



This year, INTOSAI celebrates its 50th anniversary. It has grown from a small group of 34 supreme audit institutions (SAIs) that met in Cuba in 1953 to become the voice of the worldwide SAI community. Its nearly 190 members represent a wide spectrum of audit institutions working in many different ways to provide their parliaments and citizens with an effective audit of public finances. INTOSAI, as an apolitical international institution working for the mutual exchange of ideas on best practice, is without parallel anywhere else in the public sector.

So how and why has this happened? The simple answer is that INTOSAI has grown organically because its members and, in particular, the heads of SAIs place great value on the opportunity to meet their international colleagues to discuss matters of mutual concern. It is appropriate, therefore, that the XVIII INCOSAI in Budapest in 2004 will examine the possibilities for enhancing bilateral and multilateral cooperation. It is a particular honour that the United Kingdom National Audit Office has been asked to prepare the principal paper on this important subject.

Recent years have seen a substantial growth in bilateral and multilateral cooperation among SAIs. Increasingly, SAIs recognise the need to learn from each other if they are to keep pace with the rapid changes in public sector management, accounting and auditing standards, and

expectations of the role of public auditors. Many formal and informal structures have been developed by SAIs to identify and promote good practice and to tackle issues that cross national boundaries. More recently, there has also been a growing recognition of the benefits of helping developing and transitional SAIs to modernise.

In upholding its motto that mutual experience benefits all, INTOSAI has been at the heart of these developments and has sought to encourage and support cooperation among members. Through its congresses, standing committees, working groups, task forces, meetings, and seminars, it has worked to facilitate the effective transfer of knowledge among SAIs. Over the last 15 years, through its support for the INTOSAI Development Initiative (IDI), INTOSAI has launched a major professional development initiative to build training capacity across SAIs.

Why and How Do We Cooperate?

There are perhaps three distinct drivers for multilateral and bilateral cooperation among SAIs. These are the need to

- promote accountability and good governance,
- promote good practice, and
- support institutional capacity building.

Cooperation to Promote Accountability

One consequence of globalisation is the significant increase in the joint working between nations through international treaties and cooperation projects to achieve common ends for the benefit of the citizens of their countries. International treaties may involve significant shifts of responsibility from national governments to international institutions—for example, the move towards a closer European Union by many countries in Europe and the creation of Mercosur in Latin America.

International multilateral or bilateral projects, such as the building of dams or the development of new defence equipment, often result in the establishment of new cooperative management structures that require a similarly joined-up audit.

International treaties also generate additional national responsibilities and duties (for example, treaties relating to environmental issues), which SAIs may be called upon to examine. Multilateral and bilateral cooperation is a natural consequence of the need to hold national governments to account for policies that can only in practice be implemented internationally.

Where international treaties involve a significant transfer of national sovereignty to an unstructured institution such as the European Union, there are usually well-defined structures for the involvement of SAIs. There are also well established guidelines for the audit of the entities of the United Nations system by the community of SAIs. The XVII INCOSAI in Seoul in 2001 established a working group to examine the audit arrangements for other international institutions with less well-defined auditing arrangements.

Many SAIs also work together on audits related to common areas of interest that cross national boundaries—for example, infrastructure projects, customs, immigration, and development or environmental issues. This cooperation takes many different forms, and it is increasingly recognised that good accountability arrangements and the involvement of SAIs builds trust in international cooperation.

Cooperation to Promote Good Practice

SAIs also cooperate to learn about how others deal with similar problems and issues. Ideas on good governance, accountability, and management of public resources move rapidly among nations and across continents. These changes call for SAIs to respond quickly to new audit approaches and techniques. Where some SAIs have found ways of auditing a new initiative, such as privatisations of public enterprises, then that experience can be made available to other countries tackling the same issues. This does not mean that one country must always copy a model or an approach developed elsewhere, but countries should be aware of such models, critically examine them and adapt them, if relevant, to their own circumstances.

Across the SAI community, there are regular programmes of formal high-level bilateral visits as well as less formal professional exchanges. There is also a significant volume of staff exchanges. Staff exchanges provide an opportunity for both the recipient and the provider to learn from first-hand practical experience of each other's approaches and methods. There are telephone and e-mail exchanges between staff working on similar audits. Reports and other publications are regularly shared via Web sites and mail. In many ways, these exchanges are the bedrock of multilateral and bilateral cooperation. Good communication is the foundation for mutual trust, respect, and understanding of the cultural, political, and administrative differences between SAIs and is an essential pre-condition for effective cooperation.

SAIs use many different formal ways to identify and promote good practice. First and foremost are the committee, working group, and task force structures established within the framework of INTOSAI both internationally and regionally. The committees and working groups provide a range of good practice guidance as well as an opportunity for SAIs with similar objectives and needs to meet regularly to share practical experiences in a particular area of work.

Cooperation to Support Institutional Capacity Building

Cooperation is also driven by the desire to help build capacity across the SAI community. SAIs have a responsibility to find constructive and culturally appropriate ways of cooperating to help build capacity and establish, or reestablish, effective SAIs in those countries that wish to develop their systems of public accountability. Major donor institutions increasingly recognize the contribution sound public audit can make to good governance and accountability and the importance of modernising audit institutions.

This is a challenge that individual SAIs are unlikely to be able to meet alone. However, by pooling knowledge and expertise, SAIs can improve the services they provide to their communities and governments. Across the SAI community, there is a vast appetite to modernise. Audit institutions want to upgrade their audit practices to provide their parliaments, governments, and citizens with better, more useful information.

INTOSAI has a clear strategy related to the worldwide development of training capacity through IDI. However, a further challenge is to ensure that the skills and knowledge acquired during training are being applied.

Capacity building projects are longer term arrangements aimed at helping an SAI develop and modernise. Such projects are likely to engage with most aspects of running a modern audit institution, including strategic planning, resource management, procurement, human resource development, public relations, and training and support in conducting modern financial and performance audits. These major projects tend to be funded by grants from the European Commission and national development agencies or by loans provided by the World Bank and other development banks. Currently, there are not good practice guidelines on how to take such work forward.

As an organization, INTOSAI must be flexible and develop to meet the evolving needs of its members. It is, I think, essential that we retain the key characteristics of inclusiveness, cooperation, and openness that allow the organisation to respond to the real world in which its members live. We must be careful not to presume that “one size” really does fit all: to assume that what works well in one country or in one type of audit institution will do so in another is presumptuous. In reality, it is the very diversity of the ways in which SAIs tackle similar problems that provides the inspiration for changes within our own institutions. For the past 50 years, mutual experience really has benefited all the members of INTOSAI. We must work hard to ensure that the next 50 years are equally successful. I am sure that we will.

NEWS



Brazil

New Initiatives and Compliance Guide for the Court of Audit

Mr. Valmir Campelo, the new President of the Tribunal de Contas da União (TCU), the Brazilian Court of Audit, has detailed his plans for the institution. He stated that “among the many initiatives that I intend to implement in order to ensure the proper management of federal public resources and the constant fight against corruption and waste of public resources, there are three measures that will be carried out immediately.”

The first measure will be to consolidate the TCU’s relationship with Brazilian society, the Congress, public agencies, and the media to increase the exchange of information supporting external control. The second measure is to improve social control by providing more information to citizens regarding public management and by encouraging citizens to report irregularities. The third measure is improving the use of information technology, which will enable the TCU to perform more timely and productive audits.

Mr. Campelo has also approved the *Compliance Audit Guide*, which is designed to improve the performance of technical staff by

basing their work on international standards. The procedures and roles defined in the guide will help audit teams structure the planning, execution, and drafting of reports logically and efficiently in order to optimize results and reduce the time it takes to close cases. To this end, the TCU adopted the basic principles and general standards defined by INTOSAI, as well as standards adopted and disseminated by the Project of Professional Development in Audit.

Among other standards, the guide defines the roles of audit supervisor and coordinator, the steps to be taken in the planning stage, the structure of the audit findings, and essential requirements for the report. In addition, the guide calls for implementing a system to control audit quality that is based on evaluating compliance with official standards by different internal agents involved in the process.

To maintain the TCU’s strategy of employee appreciation and investment in the quality of services, Mr. Campelo has approved capacity building training for all auditors and external control technicians involved in compliance audits so that they can familiarize themselves with the new standards and procedures.

The *Compliance Audit Guide* and training are additional measures to further the development of audit professionals. Following the example of excellence that has been

achieved and recognized in program evaluation, compliance audits will now aim for superior quality by applying a methodology that is compatible with those used by the best supreme audit institutions and private audit firms.

For more information, contact: Tribunal de Contas da União, CEP-70042-900 Brasília D.F.; tel: ++55 (61) 316 - 7443, - 7626; fax: ++55 (61) 316 - 7522; e-mail: arint@tcu.gov.br; or Web page: www.tcu.gov.br.

Canada

Auditor General Reports on Risk Management in Federal Government

According to a report tabled in the House of Commons by the Auditor General of Canada on April 8, 2003, Canada's federal government is still in the early stages of integrating risk management into the ongoing operations of all federal departments and agencies. Auditor General Sheila Fraser commended the government for adopting the Integrated Risk Management framework 2 years ago and urged the Treasury Board Secretariat to monitor departments' efforts more closely and provide more guidance and practical advice in order to keep the initiative from stalling.

"The government must make many choices in its daily operations, despite uncertainty," said Ms. Fraser. "These choices have a significant impact on all Canadians. Good risk management can make the public service more effective and give Canadians better value for money by improving program management and service delivery."

The report begins with a chapter on the government's progress in adopting measures under the Integrated Risk Management framework that the Treasury Board Secretariat adopted in April 2001. Subsequent chapters deal with issues that reflect how well

departments are managing their particular risks.

"These days, people are more aware of extraordinary risks, such as terrorism or threats to our health like SARS," said Ms. Fraser. "But managing risk means more than preparing for the worst; it also means taking advantage of opportunities to improve services or lower costs."

The report, along with news releases for each chapter, is available on the Office of the Auditor General's Web site at www.oag-bvg.gc.ca. The titles of the news releases for each chapter are as follows:

- Chapter 1. Integrated Risk Management: Managing risk is fundamental to good government
- Chapter 2. Managing the Quality of Financial Information: New financial systems are not yet fully utilized
- Chapter 3. Canada's Strategy to Combat Money Laundering: Strategy to combat money laundering and terrorist financing faces many challenges
- Chapter 4. Correctional Service Canada – Reintegration of Women Offenders: Much has been accomplished but critical areas need to be addressed
- Chapter 5. Citizenship and Immigration Canada — Control and Enforcement: Citizenship and Immigration: Canada faces a growing backlog of removal orders and does not know how well its immigration border controls are working
- Chapter 6. Federal Government Support to First Nations—Housing on

Reserves: Many First Nations are facing a critical housing shortage that is likely to worsen

- Chapter 7. National Defence—Environmental Stewardship of Military Training and Test Areas: Realistic military training and testing competes with environmental stewardship

For more information, contact Ms. Julie Hébert, Communications, by telephone at ++(613) 952-0213, ext. 6292, or by e-mail at communications@oag-bvg.gc.ca.

Estonia

New Auditor General

On February 25, 2003, the Riigikogu (the Parliament of Estonia) appointed Mr. Mihkel Oviir to be the Auditor General of Estonia. Mr. Oviir began his 5-year term on April 1, 2003, when he took the oath of office before the Riigikogu.



Mr. Mihkel Oviir

Mr. Oviir has pointed out that establishing and maintaining good working relations between the State Audit Office and the Parliament, its committees, and the rest of the government is important in enhancing audit effectiveness. He plans to give major attention to improving internal control systems in the public sector and assisting in the development of the model of external audit of local governments. Mr. Oviir hopes to guarantee the efficiency of

the State Audit Office through high-quality audits, professionalism, and staff dedication.

Mr. Oviir graduated in 1975, cum laude from the Faculty of Law of Tartu University. His career in public service began while he was attending the university with a position in the Ministry of Justice. Mr. Oviir worked at the ministry for 30 years; for the last 10 years, he served as the ministry's Secretary General. Before being appointed the Auditor General, Mr. Oviir served as the Deputy Legal Chancellor-Advisor of the Republic of Estonia.

In 2001, the President of the Republic awarded Mr. Oviir the III Class Order of the White Star.

For more information, contact: The State Audit Office, by telephone: ++372-640-07-00, fax: ++372-661-60-12 or by email at: info@riigiKontroll.ee.

Iran

Second ECOSAI International Training Course Held

From January 18-31, 2003, the Supreme Audit Court (SAC) of Iran hosted the second regional Training Course on Internal Controls

sponsored by ECOSAI (the Economic Cooperation Organization of Supreme Audit Institutions). The course was held in Tehran with the participation of 24 auditors from the SAIs of Pakistan, Turkey, Tajikistan, and Iran. Mr. Seyed Kazem Mirvald, President of the SAC of Iran, welcomed the course participants at the opening session.

The topics addressed during the 2-week course included the following: management control systems, comprehensive auditing, internal controls, analytical auditing, risk analysis and internal control systems, the role of information technology, and relationships with nongovernmental entities. The participants also shared their experiences through class discussions on auditing public companies and comparisons of their respective mandates and the relationship of their SAIs with parliament. In addition, the participants had the opportunity to visit different historical, cultural, and economic centers in the area.

For additional information, contact: Supreme Audit Court, No. 99, Shahid Golabi, St. Karinkhan Zand Ave., Tehran, Iran; fax: ++98 (21) 890 04 04; email: irisac@majlis.ir.

Saudi Arabia

General Auditing Bureau's Activities and New President

The General Auditing Bureau (GAB) has announced the appointment of a new President, His Excellency Mr. Osama Jaffer Faqeeh, whose term began May 7, 2003.

The GAB has participated in a variety of meetings and workshops during 2003. On April 26, 2003, the GAB President met with His Excellency Mr. Asif Ali, Comptroller and Auditor General of Bangladesh, during which both SAIs pledged their continuing cooperation and support. A representative from the GAB attended the INTOSAI Working Group on the Audit of International Organizations held in Tokyo, Japan, on April 23-25, 2003. On April 14, 2003, senior GAB staff held their third annual meeting to discuss recommendations and resolutions pertaining to GAB auditing activities.

The GAB also held several types of training. From May 17-21, 2003, a workshop entitled "Methods of Detecting Fraud and Corruption" was held in Riyadh and attended by SAI staff from the Gulf Cooperation Council (GCC). Topics discussed at the workshop included the concepts, types, and consequences of fraud and corruption and the role and responsibilities of auditors and SAIs in detecting fraud and corruption. The workshop was part of a training program for GCC staff approved by the Permanent Training Committee at its ninth meeting held at Muscat in the Sultanate of Oman.

The GAB's participation in a variety of local and overseas sessions on auditing, management, EDP processes, and the English language was also part of the training plan. GAB staff have also completed the first phase of their 2003 in-house training.



Participants at second ECOSAI regional training course.

For additional information, contact: General Auditing Bureau, P.O. Box 7185, University Street, Riyadh 11128, Saudi Arabia; fax: ++966 (1) 403 20 57; e-mail: gab@zajil.net.sa; Web page: www.gab.gov.sa.

Switzerland

2002 Annual Report

In February, the Swiss Federal Audit Office (SFAO) submitted its Annual Report 2002 to the Federal Council (Government) and to the Joint Standing Committee on Finance (Parliament). The report was subsequently presented to the media. The publication is available in German, French, and Italian in print and on the SFAO's website. The SFAO prepared about 200 reports regarding the audit of central government offices, organizations, foundations, and state-owned companies. It also performed additional certification audits as external auditors of international organizations.

The report highlights audit results for the annual accounts of the Swiss Confederation and focuses on conclusions drawn from supervising the construction of the New Alpine Rail Axis, the Federal Institutes of Technology, EXPO.02 (the Swiss National Exhibition) swissmedic (a Swiss agency for therapeutic products), and the use of a government loan to Swissair. The SFAO is putting increasing emphasis on audits of systems and processes, especially in relation to the use of information technology within the Swiss Federal Administration.

A number of federal offices and agencies are now managed by performance mandate and global budget mechanisms, in accordance with the principles of New Public Management, a management model that will lead to savings through improved efficiency if it is implemented as intended. In this context, the SFAO examined in depth the performance mandate and the performance agreement 2000–2003

of MeteoSwiss (the Swiss Meteorological Institute).

The report also provides information on the SFAO's training efforts, the management of its resources, the celebration of its 125th anniversary, and its international activities.

For more information, contact: Swiss Federal Audit Office, Monbijoustrasse 45, CH-3003 Bern, Switzerland; e-mail info@efk.admin.ch; Web site: <http://www.sfao.admin.ch>.

Trinidad and Tobago

Report on Public Accounts for Financial Year 2002

On April 28, 2003, Auditor General Jocelyn Thompson signed and submitted the report on the public accounts of the Republic of Trinidad and Tobago to Parliament. The statutory deadline for submitting this report to Parliament was April 30, 2003. The Auditor General's report has been referred to the Public Accounts Committee of Parliament.

The report focuses on the legislative audits of the Treasury and the ministries and departments of the central government as required by the Exchequer and Audit Act, Chapter 69:01. The report drew Parliament's attention to key weaknesses and made recommendations to address these weaknesses. Weaknesses were identified in the system of internal controls in ministries and departments, maintenance of pension and leave records, preparation of formal lease/rental agreements, preparation of formal agreements for contract employment, maintenance of deposit accounts, and submission of financial statements by administering officers.

The report also included a chapter on follow-up exercises that the Auditor General's office undertook on two previous special reports: a special audit of public administration and information and a

comprehensive audit of the Ministry of Education's School Nutrition Program.

The report also included extracts of four reports on special audits that the audit department completed during financial year 2002.

Generally, the findings of the special reports indicated the need for better internal controls and clearer policies, procedures, and guidelines, which will lead to improved transparency and accountability.

Recommendations were made in an effort to assist management in moving towards greater accountability and transparency without extravagance and waste.

For more information contact: The Auditor General's Department by telephone: ++868-625-4255; fax: ++8686-627-0152; or by e-mail at: Audgen@opus.co.tt.

United States of America

2003 International Auditor Fellowship Program Begins

The participants in the 2003 International Auditor Fellowship Program began their 16-week program at the U.S. General Accounting Office (GAO) in Washington, D.C., on May 12. The fellows, mid- to senior-level managers from GAO's counterpart offices around the world, are spending the summer at GAO engaged in an intensive course of study in the approaches, techniques, and methods of performance auditing in government. In addition to classroom training, the fellows will observe GAO employees at work in headquarters and in the field.

This year's international fellows are from Cameroon, Costa Rica, El Salvador, Ethiopia, Gambia, Hungary, Indonesia, Kenya, Pakistan, Papua New Guinea, St. Lucia, South Korea, Trinidad & Tobago, and Uganda.



GAO's 2003 International Fellows

For more information, contact the US General Accounting Office, by telephone: ++202-512-4707, fax:++202-512-4021 or by email at SPEL@GAO.GOV.

Vietnam

Recent Auditor General Decisions

Recently, the Auditor General of Vietnam has undertaken several initiatives to improve operations in the Office of State Audit of Vietnam (SAV). First, he has implemented a project to computerize administrative operations at the office. The objectives of this initiative are to

- set up a basic information technology (IT) infrastructure,
- complete and unify IT applications,
- facilitate the design and maintenance of the database system,
- promote state auditors' ability to use audit techniques,
- provide IT training for SAV staff, and
- enhance the reform of administrative procedures, the organizational apparatus, and the working culture.

Second, the SAV has promulgated a single system of formats for audit files, auditing minutes, and audit reports. This initiative is designed to begin the process of making all SAV audit documents uniform.

For more information, contact Dao Thi Thu Vinh, International Cooperation Division, State Audit Office, 33 Hung Vuong, 16 Le Hong Phong, Ba Dinh, Hanoi; fax: ++84 (4) 843 31 45 or email: sav@fpt.vn.

Yemen

SAI President Named to Committee to Fight Corruption

Among the measures taken to establish sound financial management as a critical element of economic growth and to strengthen the democracy, the President of the Republic of Yemen has formed a high-level committee headed by the Prime Minister to enhance the protection of public funds and to fight corruption. Prof. Dr. Abdullah Ahmed Farwan, the President of the Central Organization for Control and Auditing (COCA), the supreme audit institution in Yemen, has been named as a member of the committee, along with the Director of the Office of Presidency of the Republic. The committee's role will be to coordinate between Yemen's control and judiciary institutions and make recommendations for

reforming public funds protection and fighting corruption.

The committee has prepared an integrated matrix (strategy paper), which lists the following as the most important issues it needs to address:

- To support and develop a systematic approach for protecting public funds and fighting corruption.
- To modernize laws and by-laws that help protect public funds and fight corruption.
- To develop and improve the institutional structure to enhance the activities of the internal audit systems.
- To activate the role of internal audit departments in government entities.
- To integrate data-base information.
- To review the legislative framework related to loans, aid, and the related data base, and ensure that all government entities close their final accounts on time.
- To review the structure of the payroll system.

Fifth Consultation of SAI and Judiciary Entities Held

The top management of COCA, the SAI of Yemen, and judiciary organizations held their fifth consultation meeting in April 2003. The main objective of this meeting was to prepare a common frame of reference to enhance the role of different control institutions in protecting public funds. The meeting resulted in the following decisions and recommendations for action:

- Formulate an effective mechanism to follow-up and cooperate effectively. Some subcommittees have been established for this purpose.
- Make necessary modifications to some financial laws, specifically those related to monitoring high-ranking government officials to bid procedures and government stores, and to state issues.
- Develop the skills of staff of the organizations by providing more effective training and experience.
- Complete judiciary organizations throughout the nation.

For additional information, please contact: Central Organization for Control and Auditing, P.O. Box 151, Sana'a, Yemen; fax: ++967 (1) 44 31.



RIKSREVISIONEN
 The Swedish National Audit Office

The Creation of a New Swedish SAI

On July 1, 2003, Riksrevisionen – a new Swedish state audit institution with three Auditors General – replaced Riksrevisionsverket and the Parliamentary Auditors. The staff of both these organizations will together constitute the staff of Riksrevisionen, which will be the supreme audit institution of Sweden, keeping the English name formerly used in the international context, the Swedish National Audit Office.

Riksrevisionen Sees the Light of Day

The birth of Riksrevisionen, the new Swedish National Audit Office, constitutes a drastic change in the role and position of the Swedish state audit.

The question of transferring complete responsibility for the state audit institution from the Government to the Parliament has been debated by the Swedish Parliament in different contexts since the 1980s.

However, in 1998 the Parliament set up a commission, called the Parliamentary Commission (Riksdagskommittén), to review the Parliament's capacity for follow-up, evaluation, and audit. A reference group, with members from all political parties represented in Parliament, worked with this commission on auditing issues. Its work mainly focused on how an audit institution could be guaranteed the highest possible independence in its operations. The reference group was also to decide whether the Government or the Parliament should be this institution's Principal.

In its report, the commission suggested that in the future, the state audit function report directly to the Parliament. A single Auditor General, elected by the Parliament, would be head of this state audit institution and the official duties should be stipulated in the constitution. The Auditor General would then report to a Parliamentary Board, which would decide on the budget and the financial statements and report on results. It should also determine what audit conclusions are to be submitted to the Parliament. During the fall of 2000, the Standing Committee on the Constitution prepared the Parliamentary Commission's proposal.

However, a political compromise led to the decision to appoint three Auditors General instead of one. This sprang from the belief in spreading out the mandate that this position will hold. The three are to be elected by the Parliament for 7-year terms. To create an initial overlap in the terms, the first three Auditors General have been appointed for different lengths of time: Ms. Eva Lindström—7 years, Mr. Lennart Grufberg—5 years, and Mr. Kjell Larsson—3 years.

In December 2000, the Parliament unanimously approved the proposal to set up a new Swedish SAI under the name of Riksrevisionen to be led by three Auditors General.

Riksrevisionen started operating on July 1, 2003, and will considerably strengthen the Parliament's control power.



The three new Auditors General are (from left to right):

Kjell Larsson was previously employed by Riksrevisionsverket. Since 1996, he has been working for the OECD and later was active in the European Commission as Head of Unit, Support to Candidate Countries and External Relations, in building anti-fraud and corruption systems.

Eva Lindström previously worked as Head of the Budget Department of the Ministry of Finance. She had also pursued a career within the Ministry of Finance and been a member of the councils of the Swedish National Audit Office, the National Financial Management Authority, and the Swedish Agency for Administrative Development.

Lennart Grufberg was formerly the Chairman of the Supervisory Board of Public Accountants and Chairman of the National Audit Committee, which was charged with proposing the internal structure of the new SAI. Up to his appointment as Auditor General, he had been President of the Administrative Court of Appeal and, before that, Deputy Director General of the Swedish National Tax Board.

The Role of Riksrevisionen

This new SAI will audit the complete activity of the state and thus help maximize resources and promote efficiency.

As a major component of parliamentary oversight, the new SAI will have an important role in the democratic system. Its main task will be to fulfill the mission given to it by the Parliament to control the use of tax revenues.

Riksrevisionen will have an independent position guaranteed by the constitution. Accordingly, the three Auditors General will decide for each of their areas of responsibility what audits to take on, how to carry them out, and what conclusions to draw from them. They will together agree on matters of mutual internal interest, such as audit and action plans and administrative issues of the organization.

This independent state audit organization will have a similar position to that of national audit institutions in most other countries with an Auditor General system.

The Parliament and the Government will be the most important recipients of the results of the Riksrevisionen's work, audit reports, and conclusions. In this way, the politicians will have the opportunity to use the audit conclusions of Riksrevisionen in the political decision-making process.

Vision

The new Riksrevisionen's goal is to maintain and develop the good characteristics of its two predecessors and become a supreme audit institution carrying the stamp of professionalism, integrity, and a new spirit – an organization with an impeccable reputation both nationally and internationally!

Main Tasks of the New Organization

The main tasks of Riksrevisionen will be to continue carrying out financial and performance audits. Riksrevisionen will succeed Riksrevisionsverket as a member of INTOSAI and EUROSAI and will also continue other international operations.

The primary aim in gathering the state audit resources under the Parliament has been to create a state audit covering the complete chain of decision-making and operations within the executive branch of the state. Riksrevisionen will have the mandate to audit the activities carried out by the Government but may not audit the official duties performed by the Ministers. This will remain a task for the Standing Committee on the Constitution.

The Organization

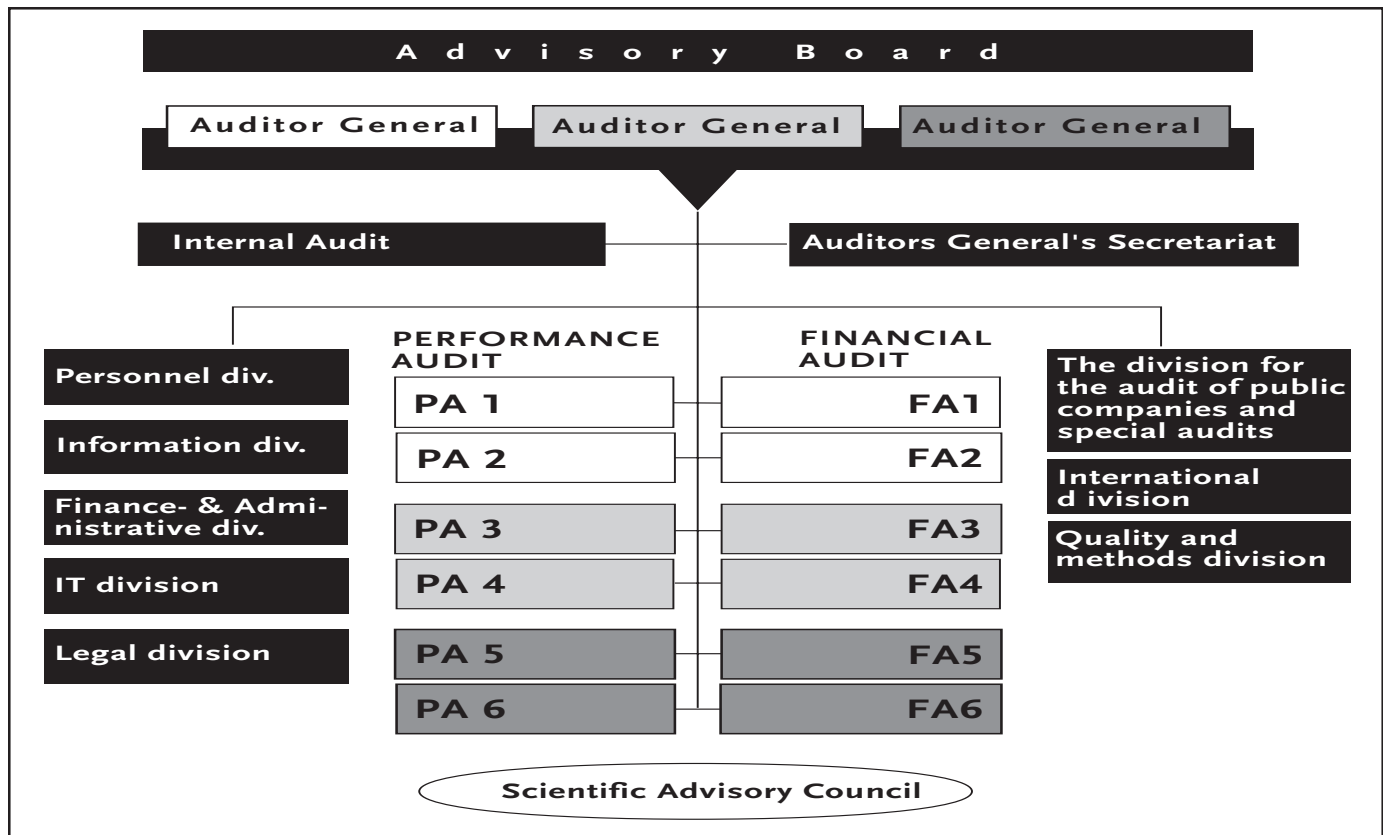
The chart on page 14 shows the organization of the Riksrevisionen. It will consist of six departments for financial auditing and six for performance auditing. There will be three main areas where audits will be carried out:

- public safety, coordination, and administration of finance;
- welfare and health; and
- education and development.

The responsibility for these areas will circulate among the Auditors General, who will be actively involved in the auditing process within their areas of responsibility. Each Auditor General's main area of responsibility consists of two financial audit departments and two performance audit departments. The area of responsibility for each performance audit department will be reflected in a corresponding department for financial audit.

Riksrevisionen will also have three special divisions: the international division, the quality and methods division, and the division for the audit of public companies and special audits.

Riksrevisionen Organizational Chart



The **international division** will coordinate the SAI's international engagements, including international assignments in the areas of capacity building or external audit of international organizations.

The **quality and methods division** will be responsible for the development and management of the processes for quality assurance as well as development of methods and support for these areas within both financial and performance audits.

The **division for the audit of public companies and special audits** will be responsible for audits of state-owned companies and will take part in more in-depth audits of essential problem areas.

Riksrevisionen will also have a number of support divisions to assist in the daily administration of the organization.

The Advisory Board of Riksrevisionen

The Parliament has appointed an advisory board for the Swedish National Audit Office consisting of 11 sitting members and 11 deputy members. The current members of the advisory board, who were appointed in March 2003, are all, or have been, Members of Parliament.

The division of responsibilities between the Auditors General and the advisory board has been subject to discussions, and the following solution has been reached:

The role of the advisory board is stipulated by the constitution. The advisory board will be free to consider if—and what—political decisions need to be made in view of the SAI's conclusions and recommendations in the audit reports. However, the advisory board does not have the right to object to the conclusions and recommendations in the reports. The advisory board also decides the budget proposal for the SAI and determines the new organization's financial statements and reports on results.

Before the Auditors General make their final decision, the advisory board is also to comment on the Auditors General's proposed yearly audit plan for the audit departments. The Auditors General in turn are to report to the advisory board on how the audit plan is followed throughout the year. The plan is the basic tool for steering and planning purposes on a strategic level. It will be complemented by a more detailed action plan specifying all audit activities.

Scientific Advisory Board

The Parliament has decided that the Scientific Advisory Board is to be tied to the new organization. The Scientific Advisory Board is a forum for discussions for the Auditors General on central strategic issues.

International Work Continues

Riksrevisionen will maintain and develop the international commitments and the extensive external contacts of its predecessors. It will also continue to contribute to developing the state audit capability of other countries. A condition for this, however, is that the financing and organization of the international assignments are structured so that the independence of Riksrevisionen cannot be questioned. Riksrevisionen can also be a candidate for the position of external auditor in international organizations of which Sweden is a member. The three Auditors General will share the responsibility for representing Riksrevisionen internationally.

In other words, Sweden will remain as Chair of the Auditing Standards Committee until 2004; Sweden will also remain a member and active participant of other INTOSAI committees and working groups.

For more information, contact: Riksrevisionen, Nybrogatan 55, 114 90 Stockholm, Sweden; telephone: ++46-8-51714000; fax: ++46-8-51714100; Web site: <http://www.riksrevisionenr.se>; e-mail: int@riksrevisionen.se.

SAI Bangladesh: Work Plan for Enhancing Capacity

By Asif Ali, Comptroller and Auditor General of Bangladesh

The Office of the Comptroller and Auditor General (CAG) of Bangladesh has embarked upon a four-phased planning cycle to improve audit quality and to increase efficiency by enhancing its capabilities. This new project has identified short-term, mid-term, long-term, and tenure-term goals and is expected to result in more coherence, integration and accountability in all areas of my institution's activities. I initiated this project when I assumed office earlier in 2003, and I am pleased to share our experiences with Journal readers.

A Four-Phased Work Plan

Short-term Goal: This first phase of the project began in January 2003 and is aimed at confidence building. During this cycle, the CAG visited all field offices and provided necessary guidance and instructions. All senior and mid-level officers were addressed on different occasions and the necessity to raise the quality of audit was underscored with them.

Short-term goals

- Ensuring punctuality and discipline at all levels
- Improving the office environment
- Increasing supervision, monitoring, and inspection activities
- Distributing work rationally
- Maintaining a daily workbook
- Taking stock of pending work and settling it within prescribed time frames
- Improving work quality

Mid-term Goal: During this 6-month period, a strong foundation is being built during phase one; future targets will also be identified. The majority of targets in this planning cycle are already being achieved, due in large part to the involvement of senior and mid-level officers in the field audit. This involvement should significantly increase the quality of audit by using the experience of upper level officials.

Mid-term goals

- Preparing strategic plans for all audit directorates
- Updating the list of all audit organizations and setting priorities of national importance in selected audit organizations
- Rationalizing staff days of audit teams
- Initiating effective audit briefings and in-house training
- Enforcing effective monitoring, supervision, and inspection of audit teams
- Ensuring timely submission of inspection reports by the audit parties
- Enhancing inspection report editing capabilities
- Involving senior and mid level officers in actual audits
- Ensuring quality audit reports that are meaningful to stakeholders

Long-term goal: The long-term goal is expected to take 1 year and should receive a positive boost from the successful implementation of the mid-term goals.

Long-term goals

- Establishing an Audit Forum comprising all Directors General
- Identifying reform areas in standards, methodologies, and techniques
- Evaluating the Railway Audit
- Modernizing the Training Academy and its course curriculum
- Starting construction of a new office building (Audit Bhaban)

Tenure-term goal: This goal encompasses the length of the present CAG's tenure. These changes will be possible through the effective implementation of the short-term, mid-term and long-term plan of the CAG.

Tenure-term goals

- Ensuring quality of the audit report
- Modernizing the audit system through a transition to performance audits
- Introducing information technology (IT) audits

Major Steps Underway

To achieve the goals established in the above plans, the CAG has undertaken a number of initiatives. These include the formation of different committees to identify and suggest ways to achieve planned goals. We have already achieved our short-term objectives. Some of the actions taken include the following:

- **An internal control system survey.** This survey of the CAG's internal control systems was conducted by a committee that submitted its report on March 15, 2003. The Office of the CAG is implementing the most important of the survey's recommendations. All Audit Directorates and other subordinate offices have been instructed to carry out similar studies within their respective offices, and to implement any recommendations made.

- **Modernizing course curricula for probationary officers.** A committee was formed to examine the existing curricula of departmental training courses of the Bangladesh Civil Service (Audit & Accounts) Probationary officers. The committee revised and updated the departmental academic courses, incorporated a training simulation model, and established a program for short-term attachments to different training institutes and Charter Accountants (CA) firms. The committee's April 2003 report was circulated to all heads of departments for their comments. The syllabus is expected to be finalized soon and will become operational following concurrence by the appropriate authorities.
- **Enhancing the capacity and delivery of the Financial Management Academy (FIMA).** An in-depth study of FIMA was submitted to the CAG on February 18, 2003. The study—which looked at FIMA's set-up, personnel, course curricula and effectiveness, feedback, course logistics, and IT training, and recommended ways to increase capacity—is under active review by the CAG's office.
- **Updating Railway Accounting procedure.** A task force was constituted to recommend measures to update the existing manuals and codes of the Bangladesh Railway system. The task force submitted its report on March 25, 2003, and the recommendations are under consideration by the CAG's office.
- **Service intricacy of Railway Accounts personnel.** A committee was formed to identify the intricacies in the service and other employment matters of the Railway Accounts personnel and to recommend suggested measures. On March 15, 2003, the committee submitted its report, which is under active consideration.
- **Railway Audit Management.** A committee was formed to evaluate the Railway Audit Manual and to assess the effectiveness and appropriateness of the administrative and managerial aspects of the Railway Audit Directorate. The committee was also charged with looking into the existing auditing approach. It submitted its report on April 20, 2003, and its recommendations are being considered by the CAG.
- **Designing a Model Inspection Report (IR) and Final Audit Report.** A committee is working to develop a model reporting format that is easily understandable and attractive to the various users.
- **Review of activities of the Overseas Missions Audit Directorate.** A committee submitted its review of the directorate on April 27, 2003. The review identifies weaknesses in the planning and execution of overseas audit programs and suggested measures to improve reporting by Bangladesh Embassies abroad. The report is now under consideration.
- **Human Resource Development.** A draft proposal to establish guidance and criteria for selecting officers for overseas training has been sent to all departments for comments and suggestions. When finalized, these policy guidelines and criteria will help the SAI improve personnel planning.

- **Information Technology policy.** A policy framework of IT Policy (including IT Audit) is being prepared. The CAG expects this framework to be finalized soon.
- **Reforms.** The CAG office anticipates that the Financial Management Reforms Project—which is funded by the UK’s DFID and the Royal Netherlands Embassy—will help us to move forward with actions needed to successfully implement our goals. Furthermore, our work recognizes and builds on previous reform projects such as Reforms in Budgeting and Expenditure Control, Strengthening the Office of the CAG and FIMA.

The success of the CAG office’s efforts to enhance the capabilities of the SAI depends on our ability to meet the goals of the four-phased planning cycle. As we move toward a new future, we are dedicated to developing a more dynamic and professional institution. Effective international cooperation with other SAIs within the ASOSAI community and globally through INTOSAI will also help us achieve our goals.

For more information, contact: Office of the Comptroller and Auditor General, telephone: ++880-2-931-46-53; fax: ++880-2-831-26-90; and email: ahsan@cagbd.org.

Audit Profile: The Office of the Federal Auditor General of Ethiopia

By Senait Melese Ejige, Audit Department Head

History

Ethiopia, situated in the horn of Africa, is the oldest independent country in Africa and one of the oldest independent countries in the world. The history of Ethiopia's supreme audit institution (SAI) goes back to the early 1931 constitution, which stressed the importance of the proper collection of the state revenue and the necessity of procedures to control expenditures but stopped short of either referring to or requiring any audit as such. This, in fact, had to wait for proclamation 69 of 1944, which established the Commission for Audit.

Under this proclamation, the Commission was charged with the audit of the accounts of the Ministry of Finance, whereas the financial transactions of other ministries were inspected and controlled by the Ministry of Finance itself. A Comptroller and Auditor General and a Director General headed the Commission. The Commission reported directly to the Prime Minister.

The Commission for Audit had neither the professional independence of modern day SAIs nor the broad scope of audit covering budgetary organizations of the time. However, the latter shortcoming was corrected after only 2 years when proclamation 69/1944 was amended by proclamation 79/1946. The amended proclamation centralized the audit of all government accounts under one audit department, which was established as the Audit and Control Department, which continued under the leadership of the Comptroller and Auditor General and still reported to the Prime Minister. Although its status, which defined its independence, remained the same, its power and duties were substantially increased.

The Audit and Control Department continued to function until 1952 when it was amalgamated with the Ministry of Finance's Control Department without any legislative provision. This proved to be a clear setback in the process of developing an independent national audit institution. But the promulgation of the 1955 revised constitution put Ethiopia back on course to establish such an institution.

Articles 120 and 121 of the revised constitution of 1955 clearly conferred the rights and duties of auditing all ministries, departments, and agencies to the Auditor General, whose office was then established as a separate, independent entity that reported directly to the Emperor and to Parliament. These articles required the Auditor General to submit periodic reports to the Emperor and to Parliament on the financial operations of the government, and entitled the Auditor General to access all books and records pertaining to government accounts. However, detailed functions and reporting requirements were the subject of later legislation based on the provision of the constitution.

The detailed arrangements and functions of the office were later amended by Parliament to include additional provisions requiring the Auditor General to appear

before Parliament, when requested, to explain the execution of functions entrusted to him. The amended legislation was issued as proclamation 1961. The new proclamation, in addition to defining powers and duties, also envisioned conditions of appointment and independence of the Auditor General and reporting mechanisms.

The provisions of this legislation established an adequate basis for financial audit practice but did not provide a mandate for expanding the scope of audit to enable the Auditor General to carry out performance or program evaluation audits. However, this was done after the 1974 revolution when proclamation 164/1979 was issued to redefine the power and duties of the Auditor General.

Proclamation 164/79 substantially increased the traditional power and duties of the Auditor General by mandating that efficiency or effectiveness audits be performed. Although this proclamation established an adequate basis for the full practices of statutory audit, no further improvement was enacted to the enabling law of the Office of the Auditor General until the power and duties of the Office of the Auditor General were redefined by proclamation 13/1987.

Present Legal Framework

The current SAI of Ethiopia was established by proclamation 68/1997 under subarticle (4) of Article 101 of the constitution. This proclamation reinforces the independence of the Auditor General in the following ways.

- The Council of Peoples' Representatives, upon recommendation by the Prime Minister, appoints the Auditor General.
- The Auditor General is accountable to the Council of Peoples' Representatives and between sessions is accountable to the President of Ethiopia.
- The Office of the Auditor General has all the powers necessary to perform its functions.

Organization

The Auditor General is the head of the SAI, and he has the power to implement the duties of the office provided in the proclamation. The Deputy Auditor General directly assists the Auditor General in planning, organizing, guiding, and coordinating the activities of the office. Seven audit department heads, who are in charge of organizing, coordinating, and supervising the technical units (audit divisions), report to the Deputy Auditor General.

Audit Planning

In order to guarantee the quality of work, audit planning begins with the departmental heads requesting that the division heads submit their annual audit plans based on materiality and identified risks. These plans are submitted to the Plan Research and Quality Control Department, which develops a consolidated annual audit plan. After thorough review, the consolidated annual audit plan is discussed at the management meeting chaired by the Auditor General or the Deputy Auditor General. At this meeting, changes are made to the plan based on current government policies and issues. The revised plan is then submitted to the Plan Research and Quality Control Department, which prepares the final annual audit plan.

Each department is required to submit monthly progress reports, and these reports are compared with the annual plan in order to ensure adherence. Major deviations from the plan are discussed in the monthly management meeting in order to take corrective action.

Reporting

The law requires the Office of the Federal Auditor General to submit a consolidated annual audit report to the Council of Peoples' Representatives and, between sessions, to the President. The reports on the federal government's receipts and expenditures, assets and liabilities, and financial statistical data and on the accounts and performance of the offices and organizations of the federal government are the two main reports produced by the SAI.

Human Resources Management

In order to achieve its mission and attain high-level output in the audit report, the office has devoted considerable attention to staffing. Auditors are recruited from all disciplines in order to guarantee useful, complementary, and multidisciplinary skills. In this regard, the office's staff includes senior financial and accounting staff members, accountants, economists, statisticians, mathematicians, and computer experts. Most of the office's recruits come from universities and colleges; others are experienced vocational school graduates.

Future Prospects

The area currently receiving the most attention is building the capacity of the office and its auditors. To this end, the office has a plan to

- train its staff to guarantee quality audit products,
- standardize audit processes and procedures,
- conduct more performance audits,
- maintain a high standard of financial and compliance audit work, and
- computerize its operation to ensure maximum efficiency.

For more information, please contact the Office of the Federal Auditor General, P.O. Box 457, Addis Ababa, Ethiopia; telephone: ++251-1-561840; and fax: ++251-1-552594.

Reports in Print

The Center for the Study of Financial Innovation has published its new paper aimed at restructuring the audit business. *Thinking Not Ticking: Bringing Competition To The Public Interest Audit*, explores how the system of auditing large financial statements could be made better. Written by Jonathan Hayward, the publication describes a simple, low-risk and effective way of restoring the credibility of public interest in the audit process, while at the same time preserving the legitimate interests and useful functions of the major accounting firms. The discussion in the paper is framed around large company audits, where the public interest is most visible, rather than corporate reporting or accounting standards. For a copy of the paper, contact the Center for the Study of Financial Innovation, No. 5 Derby Street, London, England W1J 7 AB; tel: ++020-7493-0173; fax: ++020-7493-0190.

Journal readers will be interested to know that as a result of consultations with its Board of Governors and other stakeholders, the Canadian Comprehensive Audit Foundation (CCAF) has released its new publication, *Reporting Principles—Taking Public Performance Reporting to a New Level*. This publication aims to bring to the attention of leading legislators, executives, specialists, and thinkers the benefits of sharing resource materials for advancing public reporting and discussing accountability issues. Three of the papers included are as follows: (1) "Public Performance Reporting and Public Confidence: A Managers Introduction to Reporting Principles," (2) "Building Active Accountability: A Legislators' Introduction to Reporting Principles," and (3) "CCAF Reporting Principles and the

Measurement Community." Printed copies of these reports can be obtained by contacting info@ccaf-fcvi.com.

The Board of Audit of Japan has published Volume 10 of *Government Auditing Review*, which consists of seven selected papers written by academics and auditors. Topics that are of importance to all SAIs include characteristics of accounting standards, the effectiveness of cost-benefit analysis, and public sector performance reporting. Papers on specific topics address the role of SAIs in new public management theory, instruments of agricultural policy, and the limits of local liberty. Some readers may find the paper on appraising public investments very interesting as it explores the performance of public works projects. For a copy of Volume 10 of the *Government Auditing Review*, contact the Board of Audit of Japan Research and Study Division, 321 Kasumigaseki, Chiyoda-ku, Tokyo 100-8941 Japan; tel: ++81-3-3581-8877; e-mail: liaison@jbaudit.go.jp.

The Institute of Internal Auditors (IIA) continues to publish its magazine, *Internal Auditor-Global Perspectives on Risk, Control, and Governance*. However, *Journal* readers may be interested in obtaining a special supplement to the internal auditor magazine called *Governance Perspectives*, which highlights the 2002 corporate governance summit held in New York City. This special supplement provides a summary of the conference, where distinguished panelists provided insight on Sarbanes-Oxley compliance and implementation issues and offers guidance on how leaders might promote transparency to help restore the public's trust in corporate institutions. Recent financial failures and the subsequent responses of regulators and legislators have put the profession of internal auditing in the spotlight. More than ever before, auditors are faced with greater

challenges and opportunities to add value to their organizations by monitoring the ethical climate and providing assurance that good governance principles are practiced. To obtain a copy of this special supplement, contact the IIA at 247 Maitland Avenue, Altamonte Springs, Florida 32701-4201, USA; tel++1-407-937-1111; fax++1-407-9371101; Internet: www.theiia.org.



Second Meeting of INTOSAI Strategic Planning Task Force

The international task force developing a strategic plan for INTOSAI made major strides during its April 29-30, 2003, meeting in Washington, D.C.

The 2-day gathering followed up on the first meeting of the task force in April 2002, at which the task force developed the framework for a strategic plan to guide the work of INTOSAI. The draft strategic planning framework was circulated to INTOSAI's 185 member countries for review and comment and approved by INTOSAI's governing board in October 2002. The goal of the April 2003 meeting was to further develop the strategic goals outlined in the framework so that a "straw" draft strategic plan can be developed. After a round of review and comment, the draft strategic plan will be submitted to INTOSAI's governing board in October 2003 for approval. The final plan will be voted upon at INTOSAI's next congress, set for October 2004 in Budapest, Hungary.



Strategic Planning Task Force members at April 2003 meeting in Washington, D.C.

The task force reached agreement on three strategic goals:

- Professional standards: leading by example and promoting the development and adoption of appropriate professional standards in each member country.
- Institutional capacity building: training, technical assistance, and other development activities.
- Knowledge sharing: benchmarking, best practice studies, and research on issues of mutual interest and concern.

The three strategic goals and related efforts will help INTOSAI achieve its vision of promoting good government by enabling SAIs "to help their respective governments improve performance, enhance transparency, ensure accountability, maintain

credibility, fight corruption, and foster the efficient and effective receipt and use of public resources for the benefit of their citizens.” The task force also discussed a number of governance issues designed to bring the organization into the 21st century. Among other things, the proposal would fold numerous existing INTOSAI committees and working groups into three standing committees aligned with the strategic goals.

The task force included auditors general (AG) or assistant AGs from 10 nations spanning the globe: Antigua and Barbuda, Austria, Burkina Faso, South Korea, Norway, Peru, Saudi Arabia, Tonga, United Kingdom, and the United States.

For more information on the Task Force, contact the chair at: Strategic Planning and External Liaison, Room 7814, U.S. General Accounting Office, 441 G Street, N.W., Washington, D.C. 20548, U.S.A.; fax: ++(202) 512-4021; or email: spel@gao.gov.

New Web Page for Working Group on Environmental Auditing

The Working Group on Environmental Auditing (WGEA) has established a new Web page that can be accessed at either of the following addresses: www.environmental-auditing.org or www.environmental-auditing.ca.

This site contains several new features, including a searchable list of Working Group publications available in the official INTOSAI languages – Arabic, English, French, German, and Spanish. You can also visit the Learning Center, which includes information on the Environmental Auditing Training Program that is being developed by the INTOSAI Development Initiative (IDI) and the WGEA.

If you follow this path on the Web site – Home > About the WGEA > Members List, you will find information on your organization. If there are any errors in the contact listed for your supreme audit institution (SAI), please let us know at: environmental.auditing@oag-bvg.gc.ca. Your comments and suggestions to improve the Web site will also be welcome.

The SAI of the Netherlands produced most of the information contained on the Web site and Canadian SAI staff—Liliane Cotnoir, Sylvie McDonald, James Reinhart, and the office’s IT team—did the principal work on reviewing the Web site.

The WGEA, which is chaired by Mrs. Sheila Fraser, Auditor General of Canada, aims to improve the use of audit mandate and audit instruments in the field of environmental protection policies by both members of the Working Group and non-member SAIs. The Working Group has a special interest in joint SAI audits of cross-border environmental issues and policies and the audit of international environmental accords.

16th UN/INTOSAI Seminar in Vienna

From March 31 through April 4, 2003, the United Nations (UN) and the International Organization of Supreme Audit Institutions (INTOSAI) hosted their 16th joint seminar at the Vienna International Center, the seat of the UN in Vienna.

The seminar, which was organized by the Austrian Court of Audit in its function as the General Secretariat of INTOSAI, focused on the role of supreme audit institutions in auditing the use of government funds for education.

Fifty delegates attended the event, among them members of supreme audit institutions from developing countries as well as Central and Eastern European reform countries. Speakers came from the United Nations, the World Bank, and the supreme audit institutions of France, India, Spain, and Austria. A representative of the National Audit Office, the United Kingdom’s supreme audit institution, chaired the seminar.

During the seminar, the delegates and speakers held in-depth discussions on the following topics:

- scope and methods of auditing education spending,
- audit of government spending on mandatory education,
- audit of vocational education,
- audit of grants and subsidies in college and university education, and
- evaluation of education programs.

In addition, the supreme audit institutions of Eritrea, Macedonia, Mexico, Sri Lanka, Senegal, and St. Kitts and Nevis reported on audits of education spending in their countries. In their reports, the seminar participants provided valuable insights into the tasks and possibilities of supreme audit institutions in auditing education spending, and exchanged information about successes and difficulties encountered in such audits.

The discussions following the keynote speeches gave the participants the opportunity to exchange ideas and identify key aspects of education audits. Several working groups at the seminar afforded the participants a setting for sharing their experiences in a smaller forum, going into more detail on issues brought to their attention during the discussions, and arriving at conclusions and recommendations.



16th UN/INTOSAI Seminar participants in Vienna.

Seminar participants considered the following issues particularly important:

- the importance of universal literacy as the basis for all further education and self-development;
- the creation of legal and administrative frameworks designed to prevent mismanagement in the funding and implementation of government education programs;
- the training and further education of auditors to increase the expertise and skills needed to detect weaknesses in implementing government education programs;
- the availability of reliable data as a basis for audits and evaluations;
- value-for-money audits in education, taking into account financial, economic, and social aspects;
- the expertise and skills auditors need to perform value-for-money audits; and
- the integration of the supreme audit institutions in negotiations between donor organizations and recipients of funds earmarked for the education sector.

Special attention was focused on the fact that auditors need both audit-related methodological skills and expertise regarding the area to be audited in order to successfully audit the effectiveness and efficiency of public funding in education.

Upon completion, the report on the 16th UN/INTOSAI seminar will be available on the INTOSAI Web site at www.intosai.org.



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 website: <http://www.idi.no>.

CAROSAI Completes the Long Term Regional Training Program

Following the 3-week Instructional Techniques Workshop (ITW) in St. Lucia, CAROSAI now has a pool of Training Specialists who will take on a regional training role. From the 22 participants who completed the ITW—and who had already completed a 7-week workshop on course design and development in St. Kitts last year—8 will be selected to take part in a design meeting in Grenada and the delivery of a Regional Audit Workshop, both scheduled for later in 2003.

Public Debt Training in OLACEFS

As reported in the last edition of IDI Update, a 5-week “Champions” program in Public Debt auditing was completed at the end of May. The challenging idea behind this program is that each of the participants (from Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Nicaragua, Panama, Peru, Uruguay, and Venezuela) returns to his/her SAI and acts as a mentor, trainer, and authority, thus providing a sustainable environment for public debt auditing in the region.

Increased Pool of Training Specialists in ARABOSAI

A combined workshop incorporating course design, development, and instructional techniques took place in Rabat, Morocco, from February 24 – April 11, 2003. Twenty-six participants (12 of whom were women) from 16 member SAIs of ARABOSAI took part in this program. Outcomes of the workshop include a new pool of Training Specialists, a performance audit course, and a number of 2-day audit-related courses. (See article below on “Promoting Performance Auditing in ARABOSAI” for additional details.)



Ibrahim Al-Abdelat (Jordan), Mbarka El Ifriki (Morocco), Mona Boraie (Instructor - Egypt), Abdullah Al-Sofyani (Saudi Arabia) and Sabah Iaridhi (Tunisia)” at ARABOSAI workshop in Morocco.

Environmental Auditing – The Latest Step

Following previous news about the IDI's cooperation with the INTOSAI Working Group on Environmental Auditing (see the January 2003 *Journal*), this edition of IDI Update brings the latest developments. At the beginning of June, 10 Training Specialists met with 6 subject matter experts in Oslo, Norway, for an Environmental Awareness Workshop. The group comprised representatives from most INTOSAI regions. The Training Specialists will follow up this workshop with a course design meeting in Malaysia in August and September 2003.

ASOSAI Events Postponed

The outbreak of Severe Acute Respiratory Syndrome (SARS) in Asia has had a significant impact on ASOSAI's plans for training activities in 2003. Following a successful Course Design and Instructional Techniques Workshop in Thailand last year, the scheduled follow-up design meetings and Regional Audit Workshops have had to be postponed because of travel restrictions caused by SARS. New dates will be announced in due course.

Promoting Performance Auditing in ARABOSAI

IDI, in cooperation with ARABOSAI (the Arab Organization of Supreme Audit Institutions) and the Moroccan Court of Accounts, recently held a 7-week training program on the two themes of "Course Design and Development" and "Instructional Techniques" in Rabat, Morocco. Twenty-six participants from 16 of ARABOSAI's member SAIs (Algeria, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen) took part in the program. This brief article provides information on how this program will help ARABOSAI, through training, move toward greater involvement in performance auditing.

Background

IDI's Long Term Regional Training Program (LTRTP) was delivered in ARABOSAI from 1997-1999; this led directly to a regional training plan, a pool of graduate Training Specialists, the development of a 2-week Financial Audit Workshop and a number of 2-day audit-related courses, and a training output that saw 30 auditors from the region receiving a Financial Audit course.

In 2000, ARABOSAI requested a second, condensed, version of the LTRTP. The goals specified in the subsequent Memorandum of Understanding between the region and IDI were to help the member SAIs of ARABOSAI enhance their training capabilities and broaden the scope of their training and information exchange activities through the expansion of their pool of Training Specialists. Importantly, performance auditing was selected as the focus of this second LTRTP. While only a few SAIs in the region carry out performance audits at this time, there is a great deal of interest in the subject and it is seen as a priority need for the region.

The Training Program

One important factor throughout this training program was the IDI's insistence on using regional staff, with the instructional team comprising six IDI Training Specialists, all graduates of the first LTRTP, and two regional subject matter experts. The instructional team were Abdelrahman Al-Ajlan (Saudi Arabia), Ayman Albashbeshy (Egypt), Adnan Al-Hasan (Kuwait), Mona Boraie (Egypt), Khalid Nounouhi (Morocco), and Anayat Said (Sudan).

The training program consisted of two workshops: a 5-week Course Design and Development Workshop (CDDW) and a 2-week Instructional Techniques Workshop (ITW). During the CDDW (weeks 1 to 5), as the participants learned the essentials of course design and development, they applied their skills in the development of a 2-day course. Their skills were further reinforced as they participated in the design and development of a Performance Audit Workshop (PAW).



Participants in ARABOSAS training included, Nashwa El-Wahsh (Egypt), Ihab Nfadi (Egypt), Mohammed Balala (United Arab Emirates), Ibrahim Al-Abdelat (Jordan), Adel Alkoot (Kuwait), Mohamed Essaouabi (Morocco), Sabah Iaridhi (Tunisia) and Mbarka El Ifriki (Morocco)".

During the ITW (weeks 6 and 7), participants learned the essentials of adult interactive instructional/facilitating techniques. These include presentation skills, group discussion skills, group dynamics, and management of the learning process. They also field-tested the PAW materials developed earlier in the program.

The selection of participants for this program was based on the understanding that all ARABOSAI member SAIs should be invited. Developing countries were invited to nominate two participants, while the more developed countries sent one candidate each and covered their expenses. IDI also adopted a strategy to encourage female participation whereby SAIs wishing to nominate two participants had to nominate at

least one woman. This strategy proved effective: for the first time in the ARABOSAI region, the percentage of female participants reached 46 percent compared to 14 percent in previous workshops.

The success of the workshop can largely be attributed to the attitude and commitment of the participants themselves. Participants demonstrated effective interpersonal and communication skills very quickly, and this provided a firm foundation upon which new skills and knowledge were developed and integrated.

What Is Next for ARABOSAI?

Following completion of the training program, each participant is required to complete a 2-day audit-related training course and submit it to IDI for review and feedback. This project forms a vital part of the evaluation process. Participants who succeed in completing their 2-day course will be awarded an IDI Training Specialist Diploma.

After the evaluation process is completed, five Training Specialists will be selected to finalize the PAW developed during the program and will then deliver it to an audience of audit practitioners from SAI members of ARABOSAI.

A preparation meeting will take place in Egypt in September 2003, while the PAW will be held in Kuwait in December 2003.

Contacting IDI

If you would like to discuss any of the issues raised in this edition of IDI Update, please telephone +47 22 24 13 49 or email idi@idi.no.

INTOSAI 2003-2004 Events

July

August

September

11-14 VI CAROSAI Congress
Hamilton, Bermuda

10-12 11th Meeting of the
INTOSAI Standing
Committee on IT Audit
Oslo, Norway

XXVII EUROSAI Govern-
ing Board Meeting
Italy

25-26 Money Laundering Task
Force Meeting
Moscow, Russia

October

November

December

13-16 51st INTOSAI Governing
Board Meeting
Budapest, Hungary

10-14 OLACEFS Assembly
Havana, Cuba

ARABOSAI
Performance Audit
Workshop
Kuwait
(Date to be determined)

20-26 9th ASOSAI Assembly
Manila, Philippines

January 2004

February

March

28-30 EUROSAI IT Working
Group Meeting
Bern, Switzerland

April

May

June

19-23 17th UN/INTOSAI Seminar
Vienna, Austria

24-28 SPASAI Assembly
Samoa

Editor's Note: This calendar is published in support of INTOSAI's communications strategy and as a way of helping INTOSAI members plan and coordinate schedules. Included in this regular Journal feature will be INTOSAI-wide events and region-wide events such as congresses, general assemblies, and Board meetings. Because of limited space, the many training courses and other professional meetings offered by the regions cannot be included. For additional information, contact the Secretary General of each regional working group.