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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.

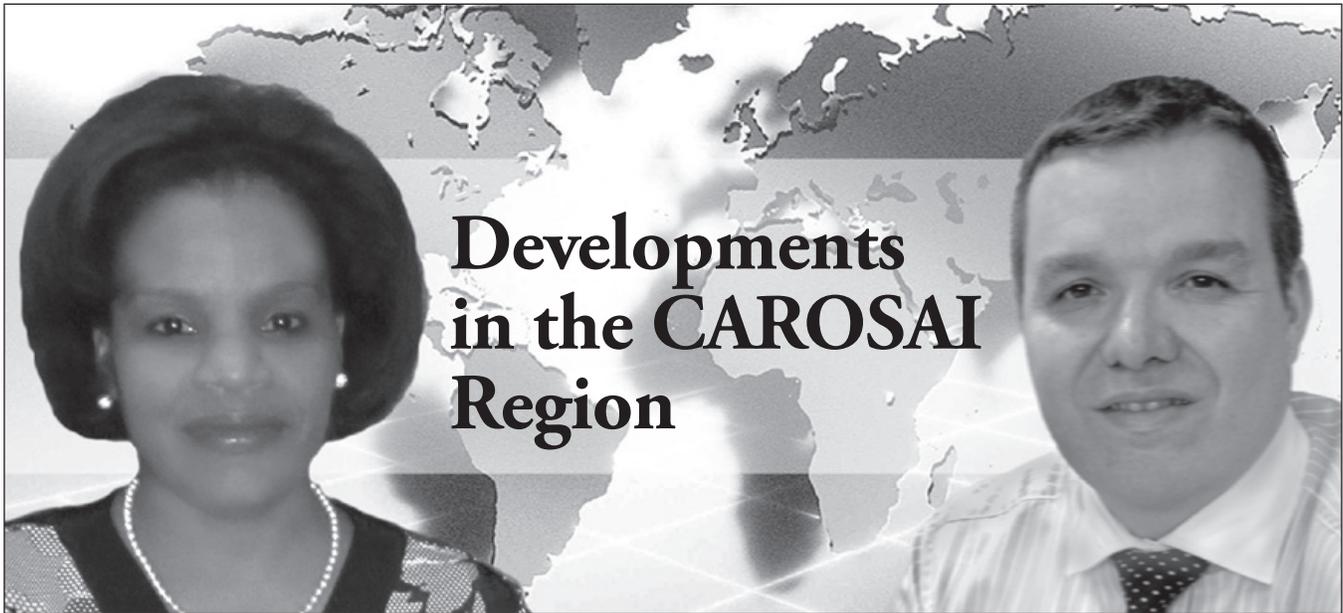
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Developments in the CAROSAI Region

by Averil James-Bonnette, Secretary General of CAROSAI, and Alastair Swarbrick, Auditor General of the Cayman Islands and Chair of the CAROSAI Institutional Strengthening Committee

The 21 members of the Caribbean Organization of Supreme Audit Institutions (CAROSAI) carry out their mandates against the background of rapidly changing environments and emerging accountability issues. Many face tremendous challenges in the areas of legislation and mandates, operations, budgets, methodologies, inactive Public Accounts Committees (PAC), and the failure to be recognized as fully independent organizations within the governance modality. Additional challenges arise in the CAROSAI region from the small size of the countries and their limited human and institutional capacities.

A brief look at the Cayman Islands, one of the CAROSAI members, will illustrate the broader issues facing governments and SAIs in the region. A British overseas territory with an area of only 151 square kilometers and a population of 55,700 in 2009, the Cayman Islands is one of the wealthier countries in the Caribbean. It has the world's largest offshore banking sector and reported real GDP per capita of \$42,605 in 2010.

However, the Cayman Islands' government operations—and related governance, transparency, and accountability issues—have not kept pace with its wealth, GDP per capita, and status as a developed nation. The Office of the Auditor General (OAG) of the Cayman Islands experiences the same challenges as its counterparts in the less developed nations of the Caribbean. These challenges include the following.

- **Operational and financial independence:** While the Auditor General of the Cayman Islands has constitutional independence, in reality the government controls the financial resources and the appointment of staff. The Ministry of Finance sets the OAG's budget. The Auditor General must seek approval for contract renewals, pay rates, and any new staff from the head of the civil service. Thus, the OAG is technically part of core government.

Editorial

- **Publication of reports:** Although the Cayman Islands (unlike most territories in the region) now has a functioning PAC, there have been and continue to be efforts to restrict when the Auditor General's reports become public documents. For example, some important stakeholders believe the PAC's role is to challenge the veracity of the Auditor General's findings rather than consider whether there are things that government should do more efficiently, effectively, and economically. As a result, they would like to see the publication of Auditor General reports delayed until after the PAC considers them and issues its own reports. This could lead to a situation similar to the one that occurred not so long ago when the PAC had to review all reports before they were issued—and because the PAC was inactive at that time, reports were not published for years.
- **Technical Capacity:** While the OAG has fortunately had a high level of qualified staff, its biggest challenges are keeping up to date on developments in auditing and accounting standards, updating the audit methodology, obtaining appropriate technical advice on difficult technical issues, and meeting the quality control requirements of auditing standards. This is exacerbated by the small size of the OAG staff (only 19 members) and the challenges of dedicating resources to such important areas.

Other fundamental issues related to institutional capacities plague almost all SAIs in the region. The INTOSAI Development Initiative (IDI), one of the major supporters of CAROSAI capacity-development initiatives, sponsored the Quality Assurance Review (QAR) program in 2010 and the Risk-Based Approach to Financial Auditing (RBAFA) program in November 2011 to help strengthen regional institutional capacity in those areas. The RBAFA and QAR programs were valuable initiatives, but the ability of individual SAIs to effectively implement these methodologies may be limited. Regional SAIs are in different phases of development and have varying audit approaches. Capacity, capability, and ultimately institutional strength are key issues that may impede implementation.

Another issue is the need for effective technical support for standards for financial auditing and accounting (as well as for performance and information technology auditing). In the CAROSAI region, it is difficult to get effective technical support and advice for small audit offices. The auditing and accounting standards have changed tremendously in recent years, and maintaining and acquiring knowledge on them is a challenge.

Development of a Regional Strategic Plan

To address some of these issues that have been plaguing the region for some time, CAROSAI developed a regional strategic plan.

CAROSAI's strategic plan for 2008–2011 has four goal areas.

Goal 1: Raise the profile of SAIs.

Goal 2: Assist member SAIs in strengthening their institutional capacity.

Goal 3: Help member SAIs develop their professional capacity.

Goal 4: Establish an effective information-sharing process.

Given the many challenges facing SAIs in the region, goal 1 of the strategic plan seeks to

- encourage the adoption of legislation that establishes strong independent SAIs,
- promote improvements in the relationship between SAIs and PACs in order to increase the utilization and impact of audit findings, and
- strengthen relationships with key regional bodies.

To promote the achievement of this goal, CAROSAI received an institutional development grant from the World Bank in 2009 to strengthen fiduciary oversight in the Caribbean. The United Kingdom's National Audit Office (NAO) was given the contract in 2010 to be the consultant for this project. The NAO delivered an initial report in June 2011 that outlined the delivery and approach for the project. The following are the main components of the project:

- helping to build members' institutional capacity,
- strengthening the legislative framework of CAROSAI members,
- strengthening Parliamentary/SAI relationships,
- preparing an institutional needs assessment, and
- designing a peer review mechanism and mentoring CAROSAI members in its use.

CAROSAI is currently implementing the grant at the regional level with a view toward applying the knowledge gained at the national level. It is also seeking to update its strategic plan for 2012–2015 to further strengthen the capacity of SAIs to promote and enhance public sector accountability in the region by creating a well resourced Secretariat.



The World Is Desperate for an Independent Voice of Reason

by Terence Nombembe, Chairman of the INTOSAI Governing Board and Auditor-General of South Africa

In the year that has passed since my appointment as Chairman of the INTOSAI Governing Board, I have been privileged to interact with a number of regional INTOSAI structures and our key external stakeholders. I have also reflected on developments in the world in which we are living. These interactions and reflections have provided me with some insights on how INTOSAI can respond to these developments and, by doing so, provide what the world is desperate for: an independent voice of reason.

We live in a world seeking liberation from poverty, a poverty that reveals itself in a number of ways—even in unexpected ways and places. We have all witnessed a number of pivotal events unfolding before our eyes. The most recent is the news that the world population has reached the 7 billion milestone. According to projections, the population will grow to 8 billion in 14 years (2025) and 9 billion in 32 years (2043). The next three decades thus present INTOSAI with a unique opportunity to diagnose the root causes of poverty and provide independent insights on sustainable solutions that will mitigate this risk.

In certain situations, we are poor by virtue of the fact that populations are booming in some regions where available resources are being misused by those entrusted with reducing poverty levels, as envisaged in the Millennium Development Goals. Here, fraud and corruption involving business and cross-border activity, as well as selfishness and mismanagement by government leadership, are the biggest enemies of the growing population. Lack of credible, transparent, and timely reporting is another real risk under such circumstances.

In other situations, nations are exposed to extreme levels of poverty by virtue of overcommitment to debt at both personal and government levels. Global political leaders are preoccupied with finding a lasting solution to this trend, which seems to be gripping nations one by one. This fever may have started in the United States and continued into Europe, where it is having serious repercussions. It surely is not going to end there. Consequently, the growing population will be rendered even poorer by this global financial crisis, which is largely caused by government and business leadership's mismanagement of public funds and lack of transparency to the citizens.

Citizens all over the globe, particularly the youth, are increasingly expecting a better economic life and employment opportunities. Unemployment is a real source of poverty, and it is growing steadily in many communities and resulting in protests and revolutions, as seen recently in some parts of the world. The phenomenon of high levels of youth unemployment prevails throughout the world and with the growing population projections it will—unless mitigated effectively—continue to expand and trigger anger and protests in other parts of the world too. The reality here is that levels of education are not high enough or sufficient to absorb the youth into the productive sectors of the economy as the main impetus of productivity. Instead, most of our young and growing populations fall short of pursuing and acquiring the highest levels of education and training while still in their prime learning years (ages 20 to 30) and rather rush into the job market prematurely—hence the frustration with unemployment and poverty.

The intertwined matters of environmental and natural disasters cannot be excluded from this scrutiny, as they too can present unbearable hardship to the growing population. In this regard, we need elevated levels of commitment by the leaders of our nations to implement and monitor mitigation and adaptation practices. Without such commitments, the world we are living in with its growing population will no doubt be rendered all the poorer as a consequence of unfavorable and unpredictable natural conditions.

In all likelihood, the growing population will be subjected to a number of poverty-related developments in the next three decades and beyond. The key question is what we as INTOSAI can do to mitigate such risks and respond to the loud and desperate call for an independent voice of reason.

At this juncture, we have an opportunity as SAIs to begin to reflect deeply about the significance of our independence in a way that demonstrates our respective abilities to apply this noble master key that we possess. SAI independence can be adapted to any situation in which we as SAIs find ourselves. All we need to use this master key is the ability to understand the door in which we want to use it so that the door can open effortlessly. We need to refrain from complacency when it comes to matters related to the Lima and Mexico Declarations. We need to demonstrate mature leadership, tact, and strategic influence, even in those settings that may at face value appear to be the most difficult, such as capacity building and institutional autonomy.

The bottom line is simple: as heads of SAIs, we need to take primary ownership of the knowledge and capacity building of our institutions. Nobody else, not even the most repressive regime on the planet, should ever influence this space. By building the knowledge base of our SAIs, we make ourselves more dependable, even for the most reckless regimes. The more we build a knowledge base capable of excelling in independent audit scrutiny, risk analysis, and constructive insights, the more we make ourselves dependable, regardless of the environment in which we operate. Let us take advantage of the limited resources that our governments are providing to us as heads of SAIs and build a knowledge base that is capable of providing independent insights to these same governments. The INTOSAI-Donor Cooperation is certainly one of the developments that has provided a lasting solution to the long-standing need for capacity building among SAIs. Let us use this platform and many others that are working for us in our respective regions to liberate ourselves and strengthen our independence with the weapon no one could dare take away from us: the knowledge of auditing that equips us with independent thought and analysis.

History has proven that institutional autonomy will and always does lag behind autonomy of knowledge. The efforts of the United Nations in passing the resolution that enshrines the Lima and Mexico Declarations in international law will fall on barren territory if expertise is lacking in our SAIs. This knowledge autonomy will respond to the risk of world poverty that the growing population is likely to face in all economies of the world—developed, developing, and underdeveloped. All nations are vulnerable, and thus citizens of the world are desperate for that independent voice of reason—the INTOSAI voice of reason, the SAI voice of reason. Now is the time we need to put the INTOSAI motto into practice and continue to share our experiences so that we can all benefit from our respective breakthroughs and success stories.

The 62nd INTOSAI Governing Board meeting was a great revelation and inspiration as it gave us the opportunity to reflect on regional communication regarding capacity building and knowledge autonomy. I am pleased that all our regions are making significant strides in these critical areas and thus taking ownership of them. In this way, we are indeed advancing the fundamental doctrine of independence rather than being complacent and not responding meaningfully to the desperate international call for an independent voice of reason.

As INTOSAI, it is our time to shine, and we shall indeed shine.

NEWS

IN

brief



Azerbaijan

Chamber of Accounts Marks 10th Anniversary

On November 2, 2011, the Chamber of Accounts of the Republic of Azerbaijan celebrated its 10th anniversary in a ceremony held in its administrative building in the capital city of Baku. Participants included representatives from the national Parliament, government ministries and departments, and international organizations. The heads of SAIs from Russia, Turkey, Kazakhstan, Moldova, Ukraine, and Kyrgyzstan also attended.

Heydar Asadov, Chairman of the Chamber, welcomed the participants to the ceremony, during which he and other chamber members and staff were recognized with awards from the government. Mr. Asadov expressed his sincere appreciation to the President of Azerbaijan for his support of the chamber's activities and provided a brief summary of the chamber's development over the past 10 years.

The constitution of Azerbaijan authorized the establishment of the Chamber of Accounts. In 1999, the law on the Chamber of Accounts was adopted, and legislation was passed in 2002 that approved the chamber's internal regulations. In that same year,

the chamber became a member of INTOSAI, EUROSAI, ASOSAI, and ECOSAI. The chamber also signed agreements on cooperation and established professional relations with other SAIs. Currently, the chamber is exploring additional cooperative agreements with similar institutions in other countries. Changes and amendments to the chamber's authorizing legislation in 2008 strengthened its role in the system of public finance control, and the chamber gained expanded powers to carry out its functions and fight financial irregularities.



Heydar Asadov, Chairman of the Chamber of Accounts of Azerbaijan, delivered the opening address at the SAI's 10th anniversary celebration.

The chamber has concentrated on auditing the preparation and execution of the state budget and extra-budgetary funds in state-owned and private entities, the internal controls and compliance with tax legislation of entities collecting revenue, the effective utilization of state budget and extrabudgetary funds, and the implementation of state investment programs and social services, including science, education, health, and culture. The chamber has also focused on proposing improvements to budgeted programs, eliminating gaps in legislative acts, developing regulatory and methodological documents, and improving legislation. Over the past 2 years, the chamber has sent 50 proposals to the Cabinet of Ministries. The relevant government authorities have supported most of the proposals and taken actions to implement them.

Mr. Asadov stated that the chamber has emphasized postaudits of fiscal operations and had significantly increased its audits and opinions from 41 in 2008 to 83 in 2010. The chamber has not only detected gaps, shortcomings and financial irregularities but also taken action to eliminate them, reinstate improperly spent budget funds, and punish those responsible.



The heads of other SAIs attending the anniversary celebration for the SAI of Azerbaijan gathered for an official photo.

Over the past 3 years, the Chamber of Accounts has succeeded in returning millions of Azerbaijani manats of budget monies to appropriate cash accounts, the State Budget, and the State Social Protection Fund budget. The chamber has prevented excessive, unjustified, and inefficient payments and ensured appropriate use and recording of public monies in accordance with legislation. The total amount of savings is many times more than the chamber's operating budget.

In response to serious shortcomings identified by its audits, the chamber has also referred four cases to the Prosecutor General's Office for further investigation, and the Tax Ministry has initiated criminal proceedings against 11 taxpayers with large arrears to the state budget. Relevant authorities have taken administrative measures against hundreds of people responsible for identified shortcomings.

Within the framework of cooperation between the Republic of Azerbaijan and the World Bank, the chamber has drafted a strategic development plan, and a grant has been received to implement it. The World Bank will also

carry out a corporate and public sector accountability project.

Mr. Asadov noted that the Chamber of Accounts is currently playing an important role in managing the budget and ensuring transparency and efficiency in the activities of executive authorities. He noted that the chamber is determined to continue its successful actions to develop public auditing in the Republic of Azerbaijan.

For additional information, please contact the Chamber of Accounts:

E-mail: office@ach.gov.az
Website: www.ach.gov.az

Japan

Annual Audit Report

On November 7, 2011, Hiroyuki Shigematsu, the President of the Board of Audit, submitted the annual report for fiscal year 2010 to Prime Minister Yoshihiko Noda. The report contains the results of audits the Board of Audit conducted in 2010–2011 on the final accounts of the annual expenditures and revenues of the state and

government-affiliated institutions for fiscal year 2010 and on other matters. The cabinet will submit the audit report to the Diet together with the final accounts of the expenditures and revenues of the state.

For additional information, contact the Board of Audit:

E-mail: liaison@jbaudit.go.jp
Website: www.jbaudit.go.jp/english/

Kuwait

Tribunal on Financial Violations Inaugurated

Kuwait has convened for the first time an independent tribunal to prosecute government officials for financial crimes. The authorizing legislation of the State Audit Bureau (SAB, the Kuwaiti SAI) provided for the establishment of this tribunal, whose decision-making process is separate from the SAB. The tribunal is chaired by the president of the Kuwaiti Legal Advice and Legislation Department, and its members include officials from the SAB, the Ministry of Finance, and the Civil Service Commission. The SAB president is the only person empowered to bring to the tribunal charges against officials whom the SAB has found to have committed financial crimes. The tribunal is considering a number of issues referred to it by the SAB.

SAI Administrative Restructuring

The SAB's administrative structure has been reorganized and some of its units have been renamed. The new structure includes the following:

1. Companies Audit Sector
2. Audit of Investment and Subsidiary Bodies Sector

3. Pre-audit Sector and Information Technology
4. Oil Audit Sector
5. Audit of Ministries and Public Departments Sector
6. Financial and Administrative Affairs Sector

For additional information, contact the SAB:

E-mail: president@sabq8.org
 Web site: www.sabq8.org

Lithuania

Memorandum of Understanding Signed with the SAI of Georgia

In September 2011, Giedrė Švedienė, the Auditor General of Lithuania, and Levan Bezhashvili, the Chairman of the Chamber of Control of Georgia, signed a memorandum of understanding (MOU) to share knowledge and exchange experiences in the area of public audit. The MOU was signed in Vilnius during the visit of the Chairman of the SAI of Georgia to the SAI of Lithuania.

Under this MOU, the cooperation plan for 2011–2012 focuses on delivering practical training to the SAI of Georgia for financial and compliance audits in the Ministry of Finance of Georgia. In addition, consultations, recommendations, and expert support will be provided to the Georgian SAI in the following areas:

- the opinion on the draft state budget;
- the opinion on the financial statements and reports on implementation of the state budget including revenue audits;
- the opinion on the report on state-owned property; and
- information technology audits.

For additional information, please contact the National Audit Office of Lithuania:

E-mail: nao@vkontrole.lt
 Website: www.vkontrole.lt/en/index.php

Netherlands

New Board Member of the Court of Audit



Kees Vendrik

C.C.M. (Kees) Vendrik was appointed to the Board of the Netherlands Court of Audit, effective April 15, 2011, by a March 31 royal decree. He succeeds Gijs de Vries, who became a member of the European Court of Auditors in Luxembourg in January 2011. Mr. Vendrik was a member of the House of Representatives for GroenLinks (Green Left Alliance) from 1998 to 2010. From 2002 to 2008, he was the financial spokesperson for his party. He was also a member of the Public Expenditure Committee. As a Member of Parliament, his interests included energy, the environment, economic affairs, agriculture, traffic, health care, and education.

Court of Audit Hosts First Into-SAINT Moderator Training

The Netherlands Court of Audit (NCA) hosted a moderator training for Into-SAINT, an integrity self-assessment instrument, September 19–23, 2011.

With Into-SAINT, SAIs can analyse their integrity risks and assess the maturity level of their integrity management systems

The 46 participants in the training represented the SAIs of Aruba, Austria, Botswana, Chile, Georgia, Ghana, Indonesia, Korea, Kuwait, Macedonia, Mexico, Mozambique, Norway, Russia, Rwanda, South Africa, Tunisia, Turkey, Vietnam, and Zimbabwe; the European Court of Auditors; AFROSAI-E; and the INTOSAI Development Initiative.

The participants not only completed the training successfully but also offered valuable suggestions for designing a rollout strategy to promote the use of Into-SAINT in their countries and regions. The NCA will report on the Into-SAINT initiative at the XXI INCOSAI in Beijing.

For additional information, contact the NCA:

E-mail: internationalaffairs@rekenkamer.nl
 Website: www.courtofaudit.nl/intosaint

Peru

II International Conference against Corruption

The SAI of Peru—an active member of the INTOSAI Working Group on the Fight against Corruption and Money Laundering—hosted the II International Conference against Corruption in Lima October 3–4, 2011. Attendees included international anticorruption experts, government

officials, businessmen, and other representatives of the private sector. In discussions and presentations throughout the conference, participants acknowledged the latest developments in the fight against corruption and shared their related experiences.

At the conference, Peruvian Comptroller General Fuad Khoury Zarzar gave an overview of the anticorruption strategy his SAI is proposing. The strategy encompasses seven components: a high-level government commitment, 360-degree legislation, state policy, education and values, involvement of the private sector, communication, and the measurement and monitoring of results.

This model will promote the development of instruments in the legal and operational framework of government audit. It will also appeal to and actively involve institutional and citizen stakeholders in strengthening tools to promote internal control, prevent corruption, and address civil complaints. Most importantly, it will encourage a cooperative and integrated approach among institutions responsible for fighting corruption.

Daniel Kauffmann, a researcher with the Brookings Institution, stated that corruption is an important symptom of institutional failures and that the causes of the systemic fault must be identified. While causes may vary from one institution or country to another, they are mostly due to the lack of transparency. Whenever there is impunity, the incentives are so great that officials take the risk and become corrupt.

He also stated that in order to establish a winning strategy in the fight against corruption, essential aspects of democracy must be at work. The media, instead of being monopolized and corrupt, must be effective and

competitive. Most importantly, the government must be open and transparent, aware of the problems, and able to measure indexes of corruption.

In this context, Kauffman pointed out that if problems in the institutional, government, and corruption frameworks are not addressed, countries such as Peru will not be able to maintain the level of growth they have experienced during the past 5 or 6 years.

Patrick Alley, one of the founders of Global Witness and a 2003 Nobel Peace Prize nominee, discussed the global necessity of a frank discourse with the governments of countries that have low levels of corruption but whose banks may be receiving funds from corrupt sources and concealing the identity of the perpetrators of corruption.

János Bertók, an official of the Organisation for Economic Co-operation and Development, affirmed that preventing corruption should involve the carrying out of legislation, the training of human resources, the implementation of internal controls, the strengthening of external controls, the commitment of leadership, and a “meritocracy” in public administration and accountability.

On a similar note, Francesca Recanatini, head of the World Bank’s Anticorruption and Governance Thematic Group, recommended the implementation of e-government to reduce the risk of corruption and improve transparency and accountability. She also pointed out the need to implement an integrated legal framework, as well as the need for oversight of institutions responsible for monitoring and presenting results to citizens.

Taryn Vian, an associate professor at Boston University, charted the extent of damage caused by corruption, stating

that it may be costing the public sector in Latin American countries \$28 billion dollars a year. Furthermore, it has limited the impact of improvements envisioned in the health sector, such as lowered child mortality rates. Although health costs in the region have doubled during the past 14 years, services have not improved, with the greatest impact being felt by the poorest sectors.

She added that a map of risks in the Latin American health sector had identified problems such as the absenteeism of medical staff, the robbery of supplies, patients not receiving health care or being overcharged for services, and the withholding of reimbursements to patients. She noted that measures that had demonstrated success included promoting social control and accountability and publishing the international drug price indicator guide in order to compare prices.

By hosting the II International Conference against Corruption, the SAI of Peru highlighted the challenges to reducing corruption in government institutions. This task is not the sole responsibility of institutions investigating, monitoring, and penalizing cases of corruption; rather, it is the responsibility of administrators and public sector managers charged with establishing order, presenting results, and fighting against corruption in their own areas, institutions, programs, projects, and sectors.

For additional information, contact the SAI of Peru:

E-mail: contraloria@contraloria.gob.pe

gob.pe

Website: www.contraloria.gob.pe

Romania

Official Visit from the Spanish Tribunal de Cuentas

At the invitation of Nicolae Văcăroiu, President of the Romanian Court of Accounts, a Spanish delegation led by Manuel Nuñez Pérez, President of Spain's SAI (Tribunal de Cuentas) and Secretary General of EUROSAI, visited Romania September 5–8, 2011.



Nicolae Văcăroiu, President of the Romanian Court of Accounts (right) and Manuel Nuñez Pérez, the President of the Tribunal de Cuentas (left), during their September 2011 meeting in Bucharest.

The meetings included discussions of bilateral institutional cooperation in the context of INTOSAI and EUROSAI. In addition, presentations were made on the role of SAIs in relation to measures to address the economic and financial crisis; SAI contributions to transparency, accountability, and good governance in public management; and the impact of the EUROSAI statement on SAI independence that was approved at the VIII EUROSAI Congress. The Spanish delegation also met with the First Deputy Governor of the National Bank of Romania.

For additional information, contact the Romanian Court of Accounts :

E-mail : international.romania@rcc.ro
Website : www.curteadeconturi.ro

Vietnam

New Head of SAI

In August 2011, Dinh Tien Dung was appointed Auditor General of the State Audit Office of Vietnam by the National Assembly of the Socialist Republic of Vietnam, succeeding Vuong Dinh Hue who became the Minister of Finance.



Dinh Tien Dung

Mr. Dinh was born in 1961 in Ninh Binh and has a master's degree in economics. He has broad leadership experience in finance and accounting, as well as other fields, at both the central and provincial levels. Previously, he was Chief Accountant in the Corporation–Ministry of Construction of Vietnam. In October 1997, he was appointed Director of the Finance and Accounting Department of the Ministry of Construction and, in June 2003, he was named Deputy Minister of Construction. In May 2008, he was elected as Vice-Secretary of the Dien Bien Provincial Communist Party and in July of that year became Chairman of the Dien Bien Provincial Communist People's Committee. In October 2010, he was elected Secretary of the Ninh Binh Provincial Communist Party.

Modifications Proposed to the State Audit Law

Since 2006, Vietnam's State Audit Law has provided regulations on the organization and operation of the State Audit Office of Vietnam (SAV). Over the 6 years of the law's implementation, audits have increased in scope and quality and the SAV's role has become more clearly defined. However, the law's limitations have become apparent. For example, the SAV's legal status does not reflect its position as the highest state financial inspection agency. This leads to insufficient awareness—in government sectors and among the public—of the SAV's position, roles, functions, and tasks. Also, for the purpose of audit activities, the relationship between SAV and agencies of the National Assembly has not been specified. In addition to these limitations, the SAV functions and tasks as set forth in the State Audit Law have not

- completely covered the inspection and supervision of management and use of the state's budget, money, and assets;
- focused on auditing the management and use of national resources;
- audited the management and use of the state's capital and assets in enterprises where the state does not hold dominant shares;
- audited tax and public debt frequently; or
- specified preaudit tasks.

In order to overcome these and other identified limitations of the State Audit Law, the SAV submitted a proposal for modifying the law in the National Assembly's upcoming session.

To guarantee the quality of the modifications that the SAV will propose, SAV will gather opinions from civil servants and auditors regarding the practical requirements of auditing work.

The SAV will also gather opinions from agencies of the National Assembly, ministries, government sectors, localities, and related organizations and individuals on the feasibility of any proposed modifications to the State Audit Law. The SAV will work with these groups to reach consensus on the nature and implementation of the proposed modifications.

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The Role of SAIs in Maintaining Financial Stability

by Thomas Hagberg, Swedish National Audit Office

Since it is in the public interest to have stable and resilient financial systems, governments around the world are committed to maintaining financial stability. Supervising a country's financial system and promoting financial stability are often within the realm of central bank operations. Many countries also have separate authorities to supervise individual financial market participants. According to a report by the INTOSAI Global Financial Task Force: Challenges to SAIs, the role of SAIs in maintaining financial stability is to evaluate the appropriateness of the supervisory structure for financial markets, even if the work of central banks may fall outside the audit mandate of some SAIs.

In 2011 the Swedish National Audit Office (NAO) audited the supervision of Swedish banking operations in the Baltic region before the worldwide 2008–2009 global financial crisis.¹ The Swedish NAO studied how the Swedish Central Bank and Swedish Financial Supervisory Authority, the two entities charged with oversight responsibilities for banking operations, assessed and reported the risks that arose in the Swedish banking system from 2005–2007, a time when commercial banking operations expanded rapidly in the Baltic countries. The results of this audit identified important findings related to the government's responsibility to maintain financial stability and provide, therefore, an example of the role that an SAI can play in maintaining financial stability by evaluating the supervisory structures for financial markets.

The Swedish NAO's audit resulted in the following key observations and recommendations:

The Baltic Expansion Implied an Increased Risk in the Banking Sector

The Swedish banks increased their risks by rapidly expanding into the Baltic region during a time of uncontrolled growth in the region's economies. Signs of a high risk level included extreme credit expansion, rapidly rising home prices, lending in foreign currency, and rising labor costs with fixed exchange rates. All in all, the risks increased to the point that they materialized during the financial crisis.

The Authorities Underestimated the Risks

Although concerns became more substantial as imbalances grew, the risks were considered to be manageable during the entire 2005–2007 period, in part because of the banks' good capital adequacy. The authorities underestimated the credit risks but, most importantly, they misjudged the liquidity risks, especially those regarding the banks' foreign financing. However, this mistake was shared by almost all other central banks, supervisory authorities, academics, and the investor community across the world.

¹*Maintaining Financial Stability in Sweden—Experiences from the Swedish banks' expansion in the Baltics* (RiR 2011:9). An English translation of the audit can be downloaded in full from the Swedish NAO's website (www.riksrevisionen.se/en/Start/2011_9).

The Authorities' Mandates Need to Be Revised and Clarified

The Swedish Central Bank and Swedish Financial Supervisory Authority have different tools and analysis functions. The former oversees the financial system as a whole, while the latter focuses on individual institutions and can apply sanctions if a financial institution falls short in areas such as capital adequacy or risk management. The mandates of these authorities need to be revised and clarified, and tools to safeguard financial stability in a broad sense need to be developed. Furthermore, a macroprudential policy—an expressly legislative mandate to manage risks in the financial system as a whole—does not exist. The Central Bank and Financial Supervisory Authority should determine how a regulation framework for such a macroprudential policy should be developed and who ought to be responsible for it.

Supervision of Banks with Operations in Several Countries Was Inadequate

The Baltic authorities felt that they had few tools and could not control the development of their own credit markets. They could only apply a strict legal framework on local banks, and the branches of foreign banks—such as Sweden's—could not be included in modified rules. After the crisis, a new structure and several new regulations were created within the European Union to handle, among others, issues regarding cross-border banks. This should improve conditions so that the issues that branches of foreign banks experienced in the Baltic region will be easier to manage in the future.

The Communication by the Two Authorities Was Inadequate

The audit identified a gap between the Central Bank's view of its communication of the risks in the Baltic region and other participants. Representatives from the Central Bank believed that they had sent out a stronger message regarding the risks than what the recipients perceived. The fact that the Central Bank discussed the risks in the Baltic region in its biannual reports on financial stability seems to have had little effect on the banks' actions. Establishing a public arena with regular hearings on financial stability in the Swedish Parliament would force both the Central Bank and Financial Supervisory Authority to take a clear stand on the risks and communicate them to a broader audience.

A Need for Better Coordination

Coordination between the two authorities and between them and the government needs to be strengthened. Sweden's institutional structure demands significant coordination between its Central Bank and Financial Supervisory Authority, on the one hand, and between these authorities and the Ministry of Finance on the other. The audit demonstrated a good climate of cooperation between the Central Bank and Financial Supervisory Authority, aided by personal contacts between members of staff in both entities. However, it is important to have operations and methods for collaboration that go beyond personal contacts. Furthermore, although the two entities had had an agreement on methods for collaboration since 2003, the collaboration had not been evaluated. The Central Bank and Financial Supervisory Authority should

continue their close cooperation to maintain financial stability and report to the Parliament or government on how the cooperation has been carried out during the year. A decision should be made as to whether this cooperation should be evaluated internally or externally.

The Stress Tests Were Not Tough Enough

Overly cautious assumptions were made in the stress tests of the financial institutions' resilience to adverse economic outcomes. The stress tests that the Swedish Central Bank carried out were based on either assumptions of a geographically isolated downturn in the Baltic economies or a normal business cycle slow-down. A more plausible test would have assumed that the Baltic countries were having problems at the same time the rest of the world was facing an economic downturn. By using cautious assumptions in stress tests, the banks' strength was overrated and the risks to financial stability were underrated. The Central Bank should clarify what stress tests aim to measure and ensure that stress test assumptions reflect realistic risks. Future stress tests could assume downturns of different magnitudes in the economy, which would provide more information on the banks' strength.

The Government Has No Tools for Limiting Its Implicit Guarantee to the Financial Sector

The government has an implicit responsibility to support the banking system when crises emerge. The Icelandic example shows that the guarantee can be unreasonably costly when the banking sector grows very quickly in proportion to the rest of the country's economy. Today, the Swedish government has no tools to limit the size of the banking sector and, thus, its implicit guarantee. Since the Swedish banks had a dominant role in the Baltic payments systems, the Swedish government also assumed an implicit responsibility for these and, thereby, for the countries' economic stability. The development shows that the Swedish government can have an indirect responsibility for other countries' economies when Swedish banks achieve a dominant role in a foreign credit market. The government should examine whether risks in the banking sector and the implicit state guarantee can be limited. The government should make sure that it is regularly informed of all risks involved—not only those regarding the banks' capital adequacy, but also those that the banks' operations in other countries entail.

Conclusion

The global financial crisis highlighted the importance of the stability in and an efficient regulation of financial markets. Governments' implicit guarantees to the financial market imply that vast sums of taxpayers' money are at stake. The Swedish NAO's audit pointed to several challenges in the institutional setup for the work with financial stability in Sweden prior to the crisis. The fact that the responsibility for financial stability is divided between several independent authorities and the government requires effective cooperation and coordination between these entities. The audit also identified problems in assessing systemic risks and an ineffective regulatory system for cross-border banks. To promote financial stability, the audit recommended that

a regulation framework for a so-called macroprudential policy should be developed and that the Parliament should examine the possibility of regularly organizing public hearings on financial stability. These audit results underscore the important role SAIs have in promoting financial stability by evaluating the effectiveness of the supervisory structure for financial markets.

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EUROSAI Seminar on SAI Communication with the Public via the Media

by Kamila Żyndul, Supreme Audit Office of Poland (NIK)

Supreme audit institutions (SAI) have a mandate to inform citizens about the state of their governments as revealed in the audit reports they produce. Therefore, it comes as no surprise that SAIs are very concerned about the issue of communication, which has become a challenge in the modern world where new technologies and trends, as well as information tools, are rapidly developing.

In recent years, communication has become an issue of vital importance for the whole INTOSAI community. The first INTOSAI communication policy, which was adopted by the XIX INCOSAI in 2007, and the communication strategy and guideline, which were adopted by the XX INCOSAI in 2010, defined communication as a priority issue for all INTOSAI members. This, naturally, has given rise to initiatives aimed at discussing communication from the SAI perspective. For example, the most recent United Nations/INTOSAI symposium discussed communication as an element of effective cooperation between SAIs and citizens to enhance public accountability.

Since communication is a very broad issue, it can be looked at from various angles. The SAI of Poland (NIK), which chaired the EUROSAI Governing Board from June 2008 to June 2011, organized a seminar for EUROSAI members that focused on a specific element of SAI communication—cooperation with the media. Because participants were from only one INTOSAI region, the discussion could be limited to the European context and focus specifically on European issues.



Participants in the EUROSAI seminar on SAI cooperation with the media.

As reported in the July 2011 issue of this *Journal*, the seminar (entitled *SAIs' Communication with Public Opinion via the Media*) was held in Warsaw May 10–11, 2011. More than 50 participants from 21 European SAIs attended. It was targeted to

SAI staff responsible for designing and implementing media policy as well as public relations/media/press officers. Its main objective was to discuss the communication process from the perspective of both an SAI's public relations services and the media and to consider how communication between SAIs, the media, and the public could be improved.

In his opening address, NIK President Jacek Jezierski emphasized the importance of cooperation between SAIs and the media. His presentation attempted to explain why SAIs should present their audit results in the media and focused on the need for civil society to be informed if it is to make informed decisions in a democracy. Since an SAI's mission is to provide information on the functioning of government institutions, and since mass media are the main source of public information, cooperation between SAIs and the media is a necessity, and they both should strive to make it as effective as possible. Furthermore, in a democratic country with independent media, citizens can trust that independent and credible journalists have verified the information they get via the media, which adds to its reliability. President Jezierski also stated that all SAI staff, not only media officers, should keep the issue of communication in mind because, as authors of audit reports, they all contribute to the information presented to the public. The audit reports should be written in a reader-friendly manner and present audit findings in an understandable way.

Session 1: The SAI Public Relations Perspective

To open the first seminar session, a well known Polish public relations (PR) expert discussed contacts between SAI PR services and journalists and explained why friction frequently occurs between them. He stated that good communication with representatives of the media contributes to the effectiveness of PR services, and partnership is the best way to make their collaboration effective.

After that, representatives of the SAIs of Germany, the Russian Federation, and the United Kingdom described the information policies adopted in their institutions, and the tools they have developed to communicate with the media. They also described opportunities and threats arising from the contacts between SAI PR services and the media. They stressed that SAIs should strive for good relations with the media so that their audit results can reach the public, their main addressee. They observed that SAIs should be honest and trustworthy if they want to have good relations with journalists. For that reason, they should not overstate their messages and should present their work in a reliable way, without trying to make their audit reports more attractive to make them sell better. SAIs should be supportive by, for example, organizing press conferences to inform the media about their audit findings and offer materials to journalists. However, SAIs must be cautious when handling sensitive data so as to not damage the interests of their auditees.

Session 2: The Media Perspective

The second day of the seminar started with a session dedicated to the media's perspective on collaboration with SAI PR officers. Well-known Polish journalists from the press, television, and radio discussed their experiences and described the ideal media officer they would like to cooperate with. Such a media officer would be

easily available and well-informed and would understand the nuances of information transmitted via the media. The journalists also stressed that SAI spokespersons should not treat them as enemies but rather as partners who provide them with an opportunity to inform a wider audience about their work.

However, cooperation between SAIs and the media poses a significant challenge, since the goals and operating modes of the two entities seem to be totally different.

- Auditors generate long, carefully elaborated reports, while journalists need short, catchy news items.
- Auditors employ professional jargon containing specialist terms, while journalists use straightforward news language.
- Auditors must comply with a long audit process, while journalists must have information now—“later” is frequently much too late for them.

Therefore, SAIs need to make a special effort to collaborate effectively with the media. Nevertheless, according to the majority of the seminar participants, such an effort is worthwhile in the modern world, where an organization that wants to actively participate in public debate cannot be absent from the media.

Session 3: Problems Communicating with the Media

In the third session, representatives of the SAIs of Lithuania, Poland, and Spain discussed their information policies, collaboration with the media in their countries, and potential problems that may arise from specific SAI mandates. They emphasized that SAIs should assist the media in understanding the nuances of their work. To inform the public effectively on audit results and their impact on the functioning of the government, journalists should be aware of the special role SAIs play in the democratic system. The speakers also highlighted the importance of regional media, which in some countries are the main source of information for many citizens. SAIs should also develop tools for cooperating with representatives of the local press, television, and radio stations. After the presentations, seminar participants had the opportunity to ask speakers additional questions and discuss the topics they found most interesting or controversial.

While summarizing the results of the seminar, NIK President Jacek Jezierski stated that despite differences in the ways SAIs communicate with society, they all have the same goal: to provide the public with reliable information on the results of their audits. SAIs can use the media to meet this goal but should not neglect their relationship with audited bodies while they are focusing on developing good relations with the media. To conclude, the President of the NIK emphasized that SAIs must be free to decide on the timing and content of the information they present to the public, as well as their methods of presenting that information. Freedom to disseminate audit results is a precondition of SAI independence, as set forth in INTOSAI's Mexico Declaration.

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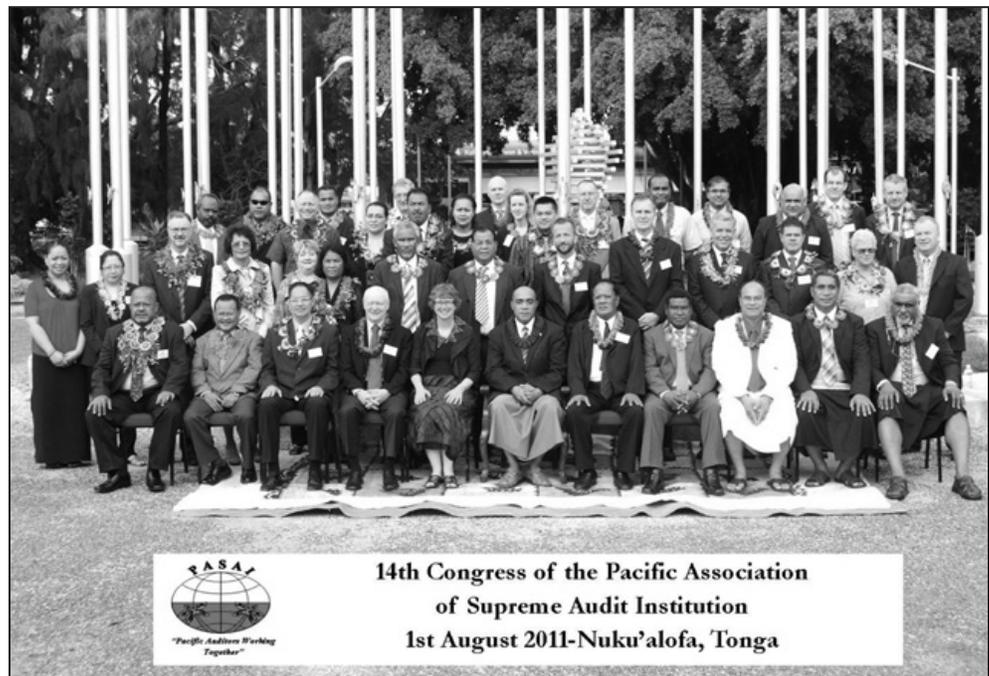
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PASAI Notes Significant Accomplishments at 14th Congress

by Lin Weeks, PASAI Capacity-building Consultant

The members of the Pacific Association of Supreme Audit Institutions (PASAI) celebrated 25 years of progress when they met August 2–5, 2011, in Nuku’alofa, Tonga, for their 14th congress, whose theme was the value and benefits of SAIs. The delegates formally adopted INTOSAI’s Johannesburg Accords, shared their recent experiences and accomplishments, endorsed the ongoing capacity-development activities of the Pacific Regional Audit Initiative (PRAI), and discussed next steps toward implementing PRAI programs and products across the region.



Congress delegates and observers gathered outside the Convention Center in Fa’onelua Park, Nuku’alofa, Tonga for the official group photograph.

This year’s congress, one of the largest ever held in the Pacific region, brought together the heads of 21 national and state audit offices as well as representatives of development partners and other key stakeholders. Audit office delegates came from American Samoa; the Australian National Audit Office and the Australian states of New South Wales and Victoria; the Cook Islands; Fiji; the Federated States of Micronesia: Kosrae, Pohnpei, and Yap; Guam; Kiribati; the Marshall Islands; Nauru; New Caledonia; New Zealand; Palau; Papua New Guinea; Samoa; the Solomon Islands; Tonga; and Tuvalu. Donors and stakeholders attended from the Australia Agency for International Development, the New Zealand Aid Program, the Asian Development Bank, the Pacific Island Forum Secretariat, and the Pacific Financial and Technical Assistance Centre.

Opening Ceremony

During the opening ceremony, the chairmanship of PASAI was formally transferred from Raimon Taake, Auditor General of Kiribati, to Pohiva Tu’I’onetoa, Auditor General of Tonga.

Lord Tu’I’afitu, Deputy/Acting Speaker of Tonga’s Legislative Assembly, delivered an opening address noting the close working relationship between SAIs and the legislatures they serve and the part SAIs play in bringing about change and improvements. He underscored the SAIs’ important role in assuring the people that their governments are working economically, efficiently, and effectively to meet their needs and expectations.

Lyn Provost, PASAI’s Secretary General and Auditor General of New Zealand, also welcomed the delegates and stakeholders. She shared information and observations from the XX INCOSAI in Johannesburg. Echoing Lord Tu’I’afitu’s remarks, she noted that the INCOSAI discussions had emphasized the value and benefits of SAIs as an important pillar in democratic systems. She stressed that each SAI should strive to be recognized as an institution that makes a difference to the citizens it serves and should issue reports that are clear, concise, and accessible to the public as well as to clients and stakeholders. Ms. Provost drew attention to the other Johannesburg themes on environmental auditing and implementation of the International Standards of Supreme Audit Institutions (ISSAI), which would serve as the basis for subsequent PASAI discussions. She emphasized that PASAI’s challenge is to implement the Johannesburg Accords in the Pacific region—in the Pacific Way.

Special Reports

The delegates next heard special reports from stakeholders and received updates from representatives who had participated in various INTOSAI meetings.

Pacific Island Forum Secretariat

Sanjesh Naidu, the Economic Advisor to the Pacific Island Forum Secretariat (PIFS), challenged the group to take a more active role in promoting economic development across the region. He pointed out that the Pacific region lagged behind other areas in terms of economic growth but that implementation of the Pacific Plan, which aims to strengthen regional integration and cooperation, aims to change this pattern. He encouraged the SAIs to become familiar with the plan’s four pillars—economic growth, good governance, security, and economic development—and to look for ways to lead efforts for change and seek new ways to support the plan. He particularly emphasized the need for improved communication and efforts to coordinate activities.

INTOSAI Committees and Programs

The presentation regarding the Working Group on Environmental Auditing (WGEA) highlighted the impact of PASAI’s cooperative performance audit on solid waste management, which had been featured at a recent WGEA meeting. PASAI’s

accomplishments were also featured at the Capacity Building Committee meeting, and the Secretariat has already received requests from committee members for PASAI capacity-building manuals and training materials. At a meeting of the INTOSAI-Donor Steering Committee, donors had been receptive to a regional approach and had commended PASAI for the results it has already achieved through the PRAI.

SAI Presentations

The delegates made presentations on their SAIs' progress and accomplishments in adopting and implementing the Johannesburg Accords. Several significant themes emerged through the presentations and subsequent discussions.

- The different frameworks—Commonwealth, U.S., and French—in the region provide a wide range of good practices that SAIs can share and consider.
- The value of audits can be assessed by follow-up on audit issues, formal and informal surveys of committees and key stakeholders, and peer reviews.
- SAIs can communicate the value of their work in various ways. The most common include reporting to legislatures and their committees, audit entities, boards and audit committees. SAIs can also issue media releases, prepare an annual report, provide information on websites, distribute good practice guides, and conduct workshops or seminars.
- Environmental auditing is an important topic for the Pacific island nations, and the cooperative performance audits conducted in the region have had a significant impact.
- Some SAIs are already applying the ISSAIs, which—although relatively new—generally concur with other international auditing standards. With the introduction of PASAI's manuals and training courses, SAIs in the region will be able to move forward with implementing the ISSAIs.
- Some SAIs are engaged in efforts to enhance their audit legislation in order to ensure greater independence.

Progress with the Pacific Regional Audit Initiative

The PRAI was developed in 2007 to address the challenges posed by variable standards of public auditing in the Pacific. It provides support within the overall framework of regional cooperation under the Pacific Plan as it emphasizes that public auditing practices are central to achieving good governance outcomes, which, in turn, can contribute to improved economic performance and growth outcomes for Pacific island countries.

At the congress, the delegates reaffirmed the PRAI's regional basis and relationship with the Pacific Plan and received reports on the completion of several major achievements.

The first round of the *Subregional Audit Support* program was successfully completed in 2010. The program involves a cooperative approach to the completion of financial audits in Kiribati, Nauru, and Tuvalu. The audits have had significant benefits

for in-country public financial management and governance and for the capacity development of the three SAIs and their staff. The second round of the program commenced in June 2011 in Kiribati and will be completed in early 2012.

PASAI's first *cooperative regional performance audit*, on solid waste management, was completed in 2010. The project involved the participation of 10 member SAIs and resulted in individual country reports (seven of which have now been presented to the respective country legislatures) and an overarching regional report (available at www.pasai.org). Fieldwork on a second audit, involving the management of safe drinking water, had been completed and the project had moved into the reporting phase. The congress also endorsed a third audit of sustainable fisheries management across the Pacific region.

PASAI's *capacity-building program* continued to show significant success. Staff from SAIs across the region had participated in working groups to develop manuals and training programs. The congress endorsed new manuals on human resource management, quality assurance, and reporting; in addition, financial and performance audit manuals were in final review. These manuals complement the skill-based comprehensive training program being piloted in the region. By early 2012, a series of training courses will provide professional development for staff from entry-level to management positions.

In another capacity-building initiative, the delegates learned more about the progress on *certification*. This PRAI activity aims to identify courses and on-the-job opportunities that meet the SAIs' needs and professional bodies' certification requirements. Where there are gaps, the committee expects to liaise with the universities to introduce new courses and explore options for establishing internships while also expanding the pool of SAIs that could serve as approved training organizations in the region.

The congress also endorsed a *survey of the state of accountability and transparency in the region*. The study, which is being funded by the New Zealand Aid Program, follows up on a 2009 survey and includes in-depth studies in several countries in the region.

Looking toward the future, the congress endorsed the adoption of a PASAI *performance framework*, which has been prepared under the oversight of PASAI's governing board with the support of its development partners and stakeholders. By implementing the framework, PASAI can measure the PRAI's achievements in improving governance, consistent with the Pacific Plan and other outcomes.

Workshops

The congress also included workshop sessions on introducing ISSAIs and leading organizational change.

Introducing ISSAIs

Sarah Lineham, from the Office of the Auditor General of New Zealand, provided the delegates with information about the ISSAIs, introducing them specifically to the

framework dealing with the prerequisites for the functioning of SAIs. She circulated an ISSAI checklist that allowed delegates to compare their SAIs' current position with the prerequisites outlined in the ISSAIs.

As the delegates completed and discussed their assessments, many SAIs noted constitutional or organizational challenges in meeting the ISSAI prerequisites. The delegates agreed that the heads of SAIs should place a priority on developing and sharing strategies to move their SAIs toward meeting the requirements. They also noted that the products associated with the PRAI are consistent with and linked to the ISSAIs. As the audit offices move toward integrating the PRAI products into their offices, they will be effectively moving closer to meeting the ISSAIs.

Leading Organizational Change

Chris Kelly, Tonga's Commissioner of Police, presented a keynote address on the changes he introduced as he reformed the Tonga Police. He outlined his goals, described the challenges he faced, and described the approaches he used to improve practices within the police force. This provided an excellent introduction to the workshop presented by Lin Weeks, PASAI's capacity-building consultant.

In the workshop sessions, delegates identified opportunities for improvements in their SAIs and explored strategies that may enable them to make changes. In these sessions, they paid particular attention to ways in which various PRAI components might be helpful in fostering change.

Business Sessions

The delegates took the following actions in their business sessions:

- charged the Secretariat and the Secretary-General with developing a communications and relationship plan to disseminate information about PASAI and encourage enhanced working relationships with development partners, stakeholders, professional bodies, training institutions, and others;
- confirmed the members of the Governing Board; and
- approved New Caledonia as the site for PASAI's 2012 congress and accepted Guam's offer to host the 2013 congress.

Participants in the congress were most grateful for the extensive organizational work by staff of the Tonga SAI and PASAI's Secretariat, and the leadership and hospitality provided by the Auditor-General of Tonga as the congress host. PASAI now looks forward to another year of collective and individual endeavor to improve auditing—and its contribution to improved accountability and transparency—in the Pacific.

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Third EUROSAI-ARABOSAI Conference

by the SAI of the United Arab Emirates

In March 2011, the third EUROSAI-ARABOSAI Conference was held in Abu Dhabi, the capital of the United Arab Emirates, with participants from over 40 countries within the two regions. Held soon after the XX INCOSAI in Johannesburg, the conference provided an opportunity to reflect on the Johannesburg Accords as well as the conference themes of accountability, transparency, and fighting corruption.

The sessions on transparency and accountability built on the discussions at the XX INCOSAI and provided more information on the documents included in the International Standards of Supreme Audit Institutions (ISSAI) framework along with practical country experiences of the issues. The final session on fighting corruption was aimed at increasing awareness and looking at the scope of auditing or investigating corruption within different jurisdictions.

The conference produced the Abu Dhabi Declaration, which attempts to provide a platform for bringing the regions closer together by identifying mutually beneficial methods of collaborating to implement the ISSAI framework and enhance the fight against corruption. The declaration includes an appendix that lists many documents produced within INTOSAI and its regions. It provides significant guidance on how to operate as an SAI, ranging from strengthening quality assurance functions to elements of an enterprise architecture.

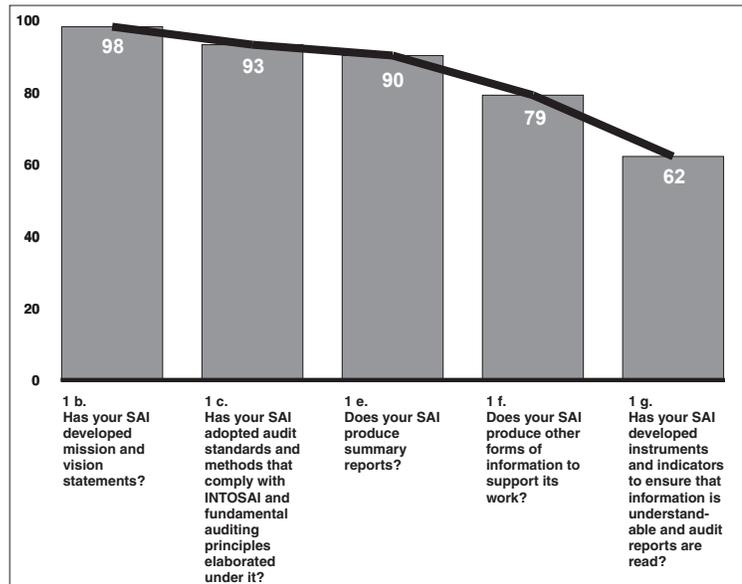
Preconference discussions with various SAIs disclosed that while identifying the quantity of available documentation and establishing a framework for SAI operations are both valuable undertakings, organizing the information for practical implementation can be confusing. For example, it is difficult to implement elements of the value and benefits paper from the XX INCOSAI when considering building capacity or ISSAIs 20 and 21 (*Principles of Accountability and Transparency and Principles of Transparency—Good Practices*). To this end, the appendix focuses on organizing (rather than creating more of) the current information into an architecture.

The preconference discussions also identified the lack of attention paid to fraud and corruption within the ISSAI framework. Its heavy focus on auditing (especially attestation audits) and limited guidance on inspection and investigation (which are part of many SAI mandates) lead to a lack of focus on these areas.

Overview of Session One: Transparency

The host SAI of the United Arab Emirates presided over session one, which focused on two essential functions if SAIs are to “walk the talk”: providing information on their own performance (as explained through key aspects of ISSAIs 20 and 21) in the public domain and opening SAI doors for scrutiny, as discussed under the peer review mechanism. Prior to the meeting, SAIs filled out a survey that provided an overview of the key transparency elements.

Figure 1: Key Transparency Elements for SAIs



Source: SAI Survey on Transparency.

As shown in figure 1, SAIs are moving toward having transparency indicators. However, actually putting these mechanisms in place to ensure the effectiveness of SAI outputs is still an area for development.

The SAI of France presented a paper outlining the key principles in ISSAIs 20 and 21, which are a simple assessment of the aspects needed by SAIs to put their mandates in place and help add value and benefit to the lives of citizens. This complements the value and benefits issues outlined in theme 1 of the XX INCOSAI. The French SAI focused on the principles relating to communicating the results of SAI work, as highlighted in figure 1. The SAI of Iraq also presented a comprehensive paper on its experience in regard to some of the principles set out in ISSAIs 20 and 21.

Peer review is a tried and tested tool that can help SAIs increase transparency and enhance their effectiveness. The German SAI, which was heavily involved in drafting the peer review guidelines, presented a paper on the theory and practice of peer reviews from the perspectives of both the peer reviewer and the subject of a peer review.

Knowledge transfer and learning can occur for the entity on either side of the peer review. Furthermore, many agreements regarding the scope of the reviews center on SAI effectiveness. For example, the Norwegian SAI was recognized for the effectiveness of its performance audit process, demonstrating how a peer review can add credibility to an SAI’s work.

The SAI of Switzerland presented another peer review experience. For a small SAI, a peer review can be an effective opportunity to draw upon the resources of larger SAIs in a focused manner. The scope of the Swiss peer review addressed far-reaching and important issues such as the following:

- Does the SAI complete its assignments?
- Does the SAI do its work effectively and professionally?
- How does the SAI work benefit the auditees?

The deliberations involved in agreeing upon the peer review engaged broader stakeholders, including parliamentarians.

In addition to demonstrating the value of the SAI, peer reviews can highlight areas for development and improvement and provide objective advice and guidance. The conference had presentations concerning capacity building and a summary of the IDI stocktaking report in which SAIs identified areas for development and training. A peer review process can help SAIs provide third-party confirmation of the gaps in their capacity to meet the needs of stakeholders.

Finally, peer reviews can address concerns about the return on resources invested in SAIs. On a broader level, this issue was discussed during the second session on accountability.

Overview of Session Two: Accountability

The SAI of Lebanon chaired the second session, which focused on providing information on SAI reporting practices and ensuring that audit findings and recommendations are taken seriously. The Russian Chamber presented an overview of how its operations affect the broader public financial management agenda within Russia. This includes assessing the budget at various stages (not simply after the fact). The chamber's presentation explained its accountability process after the audit report is issued and considered in various chambers as well as the speed of response to audit findings, in particular its ability to deal with issues of vital importance. A combination of planned activities and responses to issues emerging within the public interest help maintain the chamber's relevance and professionalism. This, in turn, ensures public interest in audit results and swift action on recommendations.

The SAI of Jordan provided an overview of the different types of accountability under a court-based system, which are broader than those of audit offices. Particular emphasis is placed on individual accountability and assessing the duties and responsibilities of public officials.

The President of EUROSAI, the SAI of Poland, presented a paper on measuring SAI performance, continuing the discussion on this topic that began at the XX INCOSAI. The presentation discussed the need for such measures and indicators and how they should be introduced and reported to stakeholders. A key issue was integrating any framework into the fabric of the SAI and abiding by the principle of preparing "SMART" indicators (that is, indicators that are specific, measurable, achievable, realistic, and timely).

The SAI of Belgium provided an example of an SAI's value to its stakeholder by discussing its work on the social security system. The SAI of Malta described its accountability report to Parliament, providing an example of the type of information that SAIs can gather and report on their performance and activities.

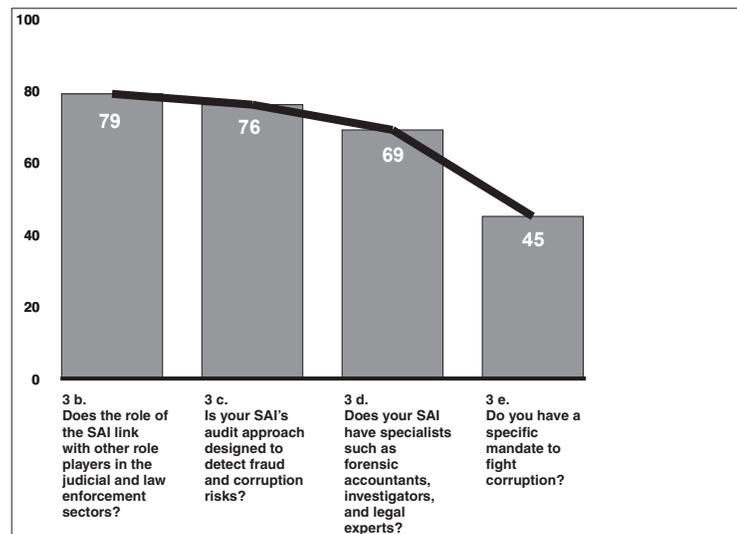
The Spanish SAI presented an important paper that summarized many of the issues raised in this session. This paper reflected on accountability in terms of

- supporting transparency,
- identifying issues of public interest and importance,
- supporting good governance,
- following up on resolutions and recommendations, and
- supporting improvement in laws and regulations.

Overview of Session Three: Fighting Corruption

The final session provided an opportunity for the SAIs, under the stewardship of the SAI of Portugal, to discuss the difficult topic of SAI involvement and mandate in leading the fight against corruption. SAIs need to be leaders in encouraging the prevention of fraud and corruption rather than enforcement agencies. SAI mandates in this area are not necessarily clearly defined and, therefore, practices across SAIs can differ significantly, as demonstrated in figure 2.

Figure 2: SAI Involvement in Fighting Corruption



Source: SAI Survey on Transparency.

Several presentations were made on innovative techniques and uses of technology to provide some measures to prevent and detect fraud and corruption. Presentations by the SAIs of the United Arab Emirates, Hungary, and the Netherlands highlighted tips and tricks for assessing fraud and corruption.

Conclusion

The EUROSAI-ARABOSAI Conference underscored a number of key issues. INTOSAI and its regional working groups are moving toward closer collaboration and harmonization, as reflected in the ISSAI framework. However, current practices and

experiences demonstrate the need for further knowledge sharing to enable consistency and high quality wherever possible. Limitations in capacity and different mandates notwithstanding, SAIs should utilize joint working programs, undertake peer review, and develop innovative methods to ensure that they can effectively integrate all aspects of the ISSAI framework and cover additional elements of fraud and corruption.

For additional information, contact the SAI of the United Arab Emirates:

E-mail: president@saiuae.gov.ae

Website: www.saiuae.gov.ae

A graphic featuring a stylized globe with a grid of latitude and longitude lines. Overlaid on the globe is a large, bold, black serif font that reads "Spotlight on ISSAIs". The word "Spotlight" is on the top line, "on" is on the second line, and "ISSAIs" is on the third line. The globe is rendered in a light gray color with a subtle shadow effect.

Spotlight on ISSAIs

by Heather Keister and Patrick Frey, U.S. Government Accountability Office

Second Meeting of the ISSAI Harmonization Project Group

From November 29 through December 1, 2011, the International Standards of Supreme Audit Institutions (ISSAI) Harmonization Project Group held its second meeting at the U.S. Government Accountability Office (GAO) in Washington, D.C. The project group, chaired by the SAI of Denmark, comprises members from 13 SAIs from around the world. It is charged with revising level 3 of the ISSAI framework—fundamental auditing principles—to ensure that the ISSAIs

- describe the general role and auditing function of an SAI and are relevant and useful for all INTOSAI members,
- provide an overview of and further references to the full set of ISSAIs, and
- provide a consistent set of concepts and an improved link between all levels of the ISSAI framework.

Based on the outcome of the group's first meeting and feedback from the Professional Standards Committee (PSC) Steering Committee, the group is framing these revisions by considering the fundamental principles inherent in all public audits, as well as their specific application to financial, performance, and compliance audits. Toward that end, the group gathered at GAO to discuss four new documents:

- ISSAI 100: *The Essence of Public Sector Auditing*,
- ISSAI 200: *Principles of Financial Auditing*,
- ISSAI 300: *Principles of Performance Auditing*, and
- ISSAI 400: *Principles of Compliance Auditing*.

Each of the four drafting subgroups presented a high level overview of the status of the current draft, including the drafting approach being used, and any outstanding issues or concerns.

A common question among the subgroups was how the four new ISSAIs should fit together. Should each group be producing a document that can stand alone and contain the relevant principles for each audit type? Or should the project group aim to produce a series of documents that fit together and reference one another? The group also discussed how the draft ISSAIs would fit into the broader ISSAI framework, the level of authority they would have, and the extent to which the entire INTOSAI family would be able to adopt and apply them. They held lengthy discussions about

how an SAI would cite compliance with the ISSAIs, considered various compliance statement options, and discussed the relationship between the institutional prerequisites of level 2, the fundamental principles of level 3, and the audit guidelines of level 4. They took special care to ensure that they produced public audit principles that were not only exemplary but also inclusive and achievable for the wide variety of SAIs that make up INTOSAI. The goal of the harmonization project is to produce fundamental auditing principles at level 3 for all SAIs to use and to provide a common set of auditing principles for the entire INTOSAI family.

Although not all issues and questions were resolved, the meeting facilitated a hearty exchange of ideas, advanced the overall goals of the harmonization effort, and identified several new tasks for moving forward. Each subgroup will continue to refine its draft, a new subgroup will focus on making the drafts structurally similar to facilitate their use, and the project group will raise several questions to the PSC Steering Committee for clarification. Overall, the 3-day ISSAI Harmonization Project Group meeting resulted in a fruitful discussion of dilemmas and considerations for revising the ISSAIs, and the group members parted ways with much to consider and achieve prior to their next meeting in May 2012.

For additional information on the ISSAIs, see www.issai.org. For additional information on the harmonization project, please visit its website: www.psc-intosai.org/composite-280.htm.



INTOSAI- *Donor Cooperation* *Update*

Busan Partnership for Effective Development Cooperation

by the INTOSAI-Donor Cooperation Secretariat

Heads of state, ministers, and over 2,000 representatives from all types of public, civil society, private sector, and international organizations from across the globe met in Busan, Republic of South Korea, November 29 to December 1, to agree on a new global partnership for effective development cooperation. Terence Nombembe, the Chair of INTOSAI and Auditor-General of South Africa, addressed participants on the importance of strong, independent SAIs for sustainable national development and effective use of public resources.

Strengthening the Role of Supreme Audit Institutions in Building Effective Country Institutions

At Busan, the presence of the Chair of INTOSAI and a small delegation from the INTOSAI community was another step in INTOSAI's expanded engagement with the international development community. It came shortly after members of the INTOSAI Governing Board sent a joint letter to the Organisation for Economic Co-operation and Development (OECD) Working Party on Aid Effectiveness. This letter set out the role and importance of effective country institutions, specifically supreme audit institutions (SAI), in reducing poverty and achieving the Millennium Development Goals and called for three issues to be considered in Busan:

1. SAIs should be included as significant partners in shaping and implementing the building block on Effective Country Institutions being prepared for Busan, which heads of SAIs support in principle.
2. The international development community recognizes INTOSAI as a core component of the international development architecture and supports the tabling and adoption of a future United Nations General Assembly Resolution, entitled "Promoting Transparency and Accountability by Strengthening Government Auditing," which would call upon members to implement and apply the principles set out in the 1977 *Lima Declaration of Guidelines on Audit Precepts* and the 2007 *Mexico Declaration on SAI Independence*.

3. The international development community recognizes the SAI as a core function of the state, contributing to state legitimacy and accountability, and therefore a key building block of effective institutions and states.

Fourth High-Level Forum on Aid Effectiveness

This was the fourth high-level forum (HLF4) on aid effectiveness, following meetings in Rome (2003), Paris (2005), and Accra (2008). The HLF was originally established to discuss concerns with the way aid was provided and enhance the effectiveness of aid. The second HLF led to donors and aid recipients agreeing on the Paris Declaration on Aid Effectiveness, which established five broad principles (ownership, alignment, harmonization, mutual accountability, and managing for development results) for the way aid is provided. The HLF has become the largest and most important international forum for discussions on aid and development effectiveness. Since Paris, participation has expanded to include countries and organizations involved in all forms of development cooperation, significantly beyond the initial focus on north-south aid.

INTOSAI participated in these high-level discussions on the future of development cooperation for the first time at HLF4. The INTOSAI delegation took away three key messages from the event:

- The international community will increasingly focus on institutions, policies, and partnerships that promote effective development, rather than on the effectiveness of aid.
- There is increased recognition of the importance of accountability and oversight institutions, including SAIs and parliamentary committees, as part of effective country institutions for development. This recognition includes enhancing accountability based on transparency in the use of public resources.
- Global partnerships, similar to the INTOSAI model, are likely to be used much more widely as a mechanism to promote south-south and triangular cooperation (e.g., a developed country and a country with recent successful experience of relevant institutional development helping a developing country to find appropriate solutions to its own unique challenges), as well as knowledge exchange, peer learning, and cooperation.

The Busan Partnership for Effective Development Cooperation

The main outcome of HLF4 was a high-level document designed to set the future agenda for development cooperation. This document is intended to forge a more inclusive global partnership for development, recognizing the roles of south-south cooperation, civil society, and the private sector as well as north-south development assistance. It set out the following four key principles for all forms of development cooperation.

Shared Principles to Achieve Common Goals

- a) Ownership of development priorities by developing countries.
- b) Focus on results.
- c) Inclusive development partnerships.
- d) Transparency and accountability to each other.

(Busan Partnership for Effective Development Cooperation, paragraph 11)

While these principles are firmly embedded in the way INTOSAI works, the focus on results reinforces the need for SAIs to effectively communicate the value and benefits they offer and to demonstrate the results of their audit work and their capacity development initiatives. This further highlights the importance of the tasks of the Working Group on the Value and Benefits of SAIs, chaired by South Africa, and the ongoing work on measuring results by various INTOSAI regional bodies.

The importance of effective and independent SAIs for the future of effective development cooperation can be seen throughout the *Busan Partnership for Effective Development Cooperation* document.

- “The use and strengthening of developing countries’ systems remains central to our efforts to build effective institutions.” (paragraph 19)
- “Focus, at the country level, on establishing transparent public financial management and aid information systems.” (paragraph 23b)
- “Effective institutions and policies are essential for sustainable development. Institutions fulfilling core state functions should, where necessary, be strengthened.” (paragraph 29)
- “Implement fully our respective commitments to eradicate corruption. . . . [T]his includes our efforts to improve fiscal transparency, strengthen independent enforcement mechanisms, and extend protection to whistleblowers.” (paragraph 33a)

Discussions prior to and at Busan recognized that fragile states are the most at risk for not meeting the Millennium Development Goals and that more needs to be done to understand and help them overcome the challenges they face. A new set of Peacebuilding and Statebuilding Goals were endorsed, including a focus on enhancing legitimate politics and state legitimacy, sound economic foundations (including the collection and proper use of domestic revenues), and equity in the delivery of services. As Mr. Nombembe emphasized in one of his interventions, effective and independent SAIs have the potential to enhance state legitimacy and state-society relations if they are seen as independent by nonstate actors and are able to publish objective reports on the use of public funds.

INTOSAI as a Model for the Future of Development Cooperation

The INTOSAI delegation found it heartening to note the increased interest in global partnerships as an effective and complementary form of development cooperation. Mr. Nombembe illuminated discussions on future forms of development cooperation with a portrait of INTOSAI as an inclusive global partnership of organizations from almost 190 countries with over 50 years of experience. Its successes in promoting knowledge exchange, peer learning, and cooperation and in setting global standards, developing global public goods, and creating peer pressure and mutual support for reform attracted much interest. Recognizing these successes and the potential for similar global partnerships, the International Federation of Accountants signed a Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC) with a group of donors that seeks to apply the experiences of the INTOSAI-Donor Cooperation to advancing the accountancy profession in developing countries. Procurement bodies from around the world also began discussing the possibility of a global partnership for the procurement profession.

Finally, numerous sessions promoted the use of south-south and triangular cooperation. To the INTOSAI delegation, it was encouraging to hear the approaches INTOSAI has been using for decades, through its regional structures, being talked about as the future of development cooperation.

For additional information, contact the INTOSAI-Donor Cooperation Secretariat at idi@idi.no.

I N S I D E
INTOSAI

62nd INTOSAI Governing Board Meeting Held in Vienna

When:	October 27, 2011
Where:	Vienna, Austria
Host:	Austrian Court of Audit
Participants:	SAIs of Bahamas, Brazil, China, Côte d'Ivoire, Denmark, Ecuador, Estonia, France, Gabon, Germany, Hungary, India, Korea, Luxembourg, Mexico, Morocco, New Zealand, Norway, Pakistan, Poland, Russian Federation, Saudi Arabia, South Africa, Spain, Sweden, United Kingdom, United States of America, and Venezuela

On October 27, 2011, the Governing Board of INTOSAI met in Vienna, Austria. The meeting, held in the Parliament Building, coincided with the 250th anniversary of the Austrian Court of Audit.

The board members—18 heads of SAIs for all INTOSAI regions—were joined by observers representing committees, working groups, and task forces. In addition, the board received reports from the goal chairs and approved the annual reports of the General Secretariat, the INTOSAI Development Initiative (IDI), and this Journal. A number of specific motions were presented and approved at the meeting, including the following:

- Timor-Leste was accepted as the 190th member of INTOSAI.
- The SAI of Poland, chair of the INTOSAI Internal Controls Subcommittee, will represent INTOSAI to the Internal Auditing Standards Board (IASB) of the Institute of Internal Auditors.
- This *Journal* will decrease the share of revenue it receives from INTOSAI from 25 to 20 percent, a 20-percent decrease.
- The updated terms of reference for the Professional Standards Committee (PSC), which include a rollout model for the International Standards of Supreme Audit Institutions (ISSAI), were endorsed.
- A new Task Force on Financial Foresight, led by the SAI of Norway, will be established under the Finance and Administration Committee to (1) research the best ways to ensure sustainable long-term INTOSAI funding and budgeting and continuous improvement in strategic planning and (2) develop a mechanism for INTOSAI to manage emerging issues.
- The mandate of the Task Force on the Global Financial Crisis will be extended for 1 year to conclude its work and determine how INTOSAI should address the issue in the future.

- INTOSAI's contribution to the 2012 Rio+20 Summit of the United Nations for sustainable development will be consolidated with input prepared by the Working Group on Environmental Audit.
- The newly established SAI Database Task Force will conduct a technical study to validate the possibility of evolving the SAI Information Database into a platform for INTOSAI information.
- The themes for the XXI INCOSAI will be as follows:
 - Theme I: Governance at the national level and national audit (Chair: SAI of China)
 - Theme II: The role of SAIs in safeguarding the long-term sustainability of finance policies (Chair: SAI of Mexico)
- INTOSAI will support the draft resolution that has been submitted to the 66th General Assembly of the United Nations (UN). The draft resolution expressly appreciates the work of INTOSAI as well as the Lima and Mexico Declarations, calls upon UN Member States to apply the principles set out in these declarations, and encourages UN Member States and the United Nations to continue and intensify their cooperation with INTOSAI.
- The implementation and dissemination of the ISSAIs will be the priority INTOSAI theme for 2012.
- INTOSAI will support the initiative of the Contact Committee of the SAIs of the European Union to strengthen the external government audit of international organizations in relation to the European Stability Mechanism, which was established to safeguard financial stability in Europe.
- The XXI INCOSAI will be held from October 28 to November 2, 2013, in Beijing, China.

The goal chairs and regional working groups reported on their activities.

Goal 1 Chair Henrik Otbo reported on the progress of ISSAI awareness-raising efforts, the ISSAI Harmonization Project, and the PSC subcommittees and projects. See the Spotlight on ISSAIs section on [p. 30](#) for an update on the harmonization project. Other highlights of Mr. Otbo's report include the following.

- The ISSAI awareness-raising strategy will leverage existing opportunities to promote the ISSAI framework to increase implementation, promote ISSAIs as recognized standards, and ensure that the ISSAI framework is used as the common frame of reference for public sector auditing.
- The Project on Transparency and Accountability produced final versions of ISSAI 20 (which defines key principles) and ISSAI 21 (which shows examples of best practices). Both ISSAIs were endorsed at the XX INCOSAI.
- Following the XX INCOSAI's endorsement of ISSAI 40, which was designed to assist SAIs in establishing and maintaining an appropriate system of quality control for all audits, the Project on Audit Quality Control team has agreed to develop further guidance, such as a gap analysis tool to help SAIs assess their compliance with key principles of ISSAI 40.

- Following the presentation and acceptance of a comprehensive set of ISSAIs at the XX INCOSAI, the Financial Audit Subcommittee will continue to contribute to developing International Standards on Auditing (ISA) and drafting corresponding Practice Notes to ensure INTOSAI members continue to have access to current Financial Audit Guidelines.
- The Performance Audit Subcommittee is participating in the ISSAI awareness-raising and harmonization projects and is also producing a document to help SAIs in the practical aspects of performance audit. The documents are currently being reviewed and will be presented to the subcommittee in February 2012.
- Following the endorsement of the ISSAI 4000 series at the XX INCOSAI, the Compliance Audit subcommittee plans to continue contributing to the ISSAI awareness-raising and harmonization projects and working on specific 4000 series issues, such as sampling, assurance, and monitoring systems.
- The Internal Control Standards Subcommittee is focusing on developing examples of internal control measures for internal control objectives and control components, promoting the integration of INTOSAI Guidance for Good Governance (INTOSAI GOV) internal control and risk management elements into ISSAIs, studying internal control reporting, and analyzing e-platforms for usability and quality of content.
- The Accounting and Reporting Subcommittee managed the development and public exposure of a proposal to withdraw the 9200 series INTOSAI GOVs and replace them with links to International Public Sector Accounting Standards (IPSAS). In addition, as an observer to the International Federation of Accountants IPSAS Board, the subcommittee keeps INTOSAI members informed of developments through a link to the IPSAS website that can be found on the Accounting and Reporting Subcommittee's website.

Mr. Otbo has been nominated to the European Court of Auditors, and the General Secretary and board recognized his departure, noting his many contributions to INTOSAI, in particular his leadership of professional standards development and implementation.

Goal 2 Chair Ahmed El Midaoui reported on capacity-building activities, advisory and consulting services, peer reviews, and developing cooperation with international organizations. See the report on the peer review subcommittee on [p. 42](#). Other highlights of Dr. El-Midaoui's report including the following.

- Capacity Building Committee (CBC) activities specifically included the transfer of the INTOSAI capacity building database to IDI and the continued development of CBC and quality assurance guides. Future work will include strengthening regional secretariats, the CBC, and e-learning capacities. In addition, a request for funding to allow selected SAIs to participate actively in CBC meetings was presented to the INTOSAI-Donor Cooperation.
- Agreements were reached to reorganize the UN/INTOSAI Platform and rename it the INTOSAI Platform for Cooperation with the United Nations. INTOSAI

and the UN Department of Economic and Social Affairs agreed to reassess possible fields of cooperation based on individual projects. The new platform will cooperate with the UN, and possibly other international organizations, to partner with civil society organizations, SAI capacity building, audits of cross-border funding for disaster relief, and fighting international money laundering and corruption, with near-term emphasis on the latter.

The SAI of Norway reported on the activities of the INTOSAI Development Initiative (IDI). See IDI Update on [p. 50](#) for a summary of recent IDI activities.

Goal 3 Chair Vinod Rai reported on goal 3 activities, which included changes in composition and working group leadership, changes to the committee website, and work plan tasks. See the report on the Steering Committee meeting of the Knowledge Sharing Committee on [p. 42](#) for a summary of goal 3 activities.

Goal 4 Chair Osama Jafar Faquih summarized goal four activities, which included reports on budget and expense issues, donor cooperation, and future Finance and Administration Committee (FAC) activities. Specifically, he reported that INTOSAI had received 90 percent of its annual expected revenue and that external auditors had provided a clean audit opinion for INTOSAI's 2010 financial statements. See the report on the recent FAC meeting on [p. 48](#) for additional information on goal 4 activities.

Future FAC priorities include close monitoring of the implementation of the INTOSAI strategic plan; active participation in the INTOSAI-Donor Steering Committee; careful assessment of INTOSAI membership dues and contributions; and monitoring of the work of the new Financial Foresight Task Force.

Mr. Faquih also provided the following information on the status of the INTOSAI-Donor Cooperation.

- The Islamic Development Bank has become the 16th signatory to the agreement.
- A 2011 action plan includes initiatives for focusing on AFROSAI-E, CREFIAF, CAROSAI, and the global INTOSAI community through a project to support implementation of the ISSAIs.
- The Steering Committee is reviewing the proposals for capacity-development initiatives benefiting SAIs in developing countries that were submitted in response to its global call for proposals and has agreed to establish a task force of like-minded donors to develop a mechanism for pooled funding. Nine donors have expressed interest in this effort.
- The Donor Cooperation Secretariat is in the early stages of mapping and potentially developing a credible performance measurement framework for SAIs in cooperation with the INTOSAI Working Group on the Value and Benefits of SAIs, the Capacity Building Committee, the INTOSAI-Donor Steering Committee, volunteer INTOSAI regional bodies and SAIs, and stakeholders from the donor and nongovernmental organization communities.

The 63rd Meeting of the INTOSAI Governing Board will be held in late October or early November 2012 in Chengdu, China

For additional information, contact the INTOSAI General Secretariat:

E-mail: intosai@rechnungshof.gv.at

Website: www.intosai.org

Third Meeting of the INTOSAI-Donor Steering Committee

The third meeting of the INTOSAI-Donor Steering Committee was held in Washington, D.C., on July 19–20, 2011. The World Bank hosted the meeting, which was attended by more than 50 representatives of INTOSAI and the international donor community.

The meeting revealed the rich diversity of existing peer-to-peer cooperation and support provided to the INTOSAI community and marked a significant advance in implementing the memorandum of understanding (MOU) between INTOSAI and 16 donor partners. Recognizing the important role of SAIs in strengthening accountability, transparency, and good governance, the MOU aims to increase and enhance the support provided to SAIs in developing countries.

The Steering Committee agreed to move forward with additional financing arrangements for the INTOSAI-Donor Cooperation following a three-pronged approach.

- A global call for proposals for capacity development projects in need of support, announced in September 2011, will be followed by a process that matches applicants with donors and SAIs willing to provide support.
- A task force of like-minded donor organizations agreed to work together to develop a global pooled funding framework for SAI capacity development. The pooled fund will provide an additional funding channel, in particular for SAIs in countries with limited donor presence.
- A global databank on SAI capacity development projects will enhance the coordination of support to SAIs and thereby contribute to more effective support.

For additional information, contact the INTOSAI-Donor Secretariat:

E-mail: intosai.donor.secretariat@idi.no

Website: www.idi.no

Compliance Audit Subcommittee

The Compliance Audit Subcommittee (CAS) held its ninth meeting in Batumi, Georgia, September 27–29, 2011. The committee was pleased to welcome new members from China and Romania; it now consists of 16 members from all INTOSAI regions.

Following the endorsement of the International Standards of Supreme Audit Institutions (ISSAI) 4000 series on compliance audit at the XX INCOSAI in 2010, the committee turned its attention to establishing compliance audit in public sector auditing on a global basis.



Members of the Compliance Audit Subcommittee at its September 2011 meeting in Batumi, Georgia.

The committee's subgroups on awareness raising, harmonization, and issues related to courts of accounts presented their work to the committee, which affirmed the importance and impact of each activity.

- Many CAS members are participating in ongoing *awareness-raising* activities in the INTOSAI community related to the ISSAIs. These efforts are vital to the implementation of the standards. As the compliance standards on level 4 are being implemented, a group from CAS is also collaborating with the Professional Standards Committee (PSC) in the harmonization of the standards at level 3 (fundamental auditing principles), which is crucial to understanding public sector auditing and the ISSAI framework.
- The CAS members discussed a draft document presented by the project group on *harmonization*.
- The specific needs of courts of accounts have long been on the CAS agenda, and an exposure draft ISSAI on *court of accounts issues* was introduced to the committee for the first time. The basic differences between SAIs that have an auditor general system and those that are courts of accounts was explored in depth during discussions, and this provided a good basis for further development of the document.

As the ISSAI 4000 compliance audit series is endorsed and implemented, the committee's future task will focus on maintaining the standards. The committee members discussed maintenance issues in light of their experiences in implementation.

These discussions demonstrated the professional dedication of the committee members, who are willing to share their experiences and further develop compliance audit, suggesting a bright future for compliance audit within INTOSAI.

For additional information, contact the Compliance Audit Subcommittee at riksrevisjonen@riksrevisjonen.no.

Update from the Subcommittee on Peer Review

Subcommittee 3 of INTOSAI's Capacity Building Committee (CBC) met in Vienna, Austria, September 8–9, 2011. This subcommittee is tasked with promoting best practices and quality assurance through voluntary peer reviews. As part of the meeting, which was hosted by the SAI of Austria, the subcommittee set its agenda for 2011–2016. This agenda includes the following action items:

- Further develop and update the existing peer review documentation posted on the CBC website (<http://cbc.courdescomptes.ma>).
- Promote a climate—especially among INTOSAI's Regional Working Groups—in which the benefit of voluntary peer reviews is appreciated, by, for example, giving papers in connection with regional seminars.
- Gather additional feedback on the *Peer Review Guide* and *Checklist* and revise them as needed.

Furthermore, members of the subcommittee will participate in the project to develop a framework for evaluating the performance of SAIs, which is led by the INTOSAI Working Group on the Value and Benefits of SAIs.

The subcommittee has already started working on some of these action items. For example, to develop and update existing peer review documentation, the subcommittee sent a questionnaire on peer review projects to all INTOSAI members in late 2011. The subcommittee expresses its thanks to the INTOSAI members for their participation in the peer review survey and for sending any materials that could further develop the documentation. Moreover, it invites all SAIs to forward comments and suggestions on the *Peer Review Guide*. The questionnaires on peer review and for feedback on the guide can be downloaded from the CBC website: <http://cbc.courdescomptes.ma>.

For additional information or to make peer review documents available to other SAIs, please contact the German SAI at international@brh.bund.de.

Meeting of Steering Committee of the Knowledge Sharing Committee

The Steering Committee of the Knowledge Sharing Committee (KSC) held its third meeting in Moscow, Russia, October 5–6, 2011, to share information on the activities and progress of the KSC's working groups and task forces in preparation for the 62nd INTOSAI Governing Board meeting. Vinod Rai, Comptroller and Auditor General

of India and KSC Chairman, presided over the meeting, which was hosted by the Accounts Chamber of the Russian Federation, the KSC Goal Liaison.

Nineteen representatives from the SAIs of Austria, Denmark, Estonia, France, Morocco, Mexico, Norway, Russia, and the United States of America and from the European Court of Auditors attended, along with representatives of the INTOSAI Development Initiative (IDI) and this *Journal*.

Before the meeting, Alexander Piskanov, Deputy of the Accounts Chamber and head of the Secretariat for the Working Group on Key National Indicators (KNI) (which the Russian SAI chairs) gave a three-dimensional presentation on KNI. Sergey Stepashin, Chairman of the Accounts Chamber, welcomed the delegates, noting that the SAI of Russia was actively participating in many INTOSAI working entities. Mr. Rai welcomed Gjis de Vries, a member of the European Court of Auditors, who took over in January 2011 as Chair of the Working Group on Accountability for and Audit of Disaster-related Aid. Mr. Rai also reported that the KSC website (www.intosaiksc.org) had been revamped and has three new features: a forum, a survey system, and archives. A section for the newly created Task Force on SAIs Information Database that Mexico chairs has also been added.

Monika Gonzalez Koss, INTOSAI Director for Strategic Planning, presented the report of the INTOSAI General Secretariat on behalf of the Secretary General and a report on the implementation of the Strategic Plan 2011–2016. She updated participants on the status of the initiative aimed at strengthening SAI's independence by incorporating the principles of independence in the Lima and Mexico declarations into international law by means of a United Nations (UN) resolution. The General Secretariat has undertaken a new initiative to promote knowledge sharing by posting on the INTOSAI website all executive summaries of existing INTOSAI guidelines and standards for the benefit of auditors and stakeholders. The first set was to be available on the website at the end of 2011. During the 21st UN/INTOSAI Symposium, the UN invited INTOSAI to participate in the Rio+20 Summit of the United Nations on Sustainable Development. The General Secretariat, in close cooperation with the Working Group on Environmental Auditing, has prepared a draft text for presentation at the summit.

Elizabeth Walmann, IDI Project Manager, reported that during the last year, IDI had worked with all INTOSAI regions to meet SAI capacity-building needs and that it has enjoyed a fruitful cooperation with several INTOSAI committee and working groups. Gene Dodaro, Comptroller General of the U.S. Government Accountability Office, presented the 2010 annual report and audited financial statements of this *Journal*. He noted that the *Journal* had received a clean opinion and continues to maintain adequate cash reserves and that the Finance and Administration Committee has approved a proposal to reduce the percentage of members' dues that the *Journal* receives from 25 to 20 percent.

The Professional Standards Committee (PSC) and the Capacity Building Committee (CBC) also reported on their activities. Ane Elmore, head of the PSC Secretariat, stated that the PSC Chair would be responsible for maintaining the INTOSAI Standards of Supreme Audit Institutions (ISSAI) at levels 1–3 of the ISSAI framework,

for which there are no standing committees. The relevant PSC, CBC, and KSC subcommittees would be responsible for the appropriate maintenance and review of the ISSAIs and INTOSAI GOVs at level 4. This information was to be posted on the ISSAI website (www.issai.org). Mohammed Kamal Daoudi, Senior Magistrate in the Court of Accounts of the Kingdom of Morocco, informed the committee members on the CBC's mission and new strategies for 2011–2016 and elaborated on the CBC's governance through its main committee, steering committee, three specialized subcommittees, and the UN-INTOSAI platform.

Highlights of the working group and task force reports are as follows.

- The **Working Group on Accountability for and Audit of Disaster-related Aid** (chair: European Court of Audit) has further developed audit guidance material and good practices since the XX INCOSAI. Its work program for 2011–2013 has 13 tasks related to audits of disaster-related aid and disaster preparedness and accountability for disaster-related/humanitarian aid.
- The **Working Group on the Fight against International Money Laundering and Corruption** (chair: Egypt) met this year and developed its work plan. However, since the SAI of Egypt was unable to attend the steering committee meeting and deliver a progress report, it was asked to present its report at the 62nd Governing Board.
- The 2011–2013 work plan of the **Working Group on Environmental Auditing** (chair: Estonia) includes updating and developing new SAI guidance materials; facilitating concurrent, joint, and coordinated audits; enhancing information dissemination, exchange, and training; and cooperating with other international organizations and INTOSAI entities. A representative will be sent to the 2011 UN Climate Change Conference in South Africa and the 2012 Rio+20 Summit. (See the report on this working group on p. 46.)
- The new website (<http://program-evaluation.ccomptes.fr>) of the **Working Group on Program Evaluation** (chair: France) has been operational since November 2010. The group plans to survey INTOSAI members to collect case studies and information on methodology and experiences.
- The **Working Group on IT Audit** (chair: India) held its 20th meeting in 2011 and is continuing to make progress on five research projects. It is seeking INTOSAI members to volunteer to (1) serve as the editor of the journal *intoIT* and (2) host its website (www.intosaiitaudit.org), tasks previously performed by the United Kingdom's National Audit Office.
- The **Working Group on Public Debt** (chair: Mexico) held its annual meeting in 2011 and prepared a 2011–2016 work plan that includes updating existing products to share with the INTOSAI community. The XX INCOSAI endorsed the final version of *Debt Indicators* in the five official INTOSAI languages. Two investigation themes are being considered as possible official products for the XXI INCOSAI in 2013: *Impact of Financial Crises on Public Debt and INTOSAI Initiatives*, prepared by the SAI of the United States, and *Evaluation of Information Systems Related to Public Debt Management*, prepared by the SAI of Brazil.

- The **Working Group on Key National Indicators** (chair: Russia) has, since its establishment over 3 years ago, prepared a review of international experiences, established *Principles of SAIs Application of KNI*, developed *Recommendations on the Development and Use of KNI in Innovative Economies*, and contributed to the INTOSAI *Glossary of Audit Terms*. At its 2011 annual meeting, it approved the following subprojects for the next 3 years: preparing a draft methodology on KNI selection for use in SAI activity; analyzing opportunities to use KNIs for international comparison; developing and using KNIs for research and development evaluation; and using KNIs to assess global economic imbalances. The working group's materials are posted on its website (www.ach.gov.ru/en/intosaikni), maintained by the SAI of Russia.
- The report of the **Working Group on the Value and Benefits of SAIs** (chair: South Africa) was presented by the SAI of Mexico since the South African SAI could not attend. The working group's website (www.intosai-wgvbs.org) has been launched and an annual planning meeting was held in August 2011. Its 2011–2013 work plan identified four projects; the KSC endorsed its first project proposal, preparing a framework on the value and benefits of SAIs. (See the report on this working group on p. 47.)
- The establishment of the **Task Force on SAI Information Database** (chair: Mexico) was approved at the 60th Governing Board meeting. Its purpose is to create an updated and specialized SAI database to strengthen communication and knowledge sharing among SAIs and stakeholders. The task force recently held its first working meeting and has developed terms of reference, a work plan for 2011–2013, and specific strategies for achieving its objectives.
- The **Task Force on the Global Financial Crisis** (chair: United States) has posted on the INTOSAI website the papers of subgroups 1 (Causes of the Financial Crisis and Lessons Learned) and 2a (Immediate Actions to Minimize and Avert the Crisis). Task force members are reviewing the draft papers from subgroups 2B (Stimulus Efforts on the Real Economy) and 3 (Challenges to SAIs). Once the final versions of these papers are finalized, they will be posted on the INTOSAI website as well. The task force was to propose a motion to the 62nd Governing Board to extend its mandate. The SAIs of Mexico and the United States plan a joint meeting of this task force and the Working Group on Public Debt in early 2012 to coordinate their plans.

Mr. Rai thanked Dr. Stepashin and his officers for their excellent organization of the meeting, warm and generous hospitality, and active participation. He also reported that the European Court of Auditors had volunteered to host the next KSC Steering Committee meeting.

For additional information, contact the KSC:

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

Website: www.intosaiksc.cag.gov.in

Working Group on Environmental Auditing

The Working Group on Environmental Auditing (WGEA) held its 14th General Assembly and 11th Steering Committee meetings November 7–11, 2011, in Buenos Aires. The meetings were hosted by the SAI of Argentina and included 140 participants from 55 SAIs. The WGEA Steering Committee and Secretariat arranged for a 1-day training on environmental auditing for beginners to be held before the meetings.



A truly global audience from 55 SAIs attended the WGEA's 14th General Assembly.

Review of Progress on the WGEA Work Plan for 2011–2013

The main focus of the General Assembly was an interim review of progress in developing the research papers and guidance materials included in the WGEA's work plan for 2011–2013. Two sets of guidance material are to be issued in 2013: one for auditing water issues and the other on integrating fraud and corruption issues into auditing environmental and natural resource management issues. Research materials are under development in the following areas:

- environmental and sustainability reporting,
- environmental data,
- land use and land management practices, and
- environmental issues associated with infrastructure.

The participating SAIs contributed to the success of the meeting by sharing innovative audit experiences and introducing cooperative audits that had been conducted. SAI audit work was also presented in parallel sessions organized by the SAIs leading projects in the WGEA's work plan. In addition, presentations were made by international organizations, including the World Bank, INTERPOL, Transparency International, the Association of Chartered Certified Accountants, and the Organisation for Economic Co-operation and Development.

Rio+20 Summit

In 2012, leaders from around the world will gather again in Rio de Janeiro to review global environmental and development problems and search for further ways to promote sustainable development. The WGEA is developing a compendium for the Rio+20 Summit that introduces environmental audits conducted worldwide. A draft of this document was discussed at the General Assembly.

Future WGEA Activities

The Estonian National Audit Office (NAO) has been the chair of the WGEA since 2007 and proposes to hand the chairmanship over to the SAI of Indonesia during the XXI INCOSAI in 2013. This proposal will be submitted for approval to the INTOSAI Governing Board.

The next WGEA General Assembly will be hosted by the NAO of Estonia in 2013.

For additional information, contact the NAO of Estonia:

E-mail: info@wgea.org

Website: www.environmental-auditing.org

Working Group on the Value and Benefits of Supreme Audit Institutions

The Working Group on the Value and Benefits of SAIs met in Montego Bay, Jamaica, in August 2011. Terence Nombembe, Auditor-General of South Africa, chaired the meeting, which was hosted by Pamela Monroe-Ellis, the Auditor-General of Jamaica. During the meeting, the working group identified four projects and approved a work program that includes the projects' scope, deliverables, member allocation, coordinators, and time frames for 2011–2013 leading up to the XXI INCOSAI. To avoid overlapping and duplication of efforts, the importance of collaboration and cooperation with other INTOSAI bodies was emphasized during the meeting.

The following four projects (and their related deliverables for the XXI INCOSAI) were identified:

- Preparation of a framework on the value and benefits of SAIs to be included at level 1 in the ISSAI framework, in line with INTOSAI's due process requirements for professional standards. (Deliverable: An ISSAI for final endorsement by the XXI INCOSAI)
- Development of credible measurement tools to support the evaluation of SAIs' performance within a framework for communicating and promoting the value and benefits of SAIs. (Deliverable: A single, global performance measurement framework for SAIs)
- Development of appropriate instruments and tools to communicate and promote the value and benefits of SAIs to all SAI stakeholders, including civil society

organizations and citizens. (Deliverable: A guideline for communicating and promoting the value and benefits of SAIs and interacting with citizens)

- Development of a guideline on effective practices of cooperation between SAIs, the legislature, the judiciary, and the executive that focuses on the SAIs' ability to promote accountability and leads to administrative or corrective sanctions being imposed. (Deliverable: A guideline on effective practices of cooperation between SAIs, the legislature, the judiciary, and the executive)

The next meeting of the working group is planned for June 2012 and will be hosted by the SAI of Mexico. During this meeting, the project groups will have the opportunity to provide detailed feedback on their work.

For additional information, contact the SAI of South Africa:

E-mail: lelaniev@agsa.co.za; agsa@agsa.co.za

Website: www.intosai-wgvs@agsa.co.za

Meeting of the Finance and Administration Committee

On July 18, 2011, the INTOSAI Finance and Administration Committee (FAC) held its seventh meeting in Washington, D.C. Committee members are the SAIs of Saudi Arabia (committee chair), the United States (vice-chair), Austria, China, Ecuador, Mexico, and Norway. In opening comments, Osama Faquih, head of the SAI of Saudi Arabia, thanked the SAI of the United States for hosting the meeting, welcomed new committee members Ecuador and Mexico, and reviewed the committee's accomplishments since its March 2010 meeting in Caracas.

The FAC is responsible for cooperating with the General Secretariat in financial planning; supervising and controlling budget implementation, recommending adjustments to organizational dues, and reporting to the Governing Board and INTOSAI congresses as needed.

In a report on the status of the INTOSAI budget, Dr. Moser, INTOSAI General Secretary and President of the SAI of Austria, reported that 90 percent of INTOSAI's dues had been received as of the end of June 2011. Dr. Moser also reported that auditors from Malaysia and Oman found that INTOSAI's financial statements for 2010 complied with INTOSAI's financial rules.

The FAC approved a proposal to create a small technical task force to conduct a thorough review of INTOSAI's financial situation and sustainable funding for the organization, strengthen continuous improvement, and build a foresight capability in INTOSAI to anticipate emerging issues. Jurgen Kosmo, head of the Norwegian SAI, will be the task force lead. Members will include the FAC members, the Chairman of the Governing Board, the Director of Strategic Planning, and representatives of chairs of goals 1 to 3. The task force is to prepare a report to the FAC, which will then submit a proposal to the Governing Board.

Gene Dodaro, head of the SAI of the United States, reported that the *International Journal of Government Auditing* continues to function on a sound financial basis and, with continued attention and stewardship, could continue its operations if its allocation from INTOSAI membership dues were reduced from 25 to 20 percent. He also reported that the *Journal* is continuing its efforts to upgrade its electronic version. The committee approved a proposal to reduce the *Journal's* allocation.

In addition, the committee discussed the need to find a permanent revenue source to pay for the travel costs of the Director of Strategic Planning. In the short term, these costs will be offset by other INTOSAI funds and by the funds formerly allocated to the *Journal*.

Einar Gorrissen of the SAI of Norway described the background and goals of the INTOSAI Donor Cooperation effort under the 2009 memorandum of understanding (MOU), as well as the progress to date. He highlighted the key findings of the 2010 SAI stocktaking, namely that while many SAIs receive external support, there is still a considerable need for sustainable capacity development, including a clear demand for developing and strengthening performance audit capabilities. The stocktaking report also underscored the demand for expanded peer-to-peer cooperation by increasing the supply of SAIs that provide support. He added that the 2011 action plan identified short-term prioritized capacity-building projects targeting INTOSAI regions and INTOSAI globally. At the time of the meeting, donor support had been secured for 8 of the 13 identified activities. Mr. Gorrissen also outlined the key issues to be discussed at the 3rd INTOSAI-Donor Steering Committee (SC) meeting, which was held immediately following the FAC meeting. The FAC discussed and provided feedback on these issues:

- A global call for proposals is needed to ensure a more comprehensive approach to implementing the INTOSAI-Donor MOU.
- Proposals for pooled funding arrangements may constitute a longer term effort.
- A complete databank of donor-funded and peer-to-peer SAI support projects that incorporates the existing CBC database, and its related protocols for access and publication, is needed. This expanded database will assist in improving coordination of capacity-development support between the INTOSAI and donor communities and will provide a better overview of ongoing support.

Other FAC agenda items included discussions of ways to encourage full participation by all SAIs in INTOSAI activities and strengthen information sharing networks across the organization. In addition, the FAC approved the reallocation of funds to translate the executive summaries of existing INTOSAI guidelines and standards into all five INTOSAI working languages.

For additional information, please contact the FAC at gab@gab.gov.sa.

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: www.idi.no.

Cross-regional Program on Environmental Issues in Forestry

IDI is cooperating with the INTOSAI Working Group on Environmental Auditing (WGEA) on a Cross-regional Program on Environmental Issues in Forestry. The program's objective is to build professional and organizational capacity to conduct performance audits in the area of forestry. Fifteen SAIs from ASOSAI, AFROSAI-E, and CAROSAI are taking part in this program.



Participants at the audit review meeting of the Cross-regional Program on Environmental Issues in Forestry.

In October 2011, an audit review meeting was held following the completion of the pilot forestry-audit phase. At this event, the participating SAIs received feedback on their pilot audits and discussed findings with peers and experts. The SAIs also gave feedback on the WGEA publication *Auditing Forests: Guidance for Supreme Audit Institutions* and shared action plans for implementing the program outputs to build internal capacity in forestry audits in their respective SAIs after completing the program.

IDI/CAROSAI Program on the Risk-Based Approach to Financial Audit

A second round of the Risk-Based Approach to Financial Audit Program was launched in CAROSAI in 2011. Nine SAIs took part in a Workshop on the Risk-Based Approach to Financial Audit that was held in November 2011. At this workshop, the SAIs were exposed to risk-based audit concepts and gained some practice using the templates in the *IDI/CAROSAI Guide on Risk-Based Approach to Financial Audits*, developed as part of this program's first round in 2010.

Strategic Planning Programs in OLACEFS, CREFIAF, and ASOSAI

Strategic planning capacity is an expressed need for many SAIs in several INTOSAI regions. During 2011, new Strategic Planning Programs have been launched in three regions to help SAIs improve in-house capacity for developing and implementing strategic and operational plans. Based on the lessons learned from previous programs in AFROSAI and ARABOSAI, IDI has developed a program structure that combines needs assessment and strategic and operational planning.

In OLACEFS, the Strategic Planning Program was launched in October 2011 with a strategic planning meeting for the heads and senior delegates of the participating SAIs. The aim of this meeting was to agree on roles, responsibilities, and outputs and obtain a common understanding of program outcomes.



Magnus Borge, IDI Director General, and Oscar Velazquez, Comptroller General of Paraguay, sign the memorandum of understanding for the IDI/OLACEFS Strategic Planning Program.

Due to heightened interest, two groups of Francophone African SAIs in CREFIAF are currently taking part in the Strategic Planning Program. The first group has completed the Needs Assessment Training and is currently conducting needs assessments in their respective countries. The SAI heads in the second group met in October 2011 for the initial strategic planning meeting to discuss and agree on the content, conduct, and outcomes of the program. The second group of SAIs will conduct needs assessments at the beginning of 2012.

IDI is also cooperating with ASOSAI on a Strategic Planning Program for seven SAIs. Resource persons from the region met with IDI staff in December 2011 to finalize the design of the program components. The IDI/ASOSAI team will meet delegates from the participating SAIs in January 2012 to familiarize itself with the planning methodology and develop action plans for the strategic planning process in the participating SAIs.

Cross-regional Program on Public Debt Management Audit

The Cross-regional Program on Public Debt Management Audit, the most comprehensive program in IDI's history, was completed in November 2011 when an exit meeting was held with the program partners: IDI, the INTOSAI Working Group on Public Debt, the Debt Management Program of the United Nations Conference for Trade and Development, and the United Nations Institute for Training and Research.

The *Public Debt Management Audit—A Practical Audit Guide*, one of the program's planned outputs, will be available to INTOSAI members in early 2012. The guide is based on relevant International Standards of Supreme Audit Institutions and feedback and experiences gained during the pilot audits conducted as part of the program. All of the 29 participating SAIs from seven INTOSAI regions have committed to adopting the guide for use in their institutions.

Internal Evaluation of Selected IDI Capacity-building Programs

Comprehensive internal evaluations of selected IDI capacity-building programs were initiated in 2010 to facilitate continuous learning and performance improvement. The ASOSAI and CAROSAI Quality Assurance in Financial Audit programs, which were carried out during 2007–09 and 2009, respectively, were the first to be evaluated. The evaluation report indicates that the desired program outcomes were largely achieved and that quality assurance and financial audit processes have been improved in the participating SAIs.

The evaluation of other IDI capacity-building programs was undertaken in 2011, and a final report on these programs is expected to be ready in the spring of 2012.

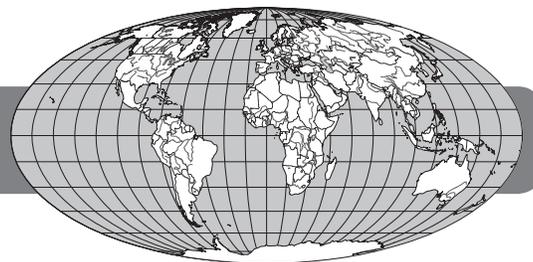
Contacting IDI

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

E-mail: idi@idi.no

Website: www.idi.no

INTOSAI 2012 Events



<p>January</p>	<p>February</p> <p>23-25 Meeting of the Donor Funding Project Steering Committee, Jaipur, India</p>	<p>March</p>
<p>April</p>	<p>May</p> <p>28 EUROSAI Governing Board Meeting, Ankara, Turkey</p> <p>29-June 1 Meeting of the Steering Committee of the Professional Standards Committee, South Africa</p>	<p>June</p> <p>14-15 Meeting of Subcommittee 1 of the Capacity Building Committee, Tokyo, Japan</p> <p>TBD Meeting of the Working Group on the Value and Benefits of SAIs, Mexico</p>
<p>July</p>	<p>August</p> <p>31-1 September Meeting of Subcommittee 2 of the Capacity Building Committee, Lima, Peru</p>	<p>September</p>
<p>October</p> <p>TBD 63rd Meeting of the INTOSAI Governing Board, Chengdu, China</p>	<p>November</p>	<p>December</p>

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.

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