resources/Reports++Publications/Cooperative+Performance+Audit+Reports.html
- Environmental Auditing: www.environmental-auditing.org
- UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/topics>

IDI Update



IDI Staff Meeting 2015 held in Oslo

The Annual IDI Staff Meeting took place in Oslo, Norway, August 18-19, 2015. Discussions focused on internal communication, IDI policies, updates on the IDI capacity development programs and the operations of the INTOSAI-Donor Secretariat.

New Staff join the IDI

The following new staff have joined the IDI during the last quarter:

- Maria Lucia Lima has joined as a Manager of Capacity Development, 3i Performance Audit. She is on secondment to the IDI from SAI Brazil.
- George Phiri has joined as a Manager of Capacity Development, AFROSAI-E. He is on secondment from SAI, Zambia.
- Henry McGregor has joined as a Manager of Capacity Development, 3i Financial Audit. He is on secondment from SAI, South Africa.
- Célestin Ankamsene has joined as a Manager of Capacity Development, CREFIAF. He is on secondment from SAI Cameroon.
- Karma Tenzin has joined as a Manager of Capacity Development, 3i Financial Audit. He comes from the SAI of Bhutan.
- Horacio Vieira has joined the INTOSAI-Donor Secretariat in the IDI from SAI, Brazil. He will be involved in SAI Performance Management Framework (PMF)-related work, including SAI PMF assessments.
- Following an internal process, Yngvild Herje-Arnesen has been appointed to fill a new position as deputy head of the INTOSAI-Donor Secretariat.

DFAT, Australia comes on board as a donor to the IDI

The Department of Foreign Affairs and Trade, Commonwealth of Australia has signed an agreement with the INTOSAI-Donor Secretariat in the IDI for supporting SAI-PMF Assessments in PASAI region. This involves a one-time grant of AUD 130,000.

OAG, Zambia sponsors staff position in the IDI

OAG, Zambia has sponsored one position of Manager, Capacity Development in the IDI through its own development grants provided by the Norwegian and Swedish governments.

ISSAI Implementation Initiative (3i Program)

ISSAI Certification Programs for ARABOSAI - 3i ARABOSAI Workshop on ISSAI Implementation

In the first part of ISSAI Certification Programs (Financial, Performance, Compliance Audit), 88 participants selected from 16 SAIs in the ARABOSAI region have been trained in understanding ISSAI requirements, conducting iCATs and developing ISSAI implementation strategies at a workshop in Morocco from May 26-June 12, 2015.

The participants included 28 for Financial Audit and 30 each for Compliance and Performance Audits.

3i Lessons Learned meeting held in Ottawa

3i key stakeholders and partners met for a day (before the PSC meeting) in Ottawa, »

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 visit the IDI website: <http://www.idi.no> For information related to the ISSAI Implementation Initiative (3i Programme), please visit <http://www.idicommunity.org/3i>

Canada, on May 26, 2015. Thirteen participants from PSC, PAS, CAS, FAS, CBC, KSC and the IDI discussed the 3i evaluation report, lessons learned and the way forward for the next phase of the 3i program.

Workshop on INTOSAI Competency Framework for auditors conducted in Oslo

The IDI in cooperation with the CBC Chair, SAI South Africa, conducted a workshop on the INTOSAI Competency Framework for auditors in Oslo from June 17-19, 2015. This workshop was held under the aegis of the Task Force on INTOSAI Auditor Certification.

Twenty-one participants from different INTOSAI regions—AFROSAL, ASOSAI, OLACEFS, EUROSAI, CAROSAI, INTOSAI CBC, and the INTOSAI General Secretariat—attended the workshop.

The workshop resulted in a better understanding of the competency frameworks, models for development of a competency framework and conceptualization and initiation of the development of an INTOSAI Auditor Certification framework.

3i CREFIAF Product adaptation meeting held in Senegal

Resource material for the 3i Program in the CREFIAF region, including the iCATs and ISSAI Implementation Handbooks in the three audit streams, were adapted for being delivered in a face-to-face workshop for ISSAI Certification Programs. Fifteen representatives from Gabon, Senegal, Cameroon, Congo RDC, Uruguay, European Court of Auditors, Djibouti and Burundi worked on adapting the products for the three streams of audit.

Enhancing eLearning capacity

The IDI has launched a capacity development program to support SAIs and regions in enhancing their eLearning capacities. The IDI eLearning model emphasizes the blended approach and uses the systematic approach to training (SAT).

eLearning Pilot in SAI India

The first SAI pilot under this program is a pilot for SAI India. As a part of this pilot the IDI supported SAI India in developing its own eLearning platform, and designed and developed two workshops for LMS administrators and eLearning mentors. The workshop was designed by a team from Indonesia, Thailand, Philippines, Anguilla, Malaysia and the IDI which met in Oslo August 10-14, 2015.

Support for strengthening INTOSAI committees and regions—development of KSC-IDI Knowledge Sharing Portal

The KSC and IDI are working together to develop a Knowledge Sharing Portal to host INTOSAI communities of practice. The IDI has supported KSC by designing and developing the community portal.

The portal will be hosted by the IDI, which will also provide technical support. The contents of the portal and the communities of practice will be managed by KSC Chair, SAI India. The portal is expected to be launched in November 2015.

SAI Strategy, performance measurement and reporting

Product Development meeting for alignment of existing Global Public Goods on strategy, performance measurement and reporting July 20-31, 2015

Following discussions and agreements during a product development meeting, the IDI now has a first draft of a Strategic Management Framework for SAIs.

The framework brings together IDI's Capacity Development Framework for SAIs and SAI PMF. The IDI has also initiated the process of aligning iCATs and SAI PMF and revising its strategic planning handbook to include new concepts of value creation by SAIs and a platform approach to strategic planning.

The revised handbook is also expected to provide guidance on regional strategic planning, performance measurement and reporting.

Workshop on strategic planning for SAI Liberia

IDI provided support to SAI Liberia in its strategic plan development process. The AG of Liberia, Ms. Yusador Gaye, and her senior management team met the IDI team 10-11 August 10-11, 2015, in Oslo to discuss and work on SAI Liberia's strategic plan.

Audit of lending and borrowing frameworks—audit review meeting for English speaking regions held in Philippines

From July 27 to August 7, 2015, the audit review meeting for the English speaking regions took place



Participants at the IT Audit Review Meeting in Malaysia

in the Philippines. Guidance was provided on the compilation of audit findings and report writing. Audit findings of the audits conducted so far were reviewed and discussed.

Feedback was obtained on the use of UNCTAD principles and audit guidance. Audit teams from fourteen SAIs who are conducting the cooperative audit as part of this program participated in the meeting.

IT Audit Program—audit review meeting held in Malaysia

Sixteen audit teams from SAIs in ASOSAI and PASAI met in Malaysia June 8-12, 2015.

The draft audit reports were reviewed by a team of experts from SAIs of India, Poland and the U.S.A. Feedback was provided and revisions were suggested to the reports.

IDI CBC Support Program

3i Cooperative performance audit on disaster management in ASOSAI

As part of the CBC program, the IDI, in cooperation with ASOSAI, launched a 3i Cooperative Performance Audit Program on Audit of Disaster Management. A product development meeting was held May 11-22, 2015 in Paro, Bhutan, to develop a five-week eLearning course as one of the program components

The eLearning course will be delivered to the participating SAI teams from October 5 to November 5, 2015.

3i cooperative compliance audit of procurements in PASAI

While ASOSAI prioritized disaster management, SAIs in PASAI prioritized audit of procurement. The IDI and PASAI will together pilot an ISSAI-based compliance audit methodology in this cooperative audit. In the product development meeting held in Oslo June 22 – July 3, 2015, development of material for a two-week face to face workshop for the participating SAIs on the Audit of Public Procurement took place. The workshop will be delivered in November 2015 for PASAI regional SAIs. Eight resource persons from the region and compliance audit subcommittee participated in the product development meeting.

Audit of externally aided projects in agriculture and food security—stakeholder cooperation meeting held in Oslo

Seven SAIs from the AFROSAI-E region are participating in the IDI capacity development program for the audit of externally aided projects in agriculture and the food security sector. As a part of this program all participating SAIs will be appointed auditors for financial and compliance audit of selected IFAD projects. The stakeholder's cooperation meeting for the program was held in Oslo August 12-14, 2015. Senior management, including »

some heads of SAIs from Gambia, Liberia, Malawi, Rwanda, Sierra Leone, Tanzania and Zambia, and representatives from the International Fund for Agricultural Development, attended the meeting.

The SAIs presented their status, including mandates and audits being conducted in the area; discussed projects to be taken up for audit as part of the program; and signed the Statement of Commitments.

IDI's bilateral support programs for SAIs

As mandated by the 2014-2018 IDI Strategic Plan, a bilateral support program was launched for the Office of the Auditor General of Somalia (OAGS). An agreement was signed between the IDI and the Auditor General of Somalia during his visit to Oslo in July 2015. Fifteen participants from the OAGS were trained in a SAI PMF training course June 14-18, 2015 in Djibouti. The program also includes the OAGS conducting a SAI PMF self-assessment and an iCATs review leading to the development of their new Strategic Plan. IDI has also entered into an agreement with the Supreme Audit Office, Afghanistan to support them in conducting a SAI PMF assessment and an iCATs review.

Study on IDI programs

Since May 2015, the IDI has been conducting a study about how partner SAIs have been using resources from a number of its programs to deliver their own results. The study seeks to assess SAIs' use of program resources such as knowledge, tools and guidance developed under the IDI programs; SAIs' needs and expectations regarding these programs; contextual factors that enable and hinder SAIs' use of above mentioned programs; and lessons learned for forthcoming IDI programs. The primary data sources for the study comprise personal interviews with a wide range of IDI beneficiaries and stakeholders, including from field visits to eight SAIs. These include Palestine, Seychelles, Ethiopia, Bangladesh, Mongolia and Sudan. A review of documentation on IDI, IDS, INTOSAI regional bodies and SAIs constitute the secondary data source.

SAI Performance Measurement Framework

SAI PMF task team meets in Oslo

The SAI PMF Task Team held its 4th meeting in Oslo, Norway May 11-15, 2015. The purpose of the meeting was to discuss the input received regarding the SAI PMF Pilot Version through the official consultation, the piloting and the SAI PMF Knowledge Sharing and Quality Assurance workshops that have been held in several regions. The meeting had fourteen participants, including representatives from the AFROSAI-E and CRE-FIAF Secretariats, the Compliance Audit Sub-committee, and the IDI.

SAI PMF assessment in the Court of Accounts of Burkina Faso

The second mission of the SAI PMF assessment of the Court of Accounts of Burkina Faso was carried out between June 22 and July 3 at the Court of Accounts of Burkina Faso, in Ouagadougou, Burkina Faso. The assessment is implemented by IDI, and was done by an external team, including in-kind support from the CREFIAF region, external expertise and a member of the IDI.

Stakeholder communication through IDI's participation in meetings

The IDI participated in the annual meeting of the INTOSAI Working Group on Public Debt in Livingstone, Zambia, July 22-24, 2015. The progress of the IDI Global Program on the Audit of Lending and Borrowing Frameworks was presented, highlighting the cooperation received from the WGPD and UNCTAD. The presentation focused on the general review of the program, the pilot audits, the lessons learned and challenges. In addition the members were also informed of the upcoming audit review meetings for the pilot audits for English and Spanish groups.

Contacting the IDI

To discuss any of the issues presented in this edition of the IDI Update, please contact us on:
Telephone: +47 21 54 08 10
E-mail: idi@idi.no.

INTOSAI- Donor Cooperation



The 8th meeting of the INTOSAI-Donor Steering Committee was held in Brazil.

Relevance of the INTOSAI-Donor Cooperation confirmed after first five years

The 8th Steering Committee Meeting of the INTOSAI-Donor Cooperation took place in Brasilia, Brazil, on October 6-7, 2015. The meeting was hosted by the Minister President of the Federal Court of Accounts of Brazil, Aroldo Cedraz, and

was attended by 50 representatives from INTOSAI and the international donor community. Five years following its establishment, the Cooperation assessed its achievements and discussed the strategic direction for a new three-year period.

The Steering Committee considered the results of a recent external evaluation of the INTOSAI-Donor Cooperation. »

The evaluation had been commissioned by the Steering Committee to evaluate the performance of the Cooperation since its establishment in 2009, and to develop lessons learned to inform decisions on the future of the Cooperation.

While recognizing that five years is a relatively short time in the context of institutional capacity development, the evaluation confirmed the continued relevance of the partnership and highlighted that there have been positive changes in behavior among both supreme audit institutions (SAIs) and donor organizations.

It was found that, during the relatively short existence of the Cooperation, support to SAIs has become more demand-driven and increasingly aligned behind SAI strategic plans. Peer-to-peer support has increased, and coordination among donors has improved.

At the meeting, the Steering Committee considered the evaluation findings. It acknowledged the positive developments and highlighted the added value of products that the Cooperation has contributed to, in particular the SAI Performance Measurement Framework (SAI PMF).

Other achievements and activities of the Cooperation to date include:

- the Global Stocktaking on SAI capacity development needs (2010),
- funding of eight global and regional

level capacity development projects identified through the Stocktaking,

- two Global Calls for Proposals (2011 and 2013),
- launch of the SAI Capacity Development Database (2012)
- launch of the SAI Capacity Development Fund (2014),
- contributions to the development and piloting of the SAI PMF,
- delivery of training for donors on working with SAIs (2014 and 2015).

The Steering Committee highlighted that the Global Call for Proposals and the SAI Capacity Development Database, together with the SAI PMF, continue to be the Cooperation's priority themes. It was, however, agreed to develop the Global Call for Proposals and the SAI Capacity Development Database further during 2016, to realize the potential to increase their effectiveness and efficiency. The members of the Steering Committee will work on this in partnership during 2016.

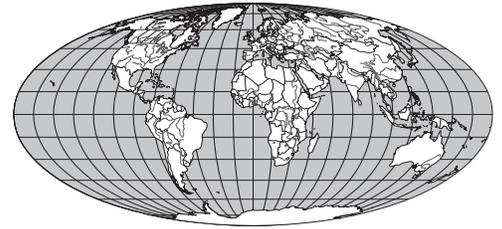
The Steering Committee reaffirmed the relevance of the Cooperation for all partners and the validity of the principles that underpin the Cooperation, as articulated in the 2009 Memorandum of Understanding. Work is now being carried out to develop a program document for the next three-year period of the Cooperation (2016-2018).

Key INTOSAI-Donor Cooperation Activities

- The **Global Call for Proposals** is a globally coordinated exercise to secure donor funding for SAI capacity development initiatives put forward by SAIs. There have been two calls for proposals; one in 2011 and one in 2013. In both rounds over 50 percent of the proposals were matched with donor financial support (this amounts to more than 50 capacity development projects in total). In addition to this mechanism, the **SAI Capacity Development Fund** has also been established under the auspices of the INTOSAI-Donor Cooperation. It is a multi-donor trust fund managed by the World Bank which targets capacity development projects for SAIs and INTOSAI bodies.
- The **SAI Capacity Development Database** (www.SAIdevelopment.org) is a publicly available database of SAI capacity development projects worldwide. It has been established to enable increased coordination of support to SAIs, and to monitor the size and nature of support to SAIs globally. It is administered by the INTOSAI-Donor Secretariat in IDI. All providers and beneficiaries of capacity development support are encouraged to insert information in the database, to ensure that the data is complete and up-to-date.
- The **SAI Performance Measurement Framework (SAI PMF)** is a tool for holistic assessments of an SAI's performance and the value and benefits it brings to society. It is developed by the INTOSAI Working Group on the Value and Benefits of SAIs and has been piloted on a global scale. The INTOSAI-Donor Cooperation has supported its roll-out and development. The SAI PMF will be submitted for approval at the INTOSAI Congress in 2016.

For more information, please visit www.idi.no

INTOSAI Events



2015

October

6–7 8th Meeting of Steering Committee, INTOSAI-Donor Cooperation, Brasilia, Brazil

15–16 7th Meeting of the Steering Committee of the Committee on Knowledge Sharing and Knowledge Services, Washington, D.C., U.S.A.

21–22 13th Meeting of the Compliance Audit Subcommittee,

November

9–12 11nd Young EUROSAI Congress, Israel

10–11 67th INTOSAI Governing Board Meeting, Abu Dhabi, United Arab Emirates

23–27 XXVth General Assembly of OLACEFS, Santiago de Querétaro, Mexico

December

7–9 5th EUROSAI-ARABOSAI Joint Conference, Qatar

2016

January

February

March

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 regionwide 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>

INTOSAI

