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— OF GOVERNMENT AUDITING —



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The editors invite submissions of articles, special reports, and news items, which should be sent to the editorial offices at:

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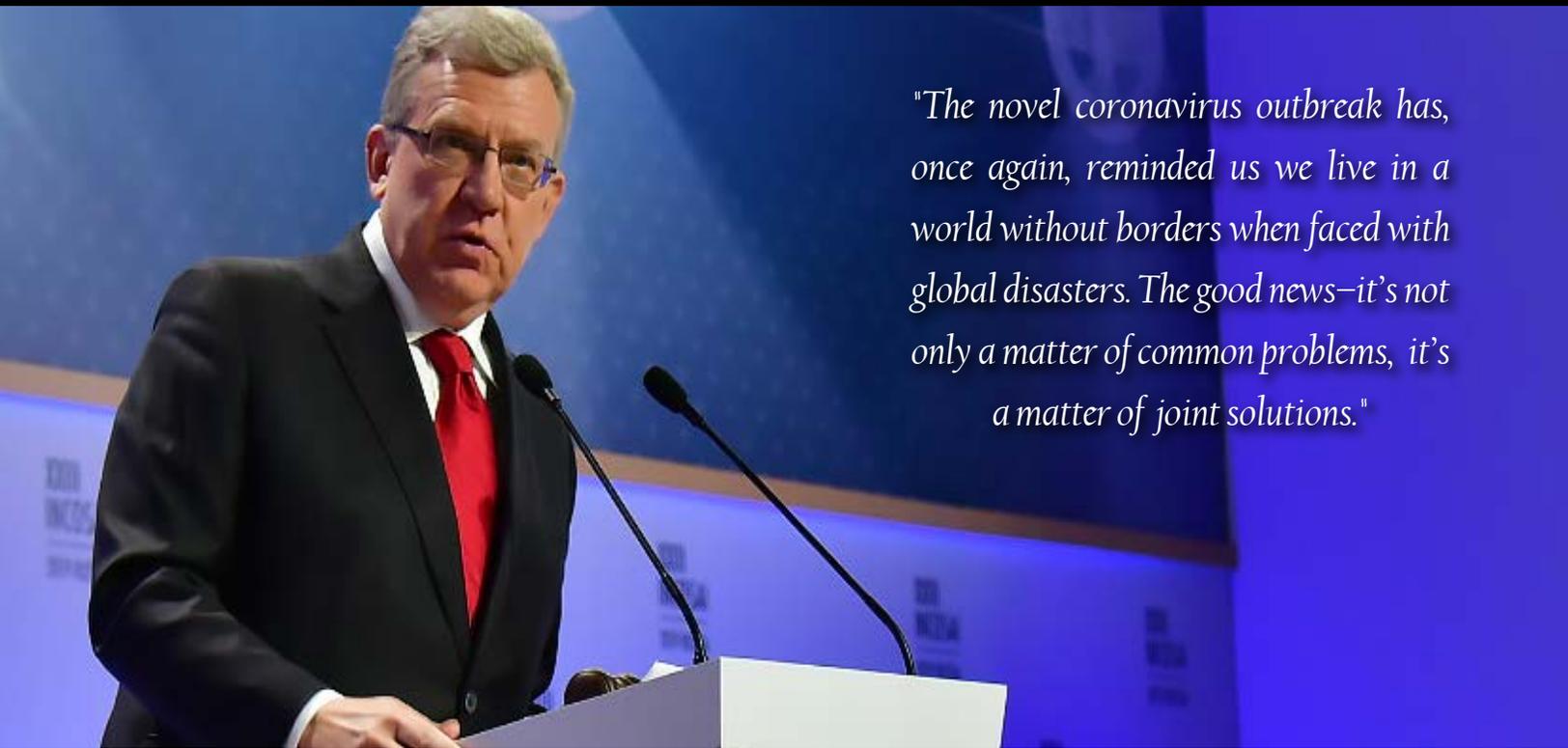
Given the *Journal's* use as a teaching tool, articles most likely to be accepted are those that deal with pragmatic aspects of public sector auditing. These include case studies, ideas on new audit methodologies or details on audit training programs. Articles that deal primarily with theory would not be appropriate. Submission guidelines are located at <http://intosaijournal.org/our-submissions/>.

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SPECIAL THEME: SUSTAINABLE DEVELOPMENT GOALS



"The novel coronavirus outbreak has, once again, reminded us we live in a world without borders when faced with global disasters. The good news—it's not only a matter of common problems, it's a matter of joint solutions."

AUDITING SUSTAINABLE DEVELOPMENT: INTOSAI COMMUNITY MILESTONES

by Aleksei Kudrin, Chairman, Accounts Chamber of the Russian Federation, and Chairman of the International Organization of Supreme Audit Institutions

The Spring 2020 Edition of the International Organization of Supreme Audit Institutions (INTOSAI) Journal is dedicated to a very promising, yet quite challenging, topic: the 2030 Agenda for Sustainable Development. While the world has seen a number of development agendas, none have been fully comprehensive, proactive and inclusive.

The novel coronavirus outbreak has, once again, reminded us we live in a world without borders when faced with global disasters. The good news—it's not only a matter of common problems, it's a matter of joint solutions.

The 2030 Agenda set ambitious targets, particularly for the healthcare sector, objectives that include eliminating communicable diseases. To a certain extent, the Sustainable Development Goals (SDGs) have already played a role in

tackling the challenge we face today. Specific indicators and benchmarks have been formed or revised giving us the opportunity to move to well-defined standards and an international indicator-based "language" to communicate and better understand the global situation. In fact, the world received tools to monitor conditions in any country and answer the question: are we doing everything possible to solve problems and achieve sustainability?

In this context, how can Supreme Audit Institutions (SAIs) contribute? We have been talking a great deal about SDG 17, which urges stakeholders from all the United Nations countries to revitalize partnerships and enhance the means for implementing sustainable development. SAIs play a part in such endeavors, providing a strategic view on governance mechanisms that can be applied to make efforts of public institutions, private sector organizations and society coherent.

Important results have already been achieved. In addition to auditing SDG-related spheres, SAIs have started performing specific SDG audits. Though at various audit stages (from

assessing preparedness to evaluating implementation), these activities generate valuable knowledge (a resource the INTOSAI community has always been keen to share).

The most remarkable example, perhaps, is the joint INTOSAI Development Initiative (IDI)/Knowledge Sharing Committee auditing preparedness program. The program, conducted by more than 70 SAIs, addressed overarching governance matters and SDG implementation policies in various countries. Results indicate that SDG strategies, budgetary provisions or coordination mechanisms with clearly defined responsibilities have yet to be put in place by many nations. The massive experience obtained by SAIs was shared with institutions responsible for generating Voluntary National Reviews—bringing visibility to governments on identified issues and helping form joint cross-departmental mechanisms to find solutions. Program outcomes also provided the foundation for the IDI SDG Audit Model (ISAM), a framework designed to impart a sound methodological basis for SAIs conducting SDG audits.

The XXIII INTOSAI Congress held in Moscow reaffirmed the audit community's commitment to making tangible contributions to SDG implementation. The Moscow Declaration urged SAIs to promote more effective, transparent and informative accountability for public sector outcomes, thus enhancing SAI roles in SDG achievement, which includes relevant audit-based advice on strategic parliamentary, governmental and public administration issues. A particular emphasis was placed on inclusiveness: no one should be left behind, and SAIs need to find more efficient ways to address this important aspect of the 2030 Agenda.

More than ever, using digitalization and data analytics is critical, as exploring opportunities to publish data in an open format can improve governance transparency and provide citizens with a better understanding of what works and what doesn't. Additionally, electronic data and analytic techniques can be used to nurture the auditors of the future to efficiently use cutting-edge tools and share knowledge through peer-to-peer communication.

As INTOSAI Chair, the Accounts Chamber of the Russian Federation (Accounts Chamber) is ready to lead efforts in shaping the international audit community's future.

We continue work on the INTOSAI University project, an online educational platform for auditors, as well as a broader, worldwide audience. I am convinced INTOSAI University will be an extremely useful tool to exchange knowledge on important topics, such as SDG auditing, particularly in conditions when hosting international meetings is not an option.

Other, more recent, joint initiatives include the first INTOSAI SDG coordination meeting held in Vienna. The February 2020 event resulted in a draft SDG Action Plan devised by INTOSAI Chair, General Secretariat, Goal Committee and IDI representatives.

"Sharing knowledge to find the most effective and efficient solutions is ever relevant to achieve sustainable development—now and for generations to come."

We envisage all SAIs actively contributing to this plan, which contains specific SDG measures, such as finalizing the ISAM, launching an SDG information hub; and designing a unified online "SDG Atlas" that incorporates SAI SDG reports and recommendations.

The SDG Action Plan also calls for the Working Group on SDGs and Key Sustainable Development Indicators (WGSDG KSDI) to strengthen the coordination of SDG-related activities and more robustly share experiences in developing and utilizing practically-oriented evaluation instruments.

The WGSDG KSDI, chaired by the Accounts Chamber, evolved from the Working Group on Key National Indicators, a group possessing more than 10 years of experience in creating guidelines to measure progress in achieving national goals.

WGSDG KSDI work will support SAIs as strategic partners to governments in promoting SDG implementation, and its insight and experience will provide a unique opportunity to become an SDG audit competence center. The group now comprises 32 members and observers, and we invite INTOSAI member SAIs to join and contribute to initiatives that will certainly touch all corners of the world nationally, regionally and globally.

INTOSAI has established lofty goals for the years to come, and, in light of today's challenges, we should not be tempted by any illusions we can sort everything out on our own. Sharing knowledge to find the most effective and efficient solutions is ever relevant to achieve sustainable development—now and for generations to come.

The Journal remains resourced, operational and committed to ensuring INTOSAI members and the broader accountability community stay connected. During this time of distancing, travel limitations and uncertainty, we look forward to exploring new ways to collaborate and share information.



The emergence of the COVID-19 Pandemic has, globally, put us on a tumultuous path. The pandemic has affected public health, the global economy, our governments, the citizens we serve, the International Organization of Supreme Audit Institutions (INTOSAI), our Supreme Audit Institutions (SAIs) and our employees. As science continues closing in on this virus infecting millions around the world and affecting us all, INTOSAI responsibilities—and its eventual role in the aftermath—become more apparent.

INTOSAI, a voluntary international organization that improves accountability and enhances knowledge sharing on a global scale, remains one of the largest non-political, government organizations on the world stage with more than 195 member-nation SAIs.

Structured across seven regions, INTOSAI communicates, collaborates and cooperates through a vast network that continuously exemplifies INTOSAI's motto, "Mutual experience benefits all."

Through actions taken now, INTOSAI has an opportunity to help in the current pandemic fight, as well as lessen the impact of similar, future events. INTOSAI will play an integral role in the review and follow-up of worldwide efforts to address and learn from the emergence of COVID-19. Meanwhile, INTOSAI continues supporting member organizations through unified initiatives, such as:

- Establishing a COVID-19 Initiative (under Policy, Finance and Administration Committee (PFAC) guidance) to maintain continuity of operations across INTOSAI and individual SAIs, while sharing relevant information via a dedicated

webpage and focusing on lessons learned to help prevent future pandemics and related impacts;

- Disseminating encouraging messages from Auditors General on the INTOSAI Community Portal;
- Holding Task Force on Strategic Planning virtual meetings to ensure INTOSAI is prepared for any future widespread issues; and
- Leveraging INTOSAI Development Initiative workstreams for continued SAI support and enhancing SAI relevance through online guidance, education and interaction on auditing national COVID-19 response efforts and future public health system resilience.

"The PFAC COVID-19 Initiative will play an important role in helping SAIs around the world continue to serve their citizens and governments while sharing and learning from best practices of other SAIs to help the INTOSAI community operate effectively in this new environment."—Gene L. Dodaro, United States Comptroller General and PFAC Vice Chair.

The Journal, INTOSAI's official communication mechanism, remains resourced, operational and committed to ensuring INTOSAI members and the broader accountability community stay connected. During this time of distancing, travel limitations and uncertainty, we look forward to exploring new ways to collaborate and share information, and the Journal encourages audit organizations to share individual stories as well as SAI contributions to national pandemic endeavors.

James-Christian Blockwood, INTOSAI Journal President and Managing Director, United States Government Accountability Office Strategic Planning and External Liaison

NEWS FROM SAIs AROUND THE WORLD

News from Egypt

CONTRIBUTING TO GLOBAL ANTI-CORRUPTION INITIATIVES

The President of the Accountability State Authority (ASA) headed a delegation participating in December 2019 events hosted by the United Arab Emirates State Audit Institution. At the seminar on "Strengthening Collaboration between SAIs and Anti-corruption Authorities," he delivered a speech that highlighted training as an important component to help increase staff capacity in combating corruption.

The ASA President also contributed to dialogue at the 8th Conference of State Parties to the United Nations (UN) Convention Against Corruption (COSP8). The COSP8 session included reviewing convention execution; discussing international cooperation methods to better confront and deter corruption and recover assets; and preparing for the 2021 UN General Assembly.

SHARING KNOWLEDGE, EXPERIENCES IN REGIONAL CAPACITY

The ASA hosted and participated in several events throughout January and February, including:

- A workshop on "The Role of Regional Organizations in Evaluating and Following-up on SAIs' Performance" that included delegates from 22 SAIs, as well as an ARABOSAI representative and expert from the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E);
- The 79th Permanent Committee for the Financial Auditing Journal meeting hosted by the Arab Organization of Supreme Audit Institutions (ARABOSAI) in Tunisia;

- 15th ARABOSAI Capacity Building Committee meeting in Oman; and
- Inaugural meeting for the ARABOSAI Auditing Sustainable Development Goals Committee in Tunisia (the ASA was nominated to serve as Committee Vice President).

PROVIDING EXPERTISE TO COMESA, AU BOEA

The ASA chairs the Common Market for Eastern and Southern Africa (COMESA) Board of External Auditors for fiscal year 2018. The Board has finalized its charter elaboration, as well as all required audit instruments, which are currently in approval stages by relevant COMESA organs.

A permanent member of the African Union Board of External Auditors, the ASA is participating in the interim audit for African Union accounts for fiscal year 2019.

News from Cyprus



AUDIT OFFICE HOSTS SEMINAR ADDRESSING NEW EU REGULATION

The Audit Office of the Republic of Cyprus hosted a seminar on the European Union's new General Data Protection Regulation. The seminar, held in November 2019, focused on the impact the regulation will have on Supreme Audit Institutions in performing audits, as well as handling, storing and destroying personal data.

Twenty-two participants from 13 European SAs participated in the event, which also included several guest speakers: Johan van Damme, Data Protection Officer, European Court of Auditors; Niels Bertil Rasmussen, Office of Data Protection, European Commission; and Irene Haller, Internal Audit Office, European Commission.

News from Guatemala



GENERAL COMPTROLLER OF ACCOUNTS CONTRIBUTES TO NATIONAL SDG EFFORTS

The General Comptroller of Accounts (CGC) of the Republic of Guatemala formed a strategic alliance with the Presidency's Secretariat of Planning and Programming, who is responsible implementing the National Development Plan and Sustainable Development Goals (SDGs) in the country.

Under the leadership of Dr. Edwin Humberto Salazar Jerez, Comptroller General, the CGC carried out several activities in 2019 as part of the alliance.

- More than 1,200 staff members were trained on the "National Development Priorities Planning Process in the Results Management Framework."
- The CGC hosted a discussion on sustainable development objectives designed to foster a culture of collaboration and transparency; promote accountability; and more effectively achieve compliance with national development priorities.
- The CGC, with support from the German Agency for International Cooperation 2030 Agenda Project, held a workshop on "Managing for Results, Monitoring and Evaluation of Institutional Results Based on Performance Indicators" aimed at strengthening the planning process with a focus on the SDGs and results management.

News from Malta



FINLAND AUDITOR GENERAL VISITS MALTA NATIONAL AUDIT OFFICE

The Auditor General of the National Audit Office (NAO) of Finland, Tytti Yli-Viikari, accompanied by Jenni Leppälähti, visited the NAO of Malta January 31, 2020, to discuss enhanced cooperation between the two institutions.

Dialogue included an open exchange of experiences and knowledge on several mutually interesting public sector auditing topics, including how national audit institutions play key roles in enhancing good governance across the public sector.

Yli-Viikari, discussed current developments and organizational changes within the Finnish NAO, which increasingly considers public interests while also ensuring audit work focuses on major risk areas.

The Auditor General of the NAO of Malta, Charles Deguara, highlighted recent NAO Malta progress that includes ongoing implementation of the organization's five year strategic plan, increasing infographics in audit work, and integrating video products into reports.

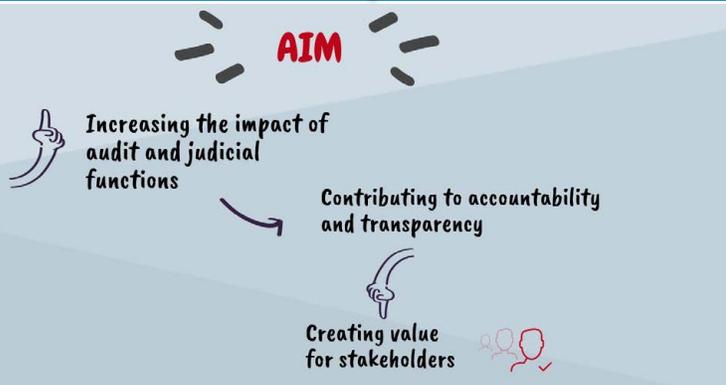
Yli-Viikari gave an inspiring speech on “Current Trends in Public Audit—A Global Perspective,” and identified emerging issues affecting public audit, such as auditing Sustainable Development Goal implementation and navigating potential scientific and technological impacts on the audit profession.



During her speech, Yli-Viikari noted, “The added value of public audit is in giving insight to decision-makers on complex policy issues and policy coherence while also strengthening accountability mechanisms.”

She added, “There is tremendous potential in cooperation and international benchmarking, which is why it is a great pleasure for me to learn from the practices of the Maltese Audit Office and share thoughts on the current issues our administrations face.”

News from Turkey



NEW COMMUNICATION STRATEGY=NEW ERA IN STAKEHOLDER ENGAGEMENT

Communication remains a significant tool for any successful organization, and the Turkish Court of Accounts (TCA), Turkey’s Supreme Audit Institution (SAI), is well aware that good communication channels with stakeholders can help achieve organizational strategic goals and contribute to an effective, transparent and accountable public financial management system.

The TCA, an International Organization of Supreme Audit Institutions (INTOSAI) member, participated in the 2019 INTOSAI Development Initiative (IDI) SAI Young Leaders (SYL) program by nominating a young leader who devised a proposed change approach, “Developing a Communication Strategy.”

The proposal, which formed the basis for the TCA 2019-2023 Communication Strategy, focused on transforming current stakeholder engagement practices into an agile, effective communication plan.

The TCA 2019-2023 Communications Strategy aims to ensure (1) organizational goals and objectives are achieved and (2) the TCA contributes to public sector accountability and transparency by increasing audit impact.

The strategy is proactive and extends beyond reporting to stakeholders by highlighting feedback mechanisms; employing a two-way process; and complying with TCA’s role in fulfilling the Sustainable Development Goals. The TCA also considered possible enterprise risks and established communication channels to eliminate or mitigate potential negative impacts on relevant activities.

In developing the communication strategy, the TCA adopted a participatory approach, one that considered external stakeholder expectations and contributions. To achieve this, the TCA analyzed both internal and external environments then identified key stakeholders and corresponding communication strategies (see Figure 1).

The new communication strategy aims to:

- Create value for all stakeholders, including citizens and parliament;
- Increase audit impact through effective stakeholder engagement; and
- Significantly contribute to strengthening Turkish public sector and sustainable development accountability and transparency.

Contact the TCA via email at int.relations@sayistay.gov.tr for more information.



Figure 1: Key Stakeholders and Engagement Strategies

News from Bahrain



NAO HOSTS SEMINAR ON IMPORTANCE OF INTERNAL AUDIT

The National Audit Office (NAO) of the Kingdom of Bahrain organized a seminar on the importance of

internal audit. The two-day seminar, attended by more than 150 employees from 55 government agencies, including NAO instructors and experts from the University of Bahrain, Bahrain Institute for Banking and Financial Studies, Deloitte and Touche, Ernst and Young, PricewaterhouseCoopers (PwC) and Klynveld Peat Marwick Goerdeler (KPMG), focused on international standards, important developments and latest practices. The event also highlighted NAO work procedures and processes, including the legal framework guaranteeing NAO's independence as a Supreme Audit Institution (SAI), as well as its audit mandate, objectives and methodology for preparing and issuing reports.

Participants discussed the role of corporate governance in protecting public funds; whether non-audit services affect auditor independence and audit quality; and importance of international auditing standards, particularly referencing International Organization of Supreme Audit Institutions (INTOSAI) guidance. Key seminar sessions concentrated on internal audit—its critical role in adding value; improving organizational efficiency and effectiveness; and contribution to risk management. Delegates also deliberated the auditor's role in personal data protection, common fraud cases, and auditing disruptive technology risks.

NAO Auditor General, Shaikh Ahmed bin Mohammed Al Khalifa, noted the symposium's ability to create awareness of internal audit and its role in protecting public funds along with strengthening the partnership between NAO and government agencies to promote an integrated approach to auditing.



STAFF EARNS AWARD IN REGIONAL RESEARCH COMPETITION

Abdulrahman Mohamed Abdulla Husain (pictured second from left), Senior Auditor at Bahrain's NAO,

earned third place honors in the 12th Arab Organization of Supreme Audit Institutions (ARABOSAI) Scientific Research Competition for his scientific research on "Developing Audit Work and Achieving Added Value." Researching the topic

while balancing professional and personal commitments was difficult; however, Abdulrahman considered the competition an opportunity to develop research skills while successfully representing the NAO.

Honored to personally receive the award from NAO's Auditor General, H.E. Shaikh Ahmed bin Mohammed Al Khalifa (pictured third from left), Abdulrahman noted, "Taking part in the competition expanded my knowledge and skills in conducting scientific research. I highly recommend this experience."



NAO CONTRIBUTES TO SUSTAINABILITY

Fakhriya Sarhan, NAO Bahrain Performance Audit Supervisor, participated in a workshop on "Sustainable Development:

The Concept and Audit" in Jaipur, India. The workshop, organized by the INTOSAI Working Group on Environmental Auditing, provided an excellent platform for participants to exchange knowledge on auditing Sustainable Development Goal (SDG) issues and presented opportunities to engage with field experts; learn about basic concepts; and share best international practices. The event also included a field visit to Barefoot College in Tilonia, India, providing inspiration on meeting present needs while securing future resource availability.

Recognizing the importance of Agenda 2030, the SDGs and their incorporation into INTOSAI Strategic Plan 2017-2022, NAO workshop participation adds to organizational efforts in cultivating sustainable development capacity.



SAI PMF WORKSHOP HELPS NAO DEVELOP SKILLS, EXPERIENCES

Aysha Adam, NAO Bahrain Head of Financial Resources, participated in the February

2020 SAI Performance Measurement Framework (PMF) workshop hosted by the State Audit Bureau of Kuwait. In cooperation with the World Bank, the workshop aimed to understand SAI PMF—the evaluation process and how SAIs and stakeholders can use performance measurement reports. Training sessions focused on examining experiences and developing skills in applying SAI PMF principles in planning, implementing and reporting.

News from Peru



REGIONAL ANTI-CORRUPTION MEGA OPERATION CONTROL UNDERWAY

For the first time, the Office of the Comptroller General of the Republic of Peru, Peru's Supreme Audit Institution (SAI), will carry out Anti-corruption Mega Operation Control (AMOC) in prioritized areas as part of the SAI's territorial approach in preventing, investigating, detecting and addressing acts of corruption and functional misconduct.

This new anti-corruption strategy, implemented in March 2020, consists of a region-specific massive deployment of auditors, programs and services to examine issues requiring timely intervention and effective response. This territorial approach provides a complete radiography of regional issues and allows SAI Peru to evaluate and initiate actions in public works and services relevant to citizens, contribute to good public resource use, and identify opportunities service improvement. SAI Peru will simultaneously deploy social oversight programs—such as Citizen Monitors and Youth Auditors—to promote citizen

participation. SAI Peru officials will return to each region after two months to share findings with citizens.

Corruption and poverty are primary concerns. According to a 2018 Public Prosecutor Office report, "Corruption in Regional and Local Governments," there have been 117 elected authorities involved in proceedings for regional, provincial and district corruption offenses.

Cajamarca will be the first regional intervention. While Cajamarca possesses the largest gold mine in South America with an annual budget of \$1.5 million, it is paradoxically the region bearing the highest poverty levels, high percentage of sanctioned former public officials for functional misconduct, and a large number of citizen complaints filed for alleged public administration irregularities.

The AMOC approach aims to prevent and reduce corruption and functional misconduct; contribute to improving public administration; and make a difference in the lives of citizens who legitimately aspire to access quality public works, goods and services.

News from the Slovak Republic



SUPREME AUDIT OFFICE HIGHLIGHTS IMPORTANCE OF QUALITY AND PEER REVIEWS, LEADS BY EXAMPLE

by Karol Mitrik, President, Supreme Audit Office of the Slovak Republic

Public administrations worldwide are increasingly challenged by society and stakeholders to demonstrate and improve value for sustainable development. Supreme Audit Institutions (SAIs) serve as important pillars of national socio-economic systems and play pivotal roles in enhancing public sector performance, which means meeting the highest professional standards and levels of integrity.

It is imperative SAIs adopt a culture aimed at continuously improving and investing resources to develop capacities needed to discharge duties and achieve established goals while also maintaining independence.

A SAI's reputation is based on output quality, so it remains vital to seek excellence in this area. Arguments for achieving excellence are, perhaps, more compelling for SAIs than other institutions due to the nature of SAI work—reviewing or assessing actions of others.

Quality and excellence are rarely achieved spontaneously—they must be managed. Quality influences credibility and relevance, and leadership, responsible for establishing and operating a quality management system, should make it a priority. Obtaining independent recognition on quality by

incorporating accredited and accepted quality standards is essential, but how can SAI work truly be evaluated?

A peer review, though demanding, provides benefits and added value that usually exceed the costs. Considering the unique position SAIs occupy in the public sector, a peer review is a worthwhile investment.

By voluntarily undertaking a peer review, a SAI makes its work available for external assessment based on internationally accepted auditing standards—of great importance at both national and international levels.

While the Supreme Audit Office of the Slovak Republic (SAO SR) is not compelled to undertake an external assessment under the country's legal framework, present SAO SR leadership reached out to colleagues from the United States Government Accountability Office (GAO), as the peer review team lead, along with the SAIs of Finland, Hungary and Poland, to take a closer look at SAO SR operations—planning, audit activity quality, and openness and communication.

The assessment will follow International Organizations of Supreme Audit Institutions (INTOSAI) guidance, and the peer review team has already held its first meeting earlier this year. Additional meetings are planned with final report delivery expected in December 2020.

The SAO SR champions the peer review process and continues leading by example. As the Subcommittee on Peer Review Chair, the SAO SR organized a successful peer review conference in 2018 and plans to host a similar event in 2021. For more information about peer reviews, contact info@nku.gov.sk.

News from Myanmar



ENHANCING PERFORMANCE AUDIT CAPACITY AND REPORT WRITING

A Memorandum of Understanding (MoU) signed between the Supreme Audit Institutions (SAIs) of Myanmar and Norway includes cooperation to enhance work in performance and compliance audits. In January 2020, SAI Myanmar established a 14-member unit specializing in performance audits, and as part of the MoU, SAI Norway experts—Oda Krogh Laeret, Hege Maaso, Haakon Haugevik Jernsletten, Felix Paul Rober and Ingvald Heldal—conducted a workshop February 17-28, 2020, dedicated to "Performance Audit Report Writing and Performance Audit Unit Capacity Development."

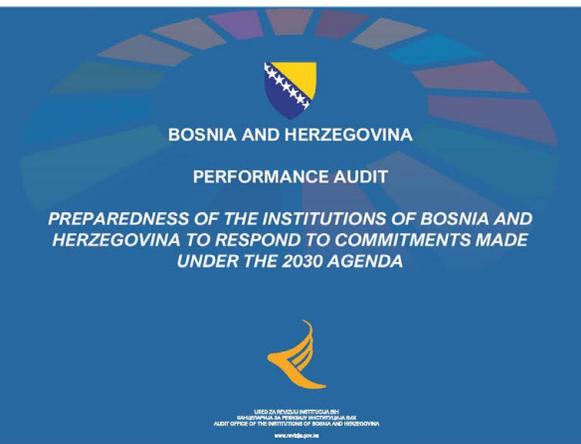
The workshop included an introduction to performance audit; a discussion on conducting performance audits through various phases; dialogue on SAI Norway best practices; and an insightful question and answer session. Event participants gained knowledge on topics, such as performance audit processes, techniques and procedures; methods to develop and maintain a competent, effective performance audit unit; guidance on implementing quality control; and best practices in administering human resource functions. At the event's conclusion, SAI Norway experts shared workshop outputs with SAI Myanmar management and held robust discussions on the parliamentary reporting process; drafting a performance audit manual; additional performance audit training cooperative efforts in regions and states; forming specialized performance audit teams in each division; and establishing a methodology support unit.

News from Bosnia and Herzegovina



REPORT ASSESSES GOVERNMENT SDG IMPLEMENTATION PREPAREDNESS

The Audit Office of the Institutions of Bosnia and Herzegovina (BiH), the nation's Supreme Audit Institution (SAI), recently published a performance audit report assessing government preparedness to respond to Agenda 2030 commitments. The report represents SAI efforts to contribute to International Organization of Supreme Audit Institutions (INTOSAI) Strategic Plan 2017-2022 and aims to encourage relevant institutions to take action in achieving the Sustainable Development Goals (SDGs). The audit, which evaluated current progress and necessary future measures, indicates that, since the adoption of Agenda 2030, Bosnia and Herzegovina state institutions have not met basic preconditions required to implement the SDGs, particularly as relevant institutions have failed to properly utilize resources. The Audit Office recommended institutions take a more direct, efficient approach, which involves: (1) establishing a strategic and institutional framework geared toward SDG implementation; and (2) executing a system of regular reporting and monitoring of such implementation. Institutional implementation of the SAI's recommendations will, among other things, create a better foundation for national SDG implementation. The full report can be accessed [here](#).



News from Latvia



ASSESSING NATIONAL HOUSING POLICY'S CONTRIBUTION TO SUSTAINABILITY



Sustainable Development Goal (SDG) 11 calls for the world to “make cities and human settlements inclusive, safe, resilient and sustainable,” with SDG Target 11.1 specifically aiming to ensure access to adequate, safe and affordable housing for all by 2030—a

topical goal for Latvia. In December 2019, Latvia’s Supreme Audit Institution (SAI) performed a compliance/performance audit* to assess whether State policy ensured safe housing. Using European Union indicators for safe housing (buildings without significant damage, such as leaking or rotten roofs, windows, walls, floors or foundations), SAI Latvia gauged the extent to which existing and planned government measures reduced the proportion of people living in significantly damaged houses and contributed to achieving SDG 11.



Auditors assessed how SDG 11 is integrated into national development planning and budgeting by seeking answers to questions, including: is national policy reviewed by identifying areas covered by the SDG; are national policy goals aligned with the SDG;

are the means for achieving national goals identified and determined; and is a framework for SDG integration established at all government levels that ensures institutional coordination and integrated action?

Audit results showed appropriate government action in setting national goals related to SDG11 in medium-term national development planning documents. However, the ministry responsible for housing policy has not developed further action plans with measures to achieve national goals. This raises legitimate concern about institutional readiness. One audit conclusion noted such an action plan was crucial

in situations where existing policies and other measures have failed to deliver expected results in housing quality.



For comprehensive insight into the housing situation, auditors assessed State readiness to achieve SDG 11 and evaluated whether existing policies were adequate to ensure safe housing by pursuing responses to such questions as: do homeowners and

housing managers ensure building safety; have supervisory authorities properly controlled building conditions; can homeowners afford maintenance costs; and can they access national or municipal support?



The audit found that laws and regulations stipulating obligations to maintain housing safety were not observed; supervisory authorities did not prevent failures in meeting

regulations; and financial support instruments were not sufficient, as building maintenance, neglected for years, required substantial investments. The audit sample revealed 62% of the buildings did not meet fire safety requirements, and 76% have other significant damage.

Audit results serve as a timely reminder to policymakers—integrating SDG 11 into national development and budget planning requires a simultaneous reassessment of existing policy relevance and past performance. Doing so will eliminate potentially including inefficient measures into policy plans and promote access to safe housing and progress toward achieving SDG 11 (and other SDGs), thus contributing to sustainability in Latvia and the world as a whole.

**Does one meet necessary safety compliance preconditions for buildings managed by local governments and launched into operation?*

News from the Czech Republic



SUPREME AUDIT INSTITUTIONS HACK EUROSAI IN PRAGUE

At the Supreme Audit Office (SAO) of the Czech Republic in Prague, 68 programmers, data analysts and auditors from 21 countries gathered for the historic March 2020 International Hackathon of Supreme Audit Institutions (SAIs)—an event promoting international SAI cooperation, which is a priority for the upcoming European Organization of Supreme Audit Institutions (EUROSAI) Presidency.

Using audit institution and open data, along with statistics from varying countries, teams intensively worked for two days developing applications and visualizations designed to support audit work and/or promote information sharing. Eleven projects were created, and an expert jury—representatives from the University of Economics in Prague, Czech Ministry of the Interior, Czech Statistical Office, private industry, as well as a notable Czech data journalist—chose three winning endeavors.

Top honors went to “WE12,” a visualization designed by delegates from Croatia, Estonia and France. Facilitating work with EUROSAI’s Database of Audits, “WE12” conveys data more analytically, provides an effective overview, illustrates

audit quantities by country, and encourages SAIs to participate in the database and add to audit results.

“ROD4SAI,” designed by the Swedish-German team, took second place. Using Swedish Parliament open data and other metadata, “ROD4SAI” enables parliamentary data searches and comparison by topic. The application permits an extended database to be incorporated into a page containing an overview of reports, references, and other SAI Sweden-specific information mentioned in parliamentary speeches.

Third place was awarded to a Czech-designed concept called “AuditsToGAether.” Working with data from SAI audit plans and statistics from several international institutions, such as the European Commission, European Statistics and the Organization for Economic Co-operation and Development, the program allows SAIs to mutually compare audits—both planned and under preparation.

Results from the International Hackathon of SAIs will be presented at the upcoming XI EUROSAI Congress, which will also feature a workshop devoted to this topic. For more information about the International Hackathon of SAIs and to access links to respective applications and event photographs, visit <https://hackathon.euroscs2020.cz/>.

News from Vietnam

REVISED STATE AUDIT LAW PROMOTES MORE EFFECTIVE PUBLIC FINANCE SUPERVISION, ANTI-CORRUPTION MEASURES



The National Assembly of the Socialist Republic of Vietnam officially approved a new State Audit Law in November 2019 aimed to enhance State Audit Office of Vietnam (SAV) effectiveness, efficiency and capacity.

Specifically, the new law, which takes effect July 1, 2020:

- Defines agencies, organizations and individuals involved in state audit activities;
- Enhances the SAV mandate in evaluating information and documentation directly related to audit purpose and scope of auditees and agencies, organizations and individuals involved in state audit activities, as well as managing public finance resources;
- Allows the SAV access to the national database and electronic data of auditees and agencies, organizations and individuals involved in state audit activities. The SAV is responsible for information confidentiality and security in accordance with State Law;
- Adds sanctioning principles for administrative violations in the state audit field (specific fines and procedures shall be prescribed by laws on handling administrative violations); and
- Provides a legal basis to improve anti-corruption measures by:
 - Guaranteeing consistency and compatibility among State Audit Law, Anti-corruption Law and related regulations;

- Enabling the Auditor General to issue audit regulations on cases demonstrating signs of corruption. These regulations will explain audit steps and procedures, verify corruption cases and disclose audit reports on these cases;
- Adding responsibilities to the Government Inspectorate and the SAV in coordinating efforts and avoiding overlap and duplication between the two agencies (the SAV, within its scope and mandate, shall assume primary coordination responsibility); and
- Allowing agencies, organizations and individuals involved in state audit activities to file complaints to the Auditor General about audit team performance regarding legal violations and infringements on auditee rights and benefits. Auditees may also address concerns about audit report evaluations, verification, conclusions and recommendations. If auditees disagree with the Auditor General's decision, they may partly or wholly take legal action, and the final settlement shall be made in accordance with administrative procedural law.

Learn more about the SAV online at <http://www.sav.gov.vn>.

BRIDGING THE EQUALITY GAP: SAI FEMALE LEADERSHIP

The International Journal of Government Auditing (INTOSAI Journal) continually seeks to bring visibility to the 2030 Agenda for Sustainable Development, a plan of action adopted by all United Nations (UN) member states in 2015 calling for a global partnership to promote prosperity, encourage environmental protection and strengthen universal peace. At the heart of this plan are 17 interconnected Sustainable Development Goals (SDGs) that act as a blueprint to achieve an improved, more sustainable future and aim “to leave no one behind.”

In honor of International Women’s Day, we wanted to give a special nod to SDG 5, an ambitious goal that seeks to “achieve gender equality and empower all women and girls.”

The issue of women not being afforded the same opportunities as men has long been discussed. Initiatives to change this reality have long been explored. While there has been progress in workforce equality and inclusion, women are still underrepresented when it comes to holding leadership positions.

UN data on SDG 5 progress indicates 27% of managerial positions worldwide were held by women in 2018, a marginal increase from the 26% reported in 2015. Within the International Organization of Supreme Audit Institutions (INTOSAI) community, less than 25% of member Supreme Audit Institutions (SAIs) are led by women.

International Women’s Day provides an opportune time for our community to learn more about the impressive female leaders of now.

To better understand leadership challenges of the past, find encouragement for the present, and gain guidance for the future, we asked female SAI leaders to share personal stories about the most significant challenges faced; insight on pushing forward despite the challenges; and advice on increasing SAI female leadership.



Dr. Margit Kraker, President, Austrian Court of Audit, and Secretary General of INTOSAI

"The willingness to take on leadership positions is a cornerstone of success."



As a female leader, what has been your most significant challenge? As the first female president in the Austrian Court's of Audit history, the aim was to bring about a change in culture. This involves much work but also comes with much positive feedback when things go well.

When you face challenges, what encourages you to push forward? One's own knowledge and competence, as well as one's own experience from goals achieved so far, are encouraging factors when it comes to firmly following the path.

What advice would you give to increase Supreme Audit Institution female leadership? Women should not shy away from assuming responsibility. The willingness to take on leadership positions is a cornerstone of success.

###

Hu Zejun, Auditor General of the National Audit Office of China

"I believe greater efforts should be made to tap into and cultivate female leaders."



As a female leader, what has been your most significant challenge? Equality is a basic national policy in China, and many women serve as leaders in government entities, including the National Audit Office of China (CNAO), where top management (38%)

and staff (50%) are women. Yet, objectively, women leaders are under pressure and facing challenges from society, family and work, the biggest of which is balancing career and family.

As the first female Auditor General in China, it occurs to me that personal growth cannot be separated from the cultivation of my country, help of colleagues, as well as understanding and support from family, for which I am grateful.

When you face challenges, what encourages you to push forward? It is not an easy job to implement supervision, urge rectification and promote reform. The central government, all sectors of society and audit practitioners give me great courage and strength to move forward and faithfully perform my duties.

Support from the highest levels of government, a broad understanding of all sectors and a dedicated team of government auditors—all working together—is the greatest impetus for me to meet any challenge I face.

What advice would you give to increase Supreme Audit Institution female leadership? It is worth mentioning that China has formed a package of laws and regulations protecting the rights and interests of women across all industries. I believe greater efforts should be made to tap into and cultivate female leaders.

SAs should focus on the strategic landscape and long-term development, which includes a proper platform for selection and growth of women leaders. Values on gender equality must be promoted.

Female leaders should give rein to their superiority and leverage inherent qualities—diligent, meticulous, communicative, modest, and prudent—to add value to audit work.

On behalf of the CNAO, I extend my best wishes to female colleagues across INTOSAI.

Happy International Women's Day!

###

Carmen Elena Rivas Landaverde, President of the Court of Accounts, Republic of El Salvador

"Convinced I would leave a better institution for Salvadoran citizens...I have worked tirelessly for reform."



As a female leader, what has been your most significant challenge?

As the first woman appointed as President of the Court of Accounts, breaking the patriarchal model and establishing a foundation to adapt SAI work to modern international standards according

to national legal canons have been the biggest professional challenges I have faced.

Convinced I would create a better institution for Salvadoran citizens and add value as a public official, I have worked tirelessly for reform and have prepared a proposal to transform the current regulatory framework. My experience, along with support from SAI staff, civil society and international development organizations, have strengthened my proposal, which is currently being debated in the State Treasury Commission.

When you face challenges, what encourages you to push forward? I am encouraged to be an example for my children and to inspire more women to move forward. I believe with effort, perseverance and the conviction that we have sufficient capacities and skills to overcome any challenge that arises, we can achieve all goals we set in life, especially in the academic and work environments, where competitiveness is increasingly complex.

What advice would you give to increase Supreme Audit Institution female leadership? My advice is to trust God and ourselves and work to strengthen our personality and self-esteem.

I suggest we organize our time to better perform the daily activities that correspond as public servants and in the other roles we play—as mothers, daughters, sisters and friends. I also believe it is necessary for us to practice values, such as

tolerance, solidarity, respect, and recognize the qualities of the other women around us. This will contribute to enhancing empowerment of our gender, personally and collectively.

###

Maria Del Carmen Martinez Barahona, First Magistrate, Court of Accounts, Republic of El Salvador

"I can build for future generations of women who wish to seek similar opportunities."



As a female leader, what has been your most significant challenge?

As the first magistrate of the Court of Accounts, the most important challenge was applying to become an official of the institution and having to break the glass ceiling imposed by a deeply patriarchal

society—one that, invisibly, creates fears and insecurities for women to opt for decision-making positions.

As women, we are constantly questioned about our capabilities and cross-checked with the opposite sex, a perspective that tends to prevent women from holding positions at hierarchically higher levels.

When you face challenges, what encourages you to push forward? I am encouraged by the precedent that, as a woman in a decision-making position, I can build a foundations for future generations of women who wish to seek similar opportunities.

What advice would you give to increase Supreme Audit Institution female leadership? Feminine leadership must be strengthened—encouraging women to courageously apply for senior management positions; creating equitable and egalitarian orientations that positively affect an institution that commits to values and principles based on equity, equality and non-discrimination; and eliminating sexist barriers that prevent the rise of women.

###

Natalya Godunova, Chairwoman, Accounts Committee for Control over Republic Budget Execution, Kazakhstan

"A woman moves the cradle with one hand, and with the other the world."



As a female leader, what has been your most significant challenge?

As the first female SAI leader of Independent Kazakhstan, I quickly recognized the need for determined qualities. Yet, I also believe in demonstrating strong-willed traits at the right

time. Additionally, as our SAI is a collegiate body, I feel it is important to consider opinions from all members of the Accounts Committee and find a compromise.

When you face challenges, what encourages you to push forward? Every challenge makes a person stronger and overcoming obstacles that arise along the way hardens and motivates us to achieve new goals, which should always be high. To quote our First President, Nursultan Nazarbayev, "The road is made by walking." Therefore, we should not stop there. We should only move forward.

What advice would you give to increase Supreme Audit Institution female leadership? Pay attention to such women's qualities as the ability to multitask, creativity, dedication, punctuality and responsibility. According to Kazakh folk wisdom, "A Woman moves the cradle with one hand, and with the other the world." Such wisdom is exemplified by the amazing, highly-professional women who head SAIs from different countries or work in international organizations.

In Kazakhstan, implementing gender policy is a primary strategic course for our country's leadership, and roughly 20% of those who head central government agencies are women. In Parliament, 23% are female. In our SAI, approximately 40% of all employees are women, and those in leadership positions are 33%. Not bad, I think.

###

Elita Krumina, Auditor General, Republic of Latvia

"I must admit that it generally takes more to prove oneself if you are a woman than it does for a man. That shall change."



As a female leader, what has been your most significant challenge?

Latvia is a country with relatively strong traditions of female leadership—women have been taking prominent roles in state governance, such as Head of the Competition Council, Auditor General, Speaker of the

Parliament, Prime Minister, and President of the Republic of Latvia. Additionally, 30% of our Members of the Parliament, as well as 80% of SAI staff, are women.

Yet, I must admit that it generally takes more to prove oneself if you are a woman than it does for a man. That shall change.

When you face challenges, what encourages you to push forward? I do not like to lose, especially when I see the great work of our team of auditors. I believe in their commitment, and I must uphold it.

The belief in my team, along with my stubbornness, help me in hard times.

What advice would you give to increase Supreme Audit Institution female leadership? Societies do not change at once. Some countries have progressed significantly in matters of gender equality over the last hundred years, and my belief is that it will become more widespread as international attention to this issue increases and as SAIs continue to lead by example.

Meanwhile, be better, speak up and believe in yourself. That is how I have been opening doors in my professional life, and if you read this, hopefully, you can do the same.

###

Yusador Saadatu Gaye, Head of the General Auditing Commission, Liberia

"I always ask myself if the decision that emanates from the process will improve someone's life."



As a female leader, what has been your most significant challenge?

When I was confirmed as the first female Auditor General, I faced many challenges. My appointment was politicized and my administration inherited a number of problems, including

staff capacity, salary disparity and inadequate working conditions. The most significant challenge was ensuring the SAI's full compliance with the Lima and Mexico declarations—to carry out our mandate unfettered. Through perseverance and insistence, the General Auditing Commission Act of 2014 was adopted with an outcome that was twofold: improvement in SAI operations and an ability to do our work backed by law without interference.

When you face challenges, what encourages you to push forward? I set my sights on the difference (no matter how small) I can make on citizens' lives (including SAI staff). I ask myself if the decision that emanates from the process will lead to improvements. As female heads of SAIs, we have to work 200% to achieve desired impacts. I believe that using INTOSAI Pronouncement 12 as a reference point, serving as an example, and working to truly benefit citizens will also serve as encouragement to other women.

What advice would you give to increase Supreme Audit Institution female leadership? There is a lot of room to increase the number of women in SAI leadership. One way to do so is to provide opportunities for women to grow within the SAI, such as more opportunities for training and promotion. At a higher level, if current female SAI leaders perform their jobs with integrity and good governance, this will establish a basis for more women to be nominated or appointed. I also encourage each woman to be strong, steadfast, and, most all, govern by example—and you will make a difference.

###

Cornelia Lang, Auditor General, National Audit Office, Principality of Liechtenstein

"The meaningfulness of the task and motivation to get to the best results for the people we serve encourage me."



As a female leader, what has been your most significant challenge? Living a distinct difference as a female leader not imitating men's leadership and having trust in my convictions.

When you face challenges, what encourages you to push forward? The meaningfulness of the task and the motivation to get to the best results for the people we serve.

What advice would you give to increase Supreme Audit Institution female leadership? Promote that female aspects and diversity in leadership and in teams will bring added value to the organization; motivate and strengthen women within SAIs to make career moves—you grow with your tasks, and mistakes are part of the learning process; and build a women's network—ask for help and help others.

###

Yesmín M. Valdivieso, Comptroller of Puerto Rico

"Work with passion as a driving force to make—and carry out—wise choices."



As a female leader, what has been your most significant challenge? As a female leader, I have felt empowered to assume important positions in the public sphere, including my most recent positions as Undersecretary of the Department of Treasury and

Comptroller of Puerto Rico. My most significant challenge has been to impel audited entities to implement recommendations outlined in the Office of the Comptroller reports.

When you face challenges, what encourages you to push forward? I am inspired and encouraged to push forward by the desire for Puerto Rico to overcome dire economic conditions and reach common good for the citizens.

What advice would you give to increase Supreme Audit Institution female leadership? To increase and strengthen female leadership, the leader should follow the mission through teamwork and a high level of professionalism. I would advise to work with passion as a driving force to make—and carry out—wise choices.

###

María José de la Fuente y de la Calle, President, Spanish Court of Audit, and Secretary General of EUROSAI

"Women and men are equally professional, competent, responsible and capable of leading."



The appointment of women to lead relevant organizations shows clear evidence that women and men are equally professional, competent, responsible and capable to lead them successfully.

I believe the greatest achievement in equality consists precisely in the fact that this is internalized as a standard practice and is assumed, understood and applied with absolute normality, and not as a special or extraordinary event.

No doubt, more women are leading and holding important positions in public institutions. This is a reflection of the aforementioned evidence of equality.

It is also the result of committed, permanent, hard and active work to put these behaviors into practice—in an upward

process that must continue to be promoted with intensity to avoid any resistance or reserve toward this reality.

As a professional woman, I will continue to dedicate all efforts, knowledge and initiative to promoting that the Spanish Court of Audit carries out its constitutional functions with the highest standards, at the service of the citizens, and with the will to continue making progress in terms of recognizing the added value equality brings.

###

Using Data to Better Understand Root Causes of Inequality

Public Finance by Women (PFW), a global organization established to promote gender equality in public services and support women during their careers, particularly in the field of public finance, identified a need for more data on gender equality.

In October 2019, PFW conducted a survey to test the temperature of gender equality, namely to identify any advancements and determine best forms of support and advice to help women succeed professionally.

"We strongly believe it is only when we have robust data that we will be informed as to whether or not women are breaking through the glass ceiling in sufficient numbers and be better equipped to understand, and provide solutions to, root causes of inequality."

The survey, available [here](#), includes key findings (derived from 107 respondents in 22 countries) on gender discrimination views; enabling factors aiding in success; and recommendations on advancing gender equality.

PFW 
Public Finance by Women



INTOSAI DEVELOPMENT INITIATIVE PUTS GENDER EQUALITY CENTER STAGE

2020 is a big year for gender equality. Governments, civil society and the private sector are preparing for a series of high-level events celebrating the 25th anniversary of the [Beijing Platform for Action](#), where governments worldwide pledged to advance equality, development and peace for all women everywhere.

Many of the commitments have been incorporated into the Sustainable Development Goals (SDGs), including SDG 5, which focuses on gender equality and women’s empowerment. Accountable for these commitments, governments must also ensure the assurances are translated into national contexts. Gender equality, now enshrined in many national constitutions, laws, strategies and policies, has also been adopted into different forms of Gender Responsive Budgeting.

Through audit work, Supreme Audit Institutions (SAIs) can assess, and contribute to, the quality of government engagement on gender equality, and through exemplary leadership, SAIs can demonstrate ongoing relevance to all citizens—both women and men.

A non-profit, autonomous International Organization of Supreme Audit Institutions (INTOSAI) body, the INTOSAI Development Initiative (IDI) is mandated to support SAIs in sustainably enhancing performance and capacity, particularly SAIs in developing countries.

The 2017 IDI Global Stocktaking Report showed the majority of SAIs (about 75%) within the INTOSAI community were led by men. Senior management was also predominantly male



(about 59%). The potential for improvement is evident, and incorporating gender equality into strategic, operational and budgetary planning is key.

IDI has a gender policy in place and has performed a Gender Institutional Self-Assessment. Since 2020, IDI ensures support includes a gender lens by conducting gender analyses when designing new IDI initiatives.

In addition to support to SAIs in establishing targets for female participation, IDI requires SAIs to consider gender balance when nominating participants for IDI initiatives, such as the SAI Young Leaders (SYL) program. An initial SYL program participation of 80% women (after a merit-based selection) speaks for itself. This pattern was repeated in the second iteration, as 75% of those selected were female.

IDI's support also extends regionally. IDI proudly partnered with the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) to aid member SAIs in auditing national preparedness to implement SDG 5. The publication "[Are Nations Prepared for Implementation of the 2030 Agenda?](#)" contains lessons learned from the joint project with OLACEFS, as well as SAIs from other regions.

Improving gender equality also means raising awareness and leading by example, such as:

- Organizing the first-ever IDI-facilitated gender side event at the INTOSAI Congress in Moscow in September 2019;
- Developing the recently finalized [IDI SDG Audit Model \(ISAM\)](#), an approach and methodology for auditing SDG implementation that includes an illustration on "Eliminating Intimate Partner Violence Against Women," which is linked to SDG Target 5.2.

Moreover, IDI's board members are currently 70% female—a rare exception in the world of corporate governance.

Despite progress, IDI recognizes gender mainstreaming within an organization is challenging. No country has achieved full gender equality, and in some countries, resistance to equality between women and men still exists.

The 25th anniversary of the Beijing Platform for Action signals a perfect time to expand and strengthen our commitment to gender equality.

AUDITING SDG IMPLEMENTATION: A WHEEL OF BALANCE

by Tjokorda Gde Budi Kusuma and Muhammad Rizkarmen,
Audit Board of the Republic of Indonesia

Sustainable development—development that meets present needs without compromising the ability to meet future needs—can be divided into three integrated dimensions: economic, environmental and social. These aspects must be balanced if we are to achieve the United Nations (UN) "future we want."

How is such balance achievable and what does it look like conceptually? This article discusses an approach to auditing Sustainable Development Goal (SDG) implementation that compares the dimensions of sustainability using research, real data, existing conditions and case studies.

The approach embraces a "wheel of balance" concept and represents the dimensions of sustainability as a system of three interrelated gears that, when meshed together, move in opposite directions. This model can be used to demonstrate how policy can affect the economy, environment and society in such a way that is not always aligned with sustainability.

For example, economic, environmental or social policies and regulations can often neglect one aspect to achieve more significant benefits in the other dimensions, a condition contradicting sustainable development. Policymakers can help drive sustainable strategies by calculating costs and benefits associated with policy impacts and considering potential gaps.

A Case Study Example

To help realize sustainable fisheries development, Indonesia's Ministry of Marine Affairs and Fisheries banned the use of trawls and seine nets in 2015. The ban, designed to cease the use of unsustainable fishing gear that causes resource and environmental degradation, raised citizen concern—many felt the government did not provide adequate, alternative solutions.

This particular case highlights a national emphasis on an environmental policy that focuses on ecological aspects but neglects to address (or balance) economic and social aspects. Research shows implementing a Sustainable Fisheries Management

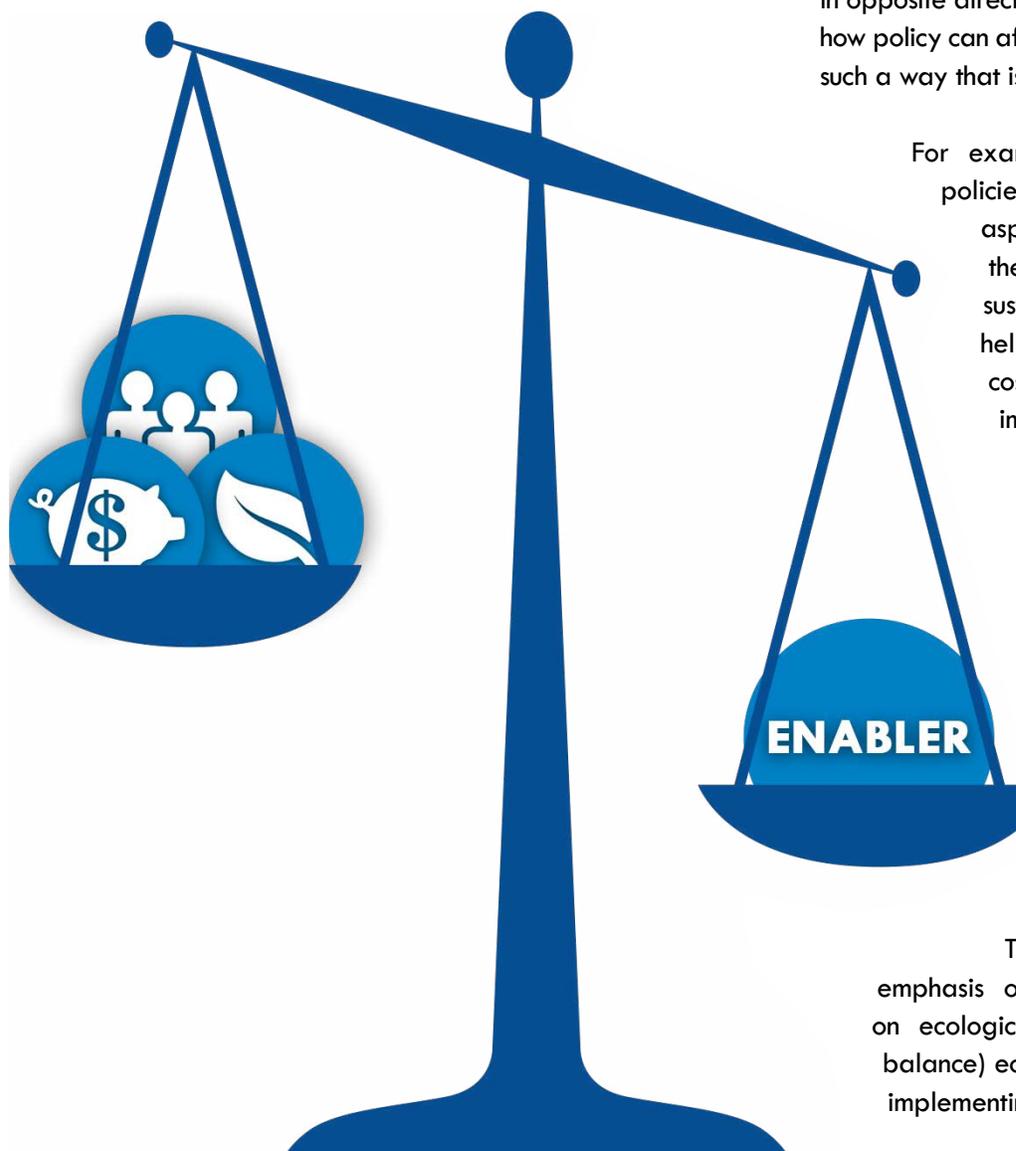
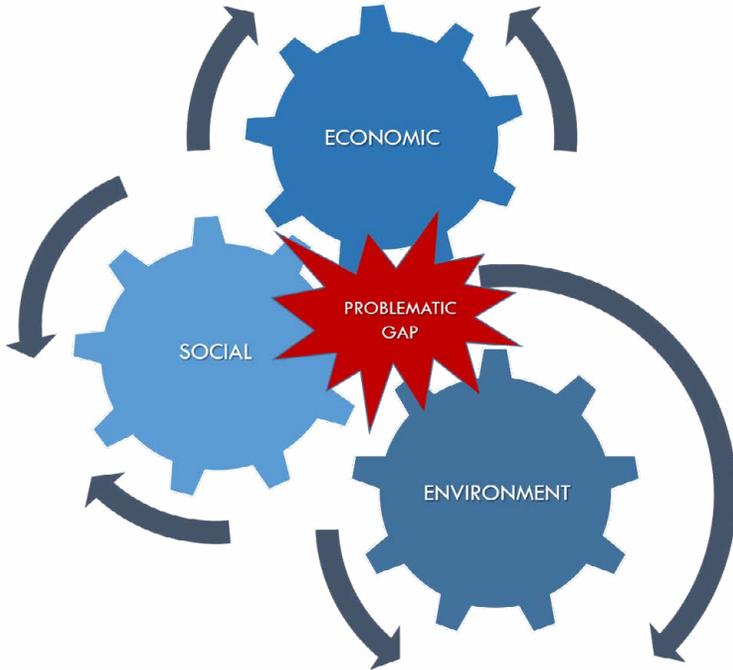


FIGURE 1: SUSTAINABILITY DIMENSIONS WITH PROBLEMATIC GAP



(SFM) process seeks to attain an optimal state that balances fisheries objectives with sustainability dimensions. The process also compels the government to review and consider multiple aspects affected by the policy—stakeholders, synchronization with other policies, capacity impact on small, local fishers, as well as foreign investment implications.

Assuming a clockwise rotation leads to improvement and a counterclockwise rotation leads to degradation, the gear model illustrates how the rotary motion requires addressing all three dimensions to maintain sustainability.

Using the case study as an example, banning trawls and seine nets are expected to protect the environment, thus the environment gear would rotate clockwise. Consequently, the social gear would rotate counterclockwise (social degradation) leading to a problematic gap in the economic dimension.

This concept reveals how trawls and seine net prohibition may protect the environment from damage caused by these tools. However, the policy also affects other areas in the fishery industry, as detailed in two studies published in

FIGURE 2: ACHIEVING SUSTAINABILITY BY INTEGRATING AN ENABLER



2016 and 2017 that discuss the socio-economic effects and explain how traditional fisherman economically profit from the policy (fishing in an area containing more stock and less competitors).

Wheel of Balance Concept

Figures 1 and 2 illustrate potential problematic gaps and how sustainability can be achieved when all stakeholders know the necessary enabler (something or someone making it possible for a particular event to take place) to integrate into economic, environmental and social objectives that addresses any problematic gaps.

Examples of enablers include resource optimization, cost effectiveness, and the Whole of Government approach.

The Wheel of Balance provides a better perspective on sustainability and delivers a framework and approach to improving how governments develop policies that more fully embrace the concept. Moreover, the Wheel of Balance can be used as a basis for Supreme Audit Institutions in preparing SDG audits aimed at ensuring adequate, appropriate audit recommendations.



IS SLOVAKIA PREPARED TO IMPLEMENT AGENDA 2030?

by Ľubica Gazdová, Iveta Fáberová, Jana Juriová and Vladimír Maňuš, Supreme Audit Office of the Slovak Republic

At the September 2015 United Nations (UN) Sustainable Development Summit, Heads of State, including the Slovak Republic, adopted the 2030 Agenda for Sustainable Development, which included 17 Sustainable Development Goals (SDGs)—global goals establishing objectives across economic, environmental and social dimensions to be achieved by 2030.

All 17 SDGs are equally important and cover 169 universally applicable thematic targets. Based on national circumstances, each government can establish its own national targets and

decides on how the global targets are incorporated into national policies and strategies.

The International Organization of Supreme Audit Institutions (INTOSAI) Strategic Plan 2017-2022 incorporates the SDGs as a cross-cutting priority calling for Supreme Audit Institutions (SAIs) to “contribute to the follow-up and review of the SDGs within the context of each nation’s specific sustainable development efforts.”

In 2017, more than 70 SAIs across INTOSAI signed up to participate in an International Standards of Supreme Audit Institutions (ISSAI)-based cooperative performance audit on SDG implementation preparedness. The audit, supported by the INTOSAI Development Initiative (IDI), aimed to demonstrate SAI relevance in contributing to SDG implementation through unique capabilities in performing high-quality performance audits. Slovakia’s Supreme Audit Office (SAO), led by Mr. Karol Mitrik, SAO President, participated with several goals in mind, including the ability to review the Slovak government’s preparedness to implement the SDGs and share experiences and knowledge among peers.

Currently, the mandate for implementing SDGs in Slovakia includes six key priority areas for sustainable development:

- Silver economy (in the context of aging populations);
- Education;



- **National Campaign**
- **SDG Financing**

- **SDG Capacities**
- **Monitoring**
- **National Targets**

- **Mobilizing Partnerships**
- **Responsibilities**

- Health, environment and quality of life;
- Transport, energy and cities (climate change context);
- Fighting poverty; and
- Justice, democracy and security.

As the Deputy Prime Minister's Office for Investments and Informatization (DPMO) was tasked to lead government preparations and the Statistical Office (SO) tasked to monitor SDG implementation, the SAO included both organizations in the audit conducted from September 2015 to August 2018.

Audit criteria were based on general expectations—those necessary to successfully achieve Agenda 2030 in Slovakia. Data were collected using two methods: desk review of relevant documents and interviews with managers, Non-Governmental Organizations (NGOs) and external experts. The SAO analyzed the data using stakeholder mapping and Responsible, Accountable, Consulted and Informed methods.

The audit was conducted following three objectives (extent government has nationally integrated the SDGs; government capacity along with resource identification and procurement to implement Agenda 2030; and government establishment of a mechanism to monitor, follow-up, review and report on Agenda 2030 progress).

Conveying audit results using a traffic light graphic (above) shows sufficiently (green) and partially (amber) secured process areas. Areas where findings showed no significant steps taken are indicated in red.

The three-year audit resulted in the following observations and recommendations.

Objective 1: National SDG Integration

The government established sufficient institutional arrangements to implement Agenda 2030, and the DPMO does coordinate SDG implementation at the national level.

The Government Council for Agenda 2030 (Council), a ministerial-level oversight body, supports this process. The Working Group for Agenda 2030 and National Investment Plan for 2018-2030 supports the Council. Additionally, the SO coordinates an Expert Group on Indicators and Monitoring.

While the global SDG targets have not been tailored to the national long-term sustainable development strategy, there are several positive steps toward that direction:

- Completed an inventory of national development plans and strategies;

- Compared the SDGs to existing strategic plan goals and targets and have identified gaps; and
- The Deputy Prime Minister has been tasked with elaborating on “Vision and Strategy Development of Slovakia by 2030,” which aims to establish relevant national targets and related, measurable national indicators in the six key priority areas.

As Agenda 2030 is people-centered, the SAO recommends the government hold public awareness campaigns using a variety of media. Specifically, the SAO recommended the DPMO:

- Devise a communication strategy with messaging tailored to specific groups—government officials; representatives of self-government bodies; academic institutions and NGOs; private sector organizations; and individual citizens; and
- Coordinate activities to involve Parliament and the President of the Slovak Republic into Agenda 2030 implementation efforts.

Additionally, the SAO recommended both the DPMO and SO closely cooperate while crafting “Vision and Strategy Development of Slovakia by 2030.”

Objective 2: National Capacity and Resources

Financial funds to implement the SDGs have not been secured in the national budget, and as the process to identify national targets has not been completed, respective costs remain unknown. The DPMO envisages partial financial support to achieve national targets through European Union (EU) and non-state funds.

The government identified and secured sufficient capacities and resources necessary to coordinate preparation processes to implement the SDGs; however, financing will not be secured until the end of 2020. The SAO recommended the DPMO:

- Initiate closer communication with the Ministry of Finance to (1) identify national financial sources to achieve Agenda 2030 national targets and (2) assure national financing extends beyond 2020 (when EU financing expires); and

- Commence closer internal communication with the DPMO’s Central Coordination team to specify EU fund allocations for 2021-2027 and ensure these allocations are compliant with Agenda 2030 national targets.

Objective 3: National Mechanism to Monitor, Follow-up, Review and Report on 2030 Agenda Implementation Progress

The government has taken initial steps to establish monitoring and reporting mechanisms on national SDG implementation.

The SO is to monitor progress, and the DPMO is to follow-up, review and report on progress. The first summary report on national SDG implementation efforts is expected by June 30, 2020. Subsequent reports are to be issued biennially through 2030.

In December 2016, the SO issued “Slovak Republic and Sustainable Development Goals of Agenda 2030,” which outlines national indicators to achieve Agenda 2030. The SO also recently mapped national and UN global indicators to identify gaps.

The methodology associated with auditing global indicators requires identifying missing or poor-quality data and data sources; however, only 96 (there are 241 indicators) have exact definitions and methodologies.

The SAO recommended the SO communicate with the Ministry of Finance to assure sustainability in monitoring Agenda 2030 progress, particularly with the potential need to increase the SO budget in accordance with the additional tasks related to data processing and human resources.

While effective initial steps have been made, the audit concluded that the Government of the Slovak Republic (at the end of the audit) was not adequately prepared to implement Agenda 2030.

For the full report, visit <https://www.nku.gov.sk/web/sao/reports>.

▶ INSIDE INTOSAI



*Mutual Experience
Benefits All*

GENERAL SECRETARIAT HOSTS CHAIRMAN, SDG COORDINATION MEETING



The International Organization of Supreme Audit Institutions (INTOSAI) Secretary General, Dr. Margit Kraker, and INTOSAI Chair, Alexei Kudrin, continued close dialogue on the future of INTOSAI. Discussions during the February meeting highlighted strategic audit importance; Supreme Audit Institution (SAI) roles in auditing Sustainable Development Goal (SDG) implementation; enhanced exchange on data and digitalization; and the creation of an online INTOSAI university.



In its capacity as the INTOSAI SDG coordination and information platform, the General Secretariat organized an SDG coordination meeting on February 13, 2020. The meeting included representatives from global INTOSAI bodies involved in the SDG implementation process—INTOSAI General Secretariat, INTOSAI Chairman, Goal Committee Chairs, INTOSAI Development Initiative, Task Force on Strategic Planning, Working Group on SDGs and Key Sustainable Indicators, Working Group on Environmental Auditing, and the Performance Audit Subcommittee. The meeting focused on exchanging past and current activities, brainstorming on central questions arising from experiences; and discussing the most important future challenges in the SDG implementation process. Participants developed an action plan to guide INTOSAI through 2022.

INTOSAI STRATEGIC PLAN 2023-2028: TASK FORCE HOLDS INAUGURAL MEETING

In September 2019, the 72nd International Organization of Supreme Audit Institutions (INTOSAI) Governing Board re-established the INTOSAI Task Force on Strategic Planning (TFSP). The TFSP—chaired by the United States Government Accountability Office (GAO) and composed of the Secretary General; Goal Chairs and Vice-Chairs; Policy, Finance and Administration Committee members; INTOSAI and Regional Organization Chairs and Secretariats; INTOSAI Development Initiative (IDI); INTOSAI Journal; and the Forum of INTOSAI Professional Pronouncements (FIPP) Chair and Vice-Chair—is designed to ensure INTOSAI Strategic Plan 2023-2028 continuity and sound monitoring of the plan's implementation.

"INTOSAI provides great value to our member SAIs, as well as our citizens more generally. Our next strategic plan provides the opportunity to build on that success," said Gene L. Dodaro, United States Comptroller General and Head of GAO, during the TFSP kick-off meeting held February 26, 2020.

INTOSAI leaders representing 21 Supreme Audit Institutions (SAIs) gathered for the inaugural meeting via teleconference to provide insight into global challenges and trends, best practices in gathering INTOSAI member input, and recommendations on creating task force operational efficiencies.

Global Challenges and Trends

Participants highlighted numerous challenges and trends affecting the global accountability community, including disaster management (health emergencies), immigration, mass migration, climate change, and e-waste. Financial and economic crises, illicit financial flows, money laundering, and the impacts of science and technology—such as artificial intelligence, big data, blockchain and machine learning—were also underscored. Continuing contributions to Sustainable Development Goal (SDG) achievement represented a common theme among delegates.

INTOSAI Member Input

"As we have done in the past, the current task force remains strongly committed to a strategic planning process that is open and inclusive and fully considers all points of view," Dodaro noted.

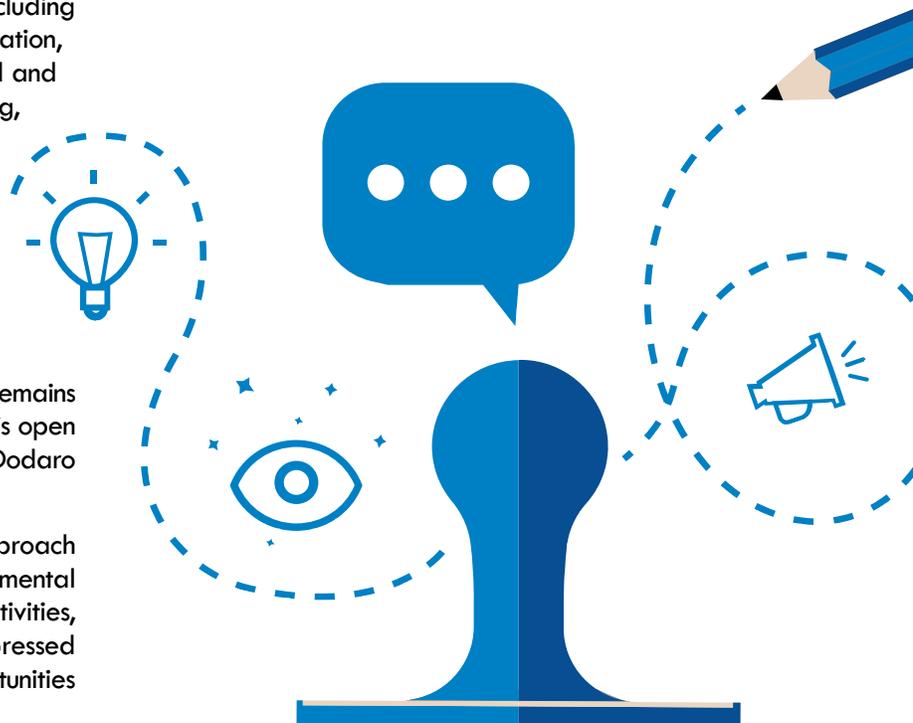
TFSP efforts intend to contribute to an open, inclusive approach through external outreach, internal and external environmental scanning and careful review of existing INTOSAI activities, governing documents and agreements. Participants expressed a need to incorporate a "Strengths, Weaknesses, Opportunities

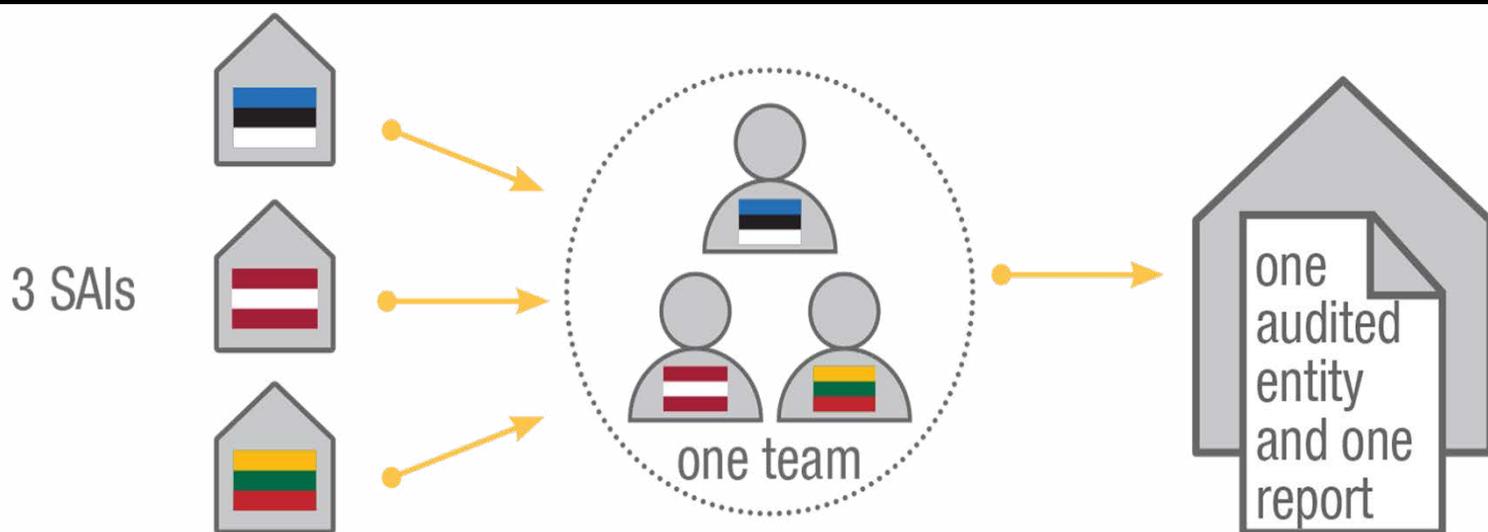
and Threats" analysis into internal and external scans and consider approaches that turn threats into opportunities; leverage IDI's Global Stocktaking report; coordinate internal scanning activities with regional organizations; compare and incorporate INTOSAI Goal initiatives; and more broadly share all received input with the INTOSAI community.

Task Force Operations

The TFSP—which aims to reflect the INTOSAI mission, core values and traditions—deems the Moscow Declaration, INTOSAI Midterm Performance and Accountability Report, as well as reports from INTOSAI Organs, Regional Organizations and external partners, as strategic plan input. Attendees agreed that leveraging strategic thinking and global trends is vital and noted a need to continue communicating INTOSAI's value through the strategic plan. TFSP members suggested employing more effective, condensed message delivery with an enhanced communication approach and emphasized the continued importance of fighting corruption, promoting SAI independence and implementing standards.

Mr. Dodaro expressed his appreciation for the input and attention to the strategic planning process and stressed such views are "critical to ensuring that we continue to evolve as a dynamic and inclusive organization where our mutual experiences benefit us all."





BALTIC STATE SUPREME AUDIT INSTITUTIONS GAIN NEW EXPERIENCES THROUGH JOINT AUDIT

As cross-border cooperation projects evolve, Supreme Audit Institutions (SAIs) often extend beyond national boundaries in performing audit work and forge cooperative partnerships to meet specific audit needs. At the same time, joint opportunities provide platforms to enhance hands-on experience, cultivate collaboration, and enrich professional competencies in real-time and space.

For the Baltic State SAIs—Estonia, Latvia and Lithuania—such an opportunity arose when, in 2014, the governments of all three nations established the Rail Baltica joint venture—an equally-shared endeavor ratified in a 2017 intergovernmental agreement. Rail Baltica, to be delivered by 2026, is the largest railway infrastructure project in the region and aims to integrate the Baltic States with the European railway network.

In 2016, the SAIs signed a Memorandum of Understanding to monitor the development and implementation of this unique and unprecedented project. Much like the project, the joint audit was distinct in that all three SAIs formed one audit team to examine one auditee of mutual interest. Given the geographical dispersion of audit team members, technology (secure cloud storage, online communication) proved integral in providing efficient organization and communication.

The audit focused on project governance, internal control system operations, as well as long-term financial resource availability. Because the audit was based on a forward-looking approach,

the audit team looked to analyze particular conditions, such as assuring an effective, economic procurement and contract management framework was established, functioning and able to address any deficiencies found during the audit.

Fieldwork began in 2018, and the audit team, consisting of at least two auditors from each SAI, examined the audit questions and criteria and agreed on main conclusions, which became the audit report's basis. A steering committee (one representative per SAI) was instituted to decide on any significant issues arising during the audit.

Each SAI separately performed a quality control check at the audit's end but jointly drafted the final report, which was electronically signed by all Auditors General and simultaneously published in all three Baltic States.

The joint audit led to recommendations that will improve the Rail Baltica project's governance, operations and financial planning, and the SAIs of Estonia, Latvia, and Lithuania will continue the already established cooperation to jointly monitor audit recommendation implementation.

This opportunity—and experience—illustrates how SAIs from different nations can effectively unite to successfully audit, monitor and provide useful recommendations on a project of major regional importance.

Click [here](#) to view the full project timeline.



OLACEFS & IDI HOST WORKSHOP ON SUSTAINABLE PURCHASES

The Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) and the International Organization of Supreme Audit Institutions Development Initiative (IDI) launched a cooperative audit on Sustainable Development Goal (SDG) implementation. Costa Rica's Supreme Audit Institution (SAI) will be the lead coordinator.

At the beginning of March, IDI and the OLACEFS Presidency held an inaugural workshop that included representatives from IDI, heads of SAIs of Bolivia, Costa Rica, Dominican Republic, Honduras, and Perú, as well as high-level delegates and international experts from the SAIs of Argentina, Belize, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Paraguay, Peru, and Spain.

The cooperative audit's primary objective is to contribute to sustainable procurement practices in a national context, particularly considering SDG 12 and SDG Target 12.7, which call for sustainable consumption and production.

The workshop highlighted SDG 12 actions—such as promoting resource and energy efficiency, sustainable infrastructure, and sustainable purchases—and fostered dialogue on using data analysis in conducting performance audits.



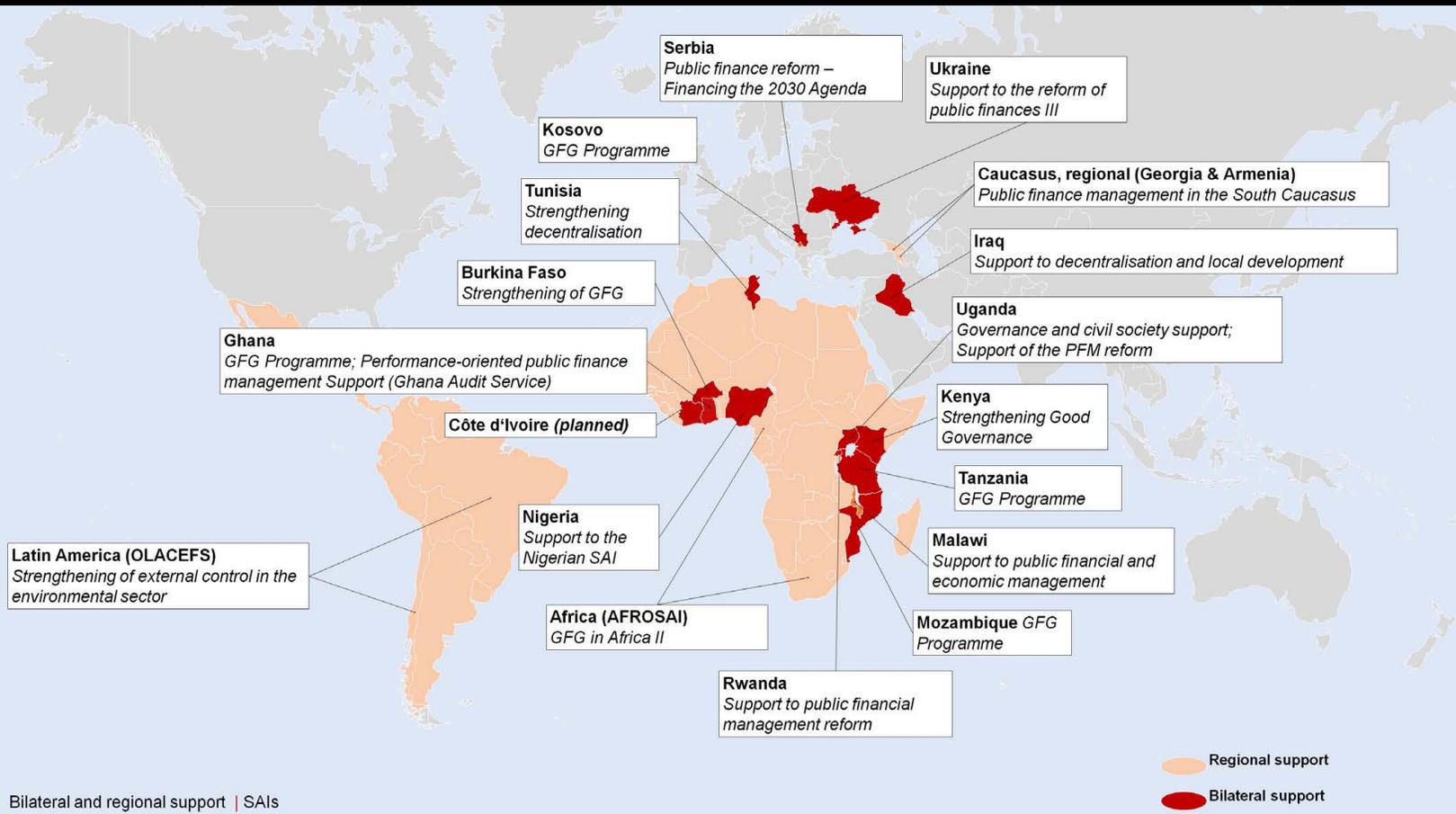
OLACEFS PRESIDENT BECOMES HONORARY OCCEFS MEMBER

On March 12, 2020, the Chair of the Centro American and Caribbean Organization of Supreme Audit Institutions (OCCEFS), Dr. Edwin Salazar Jerez, Head of Guatemala's Supreme Audit Institution (SAI), awarded Nelson Shack Yalta, Peru's Comptroller General and President of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), the title of Honorary OCCEFS Member.

The OCCEFS General Assembly, hosted by SAI Guatemala March 12-14, 2020, featured thematic discussions on:

- Opportunities/challenges in auditing Sustainable Development Goal implementation; and
- Integrity and anti-corruption with an emphasis on new technologies for government oversight.

OCCEFS, a subregional OLACEFS group, is composed of the SAIs of Belize, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, and Puerto Rico.



SUPREME AUDIT INSTITUTIONS: IMPORTANT PARTNERS FOR GERMAN DEVELOPMENT COOPERATION



Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



OVERVIEW

Supreme Audit Institutions (SAIs), key partners for the German Development Cooperation (GDC), strengthen Public Financial Management (PFM) system performance and are key actors in achieving the Sustainable Development Goals (SDGs). In its "Marshall Plan with Africa," the German Federal Ministry for Economic Cooperation and Development (BMZ) has recognized the prominent roles SAIs play in safeguarding public resources.

SAI support is an essential part of GDC's promotion of **Good Financial Governance (GFG)**—a holistic, systemic, and value-based approach that aims to strengthen PFM systems by combining technical expertise with normative principles and analyses of the political economy of reforms.

PORTFOLIO

For more than 30 years, GDC has partnered with SAIs, as well as their regional organizations, such as the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) and the African Organization of Supreme Audit Institutions (AFROSAI).

GDC currently (March 2020) supports SAI work through cooperation projects in 16 countries—Armenia, Burkina Faso,



Comprehensive Audit at the National Audit Office of Tanzania: auditors apply their new skills on the ground by reviewing high-value construction contracts.

Georgia, Ghana, Iraq, Kenya, Kosovo, Malawi, Mozambique, Nigeria, Rwanda, Serbia, Tanzania, Tunisia, Uganda, and Ukraine—and is establishing a new cooperation with the SAI of Côte d'Ivoire.

SUPPORT APPROACH

In its SAI support, GDC pursues a multi-level capacity development approach, a process through which people, organizations, and societies realize, strengthen, create, adapt, and maintain capacity over time and continuously realign with changing conditions. GDC combines human capacity development for auditors with support to SAIs' organizational development. Moreover, GDC supports SAIs at the system level in fostering cooperation with other PFM actors.

Support can be channeled through financial cooperation—via the Kreditanstalt für Wiederaufbau (KfW)—as well as through technical cooperation—via the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

SUPPORT EXAMPLES

Comprehensive, Local Level Auditing in Tanzania

GDC's [technical cooperation](#) with the National Audit Office

of Tanzania (NAOT) provides a perfect example of human capacity development for auditors. Drawing on expertise from Germany's national and regional SAIs, the NAOT trained 195 auditors in comprehensive auditing at the local level.

During the two-week training period, auditors learned to combine regularity and performance audit aspects to contract management. The trained auditors then applied these new skills on the ground by reviewing high-value construction contracts. Audit findings comprise a special chapter in the NAOT Controller and Auditor General's annual report submitted to Parliament. As of March 2019, the NAOT issued 164 audit recommendations on Local Government Authorities management and is now undertaking comprehensive auditing independently.

Strengthening SAI Georgia's Mandate

[Technical cooperation](#) with SAI Georgia serves as an example of GDC organizational development support. While several organizational processes were covered in a twinning project between SAI Georgia and SAI Germany, GDC's support focused on strengthening SAI performance auditing processes;

stakeholder cooperation (such as the Parliament, Ministry of Finance, and civil society); and the SAI's legal mandate.

As a result, Georgia's parliament acknowledged the importance of independent external auditing for effective legislative scrutiny by adopting the new Constitution of Georgia that upgraded the State Audit Office law to organic law and granted SAI Georgia the right to address the Constitutional Court of Georgia.

Furthermore, in 2018, amendments to parliamentary rules and procedures mandated that an independent audit firm would perform the SAI's financial audit, which was previously completed by parliament. Cooperation with the parliament was institutionalized by establishing a Budget and Finance Subcommittee with the special purpose of reviewing audit reports.

Strengthening National Accountability Systems in Ghana and Uganda

For SAIs to be efficient, effective cooperation with other PFM system actors is key. Thus, strengthening cooperation at the system level is an important aspect of GDC support to GFG.

In Ghana, [technical cooperation](#) focuses on strengthening the SAI interface with other organizations—namely the Parliament, Ministry of Finance, Internal Audit Agency, auditees, and civil society—that need to act upon the SAI's findings and recommendations. Better cooperation and exchange help improve comprehension of the SAI's reports, which potentially enhances impact.

Therefore, technical cooperation facilitates joint workshops to discuss the SAI's reports and public hearings to engage ministries, departments, and agencies, as well as metropolitan, municipal, and district assemblies. GDC further supports feedback and information sharing sessions with the Internal Audit Agency on how to improve internal controls and audit committee work. Using its mandate to retrieve funds incorrectly spent, SAI Ghana recovered approximately 10.5 million Euros in 2018 by issuing 112 surcharge certificates. These amounts were previously disbursed illegally or held privately by employees, largely due to weaknesses in internal controls.

Moreover, SAI Ghana, supported by regional [technical cooperation](#), developed “CitizensEye”, a mobile application that allows citizens to provide feedback on public service and infrastructure quality to inform the SAI's audit planning. Within the first three months after its launch, the platform received over 500 reports, and ten investigations have already been launched, mainly with a view to improve health facility and revenue collection services.

[Technical cooperation](#) with SAI Uganda illustrates GDC support at the system level. Since 2014, technical cooperation has been supporting collaboration among the Office of the Auditor General, Inspectorate of Government, and Public Procurement, and Disposal of Public Assets Authority. Collaborative efforts, which began through increased high-level dialogue, has expanded to now include more technical aspects and operational-level officers.

Benefits include increased consultation, information sharing, and joint activity organization among the three institutions in line with organizational mandates. Collaborative efforts have also contributed to better use of each organization's work and strengthened case referral, thus enhancing the accountability system.

German financial cooperation complements organizational strengthening by providing required infrastructure, including office buildings and information technology.

In Ghana, [financial cooperation](#) supports the SAI's regional structure by constructing up to 25 district offices. Ghana's national contribution supports real estate acquisition, office maintenance, as well as recruiting an additional 80 employees. With this investment, the SAI aims to increase its audit completion performance from 66% to 95% within three years after finalizing the construction.

In Uganda, [financial cooperation](#) supported implementing a digital information management system and constructing regional offices, thus supporting SAI performance and outreach.

"For SAIs to be efficient, effective cooperation with other PFM system actors is key."



Through participation in OLACEFS cooperative audits, SAIs in Latin America and the Caribbean contribute to safekeeping protected areas, such as the rainforest in Brazil.

Strengthening SAI Roles in Realizing the SDGs

GDC's bilateral support is complemented by technical cooperation with select regional SAI groups, such as OLACEFS and AFROSAI, which provide capacity development to member SAIs, foster peer learning, and are especially well-placed to address emerging auditing issues. Regional SAI groups have been key partners in strengthening the role of SAIs in the realization of the SDGs.

In Latin America and the Caribbean, [technical cooperation](#) with OLACEFS focuses on strengthening environmental auditing through a [project](#) that contributes to enhancing auditing processes and stakeholder communications—both internal and external, including the United Nations Economic Commission for Latin America and the Caribbean, Environment Program, Department of Economic and Social Affairs, and the International Union for Conservation of Nature.

GDC supports implementing SDG-oriented cooperative audits on numerous themes, such as government preparedness to implement the 2030 Agenda, the effectiveness of protected

areas in conserving biodiversity (SDG 14 and 15), and renewable energy promotion (SDG 7).

In Africa, [technical cooperation](#) with the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) led to a SAI PFM reporting framework—a tool allowing public auditors to assess PFM process performance along the entire budget cycle. The tool assesses core PFM functions and addresses essential institutions, such as the Ministry of Finance, Parliament, and Revenue Authority, in addition to selected spending ministries and departments. Sector ministry selection, which often includes the Ministries of Education and Health, is based on potential impact in achieving the SDGs.

OUTLOOK

Achieving GFG without high-performing SAIs is unrealistic. SAI contributions to efficient and effective PFM is essential in achieving development goals, and GDC will continue partnering with SAIs to develop capacities and further strengthen performance.

IMPROVE BUDGET ANALYSIS WITH MACHINE LEARNING, DATA ANALYTICS

by Dr. Nunzio Mario Tritto, PhD., Magistrate at the Corte dei conti

Regional audit sections of Italy's Corte dei conti, the nation's Supreme Audit Institution (SAI), carry out various tasks, including analyzing local authority accounts to verify data accuracy and accounting system sustainability. The Apulia Region—consisting of 257 municipalities and other entities (such as local health authorities and universities) that must be audited annually—involves numerous accounts and annexes, which

creates a very complicated analysis process, one traditionally carried out by the individual magistrate and his staff.

However, in recent years, specific legislative measures have been adopted requiring authorities to digitally enter relevant information into system that facilitates data collection, interpretation and examination. While the new system allows for enhanced data gathering, the national context (7,904 municipalities and hundreds of regional, provincial and metropolitan entities) makes analyzing all documents and data with due depth challenging.

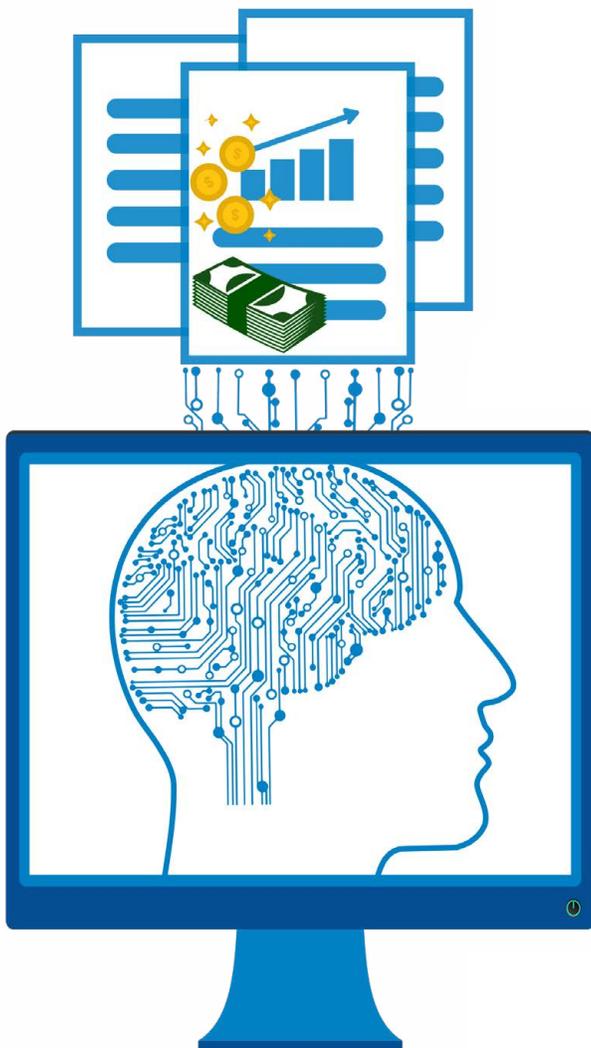
To improve audit work, the Apulia region recently implemented particular mechanisms—advanced data analytic techniques and machine learning—that enable processing large volumes of information and analyzing massive quantities of data.

Without human intervention or assistance, machine learning, an artificial intelligence application, supplies system capabilities to automatically learn and improve based on experience. The learning process begins with observations (data)—seeking patterns and developing better decisions based on provided examples. The region's system is designed to report deviations from benchmark parameters (established constraints indicating normalcy). As data is entered into the system, the software alerts staff to any anomalies found.

For example, Italian legislation dictates each municipality must maintain enough funds to meet any future expenses arising from ongoing litigation. As municipalities do not always make such provisions, they may lack necessary liquidity. By assessing these cases according to various risk-based criteria and giving each case appropriate, corresponding provisions, institutional volatility can be stabilized.

A similar analysis method has been applied to cash flow trends. As it is not unusual to see income and expenditure disparities, the data-driven approach is designed to alert auditors to situations potentially resulting in institutional liquidity shortfalls.

While data and human intelligence provide the foundation to audit work, the Corte dei conti has found advanced data analytics coupled with machine learning make it possible to improve audit work within the region, particularly in preventing crisis situations. The Apulia region's system and techniques provide a platform for similar implementation efforts in regions across the nation.





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