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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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<http://www.intosaijournal.org>



Juan M. Portal

*Chairman of the INTOSAI
Governing Board and
Auditor General of Mexico*

Editorial

We are approaching the end of the Superior Audit Office (SAO) of Mexico's term as chair of the INTOSAI Governing Board. Therefore, I would like to take this opportunity to briefly reflect on matters relevant to INTOSAI and its members.

Before addressing this matter, however, I would like to recognize the great honor that INTOSAI has bestowed on the SAO by entrusting it with the responsibility of conducting the work of INTOSAI's executive body. I would also like to acknowledge our debt to the collaboration provided by INTOSAI's 189 members and 4 associates during this time.

Together with the broad and outstanding participation of committees, subcommittees, working groups and task forces, we aimed to comply with the 2005–2010 strategic plan INTOSAI adopted in Budapest in 2004. Since we focused on the plan's four strategic goals and their specific objectives, I consider it relevant to elaborate on them.

Thanks to the Professional Standards Committee, chaired by the supreme audit institution (SAI) of Denmark, INTOSAI now has a broad-based structure of professional standards. Such documents should become an invaluable reference for developing the audit work of all INTOSAI members.

Audit standards set a framework to develop high-quality audits based on the principles of competence, integrity, objectivity, and independence. I firmly believe that auditors should set an example in areas related to transparency, institutional performance, accountability, and quality.

International Standards of Supreme Audit Institutions (ISSAI) and INTOSAI Guidelines for Good Governance (INTOSAI GOV) will allow SAIs to establish better practices and methodologies to carry out their work.

INTOSAI's work in defining international standards to conduct audits constitutes a natural point of reference for SAIs given that they, as supreme audit institutions, lack peers in their national contexts from whom they can gain new perspectives to carry out their responsibilities.

In most cases, an SAI's national relations are focused on the congress or the executive branch, depending on the entity to which they report. Consequently, their interaction takes place with political actors who, for the most part, are not familiar with the issues of supreme or governmental auditing. Furthermore, they are often guided by particular political interests that clash with the impartial, autonomous, and independent position of SAIs.

Many SAIs also keep contact with their countries' academic members, who often provide valuable elements for the development of their activities. However, only a peer institution can deal with the practical issues involving the full development of an audit or the review of public administration.

The effort to establish ISSAIs and INTOSAI GOVs must be complemented by a project to implement them throughout INTOSAI's membership. This is one of the unsettled issues at the end of Mexico's chairmanship of the INTOSAI Governing Board.

I am gratified to leave this implementation in the capable hands of the Capacity Building Committee (CBC), chaired by the SAI of Morocco and assisted by the professional work of the INTOSAI Development Initiative (IDI). The full INTOSAI community should acknowledge the valuable contributions both these entities have made during the time that we have chaired the Governing Board.

I would suggest that in addition to the work of the SAI of Morocco and IDI, incentives be generated among member SAIs so that the knowledge contained in the ISSAIs and INTOSAI GOVs becomes a fundamental element in the professional development of individual SAIs. One such measure could be a voluntary certification on INTOSAI's standards for auditors from within the INTOSAI community.

This certification would contribute to the dissemination of SAI audit standards; at the same time, it could help generate confidence about the quality and professionalism of the work of auditors—especially in developing countries where institutions are still being consolidated—among the congresses or parliaments, the media, and the citizenship, which funds public budgets with its taxes.

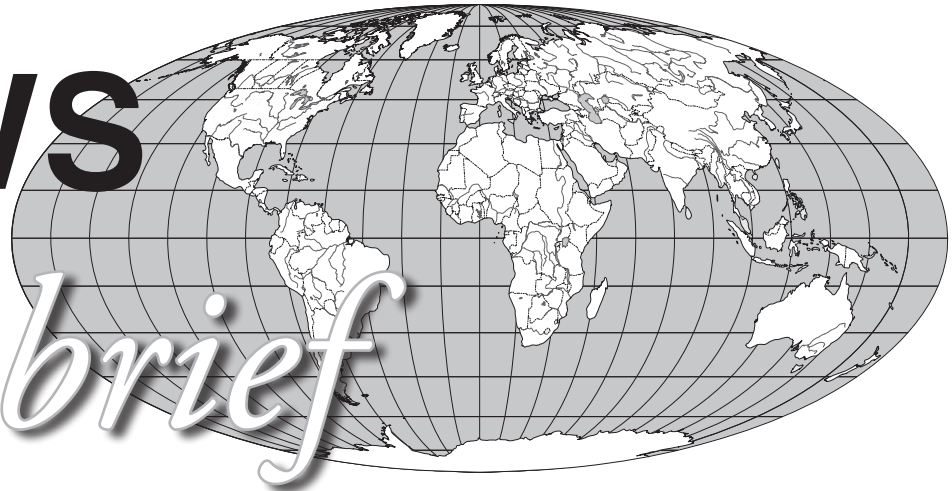
We should bear in mind that IDI already certifies trainers from our SAIs. Similarly, why not certify auditors on the standards set by our organization?

Our gratitude goes to the entire INTOSAI membership for offering the SAO of Mexico the chance to chair the INTOSAI Governing Board. We reassert our commitment to maintaining an active participation in support of new INTOSAI goals for superior audit practices, accountability, and government transparency.

NEWS

IN

brief



Canada

Study on Managing Sustainable Development

In May 2010, the Commissioner of the Environment and Sustainable Development published a discussion paper entitled *Managing Sustainable Development*. The paper identified particularly challenging aspects of managing sustainable development and provided government managers with examples (including several case studies) of the types of practices and analytical techniques that will help them address those challenges.

The intent was to build awareness of and support a dialogue with senior Canadian federal government officials on how sustainable development practices and techniques can be put into practice. The study is the first step in identifying criteria for auditing management practices and performance as they relate to sustainable development.

Copies of the study were provided to key parliamentary committees and other stakeholders. It is also available on the Web site of the Office of the Auditor General of Canada at www.oag-bvg.gc.ca/internet/English/sds_fs_e_33574.html

For additional information, contact the Office of the Auditor General:

E-mail: communications@oag-bvg.gc.ca

Web site: www.oag-bvg.gc.ca

Germany

SAI's New Reporting Process Provides Timelier Information to Parliament

In April 2010, the German SAI (Bundesrechnungshof) issued a report on federal financial management that supplements its annual report (which is normally issued in December). These results are designed to give the legislature a more up-to-date basis for deciding whether to grant discharge to the federal government regarding its financial management and taking more timely corrective action in response to emerging deficiencies.

In tabling the report, Dietrich Engels, President of the German SAI, stated, "In the face of an all-time high in new public borrowing, each option for saving and enhancing performance at [the] federal government level becomes ever more important to ensure the ability to act at all government levels. With the current level of public debt, policymakers and

public managers need to do their utmost to make the best possible use of any remaining scope for government action. Efficient and well-targeted government operations and consistent remedial action in response to any emerging deficiencies should be a matter of course. Unfortunately, we repeatedly find that this is not the case everywhere."

Key issues highlighted in the spring report include disproportionately high severance pay for top managers of statutory health insurance funds, safety shortcomings found in railway installations, and inefficiencies in the federal administration. The German SAI points out ways to enhance efficiency, improve taxation, and better safeguard the principles of uniform and equal treatment. The report results reveal manifold causes of poor government performance with a major bearing on the federal budget—inadequate control and oversight mechanisms, failure to assert the economic interests of the federal government vis-à-vis third parties, complex procedures and ambiguous regulations, and a lack of cost-consciousness in the social security sphere.

An abridged version of the 2010 supplementary audit findings is available in English on the German SAI's Web site: <http://bundesrechnungshof.de/publications/press-releases>.

For additional information, contact the German SAI:

E-mail: Poststelle@brh.bund.de
Web site:
<http://bundesrechnungshof.de>

Italy

New President of the Corte dei Conti

In July 2010, the President of the Italian Republic appointed Luigi Giampaolino President of the Corte dei conti, taking over from Tullio Lazzaro.



Luigi Giampaolino

Mr. Giampaolino received a law degree from the University of Naples in 1961. He won public competitive examinations as a civil magistrate in 1964 and as a Corte dei conti magistrate in 1968. Since joining the Corte dei conti, Mr Giampaolino has served as a judge responsible for carrying out jurisdictional functions. In 1999, he became President of Chamber and served in many functions that helped improve the Corte's audit and jurisdictional activities during a major modernization program for the whole public administration.

Mr. Giampaolino has carried out many different and prestigious institutional functions that demonstrate his practical expertise in public administration. He was head of juridical and legislative coordination services for the Ministry for European Union Community Policies; head of the legislative office of the ministry that coordinated civil protection, the Ministry for Foreign Trade, the Ministry for Public Works, and the Ministry for Industry, Trade, and Crafts. He was also head of the ministerial staff for the Ministers of Public Works and Production.

Until his appointment as the President of the Corte, Mr. Giampaolino was the President of one of the most important independent bodies within the public administration—the Italian authority that supervises public procurements, which oversees public contracts to guarantee compliance with principles of transparency, fairness, and competition.

Mr. Giampaolino has published many essays on audit and jurisdiction, civil service and civil servant accountability, public works, and state accounting law.

For additional information, contact the Corte dei conti:

E-mail: ufficio.relationi.internazionali@corteconti.it
Web site: www.corteconti.it

Malta

Performance Audit on Physical Education in State Schools

Malta has a high percentage of children and young people who are either obese or overweight. In 2010, the National Audit Office of Malta (NAOM) published a comprehensive performance audit report on the practice of physical education (PE), sports, and other physical activities

in state schools across the country and made recommendations on areas for improvement. The NAOM report brought to the forefront a number of long-standing issues related to the organization of physical activities, PE, and sports in schools. It received considerable media attention, and the authorities responsible indicated that they would take steps to address the main shortcomings identified.

The study focused on distinctive elements that can affect the regularity, frequency, intensity, nature, and quality of PE, sports, and physical activities in schools.

First, the report studied national educational policies and goals in this field. Although authorities have committed themselves to improving the quality, delivery, and frequency of PE and related activities in schools, no consolidated strategy was in place to ensure that sufficient measures and initiatives were implemented to achieve overall goals. NAOM recommended that a single national plan be developed to clearly outline the principal steps, required resources, and expected outcomes and time frames.

Second, the report analyzed the level of partnership, coordination, and participation between the key players responsible for delivering PE and sports activities. NAOM found room for further engagement, collaboration, and synergies among the key organizations to develop stronger delivery chains.

Third, the report analyzed the efficient and effective use of financial, human, and physical resources for teaching PE and organizing sports and other physical activities across the state school system. Critical concerns were identified—such as the shortage of PE teachers, inappropriate facilities, inadequate space, and insufficient

equipment. Other complex issues, such as the limited involvement of primary school teachers, together with the pressures on teachers, parents, and children to give overriding priority to other subjects, were also assessed. The report also highlighted best practices that could be emulated in other schools, such as existing arrangements to share and maximize the use of limited resources.

Finally, the report evaluated how the time schools allocated for PE, sports, and other physical activities is being used and monitored. Schools face considerable challenges in balancing the teaching of various subjects and the organization of different activities in a typical school day. The report noted that the relatively short school days in Malta led to the need to compensate for lost time through after-school physical activity programs. Moreover, the report assessed school syllabi, the priorities teachers set when developing individual lesson plans, and the systems in place to monitor the quality of delivery. The study also captured parent views on the quality of PE, sports, and structured physical activities organized by the schools and national sport organizations.

For additional information, contact the NAOM:

E-mail: nao.malta@gov.mt
Web site: www.nao.gov.mt

Mexico

Auditor General Receives IIA Award

In June 2010, the Institute of Internal Auditors (IIA) honored Juan M. Portal, Auditor General of Mexico and Chairman of the INTOSAI Governing Board, with the Bradford Cadmus Memorial Award at a ceremony held in Atlanta, Georgia, United States of



Roderick M. Winters (left), Chairman of the Board of Directors of the IIA, presents the Cadmus award to Juan M. Portal (right), Auditor General of Mexico.

America. The IIA was established in 1941 and has a membership of over 170,000 professionals in 165 countries. It offers this award to acknowledge an individual member's contributions to investigation, education, and methodological developments in internal auditing that foster development and improvement. Mr. Portal is the first Latin American auditor to receive this important distinction.

Elected this year as Auditor General of Mexico for 2010–2017, Mr. Portal has worked in audit-related activities in both the private and public sectors for more than 40 years. His collaboration was instrumental in implementing the COSO (Committee of Sponsoring Organizations of the Treadway Commission) and CoCo (Criteria of Control Board) reports in Spanish-speaking countries. He was also a key contributor to the sixth edition of the *Internal Auditing Professionals Certification Program Guidelines*.

For additional information, contact the Superior Audit Office of Mexico:

E-mail: bfuentes@asf.gob.mx
Web site: www.asf.gob.mx

Puerto Rico

New Comptroller of the Commonwealth

In May 2010, the Governor of Puerto Rico, the Honorable Luis G. Fortuño, named Yesmín M. Valdivieso to be the seventh Comptroller of the Commonwealth of Puerto Rico. Her appointment was approved by both legislative chambers. She took office on July 1, 2010, and will serve for 10 years.



Yesmín M. Valdivieso

Mrs. Valdivieso was born in San Juan and raised in Ponce, Puerto Rico. She earned a bachelor of science degree in business administration with a major in accounting from Georgetown University in Washington, D.C.

Before working for the government, Mrs. Valdivieso was a senior tax manager in the accounting services firm of Arthur Andersen & Co. from 1982 through 1992. In 1993, she was named Under Secretary of the Puerto Rico Treasury Department, a position she held until December 1996. For the next 14 years, she provided accounting, tax, and consulting services to various clients.

For additional information, contact the Office of Comptroller of Puerto Rico:

E-mail: ocpr@ocpr.gov.pr
Web site: www.ocpr.gov.pr

Romania

New Regulations for the Romanian Court of Accounts

The Romanian Court of Accounts (RCA) is undertaking a broad-based process to harmonize its operations with international legislation and best practice. RCA's regulation on its organization and operations, as well as the follow-up on the results of its activities, has recently been updated and will come into force in January 2011.

In addition, RCA's Code of Ethics and Professional Conduct and its Statute on External Public Auditors were also recently updated and came into effect on September 1, 2010. RCA considered fundamental values and ethical principles to be observed after the court was reestablished in 1992. In 2005, RCA adopted audit standards that included a separate chapter on independence, competence,

confidentiality, due care, and objectives and responsibilities.

In 2008, a new law that modified and completed RCA's organizational and operational legislation was enacted, and one of the first documents updated was the Code of Ethics and Professional Conduct for its staff. This demonstrated that RCA's present top management, whose mandate started in October 2008, is committed to ethical principles and values and determined to restore the professional competence and credibility of the institution. At the beginning of 2010, the Audit Standards of the Court of Accounts were updated. These standards comply with generally accepted international audit standards, contain a separate section on standards having an ethical significance, and make it mandatory for the standards to be considered in conducting financial, performance, and compliance audits.

The new Code of Ethics and Professional Conduct addresses issues related to conflicts of interest, proposes that an ethics committee be established as an internal structure of RCA, and calls for auditors to sign declarations of independence. The code complies with INTOSAI's Code of Ethics (ISSAI 30) and Standards Having an Ethical Significance (ISSAI 200).

Other Developments at RCA

Because audit quality is a priority for RCA, a special centralized unit has been created to supervise the audit activity of RCA's central and territorial structures as audits are developed and after they are completed.

To enhance professional development and institutional capacity building, RCA recently launched an effort to contract out training services for 250 of its 1,200

external public auditors. The training is designed to deepen the auditors' knowledge of and ability to implement international audit standards. Also, RCA will resume publication, for the first time since 2003, of its specialized journal to exchange information, increase internal communication, and promote institutional development. The first quarterly issue is to be published by the end of 2010.

For additional information, contact RCA:

E-mail: rei@rcc.ro
Web site: www.curteadeconturi.ro

United Kingdom

Preparing for New Parliaments

Not only did this year's election in the UK result in a hung parliament, and the formation of the first UK coalition government since 1945, but it also brought into Parliament an unusually high number of new Members of Parliament (MP). As a result, MPs and their staff were in greater need of guidance on their oversight responsibilities and the role of the National Audit Office (NAO).

In planning for the transition, the NAO decided to seek the experiences of other SAIs in supporting incoming legislatures. What this examination revealed was a rich variety of different and interesting approaches, including the following:

- Some SAIs, such as the U.S. Government Accountability Office (GAO), develop a transitional Web site following each election to provide insight and recommendations for addressing the nation's major issues, risks, and challenges. The GAO Web site also features key reports for further research as well as contact information and video messages from GAO experts.

- Several SAIs organize face-to-face briefing meetings and seminars to discuss subjects such as the role and remit of their office, the selection of performance audits, and the SAI's relationship with government. For example, the Office of the Auditor General of Canada holds briefing meetings, which take the form of short presentations led by the SAI's senior management, followed by substantial opportunity for MPs to ask questions.
- Many SAIs target publications to the incoming legislature, often creating a standard publication explaining the role and remit of their SAI, its interaction with government and the legislature, and how members of the legislature can raise issues and concerns with the SAI. The Office of the Auditor General of New Zealand produced an *MP's Guide to the Auditor General's Office* covering the role of the Comptroller and Auditor General and the support it can provide to MPs and Parliament.

Since this benchmarking exercise was carried out, the NAO has sought to support the new Parliament, focusing on both individual MPs and select committees. The *Members Handbook* issued to all MPs by the House Authorities includes details about the NAO. Additionally, the Comptroller and Auditor General (C&AG) wrote to each MP about the NAO's role and responsibilities, inviting them to register to receive advance copies of all NAO reports or those in particular areas of interest. The NAO also contributed to House of Commons training for MPs on financial scrutiny of the executive. Finally, the NAO has recently produced a series of 17 short guides setting out the NAO's work on each major government department for relevant select committees.

For additional information or a copy of the full report, entitled *Time of transition: What the NAO can learn from other Supreme Audit Institutions to support incoming legislatures*, please contact the NAO:

E-mail: enquiries@nao.gsi.gov.uk
Web site: www.nao.gov.uk

Community of Portuguese-Speaking SAIs

Organization of SAIs of Portuguese-Speaking Countries Strategic Planning Meeting Held

The Organization of Supreme Audit Institutions of the Community of Portuguese-Speaking Countries (CPLP) is an associate member of INTOSAI. From June 28-30, 2010, a technical team of auditors from the seven Portuguese-speaking courts that constitute the organization held a series of work sessions in Lisbon, Portugal, to develop the actions needed to implement the CPLP's strategic plan for 2008–2010. The strategic plan had been approved during the organization's V General Assembly in

Porto, Portugal, in May 2008. Since that time, the General Secretariat has been working to execute the tasks the assembly assigned to it to strengthen cooperation activities among the member SAIs.

The Secretary-General of the CPLP, Minister Luciano Brandão Alves de Souza, coordinated the work sessions in Lisbon. Attendees included Judge Guilherme d'Oliveira Martins, President of the Portuguese Court of Audit; Judge José F. F. Tavares, the Director-General of that institution; and participants from the SAIs of Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Portugal, and Sao Tome and Principe.

The technical team approved a management self-evaluation questionnaire for the SAIs of the CPLP. Each court can use the questionnaire as an additional diagnostic tool for its strategic planning process. The questionnaire will be included on the agenda of the VI General Assembly, to be held in Sao Tome and Principe in October 2010.

For additional information, contact the CPLP:

E-mail: arint@tcu.gov.br
Web site: www.tribunaiscplp.gov.br



Participants in the June 2010 meeting of the CPLP in Lisbon, Portugal



Insights on INTOSAI

Perspectives from INTOSAI's Goal Chairs

To implement INTOSAI's Strategic Plan, the chairs for the plan's four goals coordinate the efforts of the committees, task forces, and working groups under their respective goals and also coordinate with the General Secretariat. The *Journal* asked the goal chairs to share their perspectives on work in their areas and their vision for the future.

Goal 1: Accountability and Professional Standards— Measures of Success for the International Standards of Supreme Audit Institutions (ISSAI)

by Henrik Otbo, Auditor General of Denmark and Chairman of the Professional Standards Committee

The true success of the International Standards of Supreme Audit Institutions (ISSAI) cannot be measured by merely looking at the extent to which SAIs and other public sector auditors are using them. It is equally important to recognize that in the ISSAIs, INTOSAI now clearly states to its members and other external partners its views on the essence of public sector auditing—what it can offer, how it should be conducted, and what it requires. Therefore, the challenge ahead of us is to raise awareness of the ISSAIs so that the INTOSAI family and other public sector auditors relate to them.

Following the XX INCOSAI in November 2010, where many new ISSAIs are to be endorsed, INTOSAI will have a comprehensive range of standards and guidelines at its disposal. The next obvious step—and indeed one of the main objectives set for INTOSAI's work with the ISSAIs—is to ensure that SAIs are using them.

However, to me it is equally important for INTOSAI to communicate to colleagues and external partners from around the world that the ISSAIs reflect INTOSAI's position on auditing in the public sector. With the ISSAIs, INTOSAI is offering individual or groups of SAIs and other public sector auditors the opportunity to discuss and measure their own performance and auditing guidance against INTOSAI's general standards. As chairman of the INTOSAI Professional Standards Committee (PSC), I have no intention of understating the importance of the worldwide use of ISSAIs, but I believe it is an equally important measure of success for the ISSAIs that the members of INTOSAI and other public sector auditors actively relate to the ISSAIs not only during the XX INCOSAI but also in their daily work.

The ISSAIs are formulated in a way that allows public sector auditors to use them in their general tasks. If SAIs are to do this, the ISSAIs must be “translated” into relevant national settings. I came across an excellent example of such a translation last year when I attended the annual AFROSAI-E technical update meeting in South

Africa. Participants in the meeting convincingly demonstrated how AFROSAI-E has translated the ISSAIs into national and regional handbooks to guide the work of SAIs on the African continent. Some SAIs cannot use the ISSAIs directly due to national legislation or national standard-setting boards. However, these SAIs now have the opportunity to compare their guidance and standards with the guidelines and standards developed by INTOSAI.

In the coming years, the PSC will focus on increasing awareness of the ISSAIs. We are currently establishing an awareness-raising task force whose first task will be to translate the PSC awareness-raising strategy into concrete action plans. We are planning to cooperate closely with other INTOSAI bodies—such as the INTOSAI Development Initiative (IDI), regional working groups and the General Secretariat—to increase awareness of the ISSAIs in all regions. IDI will also have a major role to play in the actual implementation and use of the standards once an SAI's management decides to use the INTOSAI standards and guidance. While the PSC can make colleagues aware of the ISSAIs, IDI can assist individual SAIs in taking a step further toward actually using the ISSAIs.

I believe that the broad range of auditing standards and guidance that now make up the ISSAI framework offers concrete evidence of the increased professionalism of the work performed under the auspices of INTOSAI—and I look forward to continuing the dialogue and cooperation with our colleagues along this path.

For more information on the ISSAIs and the PSC's awareness-raising strategy, please visit www.issai.org and <http://psc.rigsrevisionen.dk>.

Goal 2: Institutional Capacity Building

by Ahmed El Midaoui, First President of the Court of Accounts of the Kingdom of Morocco and Chairman of the INTOSAI Capacity Building Committee

In an environment characterized by increasing complexity, constant change, and higher expectations about establishing best practices in public governance and management, nation states, societies, and, consequently, supreme audit institutions (SAI) face new challenges.

Professional and accountable public auditing has an important role to play in this context. It is becoming a core function that contributes to the consolidation of democratic values, the rule of law, and the establishment of ethical standards. It also helps to strengthen a fair and balanced public management and governance system that seeks to achieve permanent cohesion and progress among all stakeholders and segments of society.

To meet the challenges of this context, SAIs need to strengthen the organizational, operational, and financial aspects of their independence. Through an ongoing openness and adaptation to their environment, SAIs also need to develop their professional skills

and increase their scientific and technical knowledge and analytical and evaluation skills at the micro- and macro-economic, sectoral, and global levels.

INTOSAI, which encompasses more than 180 SAIs worldwide, has played and will continue to play an important role through the support it provides to SAIs. This support is delivered by providing training; developing methodologies, guidelines, standards and other tools specific to the public sector; and promoting the adoption of those tools within SAIs through training and sharing of knowledge and experiences among SAIs.

INTOSAI has received international recognition for its role in bringing SAIs and public auditing before the international community. It has also served as an organ for reflecting upon and making proposals regarding current issues related to public finance and management (such as the environment, public debt, and public/private partnerships).

INTOSAI's first strategic plan, which covered 2005–2010, marked an important historic turning point in the life of the organization. It has contributed to mobilizing substantial energy worldwide to establish the need for professional and competent national level public auditing that legitimately aspires to better serve the public interest and meet citizens' expectations.

On a related note, we should mention that the implementation of the recently signed memorandum of understanding between INTOSAI and international donors will help mobilize more resources and energy to consolidate, expand, and develop the capacities of SAIs worldwide.

It is important that INTOSAI seek to implement actions designed to equip SAIs with the means they need to practically establish the professional capacities required to help understand and meet the requirements and conditions imposed by the challenges of an effective and efficient audit.

To accomplish this aim, SAIs may find it useful to adopt a progressive approach that involves the gradual implementation of a baseline audit and then moves continuously and steadily to more sophisticated audits, depending on the SAI's needs and actual capacities. It is vital to build solid and reliable financial and compliance audits first. But it is also essential to move toward more extensive audits (such as performance, risk management, and strategic audits) to (1) evaluate and measure responses and performance related to expenditures and revenue and (2) ensure conformity with established objectives and the principles of economy, efficiency, and effectiveness to ensure greater transparency and risk management.

This progressive approach relates to SAIs at all development levels (whether advanced, emerging, or developing). It should be implemented rationally and at a reasonable pace—first, through a clear and consistent definition of objectives related to the specific situation of each SAI. Secondly, it can be achieved by taking into account the human resources and means available to SAIs, as well as those that can be mobilized in the framework of international cooperation.

Finally, the importance of the following actions—which relate to achieving the strategic goals that have been incorporated into INTOSAI’s strategic plan—cannot be overemphasized:

- An SAI’s audit and investigation methods and tools should be developed progressively in light of the continuing evolution of techniques and management systems of public institutions.
- Internal and external communication should be strengthened to promote the role of public auditing, INTOSAI, and individual SAIs in developing good governance in society.
- Reflection and knowledge sharing on important issues related to public management (such as the financial crisis, debt management, and the environment) should continue to be developed.
- Partnerships with international organizations and other donors should continue to be developed to implement joint actions that benefit SAIs.

In conclusion, we should acknowledge the progress that INTOSAI and SAIs have made in developing public auditing. We should also emphasize the importance of facing the challenges lying ahead so that public auditing can occupy an appropriate role in establishing good public management systems that serve the interests of citizens, the economy, and society at large.

For additional information, please visit the Web site of the CBC at <http://cbc.courdescomptes.ma> or contact the CBC at ccomptes@courdescomptes.ma.

Goal 3: Knowledge Sharing and Knowledge Services

by Vinod Rai, Comptroller and Auditor General of India and Chair of the Committee on Knowledge Sharing and Knowledge Services

The Knowledge Sharing Committee (KSC) was created at the XIX INCOSAI in November 2007 to organize goal 3 (Knowledge Sharing and Knowledge Services) of INTOSAI’s strategic plan for 2005–2010 in line with the plan’s other three goals.

According to the strategic plan, the goal 3 mandate is to “encourage SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practice studies and performing research on issues of mutual interest and concern.” In the proposed strategic plan for 2011–2016, this mandate has been expanded to include “producing audit guidance material.”

Thus, the KSC’s goal is to enhance communication and knowledge sharing among its members and other partners through knowledge management—sharing, creating, and applying knowledge or developing a systematic way of getting the right information to the right people at the right time. The KSC contributes to knowledge sharing by creating new and maintaining existing working groups and task forces; facilitating

best practice studies; encouraging effective INTOSAI communication; and promoting partnerships with academic institutions and professional associations.

Working Groups and Task Forces

Working groups and task forces are established to find solutions to problems relevant to the INTOSAI community. By properly coordinating the work of these groups to achieve the objectives of the strategic plan, we try to ensure that key initiatives continue to be in harmony with the INTOSAI strategic plan and congress themes and recommendations; we also seek to prevent the activities of working groups and task forces from overlapping. To this end, we are considering developing a framework to assist working groups and task forces in assessing their scope and activities and their alignment with the strategic plan.

In today's fast-paced and rapidly changing audit environment, the greatest challenge we face is ensuring that the activities of working groups and task forces continue to meet the knowledge needs of the SAI community. To meet this challenge, we continuously ask all goal 3 working groups and task forces to survey their scope and activities to determine whether they are still valid and whether the working groups and task forces are making progress toward meeting their objectives. As the surveys take place every 3 years, we hope to establish a global goal 3 feedback mechanism that working groups and task forces can analyze and consider in future decision making. Continuous feedback from the SAls would assist the working groups and task forces in making required adjustments to projects under development and would also motivate project leaders and member SAls.

Web site

We host a Web site (intosaiksc.cag.gov.in) to facilitate and encourage interaction among the goal 3 working groups and task forces. The Web site will be linked to all working groups and task forces and their products. It will also contain the products of working groups that have completed their work so that their legacy can be preserved after the groups have been disbanded. We believe the Web site will strengthen communication between working groups / task forces and SAls as it captures and disseminates the effect and benefits of knowledge-sharing activities. To establish productive linkages with other INTOSAI knowledge forums, the Web site will contain links to Web sites for the other INTOSAI goals, regional working groups, the International Development Initiative (IDI) and this Journal. We also propose to upload an updated list of contacts for all SAIs to create a global network of designated persons.

Collaboration Tool

The INTOSAI Collaboration Tool has been in operation for a few years now, but we have not been able to realize its full potential. Nevertheless, we hope this situation will be remedied as we address technical issues. We plan to promote the extensive use of the Collaboration Tool in line with the INTOSAI communication policy and strategy. We encourage all committees, subcommittees, working groups, and task forces functioning

under the INTOSAI umbrella to undertake projects using the Collaboration Tool. The tool provides a unique opportunity for different groups to work in tandem to develop joint products relevant to the INTOSAI community, and we plan to fully exploit this opportunity.

In my opinion, the biggest challenge before the INTOSAI community is managing the knowledge pool we are creating. Creating standards, technical guidance, and manuals is not an end in itself; the bigger task is ensuring that all member SAIs have ready access to them. It is also important that we build synergies between the goals of INTOSAI and ensure mutual harmonization of their work.

To sum up, activities geared toward knowledge sharing will strive to disseminate best practices among SAIs to upgrade accountability and governance in their respective countries. Concomitantly, it will raise the level of the SAIs of developing countries, leading to their enhanced participation in the different working groups and task forces. Equality in SAI capacity will not only strengthen INTOSAI but also intensify knowledge sharing for the benefit of all.

For additional information, contact the KSC:

E-mail: cag@cag.gov.in, singhJ@cag.gov.in

Web site: www.intosaiksc.cag.gov.in

Goal 4: Model International Organization

by Osama Jafar Faquih, President of the General Auditing Bureau of Saudi Arabia and Chair of the Finance and Administration Committee

In 2004, on the eve of its 50th anniversary, INTOSAI adopted its first strategic plan to organize and guide its operations and define its strategic goals for the years ahead. The adoption of this plan marked a turning point in INTOSAI's history and a great leap forward to address the challenges of the 21st century.

The strategic plan has four major goals:

- Goal 1: Accountability and Professional Standards,
- Goal 2: Institutional Capacity Building,
- Goal 3: Knowledge Sharing and Knowledge Services, and
- Goal 4: Model International Organization, or leading by example.

Goals 1, 2, and 3 apply to specific areas of INTOSAI's operations; goal 4 differs in nature and substance from the other three goals and is intended to align the whole of INTOSAI'S organization and operations with the other goals. Goal 4 focuses on ensuring that (1) INTOSAI'S own operations are economical, efficient, and effective and (2) the organization is operating within its budget. Goal 4 is, therefore, fundamental to achieving goals 1, 2, and 3.

The task of implementing goal 4 was given to the Finance and Administration Committee (FAC), with a specific mandate to help the Governing Board and its chairman to

“organize and govern INTOSAI in ways that promote economical, efficient and effective working practices, timely decision-making, and effective governance practices, while maintaining due regard for regional autonomy, balance and the different models and approaches of member SAIs” (*INTOSAI Strategic Plan 2005–2010*).

During the past 5 years, the FAC has actively pursued its mandate and accomplished many of its objectives. It has presented numerous proposals and recommendations to the INTOSAI board and congress, all of which, with minor modifications, were approved. The proposals include the following:

- identifying and selecting SAIs to serve as strategic goal chairs and liaisons;
- selecting and recruiting directors of strategic planning;
- using modern technology to facilitate coordination, consultation, and decision making;
- developing a global communication policy;
- confirming INTOSAI’s international legal status;
- establishing criteria for regional working group membership, as well as INTOSAI’s associate membership;
- strengthening INTOSAI’s financial position and resources; and
- developing an integrated strategic framework and policy for dealing with external donors.

All these initiatives have been achieved at no financial cost to INTOSAI and have significantly contributed to making INTOSAI a model international organization, thanks to the team spirit and cooperative nature of its members.

INTOSAI is fully aware of the importance of cooperation and concerted efforts to build the institutional capacities of member SAIs. Therefore, it has actively sought to establish interdependent relationships and strategic partnerships with regional and international organizations. In all these efforts, INTOSAI’s aim has been to address issues of common interest and concern within the framework of its core values and member needs.

To achieve this strategic goal, the XIX INCOSAI in Mexico City adopted the FAC proposal to establish two task forces under its umbrella—the task force on donor funding and the task force to update the strategic plan for 2011–2016. The two task forces have worked diligently to fulfill their mandates and have accomplished a great deal in a relatively short time span.

As a result of the efforts of the task force on donor funding, in October 2009, INTOSAI entered into a milestone agreement with 15 donor institutions and agencies

to enhance the development capacity of SAIs around the world. This memorandum of understanding (MOU) established a framework for cooperation to strengthen the capacity of SAIs and increase their effectiveness as instruments of accountability, transparency, good governance, and anticorruption in their respective countries.

The MOU is based upon the following underlying principles:

- SAIs will develop individual strategic and action plans that are comprehensive, realistic, and prioritized.
- The donor community is committed to respecting each SAI's sovereignty, independence, and autonomy in developing and implementing those plans.
- The donor community will endeavor to mobilize additional resources to develop and implement SAI strategic and action plans.
- The donor community is committed to delivering financial and other support for audit capacity-building programs while avoiding duplicative efforts.

The MOU will facilitate increased levels of donor support and a more coordinated and harmonized system for delivering such support to SAIs in developing countries. The MOU is well adapted to the needs of the INTOSAI members and will, therefore, be a key priority for the organization during the second strategic period.

The FAC will provide leadership to the initiative's Steering Committee as co-chair and co-vice chair for INTOSAI and will work with the donor co-chairs as well as the Steering Committee Secretariat to successfully implement the MOU. The SAI of Norway and IDI have assumed responsibility for the Secretariat and have made significant progress to date.

At the upcoming XX INCOSAI in South Africa in November 2010, the second Strategic Plan is due to be adopted by the Governing Board and the congress. This ambitious plan will require concerted efforts and hard work to achieve its goals. The second donor Steering Committee meeting will also be held in November. These two events will offer INTOSAI and its members the opportunity to open new horizons and build new bridges of cooperation with the donor community to accelerate institutional capacity building and enhance human resource development in our SAIs. The two events will also present a challenge to all of us—to act in accordance with a well-designed strategic approach and seek to achieve realistic goals needed to implement ambitious programs.

In light of the above-mentioned efforts, it is evident that INTOSAI is entering a new phase in its professional journey and will certainly face more challenges in the years to come. I am confident that through our joint efforts and the firm commitment of all parties concerned, we will be up to this challenge.

For additional information, contact the FAC:

E-mail: gab@gab.gov.sa

Web site: www.gab.gov.sa



Insights on INTOSAI

Perspectives from the Regional Working Groups

INTOSAI's seven regional working groups—AFROSAI, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS, and PASAI—will carry forward important INTOSAI initiatives in the coming years. Two of those groups (AFROSAI and EUROSAI) share here their perspectives on the work they have accomplished in recent years and their region's prospects for the future.

AFROSAI on the Move

by Terence Nombembe, Auditor General of South Africa and Chairman of AFROSAI

Since the 2007 INTOSAI congress in Mexico—and in particular since the 2008 AFROSAI General Assembly in South Africa—AFROSAI has worked to overcome its language barriers and become a more dynamic organization. Its members have demonstrated a serious commitment to strengthening the organization and its three language subgroups (Arabic, English, and French) by adopting strategic and operational plans for 2009–2011. Currently, 49 of the 53 states on the continent are members of AFROSAI. The South African SAI chairs AFROSAI and the Libyan SAI hosts the General Secretariat. AFROSAI is governed by a Board of Directors comprising the heads of the SAIs of Cameroon, Egypt, Gabon, Gambia, Ivory Coast, Libya, Mauritania, South Africa, Sudan, and Tanzania.

AFROSAI's development strategy operates according to a basic premise: enhanced cooperation and solid relationships resulting from an effective secretariat and a focused training and research program will help to secure the support of key stakeholders for AFROSAI's institutional capacity-building initiatives. The plans that AFROSAI has adopted facilitate the implementation of its activities, and an institutional and technical capacity-building committee was created to activate those plans.

By August 2009, it was evident that an increased workload and the complexity of supporting the administration and work content of AFROSAI's Board of Governors and its various committees was too great a task for a single SAI to perform to the desired standard and within prescribed time frames. To overcome this problem, it was proposed that the secretariats of the three language subgroups should each undertake certain functions on behalf of the Secretary General. This operating structure was tested in practice before the Board of Governors adopted it, together with a comprehensive responsibility matrix, in August 2010.

- The Arabic subgroup currently consists of seven countries and works in close cooperation with ARABOSAI, which provides support in strategic planning as well as training in financial and performance audit. Its secretariat, which is based at the SAI of Tunisia, takes care of an information center, a Web site, a scientific competition, and a journal of comprehensive auditing.

- The English subgroup (AFROSAI-E), hosted in South Africa, represents 21 English-speaking and 2 Portuguese-speaking SAIs and is charged with handling aspects of strategic planning and coordination, institutional capacity building, finance and administration, and auditing. Since 1998, the subgroup has adjusted its modus operandi several times and currently is focusing on management development to enhance the institutional capacity of its member SAIs. This overarching program covers all elements of SAI operations, including technical capacity building and management of the various fields of audit.
- The French subgroup (CREFIAP) consists of 19 French-speaking countries, 1 Spanish-speaking country, and 3 Portuguese-speaking countries that are also members of AFROSAI. The SAI of Cameroon hosts its secretariat and handles matters relating to technical capacity building and human resources. This group has been quite busy with wide range of audit training interventions such as leadership and change management that include a particular focus on women. A study on strengthening institutional capacity will be presented at an extraordinary General Assembly meeting in Cape Verde during September 2010.

Compiling a comprehensive AFROSAI manual was a highlight in the organization's history. The manual is designed to establish and maintain good governance practices within AFROSAI by consolidating all relevant governance prescriptions and organizational decisions in one reference document, which will be available to all AFROSAI members and stakeholders and will be updated regularly.

AFROSAI secured donor support from the German Ministry of Economic Cooperation and Development. This support is implemented by GTZ (German Technical Cooperation), which seconded two experts to provide strategic and technical assistance. Other donors, such as the World Bank and the African Development Bank (AfDB), have expressed an interest in cooperating with AFROSAI and will formulate their interventions in the coming months. AFROSAI-E currently receives donor support from Sweden, the Netherlands, and the INTOSAI Development Initiative (IDI); CREFIAP receives support from Canada, the AfDB, and IDI.

While much work has been done, there is still plenty to do. For the next 3 years, AFROSAI will focus on consolidating past achievements, implementing its strategic plan and extending it until 2014, and supporting language subgroups so that they can enhance SAI capacity in their subregions. Sharing good practices and knowledge within the AFROSAI community is another major regional challenge to be addressed during the implementation of the strategic plan.

The challenge for the next 3 years will be to strengthen AFROSAI as an organization whose voice will be recognized in matters of good financial governance. This will include encouraging language subgroups to support member SAIs in strategic planning and capacity building so that they can accomplish their role as watchdogs for public finances and resources.

For additional information, contact the AFROSAI Chair at agsa@agsa.co.za.

EUROSAI 2008-2011

by Jacek Jezierski, President of the NIK (Poland) and Chair of the EUROSAI Governing Board

It has been 2 years since the Polish SAI (NIK) assumed the presidency of EUROSAI, which gives us the opportunity to summarize the activities undertaken to date and other initiatives planned for the future. Some activities resulted from the resolutions of the 7th EUROSAI congress, held in Krakow in June 2008, while the NIK as the Chair of the Governing Board has undertaken others on its own initiative. All the activities reflect the issues the organization needs to address—namely, strengthening and developing EUROSAI and making better use of INTOSAI's methodological achievements and opportunities to exchange experiences among its regional groups.

Undoubtedly, the development of EUROSAI's first **strategic plan** (to cover the years 2011–2017) has been the flagship undertaking in recent years. The Governing Board appointed a task force (comprising the NIK as chair and the SAIs of Austria, Germany, the Netherlands, Norway, Portugal, Spain, and the United Kingdom). The task force developed a draft strategic plan, which members and observers of the Governing Board are currently reviewing. During the next consultation stage, all EUROSAI members will have the opportunity to comment on the draft. The amended document will then be resubmitted to the Governing Board, which will formally adopt the final version of the plan at the end of 2010 or the beginning of 2011. The draft plan will be debated at the 8th EUROSAI Congress, to be held in Lisbon in May/June 2011.

Since the draft strategic plan is not yet an official document, it is too soon to present detailed information on its contents. We can say that it lists activities and projects designed to achieve EUROSAI's strategic goals and objectives. Its implementation is also meant to contribute to executing INTOSAI's strategy in Europe and maximizing the effective use of INTOSAI initiatives and products to further develop public sector auditing in the European region.

The seminar entitled **Raising Awareness of International Standards of Supreme Audit Institutions (ISSAI)** was another effort designed to promote INTOSAI's methodological achievements. Held in October 2009 in Warsaw, the seminar was organized by the Polish NIK in cooperation with the Danish Rigsrevisionen (the chair of the INTOSAI Professional Standards Committee) and focused on the management of European SAIs. Representatives of 26 EUROSAI SAIs took part in the seminar, along with participants from outside EUROSAI.¹

During the 7th EUROSAI Congress, one of the themes was establishing an audit quality management system within a supreme audit institution. The discussion at the Congress led to the development of a **EUROSAI guide on good practices** for audit quality. This project is being carried out by a task force chaired by the SAI of Hungary and comprising the SAIs of Denmark, Malta, Poland, Russia, and the European Court of Auditors. (It will be presented to the upcoming EUROSAI Congress in Lisbon).

¹See the report on this seminar in the April 2010 issue of this Journal. The report is available online at www.intosaijournal.org/pdf/ijga_apr10_english_journal_www.pdf.

The EUROSAI Presidency is addressing the second theme of the 7th congress, auditing programs for professional integration of the disabled, through several initiatives—a **seminar** on performance auditing of social programs in the field of professional integration of the disabled and a **parallel audit** on employment of disabled persons in the public sector. The seminar was held January 14–15, 2010, in Warsaw and was organized in cooperation with the European Institute of Public Administration. The NIK is coordinating the parallel audit, which involves 14 SAIs and will be completed later this year. The report on the audit will be presented to the 8th EUROSAI congress in Lisbon in 2011.

As the Chair of EUROSAI, the NIK suggested that the Governing Board consider cooperating with the European Confederation of Institutes of Internal Auditing (ECIIA). The NIK and the SAIs of Belgium and France are negotiating opportunities for and the scope of this potential cooperation.

The NIK is also actively supporting cooperative initiatives with other INTOSAI regions that previous EUROSAI presidents initiated. These include EUROSAI cooperation with ARABOSAI and OLACEFS. For the 6th EUROSAI–OLACEFS conference, held in Venezuela in May 2009, the NIK prepared and chaired a session entitled “Present and Future Challenges and Defense and Preservation of Natural Resources.” Representatives from 14 OLACEFS SAIs and 14 EUROSAI SAIs participated in the conference.

Thus, the NIK presidency has focused on new initiatives of strategic importance to EUROSAI (developing a strategic plan for 2011–2017, promoting the ISSAIs, and establishing cooperation with ECIIA). At the same time, it continues to support ongoing issues important to EUROSAI (such as audit quality and audits of programs for the professional integration of the disabled).

While chairing the EUROSAI Governing Board, the NIK has also addressed technical issues designed to improve communication within EUROSAI and between EUROSAI and its external partners. The Web site of the 7th EUROSAI congress (www.eurosai2008.pl) has an Internet news portal in Polish and English that complements the official EUROSAI Web site (www.eurosai.org) hosted by the General Secretariat in Spain. A newsletter is regularly sent to congress Web-site subscribers and all EUROSAI members. An electronic version of the official congress report can be downloaded from the Web site; in the near future, a special section will be dedicated to the 20th anniversary of the establishment of EUROSAI.

Time will tell whether all the ambitious plans that the NIK adopted when it became the chair of the Governing Board at the June 2008 EUROSAI Congress will be realized. However, we are certain that none of the activities and initiatives we have undertaken would have been possible without the active support from EUROSAI members, and we are very grateful for this support.

For additional information, contact the EUROSAI Chair at wsm@nik.gov.pl.

A graphic featuring a spotlight on the left casting light onto the title. The title "Spotlight on THE STRATEGIC PLAN" is written in a mix of cursive and bold serif fonts. A large, faint globe is in the background.

Spotlight on THE STRATEGIC PLAN

by Kirsten Astrup, INTOSAI Director of Strategic Planning

To follow up on my column in the July issue of the *Journal*, I would like to summarize my time as Director of Strategic Planning since being appointed to that position at the XIX INCOSAI in Mexico in 2007. A new Director of Strategic Planning will be appointed at the XX INCOSAI in South Africa in November this year, so this will be my final *Journal* column.

As I write this column, the final draft strategic plan document for 2011–2016 is being distributed to the chair and other members of the Strategic Planning Task Force. After the chair has approved the plan, it will be translated into the official INTOSAI languages and distributed to the Governing Board and all INTOSAI member before it is presented to the XX INCOSAI for approval.

When the Governing Board and Finance and Administration Committee launched the project to prepare a new plan, they agreed that the goals, mission, and vision would be the same as the current plan and that, instead of making a completely new plan, we would update the previous one with new strategies and use the same structure as before. In March 2008, the goal chairs were charged with leading the work of updating their respective goals. Along with the chair of the task force, I have assisted them and communicated with relevant member SAIs.

The first draft of the 2011–2016 strategic plan—which was based on input from the goal chairs and subcommittees—was presented to the Governing Board in November 2008. It reflected a proposal from the second meeting of the Strategic Planning Task Force in October 2008 to split



Kirsten Astrup

the document in two: The first document would describe the plan's background, and the second would be the draft strategic plan for 2011–2016 itself. During spring 2009, the task force chair had the two documents translated before they were transmitted to the members for comment.

After the first hearing round, we incorporated comments received from both the task force and INTOSAI members; during March and April 2010, a revised draft plan was created based on the task force members' review. The revised draft was then sent to all SAIs for a second hearing round, which later was extended to allow more comments before the draft was finalized.

Having a strategic plan and professional bodies aligned with it has strengthened our organization and improved organizational relationships among all parties concerned. Since being appointed as Director of Strategic Planning, I have closely followed the ways in which professionals throughout the organization have successfully implemented the plan. It has been a pleasure to witness the great efficiency and broad-based support with which the plan has been implemented. Without INTOSAI members' hard work to achieve the goals set out in the first plan, our organization would not have received the recognition it enjoys today.

During my period as Director of Strategic Planning, I have described some of the most important strategic planning focus areas in this column. In my first column in the April 2008 *Journal*, I introduced myself and asked for your cooperation. I described my idea of providing a bird's-eye view of progress on the plan through the column. I also discussed the XIX INCOSAI in Mexico and the adoption of the *Mexico Declaration on SAI Independence* as an INTOSAI standard.

In my second column in July 2008, I explained why we need a strategic plan. There are many ways to explain that need, but I used the image of SAIs as mountain climbers. Every SAI wants to reach the top, but we all have different paths to climb—some have steep rocks to pass, while others have to fight waterfalls and snowstorms. The strategic plan provides a guide to help us all reach the mountain top. I also looked at the challenges to our work in INTOSAI, including geographical distances and different languages and cultures.

The third column in October 2008 was dedicated to the contributions to and development and adoption of appropriate and effective professional standards, one of the main tasks under goal 1. INTOSAI has formed alliances with worldwide organizations for external and internal auditors. Although INTOSAI develops new standards when needed, cooperation with other international standard setters is important to seek to influence and address issues of practical interest to SAIs.

In the January 2009 issue, I reviewed the efforts and results of the Communication Strategy Task Force and the importance of good communication in general. The XIX INCOSAI approved a communications policy for the organization that focuses on the benefits of (1) having a free flow of information, ideas, experience, and knowledge among INTOSAI members and (2) establishing a clear and coordinated approach to

communication with the outside world. As a step in creating a planning system for communications, the task force identified the responsible entities within INTOSAI, the communications channels that can be used, and target groups identified outside the organization.

In the April 2009 issue, I compared the plan itself with a pyramid of four sides, each of them equally important. Without any one of the sides, the pyramid cannot be built. Our current strategic plan is based on four equal important strategic goals, which support each other in the same way:

- Goal 1: Accountability and Professional Standards
- Goal 2: Institutional Capacity Building
- Goal 3: Knowledge Sharing and Knowledge Services
- Goal 4: Model International Organization

The building stones in our plan are the dedicated work in our committees, working groups, task forces, and individual SAIs, resulting in layered results, better qualified auditors, improved working methods, reliable benchmarks, and professional standards leading the way to higher levels.

The four strategic goals complement each other:

- we have to increase our accountability and conduct our work in line with the highest professional standards;
- in order to do so, we need to build the capacity within our organizations and
- we have to work together and share knowledge so SAIs are not reinventing the wheel; and, lastly,
- we must aim high together, building a model international organization that others respect and look upon as a role model.

In the July 2009 issue, I wrote about knowledge sharing. After reorganization, the Knowledge Sharing Committee's structure is now similar to that of the committees under the plan's two other operational goals. The nine working groups under this goal have specific tasks to address and include participants from 104 nations. In addition, there are two task forces—one is working on INTOSAI's communication strategy and the other is addressing the global financial crisis.

In the October 2009 issue, I covered the work of the Capacity Building Committee (CBC). Goal 2, institutional capacity building, lays down several strategies or activities to build the professional capabilities of SAIs through training, technical assistance, and other development activities. Of the three subcommittees under CBC, the first one promotes increased capacity-building activities among INTOSAI members; the second develops advisory and consultant services, including a database of experts; and the third promotes best practices and quality assurance through voluntary peer reviews.

In addition, the INTOSAI Development Initiative (IDI) enhances the audit capacity of INTOSAI members through long-term regional training programs, regional

satellite and partnership programs, and training seminars and workshops in key areas of government auditing. Thus, IDI and the CBC complement each other's work and coordinate their efforts.

In the January 2010 issue, I focused on the outcome of the first hearing round for the new strategic plan. While the response may have been a little less than we expected, we still received many constructive comments. Some SAIs commented that the new plan needed to focus more on the challenges that INTOSAI as an organization and individual SAIs are likely to face from 2011 onwards. In this regard, several SAIs proposed that the new plan include a chapter reflecting these key challenges. We also received proposals for amended or additional strategies and expected benefits under the different plan goals.

In the April 2010 issue, I described the ongoing process of updating the strategic plan and reported on the Finance and Administration Committee's meeting in Caracas. At that time, we were finalizing the new strategic plan to send it out for a second hearing round. In the July 2010 issue, I wrapped up what had been happening during the first months of the year and the comments I had received from the second hearing round.

I have tried to make *Spotlight on the Strategic Plan* a communication channel to reach out to all of you. In this last column, I would like to express my sincere thanks to those readers who took the time to read my articles and especially to those who shared their thoughts and gave me encouraging feedback. My work as Director of Strategic Planning in INTOSAI has been a most enjoyable experience. Thanks to all of you for your friendship and support.



Financial Audit Subcommittee

During the XX INCOSAI in Johannesburg, the Financial Audit Subcommittee (FAS) will present a comprehensive set of Financial Audit Guidelines—consisting of 38 ISSAIs for financial audit to be used in the audit of financial statements—for endorsement. In addition, FAS will have an exhibit at the congress where participants can ask questions about the ISSAIs. There will be a special event to launch all the ISSAIs presented for endorsement by the congress.

Development of Standards and Guidelines

- FAS has approved the translations of International Standards of Supreme Audit Institutions (ISSAI) 1000 and 1003 into the five official INTOSAI languages.
- The FAS Chair, Gert Jönsson, and FAS Director, Jonas Hällström, attended the International Auditing and Assurance Standards Board (IAASB) meeting in St. Julians, Malta, in September in their capacities as IAASB member and technical advisor, respectively.
- FAS continues to appoint experts to IAASB task forces. There are INTOSAI experts on task forces to revise International Standard on Accounting (ISA) 610, Special Considerations—Using the Work of Internal Auditors, and ISA 720, The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements.
- The endorsement versions of the ISSAIs for financial audit are available on the ISSAI Web site in all five official INTOSAI languages.

FAS Meeting

FAS held a meeting hosted by the Swedish National Audit Office on the island of Sandhamn outside of Stockholm, Sweden, September 8–9, 2010. The meeting focused on the subcommittee's work after 2010 and included a discussion on the IAASB's strategy for 2012–2014.

For additional information, please contact the FAS Secretariat:

E-mail: projectsecretariat@riksrevisionen.se

Web site: <http://psc.rigsrevisionen.dk/fas>

Capacity Building Committee

The INTOSAI Capacity Building Committee (CBC) held its 4th steering committee meeting at the U.S. Government Accountability Office in Washington, D.C., June 30–July 1, 2010. In addition to committee members, participants included representatives of the World Bank and the INTOSAI Development Initiative (IDI). During the meeting, participants reviewed the CBC's progress to date and endorsed guides and other outputs the CBC had undertaken in the last year that are to be officially presented during the XX INCOSAI in South Africa in November 2010.



Participants in the steering committee meeting of the Capacity Building Committee in Washington, D.C.

UN/INTOSAI Platform

A representative of the SAI of South Korea reported on the work of the United Nations (UN)/INTOSAI platform, whose goal is to increase public awareness of the role of SAIs. Contact will be made with the UN Department of Economic and Social Affairs to discuss resuming the work of the platform and how it can contribute to the 2011 UN/INTOSAI symposium in Vienna. The platform's work will include addressing the INTOSAI resolution that aims to embed the Lima and Mexico Declarations into international law.

Reports from the CBC Subcommittees

Each of the three CBC subcommittees reported on its work to date. Subcommittee 1, which is chaired by the SAI of the United Kingdom and promotes increased capacity-building activities among INTOSAI members, reported that the guide entitled *Introducing Professional Qualifications for Audit Staff* had been issued and sent to all SAIs. It is being translated into Arabic and German. Two additional guides, *Human Resources Management* and *How to Increase the Use of Audit Reports*, are nearing completion. The steering committee approved the *Introducing Professional Qualifications for Audit Staff* guide and agreed that in the coming weeks it would electronically approve the guides on *Human Resources Management* and *How to Increase the Use of Audit Reports* in order to be ready for the XX INCOSAI.

Sweden reported that a new guide on strategic considerations for SAIs in planning to implement and adapt International Standards of Supreme Audit Institutions (ISSAI) was being drafted. Also, the subcommittee will prepare a paper on INTOSAI's possible role in supporting SAIs during the aftermath of emergencies such as natural or man-made disasters.

Subcommittee 2, which is chaired by the SAI of Peru and develops advisory and consultant services, reported that to develop its database of experts, it has launched an application to register and search for consultants and experts who have worked for member SAIs. To date, 27 SAIs have registered as users. The committee also reported that two guides have been developed:

- The *Guide for Cooperative Audit Programs between SAIs*, prepared by the SAI of Germany, is in the final stage of drafting and is available in English and German.
- *Guidelines for Internship Programs*, prepared by the SAI of Pakistan, has been drafted and will be sent to the subcommittee members for comment.

Subcommittee 3, which is chaired by the SAI of Germany and promotes best practices and quality assurance through voluntary peer reviews, reported that a *Peer Review Guide* and *Peer Review Checklist* have been developed, that 21 peer reviews have been documented to date, and that best practices from those reviews have been incorporated into the guides. The steering committee approved the guide and the subcommittee's request to pursue the possibility of including peer review guidelines in the ISSAI framework to ensure the widest dissemination possible.

CBC Guides and Databases

The following guides are the main outputs of the CBC to date:

- *Building Capacity in Supreme Audit Institutions* (approved by the 2007 INCOSAI)
- *Introducing Professional Qualifications for Audit Staff* (to be approved by the 2010 INCOSAI)
- *Peer Review Guide* (to be approved by the 2010 INCOSAI)
- *Human Resource Management* (to be approved by the 2010 INCOSAI)
- *How to Increase the Use of Audit Reports* (to be approved by the 2010 INCOSAI)
- *Strategic Considerations Facing SAIs Planning to Implement and Adopt the ISSAIs* (draft)
- *Guide for Cooperative Audit Programs between SAIs* (draft)
- *Guidelines for Internship Programs* (draft)

For more details, contact the CBC:

E-mail: cocomptes@courdescomptes.ma, cocomptes_maroc@yahoo.com

Web site: <http://cbc.courdescomptes.ma>, www.cbcdirectory.org

Working Group on the Fight against Corruption and Money Laundering

The Working Group on the Fight against Corruption and Money Laundering, chaired by the Central Auditing Organization of Egypt, held its fourth meeting in Quito, Ecuador, August 5–6, 2010. During that meeting, working group members discussed issues critical to implementing the objectives of the group's 2008–2011 work plan.

- Group members agreed on a framework of mechanisms needed to implement the following themes, which were adopted during the working group's third meeting (held in Jakarta, Indonesia, in July 2009) and are to be considered as draft guidelines for SAIs:
 - preventing and fighting against corruption, including the recovery of confiscated stolen assets;
 - promoting integrity, transparency, accountability, and proper management of government property; and
 - identifying challenges facing SAIs in fighting money laundering.
- Teams were formed to carry out projects to elaborate guidelines for SAIs that draw upon the experiences of others and will help SAIs prepare useful and applicable guidelines for their various systems.
- Group members approved the guidelines developed by the SAI of the Russian Federation on controls to fight corruption and money laundering. The working group and the INTOSAI Development Initiative are discussing ways to cooperate in developing a framework for a professional training program in fighting corruption and money laundering. The guidelines are to be incorporated into the program material; the proposed methodology for implementing and designing the training program will be to develop a pilot program in one of INTOSAI's regional working groups. Based on the results of the pilot, the program will be revised and translated into INTOSAI's other official languages in cooperation with the SAIs of the working group members.
- The working group agreed upon proposed forms of cooperation with international organizations identified as key international partners in the fight against corruption and money laundering:
 - the World Bank Financial Market Integrity Unit and
 - the EGMONT Group.
- The U.S. Government Accountability Office was asked to prepare and implement a report on this area.
- Working group members discussed the analysis of the results of the working group's first questionnaire. The results are to be presented for approval at the XX INCOSAI in Johannesburg, South Africa. The questionnaire was prepared by the Central Auditing Organization and submitted to the working group during its third meeting in Jakarta after being circulated to all INTOSAI working groups for comment. This process reflects the working group's belief that increased

communication among INTOSAI committees and working groups is necessary to reach high-level consensus and that the greater the participation, the more significant will be the outcomes.

- The working group members also discussed the group's draft work plan for 2012–2015.

For additional information, please contact the Central Auditing Organization:

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IDI/AFROSAI-E Management Development Program

IDI and AFROSAI-E have agreed to cooperate in conducting a Management Development Program (MDP) for all AFROSAI-E SAIs in 2009–2011. The program, which encompasses all of AFROSAI-E's past and present capacity-building initiatives, is designed to enable SAI heads, directors, and managers at various levels to make full use of the tools and services AFROSAI-E provides to enhance the efficiency and effectiveness of their institutions.

As part of the program, two 5-day management workshops for senior managers took place August 16–27, 2010, in Durban, South Africa. Workshop topics ranged from the AFROSAI-E capacity-building framework to key management skills required by senior SAI managers and the role of senior managers in planning and other core SAI functions, including ensuring quality.

Twenty of the 23 member SAIs in the region were represented over these 2 weeks. Of the 58 senior managers from audit and corporate sectors who attended the workshops, one third were female senior managers. The participants were introduced to the MDP strategy and capacity-building framework for the region and the elements required to reach the desired level in the framework. Participants were exposed to key management skills, attitudes, and knowledge; expectations from other levels of management; and their roles and responsibilities in fulfilling these expectations. Sessions were also held on the role of senior managers in ensuring the quality of audit reports, following up on audit recommendations, and ensuring effective internal and external communication. The workshops provided a useful platform to strengthen the participants' peer group network. An online discussion forum has been launched to facilitate the continuous exchange of ideas on management-related issues in SAIs.

At the end of the workshop, delegates designed personal action plans to improve management processes in their respective SAIs and committed to submitting a report on implementation and progress by November 30, 2010.



Participants in the August 2010 Management Development Program workshops in Durban, South Africa.

IDI UPDATE



IDI Update keeps you informed of developments in the work and programs of the INTOSAI Development Initiative. To find out more about IDI and to keep up to date between editions of the *Journal*, look at the IDI Web site: www.idi.no.

IDI/ASOSAI Program on Quality Assurance in Performance Audit

A 2008–2009 IDI-ASOSAI program on quality assurance in financial auditing and IDI's 2009 needs assessment survey of target SAIs in ASOSAI revealed a high-priority need for developmental intervention in the area of quality assurance systems in performance auditing.

Based on these considerations, a new IDI/ASOSAI capacity-building program in this area is being developed for 11 SAIs from the following countries: Bangladesh, Bhutan, Cambodia, China, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, Thailand, and Vietnam.

As part of the program, IDI conducted a strategic planning meeting for quality assurance in performance auditing in Vietnam in August 2010. The meeting objective was to sign cooperation agreements with each target SAI to agree on the program design, outcomes, outputs, roles and responsibilities, team composition, and risks to program success. As with similar high-level meetings for other programs, the goal was to build local ownership and commitment in the target SAIs.



Participants in the IDI/ASOSAI strategic planning meeting in Vietnam in August 2010.

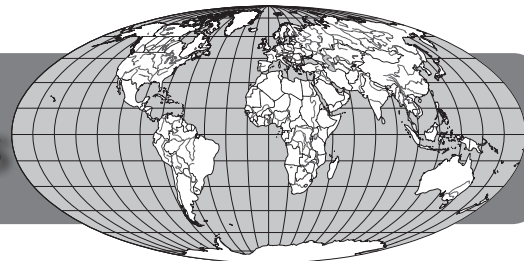
An IDI/ASOSAI instructor planning meeting for the program took place in Bhutan in September 2010. On the basis of the program design that the stakeholders had agreed upon, the meeting focused on developing 2-week courseware and a draft handbook on quality assurance in performance auditing. The handbook will be used later during the program to create a pool of trained staff in quality assurance in performance audit in each target SAI.

Contacting IDI

To discuss any of the issues raised in this edition of the IDI Update, please contact IDI:

E-mail: idi@idi.no
Web site: www.idi.no

INTOSAI 2010-2011 Events



<p>October</p> <p>26–27 10th General Assembly of ARABOSAI, Riyadh, Saudi Arabia</p>	<p>November</p> <p>21 Professional Standards Committee meeting, Johannesburg, South Africa</p> <p>22–27 60th INTOSAI Governing Board meeting, XX INCOSAI, 61st INTOSAI Governing Board meeting, Johannesburg, South Africa</p>	<p>December</p> <p>8–9 Meeting of the Financial Audit Subcommittee, Sandhamn, Sweden</p> <p>14-16 Meeting of the Global Financial Crisis Task Force, London, England</p> <p>27-30 Meeting of the Performance Audit Subcommittee of the Professional Standards Committee, Brasilia, Brazil</p>
<p>January</p>	<p>February</p>	<p>March</p>
<p>April</p> <p>13–14 4th Meeting of the Working Group on Key National Indicators, Helsinki, Finland</p>	<p>May</p> <p>30–June 3 VIII EUROSAI Congress, Lisbon, Portugal</p>	<p>June</p>

TBD = To be determined

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 cannot be included. For additional information, contact the Secretary General of each regional working group.

INTOSAI

