INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —

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THIS ISSUE

CAPITALIZING ON OPPORTUNITIES TO STRENGTHEN SAI INDEPENDENCE

by Dr. Hussam Alangari, President of the General Auditing Bureau, Saudi Arabia, and Chair of INTOSAI's Policy, Finance and Administration Committee

Just over forty years ago, the Lima Declaration was approved at the IX International Organization of Supreme Audit Institutions (INTOSAI) Congress in Lima, Peru.

The Lima Declaration, which covers several key objectives and issues related to the work of Supreme Audit Institutions (SAIs), founded the fundamental pathway for SAIs to deliver value and benefits to society and make a difference in the lives of citizens.

The declaration emphasizes the importance of SAI independence—the organization, its members and officials—and clearly states that SAIs can only accomplish tasks objectively and effectively if they are independent of the audited entity and are protected against outside influence.

The declaration also specifies that SAIs shall have the functional, organizational and financial independence required to accomplish their tasks and reinforces SAI establishment, stating the necessary degree of SAI independence shall be laid down in the Constitution.

Building on the Lima Declaration, the Mexico Declaration, adopted in 2007 at the XIX INTOSAI Congress held in Mexico City, recognizes eight core principles for SAI independence.

Additionally, recognizing the need for SAIs to operate independently from those being audited and to remain free from external pressure, in 2012 the United Nations (UN) General Assembly resolution 66/209 promoted public administration efficiency, accountability, effectiveness and transparency by strengthening SAIs.

In this context, INTOSAI's strategic plan identifies five crosscutting priorities to achieve its 2017–2022 goals, including advocating for, and supporting, SAI independence.

The INTOSAI Policy, Finance and Administration Committee (PFAC) is tasked to monitor the INTOSAI strategic plan, which also provides an opportunity to promote SAI independence across INTOSAI.

As PFAC Chairman, we have been collaborating closely with INTOSAI Goal Chairs, the Supervisory Committee on Emerging Issues, as well as the General Secretariat to consider potential INTOSAI-wide efforts to advance implementing the cross-cutting priorities.

For example, the PFAC has identified a timeline for key activities related to its obligations under the strategic plan.

The PFAC, in its commitment to monitor and report on progress toward achieving the strategic plan goals and cross-cutting priorities, is furthering SAI independence.

Furthermore, my role as co-Chair of the INTOSAI-Donor Steering Cooperation (Cooperation) allows me to bridge PFAC and Cooperation efforts in supporting SAI independence. The PFAC provides a strategic focus for both donors and the SAI community to strengthen SAI capacity in developing countries and supports a variety of mechanisms facilitating donor funding and support in line with donor mandates.

The PFAC reports on and recommends changes to efforts in raising Cooperation awareness, providing opportunities to empower SAIs, particularly those in developing countries, to advance capacity and performance and to better fulfill their mandates.

The PFAC remains committed—and I remain committed—to fostering opportunities to advocate for and promote SAI independence.

NEWS FROM SAIs AROUND THE WORLD

News from Argentina

AGN SHARES REGIONAL EXPERIENCE AT INTOSAI 70TH GOVERNING BOARD

The General Audit Office of Argentina (AGN) attended the International Organization of Supreme Audit Institutions (INTOSAI) 70th Governing Board meeting in Graz, Austria.

In keeping with INTOSAI strategic plan goal three, crosscutting priority five, "Building upon, leveraging and facilitating cooperation and professionalism among the regional organizations of INTOSAI," the AGN, representing the Organization of Latin American Caribbean Supreme Audit Institutions (OLACEFS), presented the OLACEFS experience on implementing the International Standards of Supreme Audit Institutions (ISSAIs) and enriching stakeholder communication.

The AGN described necessary actions to implement ISSAIs, which include adopting internal auditing standards within the ISSAI framework; strengthening independence and transparency; and increasing audit quality.

OLACEFS officials addressed these actions through designing and implementing numerous initiatives, such as:

- Customized staff training programs;
- An e-Government tool aimed at eliminating unnecessary control processes;
- Drone use for evidence auditing; and
- Employing the Integrated Supervising Auditing System

(SICA), an audit process monitoring mechanism developed jointly with the Republic of Chile's Supreme Audit Institution (SAI).

Stakeholder communication was also conveyed as a priority.

On this front, using social media channels and websites to disseminate news using a variety of media (audio, video, reports) remains a critical component of audience engagement.

The importance of INTOSAI's diverse regional support was also highlighted. The AGN strongly suggested sharing knowledge and practices within a regional framework to address all stakeholders and encourage all regions, SAIs and members to create and cultivate lines of communication and support mechanisms to enhance effectiveness, efficiency and quality.
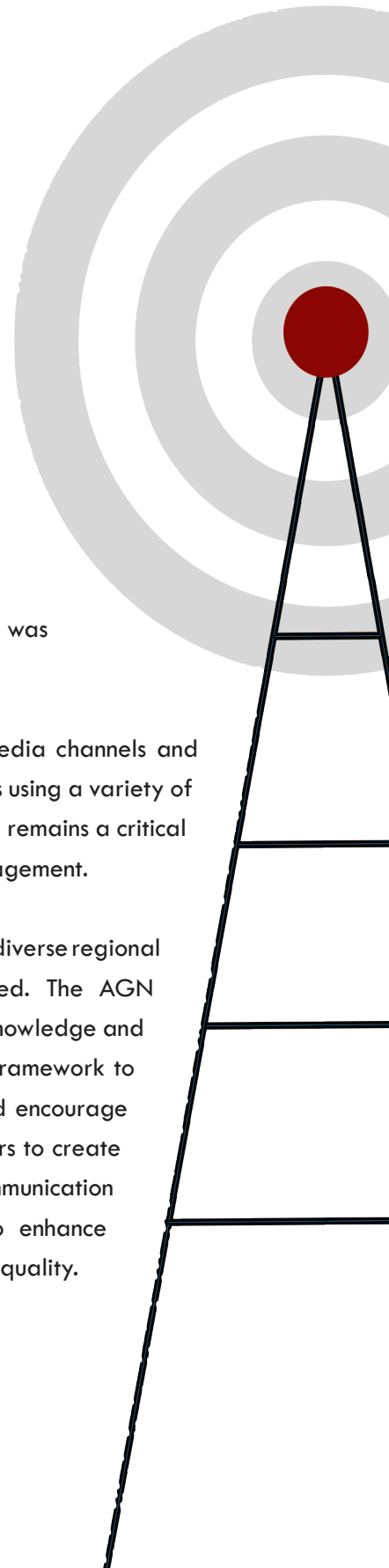
News from India

NEW COMPTROLLER AND AUDITOR GENERAL OF INDIA APPOINTED

On his appointment by the President of India, Mr. Rajiv Mehrishi took oath as the Comptroller and Auditor General of India on September 25, 2017.

Mr. Mehrishi has rich and diverse public service experience spanning nearly four decades in senior positions in finance, administration and public policy. His immediate previous position was as Home Secretary for the Government of India. Prior to that, he held key Government of India positions, including Finance Secretary, Secretary (Fertilizers) and Secretary of Overseas Indian Affairs.

As Comptroller and Auditor General of India, Mr. Mehrishi succeeds Mr. Shashi Kant Sharma as Chair of the United Nations Board of Auditors (UNBOA), Chair of the International Organization of Supreme Audit Institutions (INTOSAI) Knowledge Sharing Committee (KSC), Chair of the Working Group on Information Technology Audit (WGITA), Chair of the Compliance Audit Subcommittee, and Chair of the Asian Organization of Supreme Audit Institutions (ASOSAI) Journal Board of Editors.

News from Kuwait

- The State Audit Bureau of Kuwait (SAB) hosted the "The State Audit Bureau Youth Forum 2017" November 27-28, 2017. The event, tied to the State of Kuwait's selection as the Capital of Arab Youth for 2017, aims to provide young people with the opportunity to participate in decision-making and system development, encourage creativity and innovation in the field of audit and accountability, and create closer relations among professional institutions and society.

- Mr. Adel Al-Sarawi, SAB Acting President, accompanied by a SAB delegation, paid an official visit to the United States Government Accountability Office (GAO) September 15, 2017, in Washington, D.C. Several topics were discussed, including the "Yellow Book" and U.S. experience in preparing financial risk activity reports. Future knowledge sharing between the two Supreme Audit Institutions (SAIs) in several audit areas was also discussed.

- The SAB participated in the "Data and Analysis in Environmental Audit" training seminar October 17, 2017, as well as the 15th European Organization of Supreme Audit Institutions (EUROSAI) Environmental Audit Working Group (WGEA) meeting October 18-20, 2017, in Albania.

News from the United Arab Emirates

FIGHTING CORRUPTION THROUGH WORKING GROUPS, CITIZEN EDUCATION

The United Arab Emirates (UAE) State Audit Institution (SAI) participated in the 8th United Nations Office on Drugs and Crime (UNODC) session of the Open-ended Intergovernmental Working Group on Prevention of Corruption held in Vienna, Austria, in August 2017.

Raising awareness about corruption and working toward discovering solutions to prevent it are prominent discussions worldwide and are in keeping with provisions set forth through the United Nations Convention Against Corruption (UNCAC), the central authority on preventing corruption, which the UAE SAI chairs.

The UAE official delegation, formed by decree from Dr. Harib Al Amimi, SAI President and International Organization of Supreme Audit Institutions (INTOSAI) Governing Board Chairman, included Mr. Mohamed Rashid Al Zaabi, SAI Undersecretary (who chaired the state delegation during the meeting); Mr. Hassan Mohamed Al Hammadi, Chief Prosecutor of Public Funds in the Abu Dhabi Judicial Department; Mr. Saud Abdulla Mosa, Legal Auditor, SAI UAE; and Dr. Ahmed bin Nasr Al Zaabi, International Organizations Affairs Officer, Permanent Mission of the UAE.

The event included robust discussions on preventing corruption and highlighted endeavors undertaken through educational and criminal justice institutions.

UAE's efforts include a steadfast campaign to raise awareness about corruption, its causes and ways it can be reduced. Mr. Al Zaabi, in his presentation to participants, underscored ongoing collaboration that includes a SAI-driven awareness plan designed to educate students at schools and universities. He noted that this initiative is based on the SAI's interest in developing measures to prevent corruption, as well as the belief that cooperation with all sectors of society are important, particularly educational institutions.

Awareness programs have already been launched throughout the UAE, including the "SAI Competencies in Public Fund Control and Anti-Corruption," which targets students dedicated to law, business and economics.

Dr. Al Amimi stressed the importance that concerted efforts bring to ending corruption in all its forms. He also emphasized educational institutions are essential to anti-corruption awareness system success, as they play a fundamental role in promoting integrity, transparency and responsibility among students.

Protecting public funds and preserving state property are additional elements considered in the fight against corruption, and Dr. Al Amimi pointed out that these aspects are national responsibilities for all. Educating and informing citizens on corruption prevention and the significant role Supreme Audit Institutions have in this endeavor help ensure legitimate, effective use of public funding, and, of equal importance, create a culture of value, compliance and responsibility.

UAE STATE AUDIT INSTITUTION CELEBRATES ASA 75TH ANNIVERSARY

Dr. Harib Al Amimi, President of the State Audit Institution (SAI) of the United Arab Emirates (UAE) and Chairman of the International Organization of Supreme Audit Institutions (INTOSAI) Governing Board, led the SAI UAE delegation as they participated in Egypt's Accountability State Authority (ASA) Diamond Jubilee celebration honoring ASA's 75th anniversary. Dr. Al Amimi congratulated the ASA on reaching this milestone and conveyed, "This important event sheds light on the significant role and contribution of ASA to develop government sector performance and ensure transparency and prevent corruption."

BUILDING REGIONAL TIES AT THE OLACEFS GENERAL ASSEMBLY

The United Arab Emirates (UAE) State Audit Institution (SAI) participated in the XXVII Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) General Assembly in Asunción, Paraguay, where they strengthened relations and shared knowledge and experiences in various audit fields and capacity building initiatives.

The agenda included robust discussions and presentations on auditing Sustainable Development Goal (SDG) implementation, which, as Chair of INTOSAI, the UAE SAI finds relevant as they lead an international coalition to establish a professional framework designed to review and report on goal implementation compliance. During the event's opening ceremony, the Mayor of Asunción honored Dr. Harib Al Amimi with the key to the city recognizing his role and efforts since assuming the INTOSAI presidency at INCOSAI XXII in Abu Dhabi in December 2016.

News from Vietnam

Philippines, Thailand, and Vietnam, included representatives from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and international experts.

Jointly coordinated by the Supreme Audit Institutions (SAIs) of Indonesia, Malaysia and the Philippines, the event builds on phase one training ISSAI concepts focusing on Risk-Based Approaches on Financial Audits, creates a pool of certified ISSAI facilitators specifically for ASEANSAI, and promotes ISSAI application to individual SAIs.

ASEANSAI members had a forum to exchange knowledge and experience during the three-day workshop, and facilitators capitalized on opportunities to practice ISSAI implementation understanding as envisaged in the Association of Southeast Asean Nations (ASEAN) strategic plan.

STATE AUDIT OFFICE HOSTS ASEANSAI ISSAI-FOCUSED WORKSHOP

The State Audit Office of Vietnam (SAV) hosted a Facilitation Skill Workshop under the long-term Association of Southeast Asian Nations (ASEANSAI) program framework on International Standards of Supreme Audit Institutions (ISSAI) Implementation Phase 2. The workshop, attended by representatives from ASEANSAI members of Cambodia, Indonesia, Malaysia, Myanmar,

The Long-Term ASEANSAI Program Phase 2 (LTAPII) program is led by The Commission on Audit of the Republic of the Philippines, which involves three sub-project leaders—the Audit Board of the Republic of Indonesia, Office of the Auditor General of Thailand and Jabatan Audit Negara. The program aims to institutionalize systems for ISSAI implementation and quality audits conducted by ASEANSAI members.

News from Malta

"To help promote accountability, propriety and best practices in Government operations."

NAO MALTA CELEBRATES 20 YEARS!

In 1997, Malta's constitution was amended to provide for the independent offices of the Auditor General (AG) and Deputy Auditor General (DAG) and the establishment of the National Audit Office of Malta (NAO). This year, the NAO commemorated its 20th anniversary as an independent audit institution, and many distinguished guests paid special visits to the NAO throughout the year.

• President of the European Court of Auditors (ECA), Mr. Klaus-Heiner Lehne (*pictured above with NAO Malta staff*), discussed similar challenges and issues being encountered by ECA and NAO Malta. Mr. Lehne, accompanied by the Maltese Member of the ECA, Mr. Leo Brincat, also emphasized the key role audit offices play in restoring European Union (EU) citizens' trust in EU institutions.

• Dr. Joseph Muscat, Malta's Prime Minister, praised the NAO's continued excellent work and extended his cooperation to Mr. Charles Deguara, NAO Auditor General (AG), Mr. Noel Camilleri, NAO Deputy Auditor General (DAG) and all NAO staff. Dr. Muscat expressed his commitment to implement NAO recommendations included in its reports and such commitment has already been translated in practice through the government's annual publication, "Governance—Action on the NAO's Annual Report."

• The former Leader of the Opposition, Dr. Simon Busuttil, also had words of praise for NAO and for all the sensitive and difficult work it carries out. Dr. Busuttil noted the immense responsibility placed on NAO and the challenges it faces in maintaining, and enhancing,

its status as a role model for other government entities. He also stressed the NAO's need for additional resources to carry out its constitutional function more effectively.

A special ECA/NAO joint seminar was also held to mark this important milestone in NAO's history. "Audit Follow-up in the Public Sector: Enhancing Accountability," was held at the Mediterranean Conference Center in Valletta, Malta, in September. Noteworthy guests in attendance included senior officials from across public service, including the Public Accounts Committee and the Internal Audit and Investigations Department.

Mr. Deguara opened the seminar by highlighting the importance of every national audit institution to ensure timely implementation of recommendations made in its various reports.

Mr. Brincat provided the keynote address that included an extensive overview on the ECA's role and objectives. Mr. Brincat recommended governments should encourage ministries, departments and entities to implement ECA audit report recommendations and that they more proactively adhere to EU directives in an effort to add value.

Mr. Martin Weber, Directorate of the Presidency, followed with a presentation on "Maximizing Our Contribution to Member States' Public Accountability," where he pointed out the ECA's fundamental role in promoting accountability, one of ECA's core values.

Principal Permanent Secretary, Mr. Mario Cutajar, addressed seminar participants and discussed "NAO's Report—Government's Follow-Up," focusing on analyzing the implementation status of various NAO recommendations issued in its Annual Audit Report on Public Accounts. Mr. Cutajar emphasized that this exercise duly reflected government commitment to promoting accountability and transparency across Maltese public service.

Mr. Camilleri gave an excellent review of the NAO initiative launched this year to issue a follow-up report on several audits undertaken by the Financial and Compliance, Performance, Special Audits, and Investigations sections. He closed by presenting a comprehensive analysis on recommendation implementation rates in respect to all selected follow-up audits included in this year's report.

News from Brazil

SAI BRAZIL ENGAGES AUDITORS IN FUN, EXCITING WAY!

The Federal Court of Accounts, Brazil's Supreme Audit Institution (SAI), developed a quiz on International Standards of Supreme Audit Institutions (ISSAIs) as a new way to engage its auditors while deepening knowledge on professional auditing standards.

The quiz, which also included questions on the SAI itself, saw 475 auditors competing in the online qualifying round that took place in September. During this stage, participants had 75 minutes to answer multiple choice questions.

Respondents had three attempts (answering different questionnaires) and were free to consult the standards. The correct answers were provided at the end of the qualifying stage, and participants were allowed access to individual results.

The 112 competitors earning the highest scores were assembled to simultaneously compete in the final round, where they answered questions related to small audit cases. This stage of the contest was much more challenging, as the finalists only had 45 minutes with no outside help.

The competition was intense! In the end, 12 auditors and 12 audit departments each won a cash prize (made possible through sponsoring entities).

The event's success generated considerable buzz with the possibility of having a rematch next year.

Special thanks goes out to the Auditing Methodology Support Unit for crafting the quiz questions that were based on ISSAIs 30, 100, 300, 400, 3000, 3100 and 4000.

Pictured (top right): Ms. Kellen Tenuta Coelho receives the award for top individual from Minster Raimundo Carreiro and Mr. Dagomar Lima. Pictured (bottom right): Minister Carreiro presents award to Ms. Ana Paula Silva da Silva, head of the winning department.

News from Kazakhstan

In accordance with the Republic of Kazakhstan Law "On Public Audit and Financial Control," the Accounts Committee implements public audit and financial control authorities.

Within this framework, just over a year ago, the Accounts Committee devised and approved a procedural standard: "External Public Audit and Financial Control on the Assessment of the Activities of Audit and Financial Control authorities."

Here, the Accounts Committee identified areas, criteria and requirements to measure achieved results, improvement and efficiency.

For the first time, in September 2017, the Accounts Committee conducted an assessment of the public audit and financial control activities and provided results along with recommendations for improvement.

News from Myanmar

DELEGATES ATTEND ACCA CONFERENCE TO LEARN LATEST DEVELOPMENTS

Mr. Maw Than, Union Auditor General from the Supreme Audit Institution (SAI) of Myanmar, alongside the Myanmar Institute of Certified Public Accountants representatives, attended the Association of Chartered Certified Accountants (ACCA) International Conference on Regulation of the Accountancy Profession held in London, United Kingdom, October 5-6, 2017.

The conference provided a forum for discussions on the accountancy profession in general, as well as reviews of regulatory models used around the world, oversight, the importance of good governance, quality assurance, investigation and discipline, and systems designed to prevent misleading or incomplete financial reporting.

Delegates also gained detailed and focused knowledge on the latest regulation developments in corporate reporting and assurance, best practices on international standards compliance, and methods applicable to regulatory frameworks.

SAI Myanmar continues to seek similar opportunities aimed at knowledge sharing to better enrich Myanmar's accountancy sector development and increase credibility and professionalism.

News from South Africa

AGSA EARNS TOP HONORS AT PUBLICATION FORUM COMPETITION

The Office of the Auditor General of South Africa (AGSA) received honors from the South Africa Publication Forum (SAPF) at the 2017 Publication Forum's Competition held in Johannesburg in September 2017.

AGSA received two certificates of merit as finalist in the best annual report category and for excellence in writing and communication for their 2015-2016 integrated annual report, "Auditing What Matters."

The report, guided by the Global Reporting Initiative (GRI-G4) and the Integrated Reporting Framework, is an excellent example of these reporting guidelines in action.

Numerous stakeholder accolades were given for reporting style, integrated content and readability. Judges noted that "Auditing What Matters" can be used as a benchmark for other governmental reports, as well as a great way to spread the accountability wave!

The AGSA's journey on integrated reporting started in 2012 and one of the organization's earlier reports was featured in a publication by CIMA in 2015. The work in integrated reporting has allowed the AGSA to improve its integrated thinking which has assisted in adding more value to the stakeholders.

Get the latest AGSA news and information via www.agsa.co.za or on twitter @AuditorGen_SA!

News from Portugal
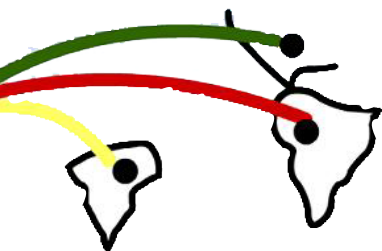
SAI PORTUGAL HOSTS SDG SEMINAR

"A very full and productive day" was how Mr. Vítor Caldeira, President of the Tribunal de Contas of Portugal (SAI Portugal), characterized the seminar on "The United Nations (UN) Agenda 2030 for Sustainable Development: The Role of SAIs." The seminar, hosted by SAI Portugal as part of the Organization of Supreme Audit Institutions (SAIs) of Portuguese Speaking Countries (OISC/CPLP), took place in Funchal, Madeira in September 2017.

After a robust program of presentations, workshops and lively debates, OISC/CPLP members unanimously approved the Funchal Declaration, which stresses a commitment to specific actions considering the need to promote and achieve concrete results relted to Sustainable Development Goal (SDG) follow-up and review. These actions, in line with the OISC/CPLP Strategic Plan 2017-2022, will be detailed in the organization's 2018 Operational Plan and include:

- Holding follow-up engagements on each member country's state of preparedness toward implementing SDGs and completing assessments to be analyzed in the next OISC/CPLP General Assembly;

- Investing in SDG implementation and review capacity building efforts, including training and raising awareness; and

- Consider joining the multi-regional effort (International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), African Organization of Supreme Audit Institutions (AFROSAI) and Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS)) in performing a coordinated audit on protected areas along with IDI, AFROSAI and OLACEFS.

ENGAGING CITIZENS IN SDG MONITORING THROUGH AVAILABLE, ACCESSIBLE DATA

by Merel Hendriks, Netherlands Court of Audit (NCA)

Background

At the 2017 Young EUROSAI (YES!) Conference held in Tallinn, Estonia, "Citizen Participation in Data Collection for Measuring Sustainable Development Goals (SDGs)," represented a central theme. In a workshop moderated by the Netherlands Court of Audit (NCA) and the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), substantial discussions centered on the role of Supreme Audit Institutions (SAIs) in monitoring SDG implementation, lack of data in specific regions, and methods to improve data availability through citizen participation.

The YES! event provided a forum to inspire creative ideas to address the question, "How can we measure SDG implementation progress when quality data is not available?"

SDG Adoption and INTOSAI Tools to Address Them

SDG adoption provides countries with many opportunities and challenges. Governments are expected to establish national frameworks for the 17 interdependent goals, and, as two United Nations General Assembly resolutions specify, SAIs can play significant roles in monitoring SDG implementation at the national level.

The INTOSAI community believes SAIs have the potential to contribute much more: "INTOSAI has an important supporting and leveraging role to play in national, regional and global efforts to implement SDGs and in the follow-up and review of their progress."—INCOSAI 2016 Theme 1 paper.

Within INTOSAI, tools have been developed to facilitate SAI review of governmental SDG implementation, one of which is the 7-Step Review Model that results in a baseline assessment on implementation preparedness. Several SAIs, including the Netherlands and Canada, have tested this approach in practice, which is also currently being applied in the "Sharaka International Cooperation Program" between the Netherlands and partners in several Middle East and North Africa (MENA) countries, such as Algeria, Iraq, Jordan, Morocco, the Palestinian Authority and Tunisia.

IDI, together with the INTOSAI Knowledge Sharing Committee (KSC), has also developed guidance for SAIs in auditing SDG implementation preparedness. Despite the tools' initial success in various countries, the issue arising is not with the tools themselves but with a lack of reliable government data.

Data Availability, Storage and Analysis

Two major data-related components affecting SAI SDG preparedness programs are: (1) data availability and (2) data storage and analysis, both of which are essential to evaluate SDG implementation progress. While many countries have suitable existing databases and experienced government organizations to collect, store and analyze statistics, numerous countries struggle in this respect.

For example, despite the fact that SDG 16 target nine states, "By 2030, provide legal identity for all, including birth registrations," countless children fail to be officially registered in several developing countries, resulting in roughly 1 billion people having no legal identity.

Without official identification, individuals can face problems in accessing education, health care, financial services and social benefits. Additionally, obtaining political and legal rights can pose challenges. Individual lack of identity is also closely connected to other SDG targets—that governments need to operate more efficiently, deliver benefits to people and achieve gender equality.

It usually takes time to create well-functioning government institutions; however, recent technological developments can offset this by engaging citizens to collect, store and analyze data. Using technology, in conjunction with digital data, can lead to important contributions toward SDG achievement.

Citizens as Data Collectors

With digitalization spreading rapidly, recorded information grows at a phenomenal rate. Today, the Internet is accessed daily, particularly with increasing smartphone availability and use. These trends provide opportunities to involve citizens while tackling the challenges associated with an absence of government data. Engaging citizens as data collectors has two important benefits. Firstly, they can contribute to reliable data availability. Secondly, citizen engagement can increase awareness about SDGs and their importance.

As of 2017, approximately 35 percent of the world's population had a smartphone, and this number is steadily rising. In Europe alone, 81 percent of the population between the ages of 18 and 80 has smartphone access. Smartphones are perfect data collection tools, and there are several existing applications (apps) that can capitalize on citizen participation in data collection, such as "Akvo Caddisfly" and "Safecity."

Leveraging Existing Technology

"Akvo Caddisfly," a simple, low-cost, smartphone-based app, allows users to test drinking water quality. Already operational in 64 countries, the app combines Global Positioning System (GPS) software with pocket-sized hardware attachments permitting users to conduct reliable water tests while pinpointing the exact location where the testing is taking place. The app creates an information repository in an online open data platform where the data can be further analyzed to discover where investments are needed to achieve SDGs, particularly SDG 6, Water and Sanitation, and SDG 3, Good Health and Well-Being. Monitoring and tracking government-implemented improvements are additional data sets that could be realized when analyzing the uploaded information.

SDGs also focus on social goals, which makes "Safecity" an extraordinary app to monitor progress in this area. The program anonymously crowdsources individual incidents of sexual harassment and abuse in public spaces. The anonymous data can be aggregated locally and used to indicate high-risk locations on a map. In addition, by combining other available indicators, individuals, communities and local governments can assess potential factors that can prevent and reduce such incidents. Since its launch December 26, 2012, "Safecity" has logged over 10,000 incidents in over 50 locations, including cities in Cameroon, India, Kenya and Nepal.

Inspiring New Ideas

Leveraging existing technology provides tremendous prospects toward efficient, effective SDG implementation. As part of the YES! agenda, several new ideas were presented that could also lend themselves to measuring SDG progress.

One example involved substandard roads. The idea revolved around citizens reporting roadway deficiencies using an app that (1) stored the data and (2) used the data to visually map the streets. Such information would prove useful in measuring SDG 6, "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation."

Another potential online tool could be developed to locate newly planted trees, as well as logged trees. A database housing the information would measure SDG 11 progress to "make cities and human settlements inclusive, safe, resilient and sustainable."

Mapping poverty by showing schools that provide meals to kids from low-income families would give insight into the number of families within certain income levels and help measure progress toward achieving SDG 1, "End poverty in all its forms everywhere," and SDG 2, "End hunger, achieve food security and improved nutrition and promote sustainable agriculture."

"Working together across the globe, across nations, across Supreme Audit Institutions while engaging citizens will truly make a difference!"

Bringing the Ideas to Life

While the YES! Workshop was a great opportunity to learn from each other, it is now time to share those ideas, bring those ideas to life.

Much like the collaborative effort launched between the Netherlands and the MENA region on SDG preparedness, working together across the globe, across nations, across SAIs while engaging citizens will truly make a difference!

For more information, contact Merel Hendriks at m.hendriks@rekenkamer.nl.

MATERIALITY
AT THE HEART OF AUDITING

by Åse Kristin Hemsen, Stig Kilvik and Mona Paulsrud, Office of the Auditor General, Norway

Why should Supreme Audit Institutions (SAIs) report matters to their legislatures? Why some issues but not others? For whom are these issues important?

These questions trouble SAIs globally—in daily operations, as well as in audit prioritization. Yet, literature and discussions addressing these questions are scarce.

"Materiality is relevant in all audits. A matter can be judged material if knowledge of it would be likely to influence the decisions of the intended users. Determining materiality is a matter of professional judgment and depends on the auditor's interpretation of the users' needs. This judgment may relate to an individual item or to a group of items taken together. Materiality is often considered in terms of value, but it also has other quantitative, as well as qualitative, aspects. The inherent characteristics of an item or group of items may render a matter material by its very nature. A matter may also be material because of the context in which it occurs."—International Standards of Supreme Audit Institutions (ISSAI) 100.

The concept of materiality is well-developed for financial auditing, including a substantial amount of research literature. However, materiality, as defined in ISSAI 100, has not been given equal attention when it comes to compliance and performance auditing.

This article stems from a thesis submitted to the Norwegian School of Economics and concentrates on the subject of materiality when SAIs, having discretion to choose which audits to present, initialize and report compliance and performance audits. The thesis is based on theoretical discussions of ISSAI 100, its definition of materiality, and an empirical study of materiality considerations (as executed by SAI Norway).

THE ISSUES

What should be the overall perspectives on the concept of materiality in public sector auditing given the role of SAIs in a democratic government system?

A cross-disciplinary perspective is necessary to assess the concept of materiality in public sector auditing, and the approach in this article draws upon relevant theories from auditing, economy, law and political science, as well as discussions from:

- Economic welfare theory;
- Research on accountability (within law);
- Theory of democracy as outlined in political science and philosophy; and
- The notion of principal and agent, which explains the relationship between user and auditor.
- The user (principal) is the point of departure.

FIGURE 1: MATERIALITY MAP

ASPECTS ON MATERIALITY	VALUE	NATURE	CONTEXT
USER DECISION	Parliament as Granting Authority	Parliament as Controlling and Legislative Assembly Authority	Parliaments and Governments Learning and Development
DISCIPLINE	Economy	Law and Auditing	Political Science
MAIN OBJECTIVE	Accountability	Accountability	Learning and Development

← COMPLIANCE AUDIT   PERFORMANCE AUDIT →

One specific feature of materiality (as defined in ISSAI 100) is that what is material is a "matter," which can be information that is both negative and positive depending on user decisions. This aspect differs fundamentally from materiality as expressed in financial auditing, where only "a misstatement" may be considered material by the audit user.

What are specific user needs that form the basis for materiality in public sector auditing?

Specific user needs associated with public sector auditing are related to primary legislative functions of granting public funds, passing laws and exercising control.

Justifying SAIs as institutions is, largely, related to the legislative control function; however, user needs may also be connected to public administration learning and development.

Considering user needs, how are value, nature and context (ISSAI 100) best defined?

In granting public funds, legislative bodies prioritize public resources, and the economic perspective associated with the welfare theory provides the basis to consider the value aspect. Materiality considerations (where accountability and asymmetrical information are at stake) directly link to, and justify, the public control mechanism.

These issues, therefore, should be considered material by their very nature. Context materiality has direct ties to SAI constitutionality—specific legislative statements, as well as the general learning and development of public administration.

Examples of considering materiality by value: (1) Audits initiated and reported due to excessive budgetary spending

where government projects considerably exceeded granted parliamentary limits. (2) Matters related to administrative changes covering substantive public spending amounts were reported whether errors were detected (or not) due to materiality factors where economic amounts at stake were considered material by value.

***An example of materiality by nature*—**an audit on how the Ministry of Justice implemented measures to improve public security and ensure preparedness toward thwarting potential future terror attacks. Major deficiencies were reported in an area given specific parliament priority following attacks on government buildings and the Youth Labor party's political summer camp in July 2011. SAI Norway quelled its level criticism, and parliament precipitated this case's hearing to emphasize its priority.

"On this matter, a common political consensus that the terror attacks was an attack on democracy was a driver in materiality considerations," noted one SAI Norway leader.

The most common reason for audits performed and reported across divisions in the SAI of Norway was the ambition of the audit to contribute to change, learning and development in the public sector. This kind of materiality consideration falls clearly into the aspect of "context".

***Other aspects of materiality (in the sense of context)*.** The argument that an issue was audited and reported because it was a central issue of a specific policy area, as for instance a major administrative reform. Hence, it was material in the context of this policy area as such. In the case of reform in the Norwegian health system, this materiality consideration was supported explicitly by parliament.

"Materiality considerations imply a SAI must consider user needs that should be fulfilled by a specific audit and sometimes choose between conflicting needs."

How can materiality guide a SAI in choosing which compliance and performance audits to carry out and eventually report to parliament?

The different aspects of materiality in public sector auditing can be visualized using a materiality map" (*see Figure 1: Materiality Map on page 18*) depicting the multi-dimensional, cross-disciplinary considerations that require considerable auditor experience.

Materiality considerations imply a SAI must (1) consider the user needs that should be fulfilled by a specific audit and (2) sometimes choose between conflicting needs. The materiality map can illustrate the different paths associated with materiality considerations.

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RESTRUCTURING TO IMPROVE CAPACITY, ENSURE QUALITY
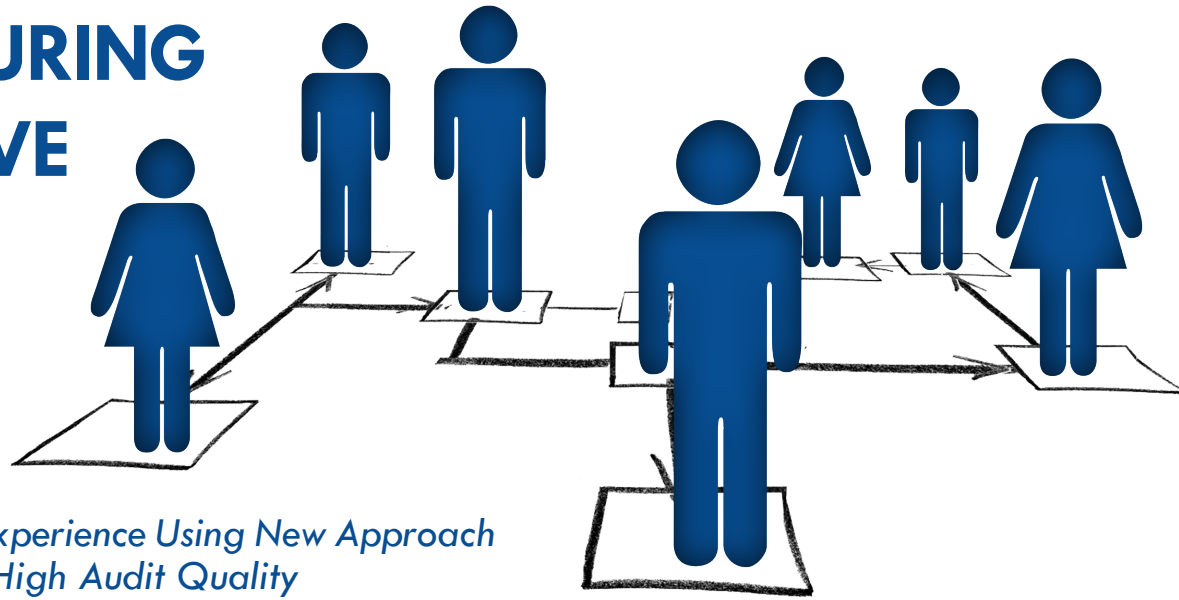
SAI Germany Shares Experience Using New Approach to Achieve Synergies, High Audit Quality

Germany's Supreme Audit Institution (SAI), also known as the Bundesrechnungshof, implemented a major restructuring project from 2015-2016 that fundamentally reformed its organizational structure and strengthened practices and procedures leading to high quality audits at the federal government level.

When Mr. Kay Scheller, SAI President, initiated the reconfiguration, he opted for a new type of SAI cooperation—a peer consultation. In contrast to a peer review (ISSAI 5600), this consultation was in real time, where three designated SAIs provided professional advice during the restructuring process.

Driver for Reform

Prior to the reformation, the German SAI analyzed its structures, as well as its functions. As a result, the SAI identified the need for action, particularly since the last major federal external audit function reorganization took place nearly 20 years ago.

Initially, the German SAI had nine (and later seven) subordinate regional audit offices. Over the years, the original structure revealed significant weaknesses.

- Regional audit offices performed less audit work of their own accord—tasks stemming from the SAI's 50 audit units were becoming more frequently assigned directly to regional office staff, which resulted in staff reporting to several superiors.

- Technically, there was no need for the hierarchical levels at the regional audit offices.

- The complex hierarchy made steering audit procedures difficult and led to additional burdens at operational levels.

- At the SAI's Headquarters, audits were not consistently focused on key policy areas.

- Former structures hampered an effective and flexible response to newly emerging audit issues.

"Our close work with the peers has been a highly rewarding and fruitful experience."

—Mr. Kay Scheller, President, SAI Germany

Path Toward Reform

Throughout the streamlining process, Mr. Scheller sought a broad range of professional advice from key internal decision makers as well as three partner SAIs. A project management approach was utilized and arrangements were tailored to the SAI's specific structures.*

Corporate Governance Unit and Management and General Services department heads jointly spearheaded the project and led a project team composed of staff from both the audit and support divisions.

An advisory steering council that included all Governing Board members (16-member board incorporating the

Pictured left (from l to r): Michel Huissoud (Switzerland), Ellen Wiemer (Netherlands), Liane Stangl (Austria), Kay Scheller (President of German SAI), Ellen van Schoten (Netherlands), Viktor Cypris (Austria).

Pictured right: SAI Germany's cooperative approach to reorganization.

President, Vice-President, and all nine senior audit directors) advised the President on major decisions and milestones.

Externally, the SAI President relied on professional advice provided through peer consultation by the SAIs of Austria, Switzerland and the Netherlands. The advice, drawn from SAI experience and best practices, proved valuable during the reconfiguration design and implementation.

During the 7-month consultation period, peers analyzed and commented on the proposed functional reallocation, the new organizational set-up, project governance and change management.

Reform Achievements

On January 1, 2017, the German SAI officially reorganized. The SAI's organizational structures have been fully overhauled and realigned.

The autonomous regional offices were transformed into subordinate field offices allowing staff to be directly incorporated into SAI audit units while simultaneously removing hierarchy levels and facilitating better structured career development paths. The hierarchical compression also released resources to be utilized in more effective ways.

Audit divisions are better tailored to major policy areas and fully reflect the federal government structure. Merging associated fields of activity reduced overlapping responsibilities across audit units.

By the end of 2017, one of the SAI's dependent branch offices was dissolved as a result of the peers' initiative and recommendation.

The new system has simplified steering and coordinating audit work and has led to improved, focused communication and strengthened leadership functions. The restructuring also enables the SAI to establish project audit units speedily to address emerging and complex public sector areas of activity, such as federal government programs on refugees and asylum seekers.

The reform, designed to generate sustainable benefits, brings new, strategically important responsibilities and roles, and Mr. Scheller has laid the foundation for an internal monitoring mechanism that seeks to continuously achieve efficient and effective structures and processes.

*THE GERMAN SAI AT A GLANCE

Board Model with Panel Structure and Independent Members

The President heads the SAI and bears overall responsibility for high quality mission performance.

The Vice-President deputizes for the President.

Decisions relating to audit work are generally made by panels of members. As a rule, a panel is made up of two members, i.e. the senior audit director and the audit director.

The members are civil servants but independent both personally and in respect to performing official duties. Three-member panels may also be formed (where the President or Vice-President also join).

Key decisions on audit activities are reserved to the Governing Board, the SAI's supreme decision-making body. The board is composed of 16 members, including the President, Vice-President, and all nine senior audit directors.

70TH INTOSAI GB MEETING A SUCCESS IN GRAZ, AUSTRIA

Thirty-three delegations, including more than 20 heads of Supreme Audit Institutions (SAIs), met in Graz, Austria, for the 70th International Organization of Supreme Audit Institutions (INTOSAI) Governing Board (GB) meeting November 6-7, 2017. Chaired by Dr. Harib Al Amimi, the GB made numerous important decisions, including:

- Adopting main themes for INCOSAI XXIII to be held in late September 2019—Theme I: "Information Technologies for the Development of the Public Administration" under the chairmanship of the SAI of China, and Theme II: "The role of SAIs in the Achievement of the National Priorities and Goals" under the chairmanship of the Accounts Chamber of the Russian Federation.

- SAI Guam was admitteed as an Affiliate Member, bringing INTOSAI membership to 194 Full Membrs, five Associate Members and one Affiliate Member.

- SAI Brazil was approved as a candidate to host INCOSAI XXIV in 2022;

- A Task Force was creatd to revise three INTOSAI Handbooks on Committees, GB Meetings and Congresses.

- The revised Strategic Development Plan for the INTOSAI Framework of Professional Pronouncements (IFPP) 2017-2019 was approved.

- SAIs of Bhutan, Costa Rica and Norway were appointed as new FIPP members.

- Performance reporting dashboards will now serve as the basis for CBC, PSC and KSC future performance reports.

- The creation of the INTOSAI Regions Cooperation Platform as th single point of control and cooperation for capacity building efforts.

During the breakaway discussions, participants also discussed SAI contributions in monitoring SDG implementation, as well as INTOSAI standard setting.

The 71st INTOSAI GB meeting will take place in Moscow November 15-16, 2018.

INTOSAI CELEBRATES LIMA DECLARATION 40TH ANNIVERSARY

Nearly 150 members of the International Organization of Supreme Audit Institutions (INTOSAI), an organization dedicated to performing public external audit, gathered in Lima, Peru, to celebrate the 40th anniversary of the Lima Declaration in December 2017.

The Lima Declaration, approved during the ninth INTOSAI Congress in 1977, is considered the magna carta of government auditing and defines the characteristics and requirements for Supreme Audit Institution (SAI) independence and effective functioning. Forty years later, the Lima Declaration maintains its validity, and its eight fundamental principles have been recognized by the United Nations General Assembly in two of its resolutions.

The event featured a personal chronicle from Dr. Hubert Weber, the only person in attendance at the 40th commemoration who was also present at the declaration's adoption in 1977. Dr. Weber, former President of the

European Court of Auditors, took participants on a journey describing the declaration's inception.

The agenda also included several presentations and panel discussions on SAI independence, its importance, continued relevancy and sustainability.

Highlights included findings and the action plan on the Peer Review Project on SAI Independence, a 2-year endeavor carried out by the INTOSAI General Secretariat in cooperation with the Austrian Court of Audit (ACA) and the Austrian Development Agency (ADA) in seven participating SAIs—Albania, Bhutan, Ecuador, Ethiopia, Trinidad and Tobago, Tunisia, and Vanuatu—from all regions of INTOSAI.

The project aimed to enhance transparency and accountability of public finances in the selected countries and create good examples of how independence is a crucial characteristic for good governance, transparency, accountability and credibility.

Mr. Hannes Loimer, ACA, stressed within the frame of the Action Plan that "cultivating cooperation with legislature and regularly developing and publishing reports are actions that can be taken toward achieving a stronger voice and independence."

INTOSAI goal chair representatives provided perspectives on the relationship between the Lima Declaration and the INTOSAI strategic goals, citing ongoing efforts, initiatives and standards that support the Lima Declaration's foundation and original principles.

"We should build bridges, not walls!" exclaimed Minister Augusto Nardes, SAI Brazil (Professional Standards Committee chair), who discussed the Lima Declaration as the anchor for all International Standards of Supreme Audit Institutions (ISSAIs). Minister Nardes championed the notion of working collaboratively.

Cultivating independence, as well as ensuring its continuance, does require work.

"Independence is a privilege. We need to work hard to get it. We need to work hard to maintain it," noted Mr. Jan van Schalkwyk, SAI South Africa (Capacity Building Committee chair).

Mr. van Schalkwyk recognized that independence enables relevance, but it also obliges accountability. Leading by example is an important factor.

"Show that you are worthy of independence. Put into place long-term strategies to build institutional capacity, professionally qualified staff, professional standards and quality assurance," he said.

Dr. Hussam Alangari, President, General Auditing Bureau, Saudi Arabia (Policy, Finance and Administration Committee chair) echoed the sentiment of implementing initiatives designed to help achieve independence and outlined the wide variety of mechanisms the PFAC supports that empower SAIs.

Though much progress has been made since the Lima Declaration's establishment, challenges still exist, and several participants presented findings and insight, as the fight in favor of independence remains valid today according to 2017 INTOSAI Development Initiative (IDI) surveys.

Mr. Einar Gørrissen, IDI Director General, touched on the many obstacles SAIs experience to obtain and maintain independence, including publication restrictions, legal protection of SAI heads from removal, and increasing executive interference in the SAI budget process.

Global efforts to defend SAI interests are a must, and it is crucial to find effective solutions that address common challenges in a collective way.

Ms. Petra Schirnhofer, Austrian Development Agency advisor, remarked on the need to raise awareness about the tremendous importance SAI independence plays in a country's progress and noted that listening, balancing interfering while addressing the issues, and being supportive of the SAI's struggle for more independence are paramount.

"Governments must gain the trust of citizens every day," stressed Mr. Juan M. Portal, Auditor General of SAI Mexico and Chairman of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS).

Mr. Portal reminded participants of the permanent risks and external interferences that continue to threaten SAI independence, including corruption.

He furthered that independence is a necessity, and SAIs must be able to provide unbiased information regarding governmental management—not only to establish credibility but to truly provide value and benefits to citizens.

Mr. Nelson Shack Yalta, Comptroller General of the Republic of Peru, affirmed the need to be more involved with citizens and underscored the work of INTOSAI and SAIs on a global scale paying particular attending to SAI independence which is "crucial to ensure good governance, transparency and accountability in each country."

Though the Lima Declaration was established 40 years ago, its relevancy lives on.

"The Lima Declaration is a timeless treasure," expressed Mr. Rajiv Mehrishi, Comptroller and Auditor General of India, and he asserted, "SAIs must continue to evolve into even more accountable institutions."

INTOSAI
Lima | 40 years
DECLARATION
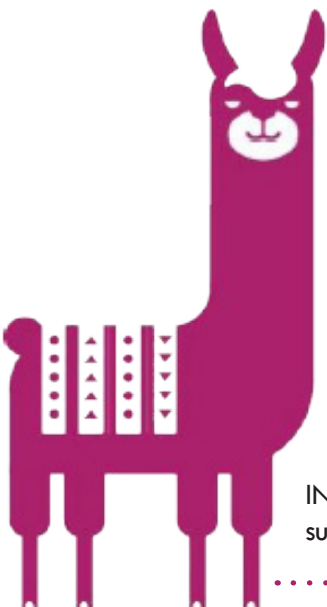
JOINT EFFORT LEADS TO FIRST REGIONAL COMPARATIVE ANALYSIS ON DATA AVAILABILITY

by Luis Fernando Velásquez Leal, Technical Commission on Good Governance Practices Consultant and Executive Director, Corporation Acción Ciudadana-Colombia

International Standards of Supreme Audit Institutions (ISSAI) 12 on "The Value and Benefits of Supreme Audit Institutions (SAIs)—Making a Difference to the Lives of Citizens" presents important challenges to SAI institutional development and management to include internally strengthening accountability, integrity and transparency. These challenges also imply a need to fortify citizens' capacities, which can be met by creating spaces for communication and dialogue aimed at better understanding audit work and recognizing the value audit work provides. Today's citizens demand more and better quality public services. They also demand increased government efficiency.

To meet these demands, member SAIs of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) developed a study that can help SAIs develop innovative strategies to address accessing and disseminating information to citizens. The "Index of Availability of Information to Citizens on the Institutional Management of SAIs (IDIGI-EFS) 2017"—a project conceived between OLACEFS and the Corporation Acción Ciudadana Colombia (AC-Colombia) with support from the Technical Commission on Good Governance Practices (CTPBG)—is the first regional comparative analysis on information availability to citizens and other stakeholders.

The analysis, which centers on the scope of audit control, management and results, aims to contribute to:

- Improving SAI accountability to citizens and building good governance practices, particularly in the face of Sustainable Development Goal (SDG) implementation oversight;
- Activating institutional mechanisms to improve results; and
- Promoting greater awareness among citizens, civil organizations and all stakeholders on available information to SAIs and its usefulness in exercising control of public oversight (based on regional standards previously defined by OLACEFS with the participation of multiple institutional and social actors).

The IDIGI-EFS 2017 measurements revealed OLACEFS member SAIs averaged 51 points. These results, based on a possible range of 0-100, signify that while sufficient capacities and innovations exist, strategies can be adjusted and advanced to improve stakeholder communication.

The study highlighted several potential areas for improvement:

- **Budget and Finances.** Provide budget sourcing information; publish the approved annual budget showing detailed allocations; and disseminate SAI financial performance analyses and compare to audit work results.
- **SAI Audit Results and Recommendation Follow Up.** Present audit results and follow-up to audit provisions or recommendations to citizens and interested parties through public hearings or press conferences; convene institutional managers and provide explanatory information about expected audit results to stakeholders to enable understanding of audit guidelines and purpose.
- **Information Initiatives.** Develop initiatives related to goal achievement in audited social programs to illustrate the economic and social benefits through audit work; raise citizen awareness on technical aspects could allow for alternative proposals to better overcome potential limitations in SAI audit exercises and evaluations.

IDIGI-EFS 2017 results also demonstrate an inferential statistics analysis when compared to the 2016 Transparency International Corruption Perceptions Index and the 2016 Latinobarómetro indexes, especially on perceptions associated with democracy support, economic satisfaction, government approval, national image on progress, and political corruption eradication.

Based on the OLACEFS experience, all International Organization of Supreme Audit Institutions (INTOSAI) should explore similar studies and mechanisms, as seizing opportunities to facilitate citizens access to information are great ways to prove SAI value and benefits.

CAPACITY BUILDING, DONOR COOPERATION PARTNER TO SHARE IDEAS, BEST PRACTICES

"It's time for action, time to deliver, time to give life to our commitments," remarked Mr. Kimi Makwetu, Auditor General (AG) of South Africa's Supreme Audit Institution (SAI) and chair of the Capacity Building Committee.

Mr. Makwetu's words resonated with the more than 100 delegates from SAIs and partner organizations worldwide that attended this year's joint CBC and International Organization of Supreme Audit Institutions (INTOSAI)-Donor Cooperation Steering Committee (IDSC) meetings held at World Bank headquarters in Washington, D.C., September 18-21, 2017.

Providing attendees with a glimpse into past achievements and future initiatives, the CBC-IDSC contiguous meetings captured several themes:

- Accountability and Transparency;
- Consultation and Collaboration; and
- Responsiveness and Partnering.

The week-long event kicked off with several parallel CBC work streams, including sessions dedicated to peer reviews, the SAI Performance Measurement Framework (SAI PMF) and the INTOSAI Self-Assessment INTegrity (INTOSAINT), two mechanisms providing numerous benefits to all SAIs.

"SAI PMF is a tool for many things, not just performance measurement," noted Ms. Sina Palamo Iosefo, adding, "SAI PMF is also a great way to build institutional capacity and assess needs."

Ms. Iosefo, representing the Pacific Association of Supreme Audit Institutions (PASAI), offered a regional perspective on SAI PMF implementation, including challenges and best practices achieved.

"A coordinated approach encouraged better performance, commitment and knowledge sharing; created a critical mass of resource persons in the region; and led to the integration of scores into PASAI's Monitoring, Evaluation and Reporting (MER) framework," Ms. Iosefo highlighted.

Mr. Erwin Alberto Ramírez-Gutiérrez, Director of International Relations, SAI Mexico, facilitated the INTOSAINT work stream, where he discussed the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) experience, specifically pointing out numerous hurdles the region has addressed, including:

- Regional participation;
- Funding;
- Knowledge sharing;
- Updating mechanisms and sustainability;
- Providing follow-up; and
- Communications strategies.

Mr. Ramírez-Gutiérrez stressed that OLACEFS will continue to raise INTOSAINT awareness through outreach activities, collaborative efforts and providing working materials translated into Spanish and Portuguese.

In addition to work stream sessions, CBC working groups provided progress reports using the new dashboard reporting format—a positive development to an accountable CBC and INTOSAI—an aspect goal chair representatives reflected on as they took center stage to also share successes in collaboration, standard-setting and professionalization experienced in the months since INCOSAI XXII.
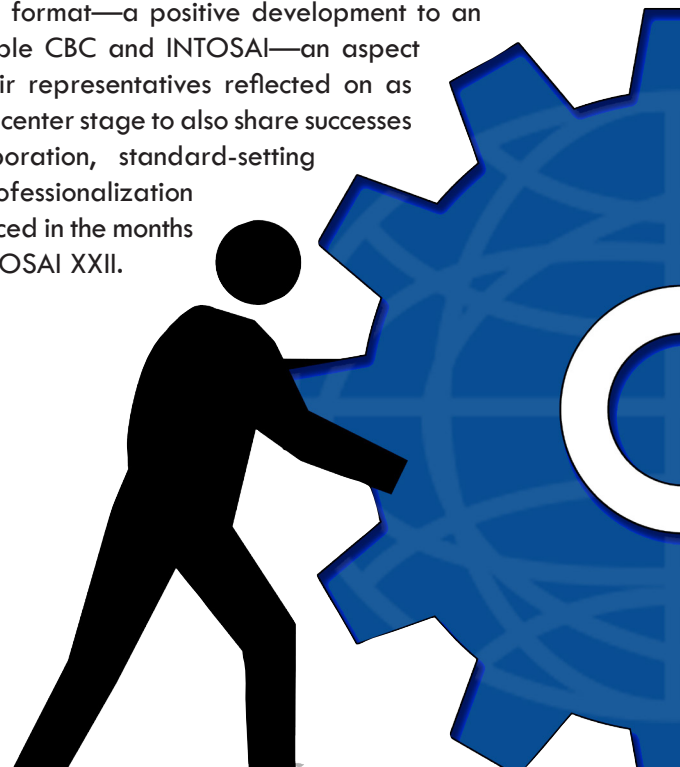
Several smaller-group brainstorming sessions were integrated throughout the meeting, allowing participants to share knowledge, experience and generate ideas on aligning, confirming and "stretching" CBC strategies.

The need to challenge typical methodologies was brought to light, particularly for auditing Sustainable Development Goal (SDG) implementation preparedness.

Ms. Marion Barthélemy, Director, United Nations Department of Economic and Social Affairs (UNDESA), noted the complexities associated with SDGs and emphasized that SAIs must go beyond the traditional mandate, furthering that what matters is how SAIs contribute to a more robust implementation, follow-up and review of the SDGs and Agenda 2030.

Mr. Fayezul Choudhury, Chief Executive Officer, International Federation of Accountants, challenged accounting and auditing professionals to build trust and inspire confidence, stressing that global challenges require collaboration and cooperation, two very key aspects highlighted in this joint event, where CBC and IDSC synergies were harnessed to unveil best practices applicable to all.

Mr. Bruce Vivian, Senior Manager of Professionalization with the Organization of English-speaking African Supreme Audit Institutions (AFROSAI-E), placed an emphasis on engaging and working with a variety of stakeholders at all levels.

He also underscored the need for a competency framework based on the INTOSAI core but tailored for the region to achieve

professionalization—a prime example of the "global profession, local solution" concept, which is gaining ground within INTOSAI as SAIs learn to take local situations into account when addressing global needs.

The "global, local" concept is further illustrated in the Zimbabwean case study highlighted during a session focusing on fragile states.

"In Zimbabwe, for Zimbabwe," noted Ms. Rheah Kujinga, Deputy AG, Zimbabwe, who discussed the project's importance and how it aimed to serve the citizens of Zimbabwe.

The World Bank's Mr. Ed Olowo-Okere echoed sentiments on collaboration and cooperation spoken throughout the week, as he pointed out stakeholder consultation, buy-in and commitment were critical to the Zimbabwe project's success.

The need for all stakeholder roles and responsibilities to be incorporated into plans is one of the lessons learned in implementing the Global Call for Proposals (GCP), where preliminary results showed many projects had ambitious outcomes but few concrete indicators.

In her presentation on GCP Tier One, Ms. Kerry Crawford, IDSC, said the GCP is "a great gateway for SAIs," opening the floor to participants to discuss support, funding mechanisms and optimal service delivery.

Mr. Wessel Pretorious, AFROSAI-E, stressed that proper accountability, proper processes and proper regional coordination are essential to more effective GCP support, support that comes in numerous forms—in-kind, monetary, direct to a specific SAI, and through an intermediary.

As part of the final day's agenda, Mr. Ole Schoeyen, IDSC, emphasized the importance of people and capacity building and discussed good practice principles and IDSC's way forward, which includes a greater focus on the GCP, the SAI capacity database and enhancing communications efforts that truly add value.

The World Bank's Ms. Jennifer Thomson, IDSC Donor Chair, summed it up best in her address to all delegates attending the CBC-IDSC event.

"We will continue to try to make a difference."

OLACEFS GENERAL ASSEMBLY

Highlighting Big Data and Sustainable Development Goals

"Each of us has input. Each of us will receive benefits that we can take back to our Supreme Audit Institutions," remarked Mr. Juan M. Portal, Auditor General (AG) of Mexico and Chairman of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), in his address to attendees at the XXVII OLACEFS General Assembly in Asunción, Paraguay.

The official opening ceremony October 3, 2017, jumpstarted the week-long event that included some 150 delegates from Supreme Audit Institutions (SAIs) taking part in presentations, panels and roundtable discussions.

Several associate members and observers also participated, including the Chair of the International Organization of Supreme Audit Institutions (INTOSAI), INTOSAI General Secretariat, INTOSAI Development Initiative (IDI), the World Bank, Organization for Economic Cooperation and Development (OECD), German Society for International Cooperation (GIZ), as well as the Inter-American Development Bank (IADB).

The General Assembly focused on two themes this year— "The Use of Big Data Analysis in the Audit Function" and "Performance Audits in the Evaluation of the Sustainable Development Goals (SDGs)"—with each theme being fully developed using a combination of presentations, panels and roundtable discussions.

"Big data will transform the way we live, think and work, and OLACEFS gives us the opportunity to come together, to address relevant topics and to share ways to improve," announced Mr. Martín Rubione, Chief of SAI Argentina's Information Technology (IT) Audit Department and OLACEFS Commission of Information and Communication Technologies (CTIC) representative.

Minister Augusto Nardes, SAI Brazil, agreed, emphasizing that using big data to improve good governance requires collaboration.

"Our dream of working together to protect our continent is coming to fruition through cooperation. Little by little, the work we are doing crosses borders, and OLACEFS is important in developing endeavors for cooperation, friendship and solidarity," he said.

Mr. James-Christian Blockwood, Managing Director, United States Government Accountability Office (GAO), Strategic Planning and External Liaison (SPEL), recognized the synergies achieved in working together and invited OLACEFS members to participate and to join INTOSAI's Working Group on Big Data (WGBD), noting that the capacity to accept volume is a key aspect when it comes to harnessing and utilizing big data.

Mr. Wesley Vaz-Silva, SAI Brazil's Secretary of Information Technologies for External Control, believes all auditors are information analysts. Mr. Vaz-Silva provided attendees with an overview of new, user-friendly technology that empowers auditors through immediate, automated data.

"Technology that is easy to use helps change the mindset of auditors," mentioned Mr. Vaz-Silva, adding, "How do we engage the entire community in understanding and using big data? Auditors must be involved in this movement! We must experiment! We may fail, but we have to try!"

In a presentation on open government and the challenges to government auditing, Ms. Carolina Cornell, Advisor on Open Government Coordination, Republic of Argentina's Modernization Ministry, shared the Argentine experience.

Ms. Cornell underscored the importance of creating a formal space for collaboration between government and Civil Service Organizations (CSOs).

"Little by little, the work we are doing crosses borders, and OLACEFS is important in developing endeavors for cooperation, friendship and solidarity."

—Minister Augusto Nardes, SAI Brazil

"Transparency, participation, accountability. We can contribute to the lives of citizens through these principles," she said.

Attendees unanimously agreed that distinguishing between data and information is crucial, citing only well-prepared data, precise information is applicable for political decision-making. As the quality of available data is decisive, national statistical institutes shall be strengthened in a sustained manner.

Delegates also discussed performance audits on the SDGs and concluded that SAIs serve as principal agents and guarantors for SDG implementation and monitoring, that SAIs should act as watchdogs on how the 17 goals are put into practice.

Does SDG introduction mean we need to work differently, change how we audit?

"The difference is not the SDGs but how you deal with them. SDGs need a different approach from SAIs. Findings will be very different if SDGs are looked at in the traditional way," cited Ms. Archana Shirsat, IDI Deputy Director General.

"We need to raise awareness. We need to go beyond the audit report. We need to join efforts, resources and political will!" remarked Mr. Luis Fernando Velásquez-Leal, Executive Director, Corporación Acción Ciudadana Colombia (AC Colombia).

"There are many lessons to be learned, many ways to contribute, many ways to share, to add value and provide benefits to citizens," he added.

Dr. Andrés Bernal Morales, SAI Colombia, believes a greater investment is needed from the very beginning to help ensure the public is the beneficiary of all established policies.

Mr. Roberto Salcedo Aquino, Deputy Auditor General of SAI Mexico, which chairs the Working Group on Value and Benefits of SAIs (WGVBS), proclaimed, "This voice is our voice!"

Mr. Aquino furthered that the OLACEFS assembly and similar venues "allow us to bring down to the ground what we want to reach in 2030."

The 2030 Agenda is an aggressive one, and SAIs play a pivotal role in the agenda's success. Mr. Julio Bacio-Terracino, OECD, shared his thoughts on how corruption makes SDG achievement difficult and how SAIs and the work they perform play a fundamental role in preventing corruption.

Delegates stressed the importance of sufficient and comprehensive training and capacity building measures concerning SDG audits. OLACEFS intends to organize annual meetings on SDG implementation follow-up within the region paying special attention to the fight against poverty and hunger, the violation of human rights, as well as environmental protection and education.

The highlight of the General Assembly was the adoption of the "Declaration of Asunción on Budget Security and Financial Stability of SAIs," which was signed by all OLACEFS SAI heads.

This declaration provides information on legal foundations of SAI independence and concrete actions and measures that enhance SAI financial independence.

Ms. Dorothy Bradley, Auditor General of Belize, said, "We were going public without going public," she said, as she described collaborating with several external organizations including OLACEFS while not focusing on announcing the process publicly.

"The lack of a budget and resources means we cannot be innovative, that we will do more of the same," noted Dr. Jorge Bermudez-Soto, Comptroller General of the Republic of Chile and OLACEFS Executive Secretary.

Monika Gonzalez-Koss, Director of the INTOSAI General Secretariat, pointed to increasing awareness as the means to secure more resources.

"We must continue with our efforts to raise awareness about independence and its importance. SAIs need a clear vision, a clear strategy to request greater independence with greater resources," she said.

As the XXVII OLACEFS General Assembly drew to a close, it was officially announced that SAI Argentina would host the 2018 regional gathering in Buenos Aires.

OLACEFS General Assembly opening ceremony hosted by SAI Paraguay.

Mr. Juan M. Portal, OLACEFS Chairman, addressess opening ceremony attendees.

The Republic of Paraguay's Comptroller General, Mr. José Enrique García-Avalos, interviews with media during the Assembly.

SAI delegates and development partner representatives participating in this year's OLACEFS General Assembly.

CTIC MODERATES BIG DATA DISCUSSION

The Commission for Information and Communication Technologies (CTIC), currently chaired by the Supreme Audit Institution (SAI) of Argentina (AGN), moderated the "Use of Big Data Analysis in Governmental Auditing" round table technical discussion during the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) in Asunción, Paraguay.

Dr. Francisco Javier Fernández, AGN Auditor General and CTIC President, alongside Mr. Martín Rubione, AGN Chief, Information Technology (IT) Audit Department and CTIC representative, provided participants with a holistic vision of Big Data analysis from a SAI perspective.

Different discussion tables were coordinated to foster an exchange of regional experiences that may help SAIs in promoting and utilizing Big Data analysis in audits, particularly since Big Data makes it possible to quickly process enormous amounts of unstructured data.

Public sector use of Big Data has already begun, and it is creating considerable opportunities for SAIs, such as enriching institutional planning; predicting important events; providing information on public perception of SAIs, as well as auditees; detecting fraud risk; and measuring the effectiveness of public policies.

Just as telescopes and microscopes once allowed humanity to discover unimagined new worlds, Big Data is now ushering us in to a new era of knowledge. This entails important challenges and responsibilities related to information privacy and confidentiality when applied within the public sector.

Primary conclusions that emerged from the roundtable discussions were to: include activities related to data analysis in the strategic plans of each SAI; identify current capabilities and generate comprehensive training plans to provide auditors with the knowledge necessary to perform data analysis and to use modern technological tools properly; and promote digital awareness about data analysis and the use of Big Data.

To this end, the CTIC remains strongly committed to working together with SAIs in the region to foster the use of big data in different audit processes—to add value to products and contribute to the improvement of public sector management.

EFSUR CHAMPIONS NEW INITIATIVES

The Supreme Audit Institutions (SAIs) of the Southern Common Market (MERCOSUR) and Associates (EFSUR) approved and implemented new appointments and several initiatives, including surveys, audits, and thematic studies, at the XIV Coordination Group and XXII EFSUR Joint Commission meetings held in San Francisco de Quito, Ecuador, in September 2017.

New appointment. Ms. Graciela De la Rosa, Auditor General for SAI Argentina, assumed responsibilities as EFSUR Executive Secretariat and represents the AGN for EFSUR activities.

Survey of Freight Transport Road Corridors in MERCOSUR. During 2017, SAI Argentina (AGN), in collaboration with SAIs of Bolivia, Chile, Paraguay and Venezuela, prepared a consolidated report on the coordinated survey, "Special Study 2015/2016, On Road Corridors in MERCOSUR." The report, approved by the EFSUR Joint Commission, includes future audit tasks based on weaknesses detected during the survey.

Governance of Public Policies in Border Region. Delegates discussed the "Governance of Public Policies in Border Regions" project, including the proposed survey, methodology and time frame for intermediate product distribution. The project will be shared with the Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS) through the region's Capacity Building Committee (CCC), which will provide input into planning the project's coordinated audit.

Audit issues to be Implemented in 2018. EFSUR approved a special report on South American Council for Infrastructure and Planning (COSIPLAN) projects at EFSUR borders proposed by SAI Argentina based on the "Consolidated Report on the Survey of MERCOSUR Road Corridors." SAI Paraguay will assist on preparing the report expected to be completed in 2019. Additionally, approval was given to conduct a special report that links EFSUR member countries gender-related activities to Sustainable Development Goal (SDG 5), "Gender Equality."

Thematic Study. Survey on Gender Legislation. SAI Ecuador's proposal to update the "Progress Report on Gender Legislation in EFSUR Member and Associated Countries" was sanctioned as part of EFSUR's "II Compilation of Gender Legislation 2017."

14TH AFROSAI GENERAL ASSEMBLY FOCUSES ON SUSTAINABILITY, ILLICIT FINANCIAL FLOWS

From October 23-27, 2017, roughly 200 participants representing 42 members of the African Organization of Supreme Audit Institutions (AFROSAI) and special guests attended the 14th AFROSAI General Assembly.

Hosted by Auditor-General of the Republic of Namibia (the Supreme Audit Institution (SAI) of Namibia), the conference included numerous presentations, technical committee reports and working group updates along with workshop sessions devoted to SAI cooperation with justice officials and certification of accounts challenges and perspectives.

Mr. Junias Etuna Kandjeke, Auditor General, SAI Namibia and incoming AFROSAI President, welcomed participants at the opening ceremony, remarking on the progress AFROSAI has made toward creating a sustainable, relevant, reliable organization since its last assembly in Egypt three years ago.

"We aim to not just promote financial governance but be a shining example of good governance in Africa through enhancing transparency," he exclaimed.

Namibia's Prime Minister, Ms. Saara Kuugongelwa, echoed the importance of transparency in her keynote speech.

"Transparency is necessary to create realistic expectations of government," she stated.

She described auditing as the cornerstone of good public sector governance and reflected on the progress Namibia has made despite limited resources and a growing backlog of auditing reports. Ms. Kuugongelwa imagined reform as the way forward, citing the African economy's slow growth and emphasizing the need for a paradigm shift.

Ms. Kuugongelwa remained confident that, with the full support of AFROSAI and its partners, Namibia and the African economy would achieve full potential.

"We need deeper engagement with national challenges. All members of AFROSAI have at their disposal tools and trainings to promote good governance and financial management," she asserted.

The outgoing AFROSAI President and President of the Accountability State Authority of Egypt (ASA), Counselor Hesham Badawy, presented AFROSAI's achievements since the last assembly, which include adopting Memorandums of Understanding (MoU) to increase cooperation and facilitate knowledge sharing with organizations, such as the Asian Organization of Supreme Audit Institutions (ASOSAI), the African Organization for Public Accounts Committees (AFROPAC), the World Bank, the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), the African Union, and Gesellschaft für Internationale Zusammenarbeit (GIZ), a German development agency.

Mr. Badawy also noted communication challenges among AFROSAI members and expressed his hope for a solution to integrate the multiple linguistic groups composing AFROSAI.

The event included a focus on "Global Expectations and Ambitions for SAIs in Supporting Agenda 2030," and Mr. Herbert Baumgartner, representing the INTOSAI General Secretariat, discussed the central role SAIs can play in successful implementation of Agenda 2030 and the importance of forging relationships with stakeholders to operate in a global and effective manner.

Presentations and panel discussions with AFROSAI partners covered strategies to tackle illicit financial flows (IFFs). GIZ discussed several actions SAIs can take in tackling IFFs,

including ensuring transparency, raising awareness and monitoring compliance. The challenges require a coherent approach across agencies and sectors, and the African Tax Administration Forum (ATAF) added that domestic, regional and international cooperation and information sharing is crucial.

The Collaborative Africa Budget Reform Initiative (CABRI) called for a multi-jurisdictional, multi-disciplinary, multi-tasked process and shared a country profile tool designed to assess a country's risk and ability to combat IFFs, reiterating the importance of a whole of government approach.

Participants also exchanged thoughts and perspectives on amendments to AFROSAI's 2015-2020 Strategic Plan, paying particular attention to emerging and crosscutting issues that act as influencers, including SDGs, IFFs and professionalization.

Small group discussions incorporated into the week-long event allowed attendees to dive deeper into topics including how auditors can develop a framework for working with justice officials; challenges in achieving and maintaining SAI financial independence; and receiving adequate training to conduct financial audits.

Event highlights included the announcement of an exciting coordinated audit involving AFROSAI and the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) dealing with protected areas in Africa and Latin America; the adoption of the Windhoek Declaration; endorsement of the Declaration on Illicit Financial Flows; and establishing MOUs between AFROPAC, ATAF, CABRI, AFROPAC, and the Pan African Federation of Accountants (PAFA).

As the 14th AFROSAI General Assembly concluded, it was announced that SAI Senegal will host the next general assembly in 2020.

AFROSAI AT A GLANCE

In July 2005, representatives of Supreme Audit Institutions (SAIs) of African States gathered at a General Assembly in Abidjan, Côte d'Ivoire, decided to create a regional organization—the African Organization of Supreme Audit Institutions (AFROSAI) that had its own statutes and principles.

The Vision

AFROSAI, a leading international organization, fully committed to improving governance in Africa through the promotion of strong, independent and credible SAIs.

The Mission

Promoting close cooperation among members within the International Organization of Supreme Audit Institutions (INTOSAI); establishing regional integration in Africa; and building the technical and institutional capacities of its members.

The Values

- Independence
- Transparency
- Professionalism
- Innovation
- Integrity
- Diversity
- Solidarity

The Official Languages

The official languages used are French, English, Portuguese and Arabic, which are divided into three linguistic subgroups, namely:

- AFROSAI-A (for Arabic-speaking SAIs);
- AFROSAI-E (for English-speaking SAIs); and
- AFROSAI-F or CREFIAF (for French-speaking SAIs).

VALUE, BENEFITS ACHIEVED USING INTOSAINT

A Regional Perspective

Supreme Audit Institutions (SAIs) are called upon to lead by example, as stated in ISSAI 20, "Principles of Transparency and Accountability," and International Organization of Supreme Audit Institutions (INTOSAI) tools support SAIs as models of integrity, transparency and accountability, which leads to an enhanced reputation and legitimacy among citizens and relevant stakeholders.

One such INTOSAI tool is the Self-Assessment of Integrity (IntoSAINT) that consists of a three-day workshop moderated by two representatives from another institution. The workshop allows SAI staff to (1) perform a risk analysis focused on integrity, (2) assess the maturity level of their internal control systems on this matter and (3) generate a report to top management with recommendations designed to strengthen the institutional integrity policy.

The IntoSAINT mechanism is universal—it can be applied by all INTOSAI regional organizations—and the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) has seen much progress in IntoSAINT implementation (82 percent of OLACEFS member SAIs as of December 2017). The Latin-American and Caribbean SAI strategies, based on four pillars, can be replicated worldwide.

PILLAR 1: RAISING AWARENESS

Outreach Activities

- Publishing articles on IntoSAINT values and benefits in the regional newsletter, magazine and website.
- Providing video footage via the website, Technical Commission on Good Governance (CTPBG), and the Regional Capacity-Building Committee (CCC).
- Making materials available at INCOSAI exhibits and seminars.

Collaboration Ties

- Integrating IntoSAINT into the OLACEFS regional working group annual work plans, including the Technical Commission on Public Ethics, Probity and Transparency (CEPAT) and CTPBG.
- Incorporating IntoSAINT implementation progress reports into OLACEFS General Assembly and Governing Board agendas.

Working Materials

- Original materials prepared by the Netherlands Court of Audit (NCA) were translated into Spanish by the SAI of Mexico, then enriched following the tool's initial round of implementation efforts. The SAI of Brazil subsequently translated the updated Spanish version into Portuguese.

PILLAR 2: IMPLEMENTATION OF INTOSAINT WORKSHOPS

Funding. Most IntoSAINT workshops were based on financial contributions from the SAIs, the Inter-American Development Bank (IADB); the German Cooperation (GIZ); and CTPBG. Funding covered moderator travel expenses.

Advisory Services. The SAI of Mexico spearheaded IntoSAINT's implementation in the OLACEFS region as the CEPAT chair and as project coordinator alongside the CTPBG chair (SAI of Argentina). The SAI of Mexico provided regional SAIs with guidance on planning and executing the tool, as well as assessing draft reports.

Workshop Planning. Moderators received advance planning guidance from regional project coordinators, which the OLACEFS Secretary General provided logistical arrangements as the legal body in charge of administering the region's budget.

Workshop Execution. From 2015-2017, SAIs were invited annually to implement the IntoSAINT tool. Moderators received advance advisory services from regional project coordinators, and a workshop coordinator (at the self-assessed SAI) was appointed to facilitate logistics. Local moderators were also utilized during the workshop execution phase.

Follow-up Mechanisms. A survey on integrity mechanisms used by OLACEFS members was distributed at the end of 2017, and response analysis has allowed OLACEFS

to make better informed decisions on future iterations of IntoSAINT implementation, as well as the use of integrity tools in general.

PILLAR 3: TOOL SUSTAINABILITY

Moderator Training. In 2013, CEPAT carried out moderator training with NCA and CCC support. The training program was divided into two phases—a six-week virtual phase that included reading and exercise materials along with a two-day, onsite engagement in Mexico City to reinforce what was learned during the online portion. 30 moderators from 19 SAIs were certified.

Knowledge Sharing. Videoconferences were held to allow certified moderators to share challenges and good practices. Additionally the regional moderators published "The Relevance of the Promotion of Integrity in Public Sector Institutions in Latin America and The Caribbean. Perspectives, Progress and Good Practices on the Integrity Self-Assessment Tool in OLACEFS," which was presented at the XXV OLACEFS General Assembly held in Queretaro City, Mexico, in November 2015.

PILLAR 4: PROMOTION OF SELF-ASSESSMENTS OF INTEGRITY IN PUBLIC SECTOR ORGANIZATIONS

Working Materials. Spanish materials were updated in 2017 to make them applicable to Integrity Self-Assessments in SAIs, as well as in public sector organizations in general (SAINT).

Advisory Services. The CTPBG is currently promoting seminars on integrity's relevance in the public sector and providing OLACEFS member SAIs with advisory services when implementing SAINT workshops.

Implementation. The SAI of Chile has implemented SAINT workshops in 2015 and 2016, and a videoconference was held in October 2017 with OLACEFS member SAIs to launch a SAINT workshop in the region using CTPBG financial resources. In early 2018, other SAIs will join the journey of promoting Self-Assessments of Integrity in public sector organizations.

The OLACEFS CTPBG encourages INTOSAI member SAIs to witness the value and benefits of the INTOSAI Integrity Model and extends an invitation to cooperate and collaborate with other regions to further promote this initiative that creates SAI and public sector organization capacities. To find out more, contact the OLACEFS IntoSAINT Coordinator at IntoSAINT@asf.gob.mx.

SAIs with IntoSAINT Moderators

SAIs with IntoSAINT Workshop

SAIs with IntoSAINT Workshop and Moderators

SAIs with Moderators, IntoSAINT and SAINT

MEXICO HOLDS 10TH WGVBS MEETING

The International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Value and Benefits of Supreme Audit Institutions (WGVBS) held its 10th meeting September 6-8, 2017, in Mexico City. The WGVBS, which has been chaired by Mr. Juan M. Portal, Auditor General of Mexico, since 2013, aims to develop mechanisms and tools to promote the value and benefits of Supreme Audit Institutions (SAIs).

Delegates from 15 SAIs attended the meeting hosted by SAI Mexico, including: Cameroon, China, France, Hungary, Indonesia, Jamaica, Kuwait, Mexico, Namibia, Pakistan, Peru, the Russian Federation, South Africa, Tanzania, and the United States of America. Representatives from the World Bank also participated.

Discussions focused on the numerous working group projects currently underway, such as:

- Developing guidance material for full implementation of ISSAI 40, "Quality Control for SAIs";

- Crafting guidelines on SAI effective practices when cooperating with legislative, judiciary and executive bodies;

- Launching projects that support ISSAI 12 principle implementation;

- Drafting documentation on risk identification processes in the public sector;

- Defining a risk-assessment framework that SAIs can incorporate in annual audit plans associated with applicable Sustainable Development Goal (SDG)-related programs; and

- Creating guidelines designed to strengthen values and benefits of INTOSAI tools.

Additionally, the sub-group responsible for disseminating the value and benefits of SAIs with jurisdictional functions updated working group attendees. The sub-group is presently developing guidance for inclusion in the INTOSAI Framework of Professional Pronouncements.

The meeting agenda also included national case study presentations that fostered a healthy exchange of experience and lessons learned, as well as a panel-led round table discussion on the impact of SAI work.

The panel, which included representatives from Mexicanos Unidos contra la Corrupción (a Non-Governmental Organization (NGO)) and Red por la Rendición de Cuentas (an enterprise consisting of 80 public, social and academic institutions focusing on promoting accountability in the public sector), led discussions on corruption and different perspectives on conquering it, taking into consideration SAI mandates and the crucial roles citizens play in preventing corruption.

The constant and active participation of working group members allows SAIs to share and access knowledge and experiences on how audit work contributes to transparency, accountability, improving government performance, that leads to better quality of life for citizens.

For more information on the 10th WGVBS meeting, please visit: www.wgvbs.org.mx.

"The WGVBS has a great mandate—to develop instruments and mechanisms to support SAIs on illustrating their usefulness to citizens. Let's start with us! We need to be model organizations, which promote transparency and accountability among our societies. We must go above and beyond to have a greater impact on the lives of citizens by being clearer, more precise and releasing understandable messages to our stakeholders."

—Mr. Juan M. Portal, AG of Mexico and WGVBS Chairman

WGPD ANNUAL EVENT FOCUSES ON MAJOR PROJECTS, PROGRESS

The Republic of the Philippines' Commission on Audit (COA) hosted the 2017 annual meeting of the International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Public Debt (WGPD) in Manila, Philippines, in September, hosting 37 delegates from 17 Supreme Audit Institutions (SAIs).

Keynote Speaker Mr. Erwin D. Sta. Ana, Deputy Treasurer of the Philippines, opened the event by discussing the Philippines' current debt situation and the debt management initiatives its national government employs. Mr. Sta. Ana presented several metrics to characterize the host country's debt profile, illustrating the Philippines is in a sound fiscal position. The favorable debt metrics have resulted in an improved credit profile and landmark transactions that, in turn, have led to innovative financing sources. The Philippines' national government continues to work on key initiatives to ensure debt sustainability in the long term.

WGPD's Strategic Plan 2017-2022 was a highlight of this year's meeting. The INTOSAI Development Initiative (IDI) acknowledged the strategic plan's alignment with INTOSAI's Strategic Plan 2017-2022, as well as the plan's incorporation of capacity development, which paves the way for a more unified and competency-oriented approach to achieve INTOSAI goals.

IDI also expressed interest in the performance measurement framework the WGPD proposed and suggested focusing

on WGPD project and initiative expected outcomes in addition to outputs using an evidence-based method to collect information.

The working group also discussed Project 2.9, "Consolidating and Aligning the Audit of Public Debt with ISSAI 100." This major undertaking aims to develop a new INTOSAI Guidance (GUID) that applies ISSAI 100, "Fundamental Principles of Public Sector Auditing," in conducting public debt financial, performance, and compliance audits. The project, expected to be finalized in December 2019, aspires to publish guidance that facilitates public debt audits and quality audit reports beneficial to sound public debt management and good governance.

The agenda also included a presentation on the "Audit of Lending and Borrowing Frameworks (ALBF)," a five-year program conducted by the IDI. IDI representatives provided beneficial information using the ALBF handbook, which focuses on strengthening audit performance and capacities in assessing borrowing and lending frameworks—a critical aspect of public debt auditing.

At the event's conclusion, Mr. Manish Kumar, representing SAI India, confirmed his SAI was looking forward to hosting a productive and memorable WGPD meeting in October 2018.

For more information about the WGPD:

- Visit https://www.coa.gov.ph/wgpd/ or
- Email sai.philippines2017@gmail.com.

Established in 1991 under INTOSAI's Strategic Goal 3 (Knowledge Sharing), the WGPD encourages proper reporting and sound management of public debt. 2017 marked a unique point in time for the working group as they endeavor to continue performing their mandate under new leadership, as the Superior Audit of the Federation (ASF), Republic of Mexico, officially handed over WGPD chairmanship reins to the COA. SAI Mexico, under the leadership of Mr. Juan M. Portal, chaired the WGPD for 25 years and ensured a smooth chairmanship transition through active communication and knowledge sharing. The COA vows to continue the long tradition of sharing knowledge and experience through stronger cooperation with, and support from, WGPD members.

WGFACML MEETS TO SHARE IDEAS ON FIGHTING, PREVENTING CORRUPTION

The International Organization of Supreme Audit Institutions (INTOSAI) Working Group on the Fight Against Corruption and Money Laundering (WGFACML) held its 11th meeting in Arusha, Tanzania, September 25-26, 2017.

The meeting, hosted by Dr. Mussa Assad, Auditor General, National Audit Office of Tanzania (NAOT), and chaired by Counselor Hesham Badawy, Accountability State Authority (ASA)of Egypt, centered on two themes: "Stolen Assets Recovery" and "Audit of Corruption Prevention in Public Procurement."

Throughout the meeting, participants shared expertise and discussed current activities Supreme Audit Institutions (SAIs) are undertaking to fight corruption and prepare for Sustainable Development Goal (SDG) implementation.

The SAI of Ecuador provided a special presentation on the concept of "Social Control" and how to engage citizens to combat corruption. The two-day agenda also included brainstorming sessions where participants unanimously agreed to include forensic audit in the WGFACML work plan.

# EUROSAI EXTENDS MANDATE FOR WORKING GROUP ON AUDIT OF FUNDS ALLOCATED TO DISASTERS, CATASTROPHES

The Xth European Organization of Supreme Audit Institutions (EUROSAI) Congress resolution extended the mandate of the Working Group on Audit of Funds Allocated to Disasters and Catastrophes, which is chaired by the Accounting Chamber of Ukraine. The Congress also approved the Working Group's Activity Report for 2015-2017, as well as the Strategic Plan for 2017-2020.

One of the working group's strategic objectives for the next period is implementing the 2030 Agenda for Sustainable Development, paying particular attention to Goal 11 "Make cities inclusive, safe, resilient and sustainable."

The Istanbul Declaration, approved by the Congress, endorsed the need for EUROSAI to uncover best practices to respond to the growing number of emergencies, especially mass migrations and cyber-attacks. The declaration also greatly expands the group's field of activity and creates new future benchmarks.
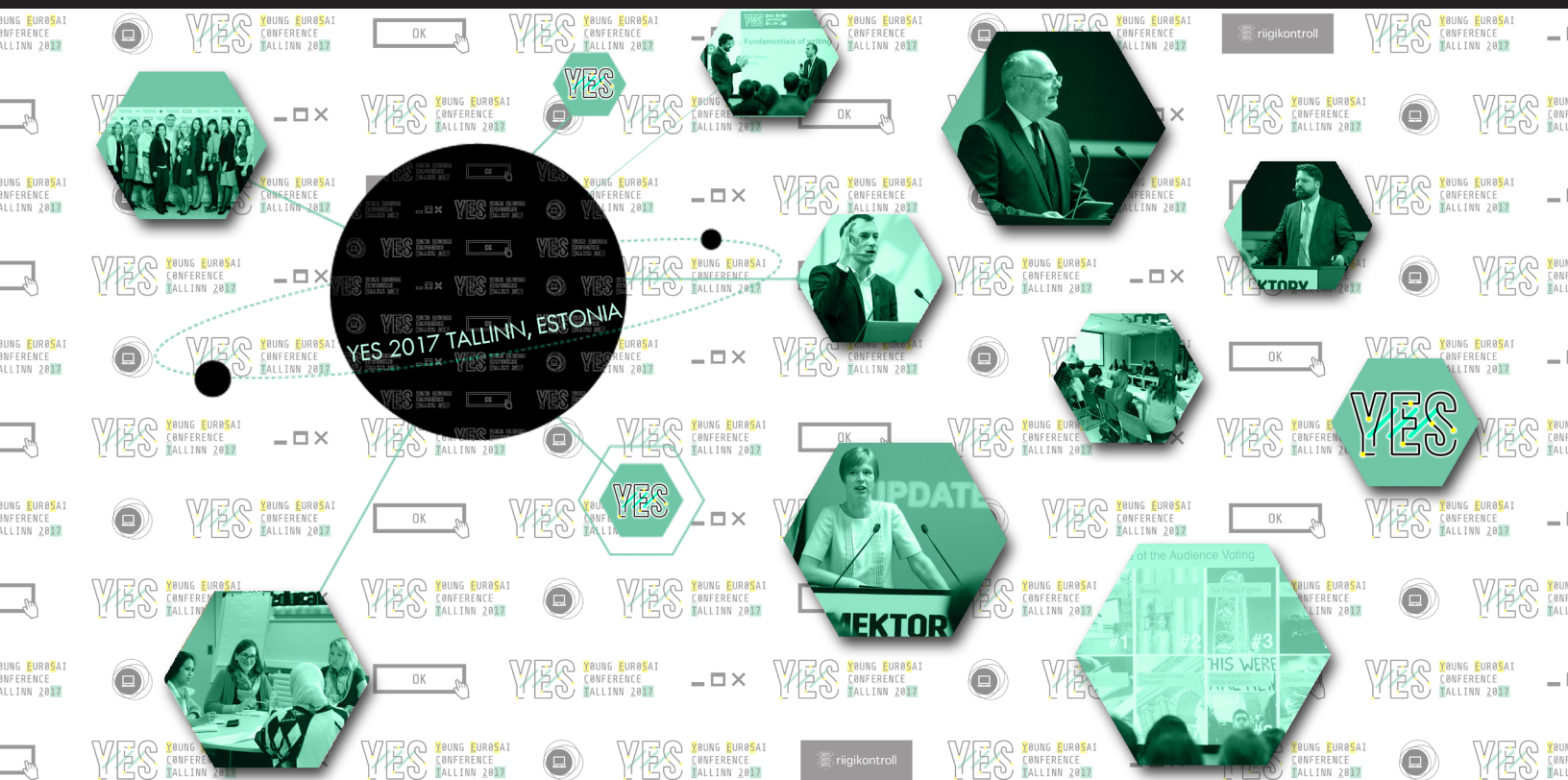
YES...MORE THAN A CONFERENCE, IT'S A NETWORK!

Riigikontroll, the Supreme Audit Institution (SAI) of Estonia, hosted the third Young EUROSAI (YES) conference September 11-14, 2017, in Tallinn, Estonia. Roughly 100 young auditors, representing members of the European Organization of Supreme Audit Institutions (EUROSAI) and special guests, participated in the inspiring, innovative conference.

The Journal sat down with YES Coordinator, Ms. Krislin Kivi, before the event to learn about the inspiration behind the concept for this year's YES conference.

Building off the enthusiasm of the previous Young EUROSAI conference hosted by the State Comptroller's Office of Israel in 2015, the YES planning team at SAI Estonia began preparations for the conference about a year and half

prior to the event. During several brainstorming sessions, all ideas pointed back to one theme: data and digitalization. Thus, the theme "Updates Available" was born.

As Ms. Kivi explained, "There are always developments in digitalization going on and auditors have to keep up."

The rapid pace of technological innovation, along with the increasing availability of data, demands an array of technical and analytical skills. Auditors must continuously "update" their skills to remain current.

With that in mind, guest speakers, such as heads of SAIs of Estonia, Netherlands, and Finland, as well as experts in the digital information economy and e-governance, were invited to dialogue with the young auditors. The structure of the four-day conference encouraged significant audience engagement.

Setting Up the Network
The first day included an original kick off featuring a group activity, which, Ms. Kivi added, was "unlike other conferences where the social activity is at the end of the

event." After a brief introduction, participants formed small teams and embarked on a self-guided scavenger hunt through historical Old Town Tallinn.

Open Data, Open Mind
Day two found attendees gathered at the Mektory, a center for innovation at the Tallinn University of Technology. The first half of the day focused on the age of open information, and the second half stimulated thinking outside the box.

Moving remarks from Ms. Kersti Kaljulaid, the President of Estonia, officially opened "Updates Available," inspiring youth leadership and emphasizing technology's impact in auditing.

"The quickly changing technological landscape demands the younger generation take responsibility for their desired future decades earlier," she said, adding, "We cannot see technology as a problem, but as a solution!"

Entrepreneur, researcher and technologist, Dr. Rufus Pollock, illustrated what a sustainable digital age would look like—citing examples where social problems could be solved by an open government—if data was made available to everyone. He demonstrated a dynamic and inclusive system where an increase in ideas leads to an increase in innovation.

His formula—"Open Data + Many Minds = Insight & Savings."

Mr. Mihkel Solvak, senior researcher in technology studies at the University of Tartu, presented on real-time predictive analytics where he discussed how real-time data produced by e-government could help diagnose problems and provide better services to the people.

"The data is there, we simply need to build predictive models off of them," he asserted.

Renowned speaker, writer and communications coach, Mr. Gleb Maltsev, conducted an exercise on the components of an effective 90-second "elevator pitch"—a succinct sales speech.

Following the coaching, ten participants proposed ideas to the entire audience on prevalent social issues in various fields ranging from education and health care to national security. The audience, divided into several teams, fleshed out potential solutions using open or big data. Each team, equipped with an experienced mentor to help guide the discussion and generate ideas, regrouped and presented a full solution to event participants, who then voted on their favorite solution.

Data is the New Black
The third day emphasized sharing experiences, and the YES spirit, characterized by excitement and innovation, did not fail to deliver.

There were 15 participant-led workshops held concurrently during three sessions throughout the day demonstrating the impact of the data explosion and digitalization on audit work. Attendees were exposed to different perspectives in audit and data covering a wide variety of topics, such as conducting financial audits using big data and data analysis; data gathering and management in the pre-audit process; and data's impact on cyber security.

Download and Install
"Download and Install" represented the finale theme where participants reflected on the future of e-governance in public service and attended a panel discussion on the future of auditing.

Tallinn University of Technology's Dr. Robert Krimmer concentrated on how open data will change e-governance. He challenged participants to consider innovation as the product of citizen interest and engagement with the government. He called for developing services in a different way—making processes more interactive and virtual while considering government and citizens as co-creators, co-designers and co-implementers of services and information gathering.

The day transitioned to a lively panel discussion on e-governance and auditing's future. The panel, which included the Auditor General of Finland's National Audit Office, Ms. Tytti Yli-Viikari; Dr. Krimmer; and Mr. George Worlledge from the United Kingdom's (UK) National Audit Office; was effortlessly moderated by Mr. Urmet Lee from SAI Estonia.

During the panel event, a riveting discussion on how to determine when citizen engagement is best—at the beginning of an audit where opinions on the audit's direction would be considered or during the audit when opinions on findings would be encouraged—took place, resulting in one clear notion across the panel…citizen engagement does not mean involvement at every step. But, it should be considered at some point.

At the panel's conclusion, Mr. Worlledge enthusiastically announced that the UK would play host to the next EUROSAI YES conference and invited interested participants across the region to join the planning committee to continue the collective power of engagement.

Updates Available was marked by inspirational speakers and an energetic audience. Participants helped shape the agenda and determined meeting outcomes. The event's interactive nature was further emphasized with audience engagement tools during presentations, such as live polls and Q&A sessions. By providing a space to share experiences, success stories, challenges confronted, Updates Available continued the momentum of YES, strengthening the network of young professionals and inspiring them to take action!

SPOTLIGHT ON #FAIL WORKSHOP

Delivering engaging, interactive presentations was a YES event highlight, and #FAIL succeeded in inspiring young auditors to take chances! Remaining relevant in a constantly changing world requires continuous innovation. At the same time, change, which can be difficult, requires experimentation and, more often than not, failed attempts. In a joint presentation developed from Rekenkamer (SAI Netherlands) and the Wales Audit Office, young auditors were exposed to applying innovation in the auditing field.

The workshop kicked off with an introduction to the change adoption curve, where participants were asked to identify where they, as well as the institutions for which they work, fell within the range from "innovators" to "laggards." The outcomes demonstrated that individuals identified as innovators and early adopters (quick to adopt change) while their respective institutions were perceived as laggards (slow to adopt change).
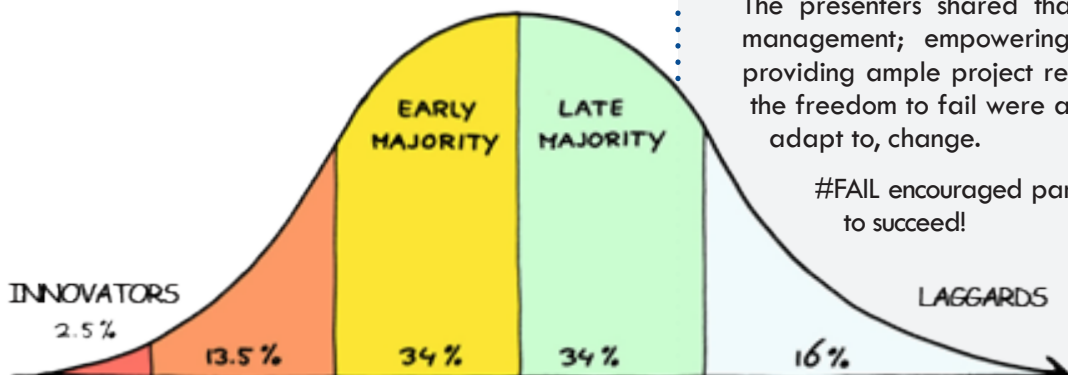
Ms. Sanne Kouwenhoven, representing SAI Netherlands, along with Mr. Stephen Lisle and Mr. Simon Lloyd-Smith from the Wales Audit Office shared personal experiences working in program teams designed to promote innovation and utilize data analytics within their organizations.

Lisle and Lloyd-Smith discussed a specific project, "Cutting Edge," dedicated to "cutting edge audit through cutting edge technology and cutting edge people." According to Wales Audit Office leadership, the project, which incorporated junior staff members, added tremendous value and led to considerable investment in data analytics.

Ms. Kouwenhoven revealed some successes (and failures) with "DOEN," a SAI Netherlands program geared toward innovation. DOEN, the Dutch verb for "doing," emphasized "doing different things and doing them differently," she explained. Conducting innovative audits with a focus on data analysis and visualization, as well as experimenting with new methods, such as participatory audits, were a few of the program's innovative initiatives.

During the collaborative presentation, a lack of cultural change was highlighted as a barrier to innovation. The presenters shared that having buy-in from senior management; empowering junior staff to take risks; providing ample project resources, and affording teams the freedom to fail were additional ways to adopt, and adapt to, change.

#FAIL encouraged participants to risk failure in order to succeed!

EARLY MAJORITY   LATE MAJORITY

INNOVATORS
2.5%   13.5%   34%   34%   16%   LAGGARDS

We hope tier 2 support helps SAIs to such an extent that they are no longer challenged by their environments. Rather, they should be in positions to challenge their environments. We want to see challenging SAIs, not challenged ones.

FOLLOW THE INTOSAI-DONOR COOPERATION ON TWITTER!

Get up-to-date INTOSAI-Donor Cooperation news and photos on Twitter @The_Cooperation.

THE JOURNEY CONTINUES TO ACHIEVE AN AMBITIOUS INITIATIVE

by Ole Shøyen, Head of the INTOSAI-Donor Secretariat

The INTOSAI-Donor Cooperation is an ambitious initiative. We are working to (1) strengthen and scale up support for Supreme Audit Institutions (SAIs); (2) ensure all SAIs develop individual strategies as the basis for development; and (3) influence the behavior of all actors in the SAI and donor world to work in a coordinated fashion that respects the recipient's ownership of its own development.

The Cooperation's primary focus in the current program period is on the new round Global Call for Proposals (GCP). For the next year or so, the main concentration will be on tier 2—a specialized initiative to scale up support for the most challenged SAIs. Currently, we are in the selection process to develop the final list of SAIs to be targeted for tier 2 support.

In our latest newsletter, you can read about some of the issues facing capacity development in SAIs operating in difficult, fragile contexts—fundamental legal obstacles that hamper abilities to fulfill societal roles; limited human and financial resources; and lack of autonomy. The newsletter also highlights successes that can be achieved by SAIs in these situations.

Financing a SAI can be hard in a country that lacks financial resources. Yet, failing to acknowledge the importance of independence and organizational autonomy is a symptom of a systemic institutional weakness—where the checks and balances ensuring those in power are held accountable are not being recognized.

ABOUT THE INTOSAI-DONOR COOPERATION

In 2009, INTOSAI and 15 Donors signed a milestone Memorandum of Understanding (MoU) designed to augment and strengthen support to the Supreme Audit Institution (SAI) community. The MoU recognizes the potential value SAIs contribute to strengthening governance, accountability and poverty reduction.

The MoU provides a common approach to increased strategic focus and coordination for donors and the SAI community in reinforcing SAIs in developing countries, which entails:

- Donors mobilizing additional funding for SAI strengthening;
- Increased strategic focus on the important role of SAIs in terms of governance, development and poverty reduction;
- Improved coordination of support to the SAI community; and
- Better and more effective support initiatives.

Support is provided through a hierarchy of activities, principally at the country level, and then at the regional and International Organization of Supreme Audit Institutions (INTOSAI) global levels.

Because the support is to be demand-driven and sustainable, it is based on strategic and development action plans.

SAI CHINA & PERU JOIN FORCES TO ADDRESS NATURAL DISASTER RECOVERY AUDITING

"El Niño Costero," the phenomenon seriously affecting Peru during the first months of 2017, battered the nation with torrential rains and damaged some 21,323 kilometers of rural and non-rural roads; 260,970 houses; 2,148 schools; 700 health centers; 822 bridges; 77,104 hectares of cultivated areas; and 22,965 kilometers of irrigation canals. In total, infrastructure damage is estimated to be roughly two percent of the country's GDP.

As part of the rehabilitation and reconstruction process, the Peruvian government approved a law that establishes (1) an extraordinary legal framework for intervention by national government and the Authority for Reconstruction with Changes (ARC); and (2) a control plan that includes simultaneous and subsequent control actions to be executed by Peru's Supreme Audit Institution (SAI).

Simultaneous control, or real-time audit, differs from other types of control in that it encompasses dynamic and continuous processes with particular (and different) demands on organizing, executing, and communicating. For this reason, the Inter-American Development Bank (IADB) Peruvian office initiated coordination with Peru's national government to generate a space to exchange technical knowledge and lessons learned on applying real-time auditing to rehabilitation and reconstruction processes.

The event, organized by the IADB alongside the Presidency of the Peruvian Council of Ministers, the SAI of Peru, the ARC, and the National Audit Office of the People's Republic of China (CNAO), aimed to capture CNAO experience obtained immediately following the 2008 Wenchuan earthquake, experience cited and described in ISSAI 5520.

Two CNAO experts participated in the two-day event held in Lima, Peru, in August 2017, where they shared real-time audit experience directly with Peruvian central, regional and provincial officials; SAI Peru delegates (both in-person and via streaming and videoconferencing); and civil society representatives.

Day one included discussions on several real-time auditing topics, including audit approach key factors; audit plan implementation, execution and procedures; results communication system; and lessons learned. Additionally, the auditor's role within the control system highlighted using information technologies and databases as a more modern audit approach. The second day afforded SAI Peru and ARC officials the opportunity to query, and consult with, the CNAO experts based on the previous day's knowledge sharing activities.

Very few published experiences on applying real-time auditing to rehabilitation and reconstruction efforts exist. Therefore, this IADB-coordinated event proved quite fruitful for all, particularly those involved in the process of rehabilitating and reconstructing Peruvian areas devastated by El Niño Costero. Creating this knowledge sharing space also contributes to generating and strengthening relationships and communication and helps build capacity between SAIs, between nations.

MARCH 2018

13-14	GAO/CNAO Seminar on Aging Populations—*Washington, D.C.*
13-14	IDI Board Meeting—*Oslo, Norway*
14-15	EUROSAI Governing Board Meeting—*Gdansk, Poland*
27-29	2nd Meeting of the Financial Audit and Accouning (FAAS) Subcommittee—*Paro, Bhutan*
28-29	WGFMRR Meeting—*Beijing, China*

APRIL 2018

19-20	2nd Meeting of the Working Group on Big Data (WGBD)—*Washington, D.C.*
26-27	5th GALF Meeting—*ECA, Luxembourg*

MAY 2018

7-10	AFROSAI-E Governing Board Meeting—*Rwanda*
30-31	15th Meeting of the Professional Standards Steering Committee—*Luxembourg*

JUNE 2018

20—22	Global Peer Review Conference—*Bratislava, Slovakia*

SEPTEMBER 2018

3—6	CBC-IDSC Contiguous meeting—*Kuwait*
19—22	ASOSAI 14th Assembly	52nd and 53rd Governing Board Meeting—*Hanoi, Vietnam*
19-21	WGVBS 11th Meeting of the Working Group on Value and Benefits of SAIs—*Montego Bay, Jamaica*

Editor's Note: This calendar is published in support of INTOSAI's communications strategy and as a way of helping INTOSAI members plan and coordinate schedules. Included in this regular *Journal* feature will be INTOSAI-wide events and region-wide events such as congresses, general assemblies, and board meetings. Because of limited space, the many training courses and other professional meetings offered by the regions will be included according to space available. For additional information, contact the Secretary General of each regional working group. For contact information visit *http://www.intosai.org/regional-working-groups.html*.

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