



# INTERNATIONAL JOURNAL

— 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:

U.S. Government Accountability Office  
441 G Street, NW, Room 7814  
Washington, D.C. 20548  
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[intosaijournal@gao.gov](mailto:intosaijournal@gao.gov))

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://www.intosaijournal.org/aboutus/aboutus.html>

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“ When I assumed office as Secretary General of INTOSAI, the organization was shaped by new visions and the spirit of renewal and innovation.”

# ACTING GLOBALLY FOR A SUSTAINABLE FUTURE

—INTOSAI Secretary General Dr. Josef Moser

It is a great privilege and gives me deep pleasure to seize this opportunity at the end of my 12-year term as Secretary General of INTOSAI to reflect on the past decade's milestones and to take an outlook on future opportunities and the challenges that lie ahead.

When I assumed office as Secretary General of INTOSAI, the organization was shaped by new visions and the spirit of renewal and innovation. My appointment to office coincided with the adoption of INTOSAI's first Strategic Plan, which set out innovative forms of interaction and leadership. This milestone document, together with the second Strategic Plan, helped to raise the profile and status of INTOSAI by defining four essential goal areas and introducing the development and coordination of professional auditing standards, thus rendering INTOSAI into a professional standard setter and a

model organization. As such, INTOSAI has not only advanced its operational structure but also extended its activities and interactions globally. This includes an intensified cooperation with the organization's external partners, namely the United Nations (UN), the Donor Community, the Organization for Economic Cooperation and Development (OECD) and the Inter-Parliamentary Union (IPU). These partnerships have all been shaped by a spirit of great collegueship and mutual respect.

In the past twelve years, I have always tried to devote the activities of the General Secretariat to the service of our common cause. It was, in particular, through the organization of the UN/INTOSAI symposia that I tried to strengthen the cooperation of all participants. These symposia served not only to substantially enhance our position as a partner of the UN, but again and again to take on emerging issues, which have left an imprint on the work and the achievements of INTOSAI:

- The 19th Symposium on the value and benefits of government audit in 2007, which eventually resulted in the adoption of ISSAI 12, thanks to which the value and benefits of SAIs have become more visible than ever;
- The 20th Symposium on the fight against corruption in 2009, which called, for the first time, for strengthening the independence of SAIs via a UN Resolution;
- The 21st Symposium on effective practices of cooperation between SAIs and citizens in 2011, which identified successful practices of cooperation and innovative new approaches;
- The 22nd Symposium on audit and advisory activities by SAIs in 2013, which shed light on means of deepening the impact of SAIs' audit work; and
- The 23rd Symposium on the Sustainable Development Goals, which successfully resulted in the fact that capacity building for SAIs and the strengthening of transparency of budgeting fed into the Addis Ababa Action Agenda of the UN, and eventually into the UN 2030 Agenda.

In the meantime, the INTOSAI initiative on strengthening SAI independence, which had received firm and dynamic support by the whole INTOSAI community, resulted in as many as three UN General Assembly Resolutions. These resolutions not only champion the implementation of the principles of independence laid down in the Lima and Mexico Declarations, but also the improvement of public accounting systems. Furthermore, they have the potential of smoothing the way towards attaining the necessary prerequisites that SAIs need to have in order to improve good governance and the transparency of public funds.

All these trailblazing results were only possible thanks to the INTOSAI community's active participation and the involvement of all. It is therefore not only the great milestones that define the value of an organization, but also the way its members interact with each other. This spirit of constructive cooperation is something that I wanted to upkeep and strengthen via the implementation of the Communication Policy, the elaboration of the INTOSAI Communication Guideline and the INTOSAI Communication Strategy. While steering the organization through times of increasing challenges in a fast-paced environment, it has been gratifying to observe that INTOSAI's members time and again joined forces and drew on their cultural diversity and their multifaceted systems to advance government audit worldwide.

A further proof of INTOSAI's readiness to evolve is the fact that its member SAIs never ceased to critically look at their organizational structures and their audit processes. Both the SAI Performance Measurement Framework, carefully elaborated by the Working Group on the Value and Benefits of SAIs in collaboration with the INTOSAI Capacity Building Committee and the INTOSAI-Donor Steering Committee, and the peer reviews conducted by a number of SAIs are an excellent example of that. One of the most recent peer-review projects was initiated by the General Secretariat and encompassed, in the spirit of inclusiveness, all INTOSAI Regions, of which I am particularly proud. In this regard, I would like to thank all those involved in the successful outcome of the on-site audits, which have brought many cultures and different SAI systems together to further enrich the experiences of our community.

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“ Similar to a big family, INTOSAI has, in all these years, even in times of lively discussion and differing opinions, embodied the spirit of inclusiveness and equality. ”

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I would also like to express my sincere gratitude to the Governing Board and all its chairs, who have been of vital importance for the continuous and remarkable development of the organization and its groundbreaking work. Of the overall 17 Governing Board meetings, in which I had the opportunity to take part, all participants have lived our central values of cooperation, transparency and partnership.

Similar to a big family, INTOSAI has, in all these years, even in times of lively discussions and differing opinions, embodied the spirit of inclusiveness and equality. I am convinced that this spirit is the secret of INTOSAI's success and its ability to respond to challenging developments. This capability of recognizing emerging opportunities will be of central importance in times where INTOSAI has become a well-known and respected player in the international community. It will be our task to again stand shoulder to shoulder when the United Nations' member states set out to include the goals defined in the 2030 Agenda into their decision-making processes to ensure a sustainable future for the generations to come. I strongly believe that INTOSAI has succeeded in laying a solid foundation for the demands and expectations placed by

its external partners in this regard. I am also proud to have had the opportunity of shaping this foundation and being an active part of this development.

In conclusion, I am especially grateful for the growing ties of friendship that have enriched my experiences far beyond my period of office as INTOSAI Secretary General.

"Yesterday is history, tomorrow an opportunity. Today is all we have. Let's build together now." With these words of the great Nelson Mandela, I should like to express my hope that INTOSAI will continue its successful path and embody our central values of equality of all members, inclusiveness, transparency, partnership and professionalism.

Thank you once again sincerely for your trust and for the excellent mutual cooperation and your friendship.

# AUSTRIAN COURT OF AUDIT AND INTOSAI WELCOME NEW LEADER

Dr. Margit Kraker assumed office as President of the Austrian Court of Audit (ACA) and Secretary General of INTOSAI on July 1, 2016. She was elected by the Austrian Parliament in June 2016 in accordance with the provisions of the Austrian Federal Constitutional Law for a term of office of 12 years.

Dr. Kraker has long-standing experience in national and international government auditing as the former director of the Court of Audit of the Province of Styria (Austria) and member of the Management Committee of the European Organization of Regional External Public Finance Audit Institutions (EURORAI). She held these functions until assuming office in the ACA.

Margit Kraker also gained extensive experience as a legal expert at the Austrian Parliament and the Provincial Parliament of Styria, as well as supervisory board member in private-sector companies, such as the Styrian Tourism Association and the Styrian Hospital Corporation.



# YOU MAY HAVE NOTICED... SOMETHING HAS CHANGED

For many years now, the Journal's directive has been to share information about public sector auditing through traditional and social media, and a key aspect of this mandate is to lead the transformation of the Journal toward a more dynamic online presence. One of the first changes in this endeavor was the Journal's transition exclusively to an electronic format.

The Journal is committed to this continued transformation, and you may have noticed a bit of a metamorphosis in the overall look and feel of this edition. The goals behind the redesign of the Journal include giving it a more contemporary, yet corporate, look and feel; providing a cleaner and more engaging reading experience; increasing readership accessibility; and adapting the Journal into a more robust tool for knowledge sharing.

Ensuring the Journal is integrated into key online venues and platforms remains at the forefront. Plans are still underway to further engage the INTOSAI audience to enhance knowledge sharing and capacity building through the development of an enhanced website that will feature improved and increased content relevant to national audit offices, more feature articles about public sector auditing and more collaborative opportunities for the audit community. The Journal continues to have an active presence via social media to better reach those

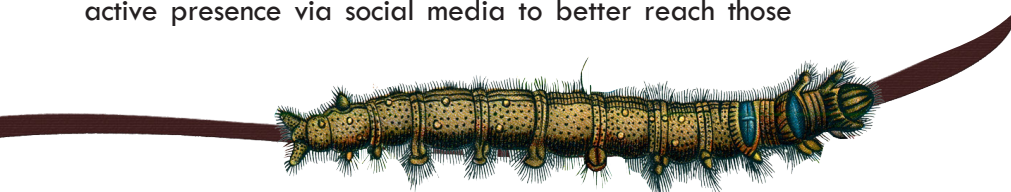
who aspire to best practices in good governance and public auditing. One of the initiatives aimed at driving more users to Journal sites is to incorporate the website ([intosaijournal.org](http://intosaijournal.org)), Facebook profile ([www.facebook.com/intosaijournal](http://www.facebook.com/intosaijournal)) and Twitter handle ([www.twitter.com/intosaijournal](http://www.twitter.com/intosaijournal)) on literature and marketing collateral.

Currently, the Journal has an audience of approximately 676 on Facebook and roughly 420 followers on Twitter. The reach on Twitter has multiplied beyond the following audience, at times, reaching more than 600 on a given tweet. Since joining Twitter in 2014, the Journal has been retweeted by, among others, the Auditors General of multiple SAIs and representatives from IFAC, the IPSASB, the EUROSAI Presidency, the European Court of Auditors and the publication of the Norwegian Audit Office.

The Journal will continue to expand upon real-time audience engagement through additional social media activities and sites, such as [Instagram](https://www.instagram.com/intosaijournal). The Journal is also interested in working with other INTOSAI bodies to find ways to streamline and facilitate INTOSAI's communications, knowledge sharing, and social media strategies.

The Journal recognizes the wide support of member SAIs who generously submit articles, editorials and updates. Additional content and more interactive technologies will increase the Journal's value to its readers. We welcome suggestions INTOSAI members may have in regard to improving the Journal's usefulness to member institutions, because, ultimately, "Mutual Experience Benefits All."

Please send us your comments and suggestions at [intosaijournal@gao.gov](mailto:intosaijournal@gao.gov).





# LETTER FROM THE EDITOR

As journalists, we do our best to ensure that everything is clear, concise and correct. But, there are times when we don't always completely meet that challenge, particularly taking into account the global nature of our business.

In the Spring 2016 issue of the INTOSAI Journal, we published quite a bit of news and some fascinating feature articles. In fact, we received numerous inquiries about some of the reporting in the last edition, specifically submissions from the State Audit Office of the Republic of Latvia. As you may have read, the SAO of Latvia has initiated legal amendments that are designed to ensure more attentive monitoring of public officials' actions when it comes to the use (and misuse) of public sector funds. These amendments were described in both the News in Brief and Feature Story sections of the Journal.

Because our readership brought forth some intriguing questions, particularly about the feature piece, "Seeking ways to increase the liability of civil servants and public employees for squandering of public assets", we felt it only right to respond. We reached out to the SAO of Latvia, who graciously provided us with the clarification sought by some of our readers. What follows is a brief Q&A that sheds more light on increasing civil servant accountability.

**Q:** *What exactly is meant by the phrase "increase the liability"?*

**A:** The broad objective is to strengthen the accountability of public officials. Compensation for the losses caused to state and municipal budgets is seen as one of the tools, however, more of a preventive character. According to the suggested modifications to the law, in all cases, when as a result of an illegal action, losses were caused to state or municipal budgets, recovery of losses from the officials shall take place. The modifications do not relate to uneconomical, inefficient and ineffective use of budget resources, but focus on illegal actions.

**Q:** *There is some mention of the SAO applying sanctions. Will this still be in an advisory capacity to the courts and other law enforcement institutions?*

**A:** In the first instance, the institutions themselves are responsible for assessing misbehavior of the officials and deciding of possible sanctioning within five months after the audit report is issued. This provision is already enforced by the legal framework. The modifications envisage that in cases, when the assessment is not done properly or the decision of the institution is not justified, the SAO will review the case and take a decision on recoveries. In fact, this means that the SAO, on the top of an audit function, will take up an additional function—Audit Court function, as it is the case in some other EU member states.

**Q:** *There is also mention of withholding of funds for those deemed responsible for mishandling of resources. Would the withholding of funds be on an organizational level, as well as an individual level?*

**A:** Draft modifications prescribe recovery of damages from a particular physical person, who mishandled state or municipal budget resources [not the organization].

**Q:** *Would the accused, in all cases, have the opportunity to try to implement the recommended actions prior to being assessed penalties?*

**A:** Implementation of the recommendations issued as a result of audit does not relieve one's responsibility to recover damages caused as a result of an illegal action; however, a person can compensate/reimburse the damage caused at any time, without waiting for issuing of the administrative act on recovery of damages.

# NEWS FROM SAIs AROUND THE WORLD

## News from China



*Photo: Liu Jiayi, Auditor General of the People's Republic of China and Gene Dodaro, Comptroller General of the United States.*

### **SAIS OF CHINA AND USA CONDUCT EFFECTIVE MUTUALLY BENEFICIAL COOPERATION**

In 2012, heads of the SAIs of China and USA signed a Memorandum of Understanding (MoU). According to the MoU's objective, "The participants intend to establish, improve, and develop a framework for cooperation in national audit and promote effective interaction between the Participants on the basis of equality, reciprocity, and mutual benefit." The MoU has allowed the National Audit Office of the People's Republic of China (CNAO) and the United States Government Accountability Office (GAO) the opportunity to leverage expertise to develop effective knowledge sharing, which has generated valuable results.

The Auditor General (AG) of China visited GAO in July 2011 and delivered a speech to U.S. government auditors on "National Audit and National Governance". The AG of China introduced CNAO's practices and experiences in promoting good governance in China through encouraging rational power disposition and operation; providing timely, objective and reliable information for decision-making; accelerating the implementation of governance policy measures; and detecting economic and societal weaknesses and risks in an effort to protect national security and the fundamental interest of the people. In 2012, The U.S. Comptroller General visited CNAO and gave a speech titled "The Evolving Role of Auditing in Helping Meet Dynamic National and International Challenges", explaining to Chinese auditors the history of government auditing in the U.S., as well as GAO's efforts in three key areas—oversight, insight and foresight—pointing out GAO's foresight activities that identify emerging trends and challenges. Through these high-level visits, the SAIs of China and the U.S. have learned from each other, especially in regard to innovation and improvement of audit concepts and approaches.

Collaboration within the INTOSAI framework has intensified the discussions on major INTOSAI issues between CNAO and GAO. As Chair of the INTOSAI Governing Board, the AG of China



initiated the Supervisory Committee on Emerging Issues and invited the U.S. Comptroller General to work as the committee Vice Chair. Since then, they have held several meetings to discuss crucial issues of common interest faced by INTOSAI. Furthermore, the INTOSAI Working Group on Financial Modernization and Regulatory Reform (WG FMRR) is chaired by the U.S. Comptroller General, and the CNAO acts as one of the subgroup leaders. The two SAIs have actively shared experiences and continue to explore ways for SAIs to fulfill their roles. Together, CNAO and GAO have also contributed to INTOSAI's input into the *2030 Agenda for Sustainable Development* in relation to SAIs functions.

As part of the MoU, the two SAIs conduct regularly scheduled international seminars to facilitate practical exchanges of auditing. The inaugural seminar was held in Nanjing, China in 2014 under the theme "Implementation of Financial Regulatory Policies". In addition to GAO and CNAO, SAIs of Australia, Germany, Korea and the UK also attended the event, where they discussed many issues related to financial crisis, financial regulations, consumer financial protections, curbing corruption and envisaged the prospect of the development of financial regulation and financial system audit in the post-crisis era.

At the conclusion of the event, participants reached several common understandings (which were submitted to the INTOSAI WG FMRR) on the topic and identified areas to shape future collaborative efforts. These were:

- *SAIs have an important role to engage in financial regulatory system oversight;*
- *Countries must improve financial regulation in a post-crisis era;*
- *SAIs should continue monitoring for subsequent repercussions from an international financial crisis;*
- *SAIs have a role in protecting financial consumers; and*
- *SAIs should continue to innovate and explore new audit methodologies against the backdrop of big data analysis.*

In 2015, CNAO and GAO conducted a second international seminar on "The Use of Foresight and Data Analytics in Auditing and Government Accountability" in

Washington, D.C. The theme, reflecting the concerns of governments and citizens, aimed to facilitate dialogue on the ways in which SAIs can use foresight tools and big data analytics to improve auditing techniques and to ensure SAIs consider new auditing technologies and methodologies in a rapidly changing environment. The seminar highlighted expectations of citizens for the SAIs to use foresight to potentially see, and prevent, an issue (as opposed to reporting after the fact), as well as correcting existing problems.

This seminar welcomed nearly thirty participants from the SAIs of China, USA, Brazil, Canada, Finland, Korea, Netherlands, New Zealand and the UK along with experts from outside the audit community, including Policy Horizons Canada and the Institute for Alternative Futures. It specifically focused on three topics, and the seminar found there was strong interest among the participants to continue the efforts in the area of foresight and data analytics and expand the group:

- *Applying foresight to the accountability community;*
- *Data analytics and the implications for the audit community; and*
- *Developing collaborative networks of foresight work.*

The multi-dimensional exchanges and cooperation between the two SAIs have demonstrated intense vitality and huge potential, which produced sound results for the benefit of SAIs, governments, citizens and partners in the global accountability community and will facilitate the common development of all parties involved.

A third joint seminar will be held in September 2016 in Beijing on the theme of "Performance Audit of Programs Designed to Secure the Well-Being and Financial Security of its Citizens", considering both countries have huge social security programs and face such common issues as aging populations and growing social security demands.

The two heads of SAIs of China and the U.S. meet regularly to review existing cooperation practices and discuss ideas on exchanges under the MoU. At the working level, the two SAIs also maintain smooth communication on INTOSAI and bilateral affairs, and the two SAIs will continue to work together to propel the existing win-win cooperation to new heights.

## News from Myanmar

### SAI MYANMAR APPOINTS UNION AUDITOR GENERAL



On April 5, 2016, Mr. Maw Than, a well-known economist (born August 28, 1939), officially assumed his role as Union Auditor General (UAG) of the Office of the Auditor General of the Republic of the Union of Myanmar. He was appointed by the President in 2016 with the approval of the Parliament for a term of five years.

Mr. Maw Than has served in several high-visibility roles, including rector at the Yangon University of Economics; patron of the President's Economics and Social Council; member of Myanmar Accountancy Council; member of Myanmar Periodical Council; member of the Tax Collection Control Board; and Director of Central Bank of Myanmar. He has earned numerous degrees and certifications internationally.

Myanmar SAI is a member of ASOSAI, ASEANSAI and INTOSAI. The UAG hopes to build a more transparent and interactive society by strengthening the cooperation and collaboration with other SAIs, both bilaterally and multilaterally. Moreover, he has emphasized his interest in several areas, including upgrading human resources capacity and practicing comprehensive quality assurance to achieve the ultimate goals of SAI Myanmar.

## News from Vietnam

### STATE AUDIT OFFICE OF VIETNAM APPOINTS AUDITOR GENERAL



On April 5, 2016, Doctor Ho Duc Phoc was appointed by the National Assembly as Auditor General (AG) of the State Audit Office of Vietnam (SAV). He was nominated by the Chairwoman of the National Assembly (NA) and was approved by the majority of the NA. Dr Phoc says that, "I will try, with my utmost efforts, together with other leaders of the SAV and the entire Office, to achieve political goals and tasks assigned by the NA; ensure transparency in the operation of agencies and organizations using and managing public finance and assets; contribute to guaranteeing citizen democracy and ownership; enhancing the oversight and supervision of public funds and asset management; and prevent and fight against corruption and waste."

Dr. Phoc holds a PhD degree in Economics, and has taken leading roles in the political authorities of Nghe An Province, Vietnam. His tenure spans 2016-2020.

For additional information, contact State Audit Office of Vietnam

E-mail: [vietnamsai@sav.gov.vn](mailto:vietnamsai@sav.gov.vn)

Website: <http://www.sav.gov.vn>

## News from Malta

### NAO OF MALTA APPOINTS AUDITOR GENERAL AND DEPUTY AUDITOR GENERAL



Charles Deguara,  
Auditor General

On March 30, 2016, Charles Deguara was appointed as Malta's new Auditor General by the President of Malta following unanimous approval by Parliament for a five-year period in terms of Malta's Constitution. He succeeds Anthony C. Mifsud, who was earlier appointed as the Parliamentary Ombudsman March 16, 2016.

Prior to his appointment, Charles Deguara served as Deputy Auditor General within the National Audit Office of Malta (NAO) from November 2008 to March 2016, where in close collaboration with the Auditor General he helped further enhance NAO's organizational capacity (in terms of human, physical and technological resources of the Audit Institution) resulting in a marked increase in the quantity and quality of audit reports issued, including the reports issued by the Financial and Compliance, Performance, IT and Special Audits and Investigations Sections.

Charles Deguara also coordinated all preparations undertaken by the Organizing Team in connection with the Commonwealth Auditors' General Conference held in Malta in March 2014, which was attended by 87 participants from 35 countries throughout the Commonwealth. He also led management during negotiations with Union officials in connection with two Collective Agreements, enhancing family-friendly measures in addition to NAO innovative initiatives aimed at raising staff motivation and productivity and increasing efficiency levels.

Charles Deguara also held positions as Permanent Secretary at the Ministry for Justice and Home Affairs (2004-2008), Chairperson of the Schengen Task Force and Director General for the Land and Public Registry Division (2002-2004).



Noel Camilleri,  
Deputy Auditor General

Also on March 30, 2016, Noel Camilleri was appointed as the new Deputy Auditor General for a five-year term in accordance with the Constitution of Malta.

Before being appointed Deputy Auditor General, Noel Camilleri served as Accountant General within the Treasury Department for 14 years, during which he was responsible for the Consolidation of Government Accounts, Debt Management and EU Funds Management (Financial Control and Payments).

He set the pace for the restructuring of the Treasury Department, which included a greater focus on the core Treasury functions, capacity building and the assignment of non-related activities in an effort to transform the Department into one that distinguished itself in financial reporting, financial control and debt management.

In previous years, Camilleri worked in different sections occupying various positions in the Treasury office, including the Cash Office, Accounting Operations and Administration. He also spearheaded the implementation of a Corporate Accounting System across Government Departments.

For additional information, contact NAO on:

E-mail: [nao.malta@gov.mt](mailto:nao.malta@gov.mt)

Website: <http://www.nao.gov.mt>

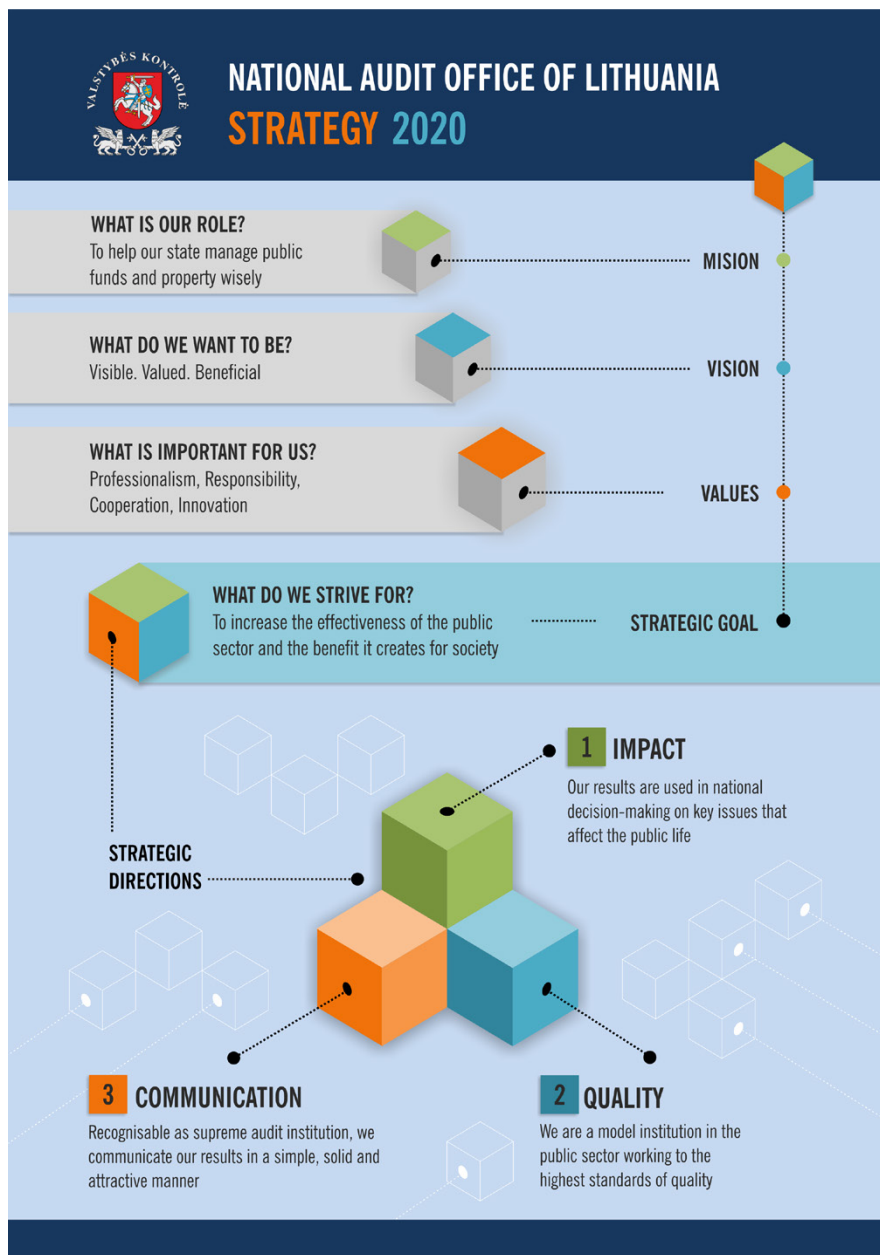
Facebook: [www.facebook.com/NAOMalta](http://www.facebook.com/NAOMalta)



## News from Lithuania

### LITHUANIA NATIONAL AUDIT OFFICE (NAOL) UNVEILS NEW STRATEGY FOR 2016-2020

*Impact, quality and communication: the NAO's new development direction allowing for an increase in public sector efficiency and value*



The National Audit Office of Lithuania (NAOL) approved a new long-term development document establishing the institution's mission, vision and values, as well as its ambitious strategic goal: to increase public sector efficiency and the value it generates for society. The NAOL will strive to achieve this goal by increasing audit impact, quality and communication.

We should develop our activity so that we can add the greatest possible added value and benefits for our citizens, inform the public about significant emerging national risks, propose ways of managing these risks, carry out work that produces valuable and measurable results and be an example to the public sector.

We will hold ourselves to the highest standards of quality, which will ensure quality results and conform to the requirements established by the International Standards of Supreme Audit Institutions, the International Standard for Quality Management Systems (ISO 9001), as well as various best practices.

We will use internal and external communication to shape and reflect the role of the NAO as the SAI in the public sector and the added value it generates in establishing the legal, fair and results-oriented management of public property and funds.

By implementing the new development strategy for 2016–2020, we will be guided by the values of professionalism, responsibility, cooperation and innovation. The NAOL will seek to become recognized as an independent SAI, where we are valued as experts in our field whose opinions are taken into account when decisions of national importance are made, and who contribute to positive changes in the public sector, thus leading to the greater welfare of the public.

## News from the United Kingdom

### BUILDING PUBLIC TRUST THROUGH OPEN AND HONEST REPORTING IN THE UK

By Rachel Nugent, National Audit Office, United Kingdom

The UK's *Building Public Trust Awards*, sponsored by PwC, have been running for 13 years now. They are all about recognizing and rewarding trust and transparency in corporate reporting. Each year, hundreds of Annual Reports are judged, with the best being honored at the Building Public Trust Awards, held annually in October.

These awards are all the more relevant and important given the recent adoption of the *2030 Agenda for Sustainable Development* by world leaders at the UN Sustainable Development Summit. There are 17 *Sustainable Development Goals (SDG)*, including SDG 16, which aims to promote peace, justice and inclusive societies. One of SDG 16's targets is to "develop effective, transparent and accountable institutions at every level." As Supreme Audit Institutions (SAIs), we have a key role to play in this.

The UK National Audit Office (NAO) is involved in the judging process for the "Excellence in Reporting in the Public Sector" award. Last year, the NAO reviewed over 50 reports against various judging criteria. The best reports had a clear and understandable strategy for their organizations, detailed the risks they face and how they intend to mitigate them, displayed honesty about

financial and operational performance and were clear and understandable in their reporting. The Department for Business, Innovation and Skills won the award in 2015 for its *Annual Report & Accounts*.

For the second year running, the NAO has produced a guide on *Examples of Good Practice in Annual Reports* to encourage public sector bodies to be transparent, honest and engaging in their reporting. This has resulted in positive feedback from government staff and the NAO's wider stakeholders.

Some of the examples included: "Case studies demonstrating achievement of priorities" (*Business Innovation and Skills*, page 21) See Figure 1; "Monitoring actions not achieved" (*Department for Transport*, page 30) See Figure 2; and "Use of graphics to highlight key achievements" (*Department for Work and Pensions*, page 7) See Figure 3.

#### Case Study: Research Excellence Framework 2014

Research Excellence Framework 2014 (REF2014) is a system for assessing the quality of research carried out in Higher Education Institutions in the UK. The four UK higher education funding bodies allocate around £2 billion per year of research funding to UK universities. The results from REF2014 will be used to allocate funding from 2015-16, supporting a dynamic and internationally competitive UK research sector. University submissions were made in November 2013; final peer reviewed, outcomes were published in December 2014.

REF2014 saw 36 expert panels involved in the assessment of submissions from 154 Universities, involving over 190,000 of the UK's research outputs generated by over 52,000 academic staff.

The results demonstrated that the quality of research undertaken in UK Universities has continued to improve. 99 per cent of research was recognised nationally or above, with 76 per cent internationally excellent or world leading:

- 30% world-leading (4\*);

- 46% internationally excellent (3\*)
- 20% recognised internationally (2\*)
- 3% recognised nationally (1\*)

These results are consistent with independent evidence on the quality and world-leading performance of the UK research base and the significant improvements made since the last full assessment in 2008.

REF2014 included, for the first time, assessment of the impact arising from excellent research which was demonstrated by some 7000 impact case studies. 44 per cent of submitted impacts were judged outstanding (4\*) by over 250 external users of research, working jointly with the academic panel members, and a further 40 per cent were judged very considerable (3\*).

Assessment Area	4*	3*	2*	1*	U
Overall Quality	30%	46%	20%	3%	1.0%
Outputs	22%	50%	24%	4%	0.8%
Impact	44%	40%	13%	2%	0.7%
Environment	45%	40%	13%	2%	0.1%

Figure 1: Case studies demonstrating achievement of priorities

3.28 There were 11 Business Plan actions rated as overdue at the end of the financial year. These are set out in Table 3.4 below along with a summary of current progress.

Table 3.4 Business Plan actions

Business Plan Action	Current Progress
HS2 – consult on Leeds and Manchester routes and stations, analyse responses, and announce decision. (Scheduled end date: Dec 14)	Consultation closed on 31 January 2014. The responses to the consultation have been analysed ready for publication. Sir David Higgins published a second report on 27 October 2014. The Government will set out how it plans to take forward HS2 Phase Two in 2015.
HS2 – commence engineering design, environmental impact assessment, and preparation of the second hybrid Bill, subject to decision following consultation. (Scheduled end date: Jan 15)	In light of the recommendations made in Sir David Higgins reports, published in March and October 2014, the Government will set out its plans to take forward HS2 Phase Two in 2015. Engineering designs are underway. Procurement for environmental impact assessment and preparation of the hybrid bill is being prepared and will be progressed during 2015 once decisions have been taken.
Decide on the location for significant new investment in additional capacity for crossing the Lower Thames. (Scheduled end date: Dec 13)	On 12 December 2013 the Government announced the decision to rule out Option B. The Government will carry out further assessment work on the two remaining options before making a final decision. <sup>25</sup>
Publish proposals for improving the training and testing of new drivers to help improve young driver safety. (Scheduled end date: Dec 13)	Young driver safety is a difficult issue. The Government is considering it carefully before publishing proposals.
Remove the paper counterpart to the driving licence. (Scheduled end date: Dec 14)	Following discussions with industry and stakeholders and to allow time for them to prepare for the change, the abolition of the Paper Counterpart to the Driving Licence took place from 8 June 2015. <sup>26</sup>
Develop and consult on the post-2014 low carbon fuel targets strategy, taking account of EU decisions on indirect land use change. (Scheduled end date: July 14)	EU agreement on ILUC negotiations expected shortly, inter-institutional agreement awaiting confirmation by the European Council. Transport Energy Taskforce recommendations on future biofuels trajectory published March 2015 and will be discussed with Ministers to inform domestic legislative changes required to transpose by anticipated deadline of mid-2017.

Figure 2: Monitoring actions not achieved

In 2014-15 we:



Saw a record  
**31.1m**  
people in employment  
– including 22.7m full-time

**NEA**

Enabled the creation of  
**65,570**  
new businesses through the  
**New Enterprise Allowance**

Boosted the number of people saving in workplace pensions by

**2.2m**  
and legislated for a simpler, fairer  
**State Pension**



Helped  
**105,000**  
families turn their lives around through the Troubled Families Programme

Helped more than  
**32,400**  
disabled people find and stay in work by reducing barriers through  
**Access to Work**



Gave  
**198,000**  
young people the opportunity to gain valuable work experience with an employer placement

Supported a 2.1 percentage point increase in the employment rate of disabled people

up to  
**46.3%**

Achieved  
**86%**  
parents paying maintenance for their children



Figure 3: Use of graphics to highlight key achievements

Going forward, we will continue to publish these good practice guides and share them as widely as possible, influencing our stakeholders to understand the importance of trustworthy reporting to the public. But the messages also apply to us. As SAIs, we need to make sure that our own Annual Reports continue to reflect best practices. We need to make sure that we communicate as accessible and informative as possible so that our parliaments, governments and citizens can understand what we do, how we do it and how we make good use of the funds we are provided.

For more information contact Rachel Nugent at the UK NAO: [rachel.nugent@nao.gsi.gov.uk](mailto:rachel.nugent@nao.gsi.gov.uk)



## News from Costa Rica

### SAI OF COSTA RICA CONDUCTS NATIONAL SURVEY ON TRANSPARENCY

In February, a specialized technical team from the SAI of Costa Rica conducted a national telephone survey to study the opinions of citizens and public procurement bidders on transparency in the country. Specifically, questions were asked about the following topics:

- **Access to information:** perception of access to information from municipalities, institutions, government and others.
- **Accountability:** perception of accountability from officials, institutions, economy, finance and development plans.
- **Citizen participation:** participation in local groups, public hearings, formulation of complaints, claims, etc.
- **Administrative Contracting:** perception of transparency in the stages of government contracting and electronic purchasing systems.

This effort from the office of the comptroller is based on the Institutional Strategic Plan 2013-2020. The results are valuable inputs for higher control of public finances while contributing to the promotion of social control and political control of the Legislature. Results of the survey can be found here: [Results of the National Survey on Perception of Transparency 2016](#).

## News from Saudi Arabia

- A Royal decree was issued on the appointment of Dr. Hussam Al-Angari as the new President of General Auditing Bureau of Saudi Arabia (GAB).
- GAB inaugurated the 13th Annual Seminar titled “Ways to Promote Cooperation to Achieve Comprehensive and Performance Audit Objectives”, which took place on April 18-19, 2016.
- An evening ceremony for GAB retirees was held under the auspices of the former President of the General Auditing Bureau of Saudi Arabia in Riyadh April 10, 2016. H.E. Mr. Faquih delivered a speech at the ceremony in the presence of senior GAB officers.
- President of the General Auditing Bureau of Saudi Arabia inaugurated the first ever GAB’s Department for women in city of Dammam. Twelve Departments for women are currently being set up in all Provinces of the Kingdom.
- GAB hosted the 9th Meeting of the ARABOSAI Institutional Capacity Building Committee in Riyadh. Delegates from ARABOSAI member countries attended the meeting.
- Two training programs were conducted for GAB’s employees by experts from SAI-Pakistan in 2016, including: International Standards of Supreme Audit Institutions (ISSAIs) and Time Management. These two programs were part of the technical cooperation between GAB and the office of the Auditor General of Pakistan.

## News from Rwanda

### SAI RWANDA WINS BEST PERFORMANCE AUDIT PRIZE FOR 2015 IN AFROSAI-E REGION



Photo: Mr. Biraro R. Obadiah, Auditor General of Rwanda, receives the Award of the Best Performance Report 2015 from Mr. Magnus Lindell, Deputy Auditor General of Sweden.

At the 13th AFROSAI-E Governing Board meeting held in Abuja, Nigeria, May 2016, the Office of the Auditor General-Rwanda was awarded the 2015 Prize for the best Performance Audit Report in the AFROSAI-E region. AFROSAI-E is the sub-regional Organization for Supreme Audit Institutions (SAIs) in English speaking countries in Africa. This prize was launched in 2008 by AFROSAI-E in cooperation with the Swedish National Audit Office (SNAO) to promote high quality reports that are produced within a maximum period of one year (12 months). The winning report, titled “Utilization and maintenance of irrigation and mechanization equipment”, covered the agriculture sector.

The winning report was chosen out of 12 reports submitted by seven AFROSAI-E member countries. The Independent International jury was comprised of a chairperson from SAI Sweden and three members from the SAI Netherlands, SAI Norway and SAI United Kingdom.

The 12 reports were analyzed according to quality criteria in line with ISSAIs. The panelists highlighted that the report from SAI Rwanda had a good description of the problem area and the methods used to collect data and evidence, which included inspections and site visit photos. The panel also noted that the report presented a clear link between findings and

conclusions, and the recommendations were sound. It was concluded that the report was, indeed, a good value for money audit, which concerns direct government spending and management and was, therefore, of clear importance for Parliament in its oversight role in Rwanda.

## News from Moldova

### EUROPEAN COMMISSION APPRECIATES PROGRESS ACHIEVED BY REPUBLIC OF MOLDOVA COURT OF ACCOUNTS

The Court of Accounts of the Republic of Moldova (CoA) has successfully implemented the actions foreseen for 2015 in the Support to the Moldova Public Finance Policy Reforms (PFPR) Program. The CoA is the only institution in the country that has the score of 100% on the policies roster matrix, successfully fulfilling all of the conditions. In accordance with the financing agreement (signed October 27, 2014) between the Government of the Republic of Moldova and the European Union, the

CoA, along with the government, the Ministry of Finance and the parliament (the Economy, Budget and Finance Committee), will receive assistance for strengthening good governance and implementing sound fiscal policy.

**Enterprises where the state holds one third of the share capital will be audited**—The CoA has the right to verify the enterprises in which the state holds at least one third of the share capital. On April 8, 2016, Law no. 37 (of March 17, 2016) came into force, amending Article 28 of the Law of the CoA.

Before the amendments, the CoA had the right to audit enterprises where the state holds more than 50% of the share capital.



Photo: The Plenum of the CoA.

**The CoA and the Ministry of Finance sign cooperation agreement**—The CoA and the Ministry of Finance of the Republic of Moldova signed a cooperation agreement April 8, 2016, ensuring close cooperation and constructive dialogue that are essential for building a comprehensive and efficient management and control of budgetary resources between these two institutions.

The agreement focuses on strengthening the internal financial control system, (particularly, the financial management and control system and internal audit

activity), as well as managerial accountability to manage resources according to the state entity's objectives based on good governance principles.

**CoA signs cooperation agreement with Internal Auditors Association**—The CoA and the Internal Auditors Association of the Republic of Moldova (IAA) signed a cooperation agreement on March 22, 2016, to collaborate in strengthening internal and external audits. A cooperation agreement between the two entities was signed March 22, 2016.

According to the agreement, the parties will cooperate in the fields of auditor training and professional development by sharing experiences and good practices at seminars and other learning events. The CoA and the IAA will also make efforts to put into practice the provisions of the agreements signed with similar institutions at international and European levels.

For additional information, contact the Court of Accounts:

E-mail: [ccrm@ccrm.md](mailto:ccrm@ccrm.md)

Website: [www.ccrm.md](http://www.ccrm.md)



Photo: Serafim Urechean, President of the CoA, and Octavian Armasu, Minister of Finance, signing the cooperation agreement.

## News from Finland

### SYSTEM OF FINANCIAL AUDITS IN FINLAND OVERHAULED

by *Mika Halme, Principal Financial Auditor*

A new financial audit system was introduced in Finland on January 1, 2016. On that date, the new Auditing Act and the Act on Audits of Public Administration and General Government Finances entered into force and harmonized the system of auditor's examinations and the supervision of audits. There are about 1,600 approved auditors in Finland.

Until the end of 2015, Finland had two systems of auditors (one for private-sector audits, the other for public-sector audits) and three categories of auditors and audit firms (KHT (C.P.A. (English)) HTM (Certified HTM-Auditor (English)) and JHTT (CPFA (English))).

The private-sector auditors (C.P.A and Certified HTM-Auditors) were approved auditors referred to in the EU audit directive. They had the right to audit corporations and foundations meeting the criteria put forth in the Auditing Act (net sales of 200,000 euros, balance sheet total of 100,000 euros and at least three employees). Compared with other EU countries, these limits are fairly low.

The difference between a C.P.A and a Certified HTM-Auditor was that the accounts of listed companies and other large corporations (public interest entities) had to be audited by C.P.A Auditors or C.P.A Audit Firms. The criteria for such companies and corporations were laid down in the Auditing Act (net sales of 50 million euros, balance sheet total of 25 million euros and at least 300 employees).

The accounts of municipalities, joint municipal authorities and other statutory public corporations had to be audited by CPFA Auditors. Each of the audit systems had its own auditor's examinations, approval bodies and supervisors. C.P.A Auditors were approved and their work was supervised by the Finland Chamber of

Commerce. Regional chambers of commerce approved and supervised the Certified HTM-Auditors, while the approval and supervision of the CPFA Auditors were the responsibility of the Board of Chartered Public Finance Auditing, which came under the purview of the Ministry of Finance.

The audits conducted by the National Audit Office (NAO) fell outside the scope of application of the old Auditing Act and the repealed Act on Chartered Public Finance Auditors. It is also laid down in the new Auditing Act and the Act on Audits of Public Administration and General Government Finances that they do not apply to the NAO. Furthermore, the NAO is not an audit firm referred to in these acts, and the auditors working at the NAO are not required to obtain authorization as auditors. However, a small number of CPFA Auditors have worked at the National Audit Office and most of them have been employed in the Financial and Compliance Audit Department.

As part of the audit system reform, the separate examination and supervision systems for private and public sector auditors were abolished and replaced with a new unified system in which the HT auditor's examination is the basic audit examination. The approval requirements in the HT examination meet the requirements laid down for auditors in the audit directive of the EU. After passing the HT examination auditors can broaden their expertise by taking the C.P.A examination (intended for auditors specializing in public interest entities) and/or the CPFA examination (intended for auditors specializing in public administration and general government finances). In addition to introducing a unified system of examinations, the reform also abolished the separate supervision systems, and the supervision of all approved auditors is now the responsibility of the Auditor Oversight Unit in the Finnish Patent and Registration Office. The criteria for audited companies, corporations and foundations laid down in the Auditing Act will remain unchanged.

## News from Macedonia



Photo (from left to right): Ivan Klešić, MSc., Tanja Tanevska, MSc., László Domokos.

### COOPERATIVE PERFORMANCE AUDIT ON TOURISM DEVELOPMENT

The benefits of cooperative audits are multiple, in particular for the opportunity for professional development of auditors through peer-to-peer activities, exchange of knowledge, experience and good practice with partner SAs.

Croatia, Macedonia and Hungary are countries where tourism is a major economic sector, and they all have adopted strategic documents related to further tourism development. SAs of these three countries signed agreements on mutual cooperation and carried out a coordinated audit titled “Efficiency of measures/activities determined by strategic documents/programs for tourism development”. The agreements are based on the principles of ISSAI 5800, “Guide for cooperative audit programs between Supreme Audit Institutions—Exposure Draft”, and INTOSAI Tips and Examples for Cooperative Audits. The audit approach was consistent with the International Standards of Supreme Audit Institutions (ISSAI) and the national audit standards and guidelines.

During 2015, the three audit teams held three working meetings in Zagreb and Skopje. The participating SAs developed a framework of audit areas to be addressed in each national audit. Common audit areas and

corresponding audit questions were identified: legal, strategic and institutional framework for tourism development; implementation of strategic measures and other activities defined in strategic documents/programs for the development of tourism; monitoring and reporting on the achievement of strategic objectives and the impact of measures taken; and the implementation of bilateral agreements between the governments. The national audit approaches, including audit criteria, methodology, quality control and publication of national results, were carried out in accordance with the countries’ standard procedures. The three SAs exchanged completed matrix/audit programs and prepared a summary of the national reports.

The Joint Report on the cooperative audit reflects the results of the national audits. The report was officially signed by the heads of the participating SAs<sup>1</sup> February 2016 in Budapest. It is published and printed in Croatian, Macedonian, Hungarian and English. Electronic versions of the report are also available on the SAs websites:

[www.revizija.hr](http://www.revizija.hr)  
[www.dzr.mk](http://www.dzr.mk)  
<https://www.asz.hu/en>



## News from Algeria

The Programs and Reports Committee of the Court of Accounts in Algeria approved the SAI's second strategic plan covering the years 2015 to 2018 at its meeting held April 1, 2015. The plan takes into account the recommendations of its recent peer review and a partnership with the French Court of Accounts.

Based on recommendations from its peer review report, the Court of Accounts expressed its willingness to receive institutional support to strengthen its professional capacity and ensure compliance with the European and international standards and best practices.

In March 2015, a consortium was selected consisting of the French Court of Accounts (leader), the Portuguese Court of Auditors (junior partner) and the French National School of Administration. Several working sessions were held with representatives of this consortium to improve and refine the content of the agreement. The implementation of the project began in January 2016.

The agreement is organized around four key objectives:

- *The Court obtains the resources to align its management and its activities with international standards and best practices.*
- *The Court's judicial function is reorganized to be more efficient and to consume less resources.*

- *The Court's report on the preliminary draft budget law provides high-quality, timely and useful information and is produced efficiently and consumes fewer resources.*
- *Controls over the quality of management and performance complies with European and international standards and best practices.*

These objectives encompass 19 activities and 49 operations. The project should be completed within two years at a cost of 1.72 million euros.

In addition, the Court of Accounts of Algeria has been named to the African Union's Board of External Auditors. Revisions to the African Union's financial regulations created an audit board of five members. The current board also includes the SAIs of Equatorial Guinea, Cape Verde Islands, South Africa and Uganda. The SAI of Algeria participates on two control teams:

- *Auditing the African Court of Human and Peoples' Rights established in Arusha, Tanzania; and*
- *Auditing the accounts of the African Committee in Addis Ababa.*

The Peer Review of the SAI of Algeria is available on [http://www.ccomptes.org.dz/documents/rapport\\_revue\\_par\\_les\\_pairs\\_2013.pdf](http://www.ccomptes.org.dz/documents/rapport_revue_par_les_pairs_2013.pdf)

## News from Kuwait

- The State Audit Bureau of Kuwait (SAB) hosted a workshop on "Performance Audit" April 5-6, 2016, within the framework of the cooperation agreement with the Netherlands Court of Audit. A number of participants from SAB staff and trainers from the Netherlands Court of Audit participated in the workshop.
- SAB participated in the Spring Session of the EUROSAI Working Group on Environmental Auditing April 27-28, 2016, in Estonia. This participation comes within the frame of SAB's keenness to enhance the international cooperation in the environmental auditing field.
- SAB took part in the INTOSAI WGITA 25th meeting April 26-29, 2016, in Brazil.

# THE DIGITAL REVOLUTION

Threat or Opportunity for the Audit Profession?

by Ellen van Schoten, Secretary-General of the Netherlands Court of Audit

The audit profession in the Netherlands has been involved in a series of major incidents in recent years. The good news is that the Dutch audit profession has adopted a raft of measures since we wrote to Parliament in 2014, highlighting the main concerns from a public-sector viewpoint. The question is whether we are fighting the final battle in the war to restore public trust or just the next in a long series of battles. Does the audit profession have a future in a world of big data, block chains and robotics? Will the public sector remain an attractive market for the Big Four? And, last but not least, how will these developments affect us as Supreme Audit Institutions (SAIs)?

Since 2014, Dutch audit firms and the Dutch Institute of Chartered Accountants have acted in response to major incidents involving poor quality of work and inappropriate behavior in the audit profession. This is a matter of serious concern, as the quality of the audits performed by private audit firms working for the public sector should be beyond reproach. The latter is a precondition for public confidence that governments exercise due care in spending taxpayers' money. The Dutch Institute of Chartered Accountants responded promptly to mounting public pressure to improve the quality of audits and came up with 53 proposals for improvement.

## WHAT DO THE PROPOSALS INVOLVE?

Among the key elements are a system of quality-based remuneration and a claw-back scheme for audit partners, a better leverage model and a promotion policy which takes proven professional qualities as its starting point. Over and above these voluntary initiatives, the government is also planning to take statutory measures to improve the quality of audits. One of these is the institution of a mandatory internal supervisory body, along the lines of a supervisory board in the two-tier continental corporate governance system. The thinking is that independent, internal supervision should force audit firms to adopt a long-term policy aimed at integrity, independence, professional skills and effectively changing the corporate culture. Another new



statutory requirement will be for members of executive and supervisory boards at audit firms to pass a fit-and-proper test. Audit firms must be run by people who have the right knowledge, professional qualities and competencies.

### RECLASSIFYING SEMI-PUBLIC INSTITUTIONS

The Dutch Minister of Finance also announced in 2015 that housing corporations, energy network operators, big pension funds and major scientific policy institutions would henceforth be classified as Public-Interest Entities (PIEs). This means that the auditors auditing their financial statements will be subject to stricter requirements. While classifying an organization as a PIE can undoubtedly help to improve quality awareness, it could raise audit costs. Rates in the public sector are already under pressure, and the question is whether the big audit firms will continue to regard the public sector as an attractive market.

### TWO PROBLEMS NOT ADDRESSED

Two vital issues are not addressed by the 53 proposals for improvement. The first is knowledge of the public sector. The public sector is a huge domain, ranging from education to care and central government. Each individual element of this domain comes with its own laws, rules and financial regulations, as well as its own stakeholders. Given the expectation gaps between what stakeholders want or believe to be the purpose of an audit and what auditors actually provide by way of assurance, auditors must be aware of the specific needs of different stakeholders. This aspect does not play a prominent role in the training of Dutch auditors, which means that newly qualified accountants have to acquire this knowledge in practice.

Then there is the challenge of digitization. How will the digital revolution affect the audit profession: is it a threat or an opportunity? Will it help the profession to regain public trust? While computerization has historically been

confined to routine tasks involving explicit, rule-based activities, algorithms for big data are now rapidly entering domains reliant upon pattern recognition and could readily substitute for labor in a wide range of non-routine cognitive tasks. This is likely to change the nature of work across industries and occupations. Does the audit profession, including both private and government auditors, have a future?

### BIG DATA: TRANSFORMING AUDITS

The accepted wisdom is that big data will have a massive impact in terms of enhancing productivity, profits and risk management. One area with significant potential is the transformation of audits. Transformed audits will probably expand beyond sample-based testing to include an analysis of entire populations of audit-relevant data, using intelligent analytics to deliver a higher quality of audit evidence and more relevant insights. How will this affect the business model of the big audit firms?

### FROM OPEN DATA TO CITIZENS' AUDITS?

What if big data is also open data? The open data movement came into its own when President Obama issued his first policy paper in January 2009, prompting the US government to open up thousands of datasets to public scrutiny. Other countries followed suit, opening up data to their citizens. Further progress has been made since then, though it has been slower than expected. In March of this year, the Netherlands Court of Audit concluded that, "Although the availability of open data has doubled in the past year, the increase has been due chiefly to the inclusion of data from Statistics Netherlands. Apart from this, few datasets have been opened up, even though many more could be. The Dutch government is missing opportunities."<sup>1</sup>

Nonetheless, open data has enormous potential, for example, in tracking and analyzing government spending. Citizens could, in the future, track government spending

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*“Our roles could shift from giving assurance on data to interpreting data. In a world of big data, that’s where our greatest opportunity may lie.”*

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to specific postcodes, and, hence, start communicating with governments and influence government spending. So, could they end up actually auditing government spending? If so, how will this affect us as auditors and SAIs?

The honest answer is that we do not know yet. But there could be a time when our mandate as a SAI is not as extensive as it once was, simply because most data are open and accessible to all interested citizens who can act as armchair auditors using new technology. In this world of massive, unstructured and open data, what will be our role as SAIs and what will be the purpose of an audit opinion? How will this affect public trust?

### **BLOCK CHAINS: THE ROAD TO TRUTH AND FAIRNESS?**

Finally, let's look at block chains. A block chain is essentially a record of digital events—one shared by different parties. It can be updated only with the agreement of the majority of the participants in the system. Once a block of data has been recorded in a block chain ledger, it is extremely difficult to change or remove. A block chain is a way of stating the truth and fairness of a transaction. That, in a nutshell, is what auditors do in expressing an opinion on the truth and fairness of financial statements. The intriguing question is: will block chains displace auditors? And SAIs? Or, are they simply an opportunity to involve the public in government spending? Only time will tell.

### **CONCLUSION**

Let's take a look at the situation in the Netherlands. The good news is that steps have been taken to restore public trust in the audit profession. Unfortunately, the measures taken do not take into account the huge impact of digitization. The real question government and private auditors need to ask themselves is: how can we add value in tomorrow's world?

We need to take action if we are to remain relevant. In the Netherlands—as undoubtedly in the rest of the world—the big audit firms are investing massive sums of money in data analytics. On a much smaller scale, we at the Netherlands Court of Audit also wish to invest time and money in experimenting with these techniques.

As for block chains and robotics, the spread of block chain technology could clearly have a big impact on our work, perhaps forcing us, ultimately, to reinvent ourselves. I personally believe that a future in which our reports on central government accounts are replaced by block chain technology on individual transactions is an exciting one. Our audit opinions might ultimately become superfluous. Our roles could shift from giving assurance on data to interpreting data. In a world of big data, that's where our greatest opportunity may lie.

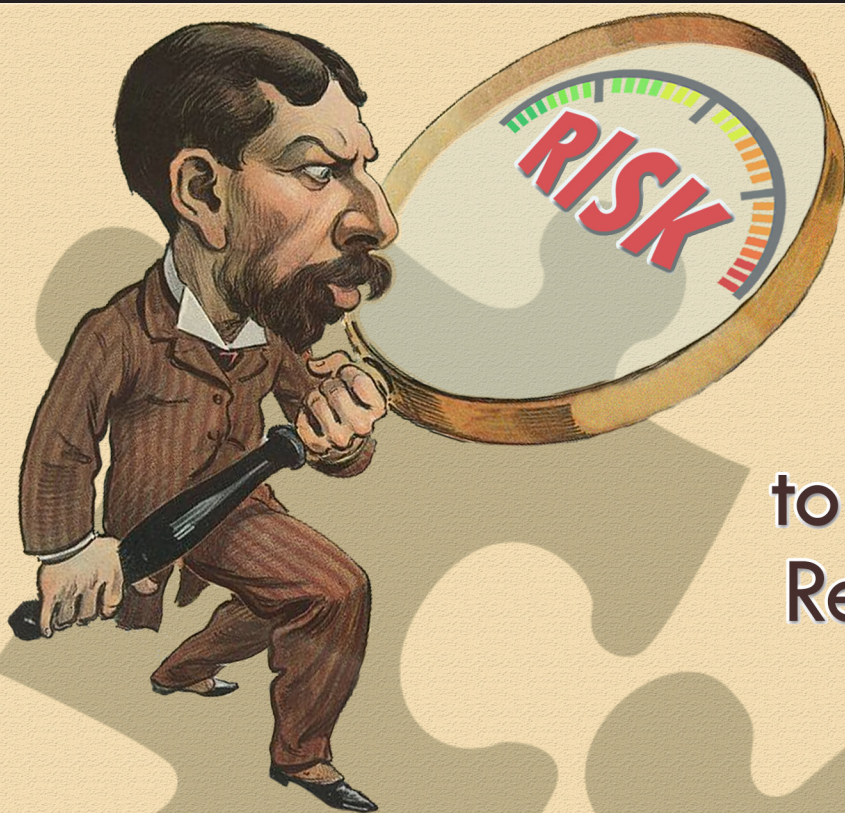
For audit firms, it is not just a question of whether and how to invest in new audit techniques. It could also be a question of whether and how to change business models and how to continue to attract talented young professionals.

I would be interested to hear from my colleagues in other SAIs about whether they regard digitization as a threat or an opportunity—or perhaps as both. Feel free to contact me at [e.vanschoten@rekenkamer.nl](mailto:e.vanschoten@rekenkamer.nl).

### **REFERENCES**

<sup>1</sup> *Netherlands Court of Audit, Open Data Trend Report 2016, The Hague, 2016.*

*Editor's Note: This article relates to a previous piece written by Ellen van Schoten that was published in the January 2015 edition of the INTOSAI Journal, which can be found here [http://www.intosaijournal.org/highlights/regaining\\_public\\_trust\\_jan2015.html](http://www.intosaijournal.org/highlights/regaining_public_trust_jan2015.html)*



# A Framework for Monitoring Emerging Risks to Banking Systems & Regulatory Response

By Stefanie Jonkman and M'Baye Diagne, United States Government Accountability Office

Financial institutions and markets provide essential services to the U.S. and global economies. However, weaknesses in federal oversight have contributed to the thrift and bank crises in the 1980s and the financial crisis experienced from 2007-2009. For example, the resolution of banks and thrifts during these crises cost federal bank and thrift insurance funds over \$165 billion and resulted in unprecedented taxpayer assistance. In a 2015 report, “*Bank Regulation: Lessons Learned and a Framework for Monitoring Emerging Risks and Regulatory Responses*,” the U. S. Government Accountability Office (GAO) identified lessons learned from regulatory weaknesses or shortcomings leading up to past crises. These lessons include the importance of:

- **Early and forceful action.** In each financial crisis, regulators identified early on banks with weak management practices that were engaging in risky activities. However, they were not always effective in correcting such problems before the banks became under-capitalized and failed.
- **Forward-looking assessments of risk.** The crises revealed limitations in supervisory tools for monitoring and addressing emerging risks at

banks. Examiners did not always incorporate forward-looking information when rating a bank’s soundness and risk exposures.

- **Considering risks from the broader financial system.** The 2007–2009 financial crisis highlighted the need for regulators to look not only at individual and groups of banks but also across the financial system to identify emerging risks.

Federal banking regulators have taken steps to incorporate these lessons learned and improve their ability to identify and respond to emerging risks. For example, they have instituted more granular tracking of bank compliance with examination findings to address emerging problems in a timely manner, and they have incorporated more forward-looking elements into supervisory tools.

As regulators implement revised supervisory approaches, a continual assessment of their efforts could help identify oversight weaknesses and ways to enhance their effectiveness. To that end, GAO developed a framework to monitor (1) known emerging risks to the banking system’s safety and soundness and (2) regulatory responses to these risks, in part to identify trends that might signal a weakening of regulatory oversight.

Supreme Audit Institutions and others also may use the framework to monitor regulatory efforts.

### MONITORING EMERGING RISKS

The framework's first part incorporates quantitative and qualitative financial indicators that track and analyze emerging risks in three areas: bank financial condition and performance; asset markets; and the broader economy and global trends. The routine tracking and review of these indicators helps inform users of key trends, known and evolving risks to the banking system and the context in which regulators are responding to risks.

#### **Bank Financial Condition and Performance**

Financial indicators that capture bank condition and performance provide insight into emerging credit, liquidity, market and other risks. For example, these indicators can be used to monitor capital levels and leverage, asset quality, earnings trends and funding liquidity. They may also help identify risk buildups or deteriorating credit trends.

#### **Asset Markets**

Other financial indicators provide insights on price and other changes in asset markets, including the residential and commercial real estate, equity and debt and commodities markets. Such indicators also can be used to track changes in leverage and volatility, such as corporate and household debt-to-income ratios, that could affect the banking system.

#### **Broader Economy and Global Trends**

Financial indicators on the overall health of the broader economy, such as household income and debt, unemployment and gross domestic product, allow users to assess the economy and its potential impact on bank performance and profitability. They can also provide insights on interconnectedness and risk exposures between the financial sector and broader economy.

### MONITORING REGULATORY RESPONSE

The framework's second part focuses on monitoring regulatory responses to emerging risks. Such monitoring serves to identify regulatory trends and flag issues for further review. In this context, it is important to identify the tools regulators use to address emerging risks and the goals of the tools and their potential tradeoffs. A number of sources can provide insight into regulators' identification of, and response to, emerging risks, including:

- **Examination and enforcement data:** Trend analyses of supervisory ratings of banks, which reflect regulatory assessment of their risk exposures for capital, asset quality, management, earnings, liquidity and sensitivity to market risk.
- **Enforcement actions:** Trend analyses of informal and formal enforcement actions taken by regulators against banks.
- **Agency guidance and regulations:** Tracking and analyses of guidance and regulations issued by regulators in response to emerging issues.

Federal banking regulators serve to promote the safety and soundness of banks and the banking system. Effective regulation and supervision can reduce the probability and magnitude of future financial crises and enhance market confidence in the banking sector. In turn, continual monitoring of banking regulators' oversight efforts can serve as a strategic tool for identifying audit opportunities for more targeted and timely assessments of these efforts. GAO has implemented its framework and will refine it as new sources of qualitative and quantitative information as new analytical tools become available.

The INTOSAI Governing Board established the Working Group on Financial Modernization and Regulatory Reform (WGFMR) in 2012 to enhance INTOSAI members' expertise and capabilities to meet the challenges associated with overseeing national and global financial systems.

Under its terms of reference, the WGFMR aims to assist Supreme Audit Institutions (SAIs) in addressing these challenges by developing tools and knowledge-sharing opportunities for evaluating national reforms; establishing mechanisms for sharing information on the progress of reforms among INTOSAI and international bodies; systematically tracking information on reforms at national and international levels; and identifying gaps and emerging risks where additional study by the WGFMR is needed. The WGFMR has organized its members into three subgroups to meet these objectives, with China, Canada, and the United States chairing the subgroups, respectively.

Learn more about the WGFMR by visiting <http://www.contraloria.cl/Wdpress/Financial-Modernization/>

# PILLARS OF GOOD GOVERNANCE

Focus on the State Audit Office of Hungary as a Supreme Audit Institution

by Prof. Dr. Erzsébet Németh, Editor, Supervisory Manager of the State Audit Office of Hungary

The State Audit Office of Hungary (SAO) fundamentally renewed its activities in the past 5 years further developing international principles of good governance. The SAO's study series titled "Pillars of Good Governance" and the Hungarian model of good governance embody the results of our work, our experience gained during the renewal and the synthesis of our knowledge.

In accordance with its institutional strategy, the mission of the State Audit Office of Hungary (SAO) is to promote the transparency and regularity of public finances with its value creating audits performed on a solid, professional basis, thus contributing to "good governance". By now, good governance has become a concept that can be described with a complex set of criteria against which the performance of individual economic policies and state organizations can be measured.

Supreme Audit Institutions (SAI) are important components to good governance. From our point of view, SAIs are the most important institutions of good governance.

## THE ROLE OF SAO IN GOOD GOVERNANCE—THE HUNGARIAN MODEL

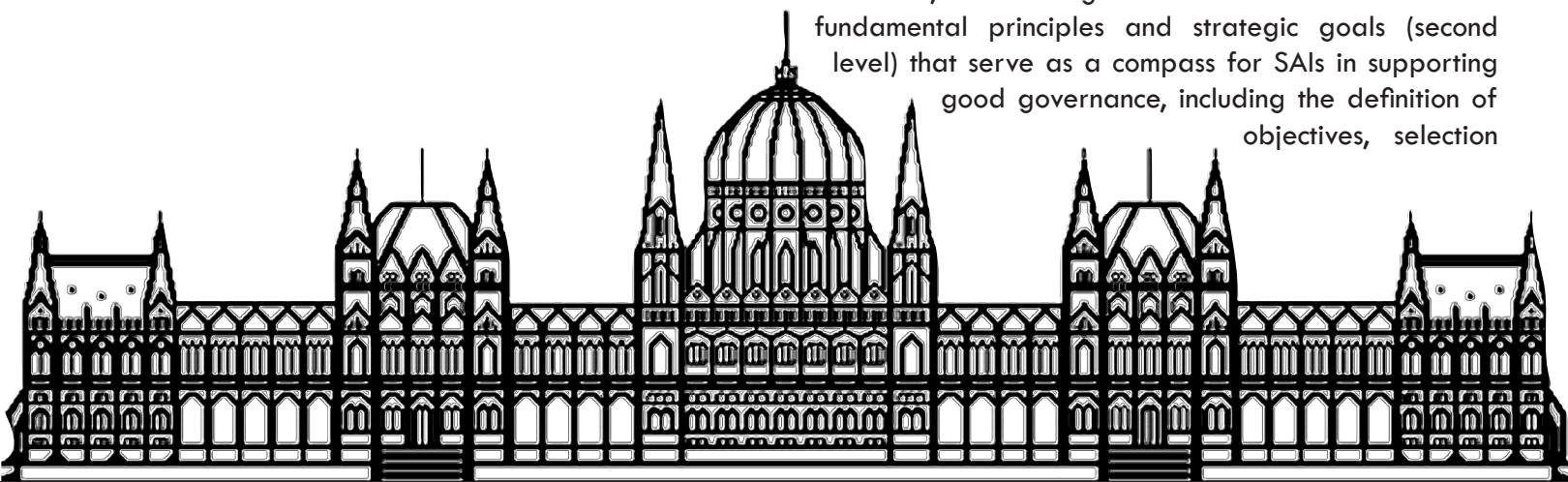
In consideration of its mandate and the duties enshrined in the new legislation, the SAO of Hungary has constructed a model to provide an overview and a classification of the contribution of SAIs to good governance. The Hungarian model (Figure 1) presents the basic conditions, principles, tools and scope of influence associated with the promotion of good governance. Prior to this model, the role of SAIs in supporting good governance have not been explained by means of a similarly comprehensive model.

### FIRST LEVEL: FOUNDATIONS

Just as INTOSAI's founding principles and core principles, the constitutional status and independence of the SAI establishes the cornerstone of the Hungarian model, ensuring the model institution delivers objective, unbiased findings and independently selects its audits and methods—all in an effort to ensure effective good governance.

### SECOND LEVEL: FUNDAMENTAL PRINCIPLES AND GOALS

Moreover, the Hungarian model determines the fundamental principles and strategic goals (second level) that serve as a compass for SAIs in supporting good governance, including the definition of objectives, selection



of audited entities, planning of individual tasks and evaluation of the results. Pillars for SAIs in supporting good governance, according to the Hungarian model, are the following:

- *high-quality lawmaking;*
- *lawfulness;*
- *accountability;*
- *transparency;*
- *integrity;*
- *economic and financial sustainability;*
- *a model organization; and*
- *reasonable and effective financial management.*

**THIRD LEVEL: INSTRUMENTS**

The next level of the model enumerates the tools that SAIs can rely on in their efforts to support good governance. SAIs exercise their influence by issuing reports, findings, recommendations, analyses and studies; requesting and evaluating action plans; performing follow-up audits; sharing good practices and audit experiences; issuing notices and administrative indications; preparing information documents; publishing opinions; and actively engaging in social and professional communication.

**FOURTH LEVEL: SCOPE OF INFLUENCE**

At the fourth level, the model illustrates the ways in which SAIs impact institutional, professional and social groups by leveraging the tools available to them in order to support a well-managed state. These are:

- *the National Assembly and the Government;*
- *the audited entities;*
- *all organizations that use public funds, and, hence, are in a position to utilize the audit findings and recommendations of SAIs;*
- *academic and professional audiences, and*
- *society at large, in particular, the community of taxpaying citizens.*

**FIFTH LEVEL: OUTCOME**

According to the Hungarian model, the outcome is good governance itself. The purpose of our activity is to ensure high-quality lawmaking, strengthen lawfulness, spread integrity-based operations, promote good practices of the SAI, improve the transparency of public spending, strengthen economic and financial sustainability and stability, increase audit coverage and accountability and implement reasonable and effective financial management. We can only consider our work effective if a measurable step forward has been made in respect to the above aspects. The model not only provides a theoretical framework for the activities of SAOs supporting its own good governance,

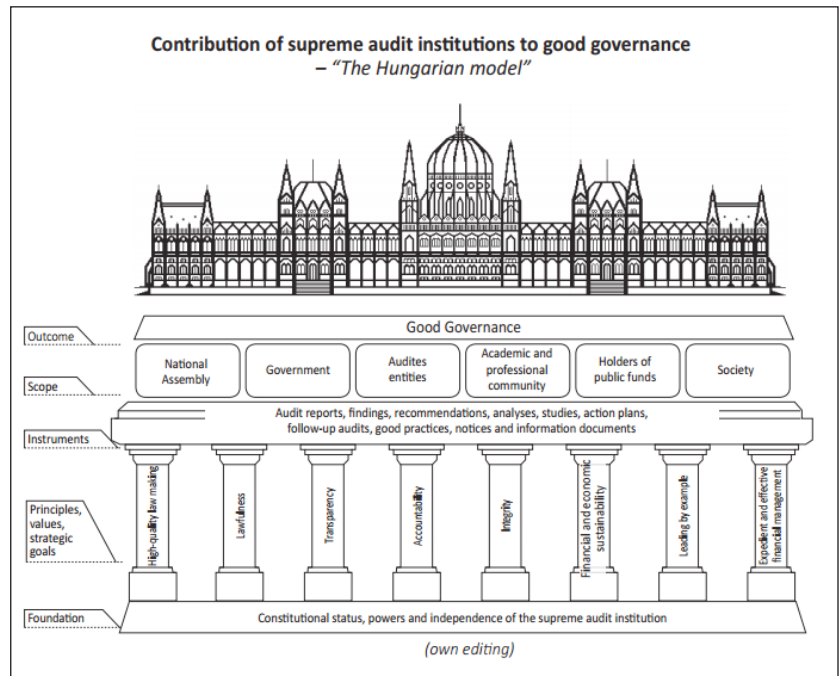


Figure 1: The Hungarian Model

but it may also provide a guideline for defining coherent international requirements.

**A STUDY SERIES—THE SYNTHESIS OF KNOWLEDGE OF THE SAI**

The promotion of good governance and knowledge transfer has gained an increasingly important role within the SAIs. It can be said that, in recent years, each activity of the SAO of Hungary has been permeated by an approach facilitating good governance, exerting influence on a wide array of activities, such as audits and their utilization, the importance of analyses and studies; and efforts aimed at fostering the integrity of the public sector.

A series of individual studies entitled, “Pillars of Good Governance—Focus on the State Audit Office of Hungary as a Supreme Audit Institution,” presents the role of SAIs in the promotion of good governance in an international comparison; defines the criteria, principles, requirements, instruments and scopes of influence of good governance; and gives an account on how the requirements on the support of good governance were fulfilled at the SAO of Hungary.

The Study Series (see Figure 2), considered one of the most important intellectual products of SAO in the past five years, consists of 11 individual studies. These interlinked works present the activities from the angle of SAO’s auditing, consulting and analyzing functions, as well as the linkage to good governance. The studies, detailed below, form a single volume (or manual).

1. *The Supreme Audit Institutions’ Contribution to Good Governance*
2. *Cornerstones of Supporting Good Governance*
3. *Contribution of the State Audit Office of Hungary to the Quality of Legislation*
4. *Audit and its Utilization at Auditees*
5. *Transparency of Public Finance Management*
6. *Establishing the Culture of Integrity in the Hungarian Public Sector*
7. *Guarding Budget Sustainability*

8. *Supporting Good Governance in Audit Planning*
9. *Value Creating and Construction—Renewal of the organization and operation of SAO*
10. *Supporting the Effectiveness of Good Governance*
11. *Renewal of Public Management*



Figure 2: The Study Series

The individual studies within the series are published both in Hungarian and English in the form of working papers, and are available electronically at <https://www.asz.hu/en/publications/pillars-of-good-governance>.

# ▶ INSIDE INTOSAI



*Mutual Experience  
Benefits All*

# THAILAND HOSTS ASOSAI GOVERNING BOARD MEETING AND INTERNATIONAL SYMPOSIUM



The Office of the Auditor General of Thailand (OAG) hosted the 50th Asian Organization of Supreme Audit Institutions (ASOSAI) Governing Board Meeting (GBM), as well as the International Symposium on the “National Integrity System (NIS)” February 15-19, 2016, on the auspicious occasion of the 100th anniversary of its establishment.

The objectives of the symposium were:

- To support the INTOSAI core value of “Integrity”.
- To promote cooperation between SAIs and other agencies in building the NIS.
- To promote the exchange of best practices and experiences among SAIs and other agencies on the NIS.

The symposium participants included honorable delegates from over 20 countries. It was OAG’s great honor to have as keynote speaker, Mr. Liu Jiayi, Auditor General of the

National Audit Office of the People’s Republic of China and Chairman of INTOSAI. OAG was also honored to host as a symposium presenter, Dr. Josef Moser, the President of Austrian Court of Audit and INTOSAI Secretary General.

Additional honorable speakers who contributed to the success of this special event included Tan Sri Haji Ambrin Bin Buang, Auditor General of National Audit Department of Malaysia; Mr. Shashi Kant Sharma, Comptroller and Auditor General of India; Prof. Dr. Recai Akyel, President of Turkish Court of Accounts; Ms. Ina de Haan, Senior Auditor of the Netherlands Court of Audit and IntoSAINT expert; Mr. Laszlo Domokos, President of the State Audit Office of Hungary; Mr. Peter J. Ainsworth, Senior Anti-Corruption Council, U.S. Department of Justice; and Mr. Tony Kwok Man Wai, Former Deputy Commissioner and Head of Operations, Independent Commission Against Corruption (ICAC), Hong Kong.



# ABU DHABI HOSTS 67<sup>TH</sup> INTOSAI GOVERNING BOARD MEETING



H.E. Dr. Harib Al Amimi, President of State Audit Institution and First Vice-Chairman of the INTOSAI Governing Board, opened the 67th INTOSAI Governing Board meeting held at Emirates Palace in Abu Dhabi, United Arab Emirates (UAE), November 9-11, 2015.

Dr. Al Amimi delivered an opening speech welcoming the heads of Supreme Audit Institutions (SAIs), governing board members, U.S. representatives and international organization representatives who participated in the meeting. He emphasized the importance of the INTOSAI role in developing the control standards over the public sector; establishing the principles of transparency, accountability and integrity; promoting the independence of SAIs to preserve the public funds; and the good use for the purposes intended.

Dr. Al Amimi also stressed the need for concerted efforts to face the challenges ahead, in particular the United Nations approved development goals beyond 2015; the expected role of SAIs on evaluating the level of achieving these goals; determining weaknesses in financial systems; and the amount of institutional control mechanisms in federal sector departments.

The Governing Board agenda included a number of critical topics, such as the draft of activating the role of the INTOSAI Governing Board; the Strategic Plan 2017-2022; INTOSAI sub-committee and regional working group reports; and the UAE SAI report on the preparations of the next INCOSAI to be held in Abu Dhabi in December.

In a press statement on the margins of the meeting, Dr. Al Amimi said INTOSAI is concerned with the preservation

of public funds and the continuity of economic growth in member countries, noting that the role of audit institutions will be different since adopting the development goals beyond 2015 by the United Nations.

In addition, he expressed that, during the next INCOSAI (to be held in the UAE in December 2016), the role of SAIs will broaden to include submitting reports illustrating the extent to which development goals are achieved. This is of general worldwide interest, as the preservation of public funds results in the economic sustainability and growth, as well as maintaining a high level of federal services to the public. Dr. Amimi added that, in the past 10 years, the State Audit Institution has adopted a number of changes in the work methodology—built on best practices of audit institutions around the world—and that this new methodology has been effectively implemented effectively during the past five years.

Moreover, Dr. Al Amimi stressed that there has been significant cooperation between the State Audit Institution and political decision-making positions in the UAE, represented by His Highness Sheikh Khalifa bin Zayed Al Nahyan, the Cabinet and the Federal National Council. The cooperation focuses on the establishment of transparency, integrity and accountability principles. Moreover, the State Audit Institution has been assigned to work on the United Nations Convention against Corruption (signed by the UAE in 2006).

Learn more at: <http://saiuae.gov.ae/en/News/Pages/N12112015.aspx#sthash.z17X4VAf.dpuf>



## PROFESSIONAL STANDARDS COMMITTEE HOSTS MEETING

The Professional Standards Committee (PSC) met in Copenhagen in May 2016. The event marked a significant milestone for the PSC Chair (Denmark) as this year is its last as chair of that committee.

Representatives from the Tribunal de Contas (TCU) in Brazil (*the incoming chair*) and the European Court of Audits (*incoming vice chair*) discussed efforts for a smooth transition after the XXII INCOSAI.

The PSC also considered a proposal to merge two of its subcommittees—the Accounting and Reporting subcommittee and the Financial Auditing Standards subcommittee.

After consideration of a number of comments, the PSC approved the exposure draft of the ISSAI 30—the INTOSAI Code of Ethics. For a succinct overview of the new ISSAI 30, please refer to a recent Journal

article (located on page 20): [http://www.intosaijournal.org/pdf/ijga\\_winter16\\_eng\\_www\\_color.pdf](http://www.intosaijournal.org/pdf/ijga_winter16_eng_www_color.pdf)

The PSC was also briefed by representatives of the Forum for INTOSAI Professional Pronouncements charged with developing a new ISSAI Framework. The Forum has exposed a draft framework that could significantly change the organization of standards and INTOSAI Guidance for Good Governance.

## IMPROVING THE FRAMEWORK FOR PROFESSIONAL PRONOUNCEMENTS

by Michael Kuur Sørensen, SAI of Denmark  
(Professional Standards Committee-Secretariat)

The Professional Standards Committee (PSC) has initiated a process to improve the Framework for INTOSAI's Professional Pronouncements. The ambition is to have the framework in effect by 2019.

The INTOSAI Governing Board decided in 2014 to assemble a common forum of experts to address standard-setting issues across the full Framework of

Professional Standards. This forum, now known as the Forum for INTOSAI Professional Pronouncements (FIPP), has drafted a proposal for a revised framework of professional pronouncements that will be presented to the Governing Board for endorsement at the coming INCOSAI meetinin Abu Dhabi, December 2016.

The purpose of the improved framework is to enhance the credibility of INTOSAI’s professional pronouncements, further the use of the ISSAIs as the authoritative standards for public-sector auditing and to provide relevant and practical guidelines for public sector auditors around the world.

The proposal reflects this purpose by seeking to:

- Provide clear distinctions between auditing standards, other standards (requirements), guidelines, best practice documents, etc., covering auditing, ethics, independence and capacity development; and
- Provide clear directions on the format and quality requirements for each of these different categories of documents.

The proposal has been drafted by the 15 experts in FIPP. These experts were nominated by INTOSAI’s members and selected by the chairs responsible for INTOSAI’s strategic goals on standard-setting, capacity-building and knowledge-sharing. FIPP made its first report to the PSC at the Steering Committee meeting in Copenhagen May 26-27, 2016, in the presence of the Goal Chairs for Capacity Building and Knowledge Sharing. The Goal Chairs and the PSC Steering Committee broadly welcomed the proposal made by FIPP.

**REVISION OF A SUCCESS?**

Although the current framework that was endorsed in 2007 has been a major success, it has now reached a point where it should be revisited. The current framework defined the two categories of professional pronouncements issued by INTOSAI—the International

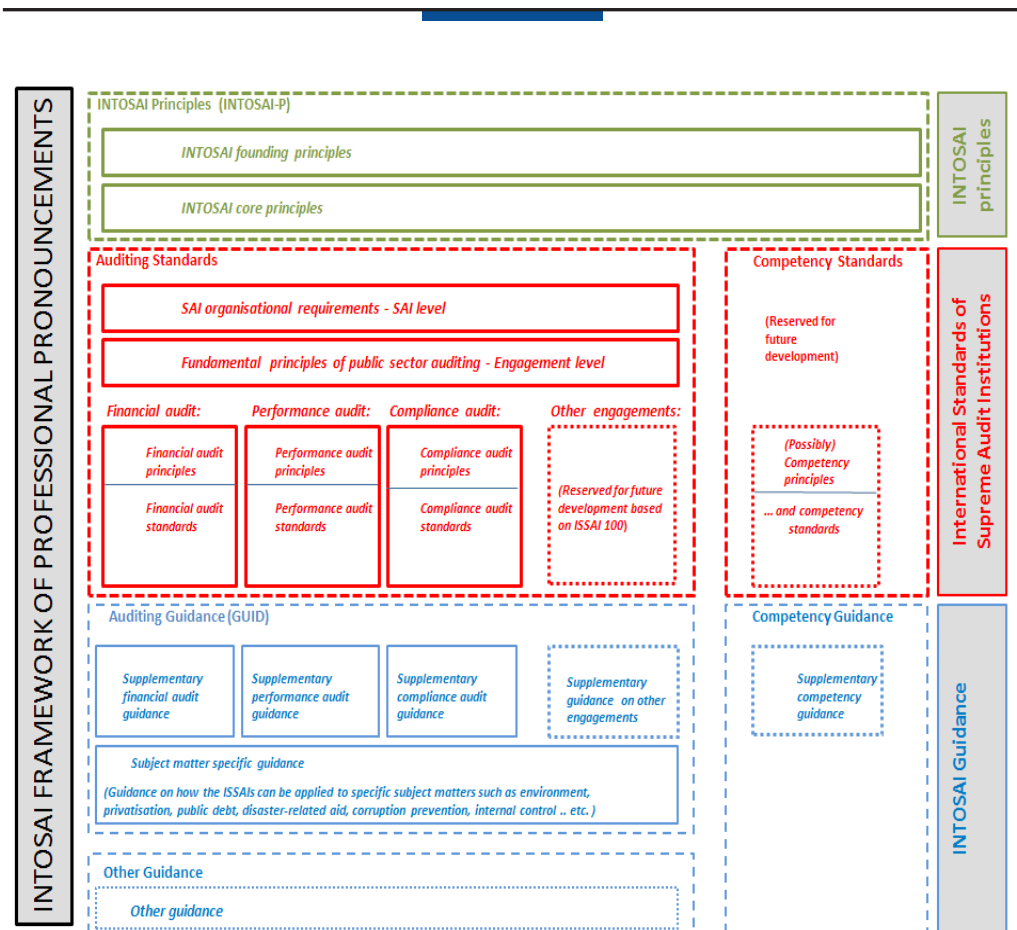


Figure 1:INTOSAI Framework of Professional Pronouncements (DRAFT)

Standards of Supreme Audit Institutions (ISSAIs) and the INTOSAI Guidance for Good Governance (INTOSAI GOVs).

Since 2007, the INTOSAI Framework of Professional Standards (IFPS) has developed considerably. Taking into account the documents that are likely to be endorsed by INCOSAI 2016, we estimate that the framework will consist of some 93 pronouncements extending over some

3,100 pages. The framework has become too massive and is in need of clarifying the differences between the basic principles, standards and guidelines. The advantage of the revised framework is that it clearly identifies those pronouncements that require compliance from a SAI that wishes to claim ISSAI compliance in its audit reports and that it makes a clear distinction between the ISSAI-standards and non-mandatory guidance.

The INTOSAI community needs clear, practical and professional standards that can be put to use by its members. The revised framework will aim at doing this by strengthening the drive to enhance the effective and independent auditing process also underlined by the United Nations General Assembly in Resolution A/66/209, which stresses the need for “promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions.”

### THE NUTS AND BOLTS OF THE REVISED FRAMEWORK

The draft proposal is illustrated in Figure 1: The Revised Framework of Professional Pronouncements. There are three large groups of documents within this framework. At the top level are the INTOSAI principles (green in color on Figure 1), including the Lima Declaration and the Mexico Declaration on SAI Independence. Auditing standards (the ISSAIs ) follow (red in color on Figure 1).

These are the requirements that would have to be fulfilled by a SAI that wishes to claim ISSAI compliance in its audit reports. Finally, there are the guidance documents (blue in color on Figure 1). These documents are non-mandatory and offer the SAI and the auditor assistance in implementing the ISSAIs, insights when planning, executing or reporting on specific subjects or tools for assessing ISSAI compliance, etc. In addition to these three overall groups of documents, the framework also includes space for future development of competency-standards and competency-guidelines (these appear to the right of the auditing-standards and auditing-guidelines in Figure 1).

### THE MAIN CHANGES PROPOSED

In its current form, the proposal for the revised framework will seek to improve the credibility of INTOSAI’s professional pronouncements, assist in making them an authoritative framework for public sector auditing and enhance quality. The proposal is, however, likely to be modified, as it awaits comments by the INTOSAI members. Therefore, the following description of the framework is subject to change.

The revised framework will be titled “INTOSAI Framework of Professional Pronouncements (IFPP)” to reflect the fact that it includes documents other than ISSAIs (standards). In order to be characterized as ISSAI standards, a document needs to be in line with the requirements set out in ISSAI 100. By clarifying the overarching role of ISSAI 100, the fundamental principles of public sector auditing (component 4), it is possible to place the subject-specific guidance (that currently appears in the 5000 series ISSAI) in the appropriate place as supplementary non-mandatory subject-specific guidance that SAIs and auditors might find useful when carrying out financial, performance or compliance audits in the areas concerned.

Other documents may be included in the IFPP under other categories or linked to it on the ISSAI web site ([www.issai.org](http://www.issai.org)). We propose that two other categories are relevant in the IFPP—the INTOSAI Principles (INTOSAI-P) and the Auditing Guidance. The revised framework reflects the need to reduce the number of ISSAIs that have to be implemented to achieve ISSAI compliance, thereby facilitating easier ISSAI implementation.

Finally, this clarification of the overarching role of the fundamental principles opens up the possibility of systematically reviewing existing pronouncements to ensure that they are coherent with these fundamental principles and free of inconsistencies. The process of revising the framework can be followed at [www.issai.org](http://www.issai.org).



## STRATEGIC PLAN GETS FACELIFT

The Chair of INTOSAI's Finance and Administration (FAC) Task Force on the 2017-2022 Strategic Plan, Mr. Gene Dodaro, released a draft of the plan for consideration among the Full Membership of INTOSAI earlier this year. The draft, based on the thoughtful input of many across the INTOSAI community, is a perfect example of our motto "*Mutual Experience Benefits All*".

Key committees of INTOSAI—namely the PSC, CBC, KSC, and the FAC—prepared essential sections of the plan and provided substantive input throughout. And, every one of the INTOSAI regional organizations, the Governing Board, the General Secretariat, IDI and the Director of Strategic Planning, provided contributions that were equally critical to our success in developing the plan.

The 2017-2022 Strategic Plan update is still underway, and there are some new key initiatives that will guide the global auditing community in the coming years. The plan is part of a much larger effort on improving how we do business, how we continue to deliver value to the public, how we remain steadfast in the promotion of good governance.

If adopted, the plan will focus efforts on four goals:

- Professional Standards
- Institutional Capacity Development
- Knowledge Sharing and Knowledge Services
- Maximize the Value of INTOSAI as an International Organization

And, through Strategic Objective Reviews, there is a dedicated team of goal chairs helping to bring this new Strategic Plan to life with the intent to:

- Inform long-term strategy;
- Inform planning and budget formulation;
- Identify opportunities for continuous improvement, including risk management;
- Improve decision-making response time;
- Strengthen collaboration across the organization; and
- Improve transparency.

These reviews will be an iterative process that will, ultimately, contribute to continuous learning and improvement. With the diverse, global makeup of the task force and the structure of the strategic objective reviews being based on shared experiences and lessons learned, the 2017-2022 Strategic Plan is INTOSAI's way forward for the audit community of the future.

# INTOSAI LEADERSHIP PARTICIPATES IN UNITED NATIONS HIGH-LEVEL FORUM

by Monika Gonzalez-Koss, Director, General Secretariat, INTOSAI

As part of the Ministerial Segment of the Economic and Social Council (ECOSOC) High-Level Political Forum 2016, a high-level roundtable discussion took place in the United Nations (UN) in New York on “The contribution of Supreme Audit Institutions to ensuring that no one is left behind in the implementation of the Sustainable Development Goals (SDGs)” with the active participation of most of the INTOSAI leadership. The dedication and readiness to support raising the awareness of SAI contributions to monitoring the implementation of the 2030 Agenda for Sustainable Development is greatly appreciated.

It was a great success with the participation of numerous Ambassadors and representatives of Embassies to the UN and high-level UN officials. The discussion highlighted the opportunities and potential contributions of SAIs to reviewing the implementation of the SDGs at different levels.

The importance of performance audits and the new audit finding framework for SDGs; the necessary capacities, independence and mandates of SAIs to be able to support the SDG implementation and, thus, contribute to improve the lives of citizens; the role of SAIs in assessing and supporting the implementation of SDG 16, and, in particular, target 16.6, which provides for transparent, efficient and accountable institutions; SAIs’ assessing the readiness and preconditions of national systems



*Aroldo Cedraz, President, Federal Court of Accounts of Brazil; Kimi Makwetu, Auditor General of South Africa; and Shashi Kant Sharma, Comptroller and AG of the SAI of India provide reflections on the contribution of SAIs to ensuring that no one is left behind in the implementation of Sustainable Development Goals.*

to report on progress towards the achievement of the SDGs; SAIs as role models by ensuring transparency and accountability in their own operations; and the contribution of SAIs to fight illicit fund transfers, which hinder the implementation of the SDGs.

Concrete INTOSAI efforts and initiatives to support SAIs in monitoring the implementation of the SDGs were mentioned, such as:

- the IDI/INTOSAI Knowledge Sharing Committee (KSC) initiative on “Auditing implementation of SDGs”;
- INTOSAI’s crosscutting strategic priority on SDGs; the XXII INCOSAI, which will prominently address the question of the future contribution of INTOSAI to the implementation of the 2030 Agenda for Sustainable Development;
- and the recognition that the SDGs are a unique and invaluable opportunity for SAIs to invest in all areas of their work.



# IDI UPDATE

IDI Update keeps you informed of developments in the work and programs of the INTOSAI Development Initiative (IDI). To find out more about the IDI and to keep up to date between editions of the Journal look at the IDI website: <http://www.idi.no>. For information related to the ISSAI Implementation Initiative (3i Program), please visit <http://www.idicommunity.org/3i>.

## 1 APPOINTMENT OF NEW IDI BOARD MEMBER

Ms. Francine Giskes, Vice President of the Netherlands Court of Audit, was appointed as a new Board Member in place of the outgoing member, Mr. Arno Visser, President of the Netherlands Court of Audit, until March 2017. The terms of Mr. Michael Ferguson, Auditor General of Canada, and Ms. Mildred Chiri, Auditor General of Zimbabwe, were also extended for one year up to December 2016, pending the reorganization of the Board in accordance with the follow up on the IDI Governance Review.

## 2 ISSAI IMPLEMENTATION INITIATIVE (3I PROGRAMME)

### 3i PHASE-I CREFIAF

#### —ISSAI Certification Programs for Compliance Audit and Financial Audit—

As part of the ISSAI Certification program for Compliance Audit and Financial Audit, selected participants were trained in the use of ISSAI Compliance Assessment Tools (iCATs) and implementing ISSAIs at audit practice level. Two workshops were held in Douala, Cameroon, February 15-March 4, 2016. The Compliance Audit Workshop had 33 participants from 19 countries with resource persons from Senegal, Cameroon, Gabon, Uruguay and the Democratic Republic of Congo. The Financial Audit Workshop had 28 participants from 14 countries. There were six resource persons from Burundi, Cameroon, Senegal and the European Court of Auditors.



Photo: Inauguration of the ISSAI Implementation Workshops on Compliance and Financial Audit in CREFIAF.

A special training on performance audit was also conducted for a team from SAI Guinea in order to bring them back to the 3i program, which they had missed due to an Ebola outbreak.

#### —iCAT Review Workshop for Performance Audit and Workshop on Facilitating ISSAI Implementation—

The above mentioned workshops were held in Libreville, Gabon, April 25-May 6, 2016. A resource team of experts reviewed iCATs conducted by 15 SAIs during the iCAT review workshop. SAIs are expected to modify iCATs and develop ISSAI implementation strategies. At the workshop on facilitating ISSAI implementation, participants of the ISSAI certification program on performance audit learned and practiced their roles as ISSAI advocates, ISSAI project managers and ISSAI learning facilitators. There were 31 participants from 15 SAIs. Resource persons from Burundi, Cameroon, Djibouti and Senegal were involved.

**b 3i PHASE-I OLACEFS**

**—26 iCATs Reviewed—**

At the iCAT review workshop held in the Dominican Republic December 7-11, 2015, 26 iCATs from 11 SAIs were reviewed by experts and regional resource persons. Thereafter, the SAIs modified the iCATs and formulated their ISSAI implementation strategies. There are now 56 IDI-INTOSAI PSC certified ISSAI facilitators from 17 countries for the Spanish speaking region in addition to nine mentors.

**—Audit Planning Meeting Held for Cooperative Performance Audit on Poverty Alleviation—**

The meeting was held April 22-29, 2016, in Quito, Ecuador. Twenty-eight participants from the 10 countries took part in the meeting. There were five mentors from Argentina, Brazil, El Salvador and Guatemala. At this meeting, mentors and peers provided feedback on the draft audit plans developed by 10 participating SAIs. The SAI teams modified their plans based on the feedback and will now take up the audits.

**c 3i PROGRAMME PHASE-II**

**—SAI level pilot in SAI Bhutan launched—**



Photo: Statement of Commitments being signed between IDI and SAI Bhutan.

The Auditor General of Bhutan and Chairman of the IDI Board signed a Statement of Commitments for piloting 3i phase II in SAI Bhutan. As a part of the pilot, the IDI will provide holistic support to SAI Bhutan for conducting initial mapping of audit practices, conducting iCATs, developing ISSAI implementation strategy, reviewing methodology, conducting pilot audits, creating awareness and setting up quality assurance mechanisms. This pilot has been initiated at the request of SAI Bhutan, which has developed a new strategic plan based on their SAI Performance Measurement Framework (PMF) assessment. ISSAI implementation forms a core strategic goal in their new strategic plan.

**3 IDI-ASOSAI 3i COOPERATIVE AUDIT PROGRAM ON AUDIT OF DISASTER MANAGEMENT**

Audit plans of 17 SAIs were reviewed by peers and experts at the Audit Planning meeting for the cooperative audit held in Malaysia April 11-15, 2016, with 50 participants from 17 SAIs attending the meeting.

**4 SAI STRATEGY, PERFORMANCE MEASUREMENT AND REPORTING PROGRAM**

As a part of this program, the IDI is supporting SAI Bhutan in developing its strategic plan for 2015-2020.

**5 AUDITING EXTERNALLY FUNDED PROJECTS IN AGRICULTURAL AND FOOD SECURITY SECTOR**

***Audit Planning Support Provided to Seven SAI Teams***

Seven SAI teams consisting of 21 participants were trained in conducting ISSAI-based financial and compliance audits of externally aided projects in February 2016. While SAIs of Sierra Leone, Malawi, and Zambia have developed audit plans for financial and compliance audits, the other SAI teams are currently developing their audit plans as per their audit cycle. From March to August 2016, the IDI is supporting these SAIs in developing their audit plans by providing remote support through the IDI eLearning platform.



## 6 AUDITING SUSTAINABLE DEVELOPMENT GOALS PROGRAM

Contributing to the implementation of Sustainable Development Goals (SDGs) is a strategic priority and focus area for INTOSAI. In keeping with this strategic focus, the IDI and KSC are partnering with other key stakeholders to conduct a program on “Auditing SDGs”. The program aims to facilitate high quality audits of SDGs by providing guidance on auditing preparedness for implementation of SDGs, supporting approximately 40 SAIs in auditing preparedness for implementation of SDGs, documenting lessons learned and providing a community of practice on SDGs for knowledge sharing.

### *Planning Meeting held in Vienna March 15-16, 2016*

IDI and KSC met with key stakeholders within INTOSAI and the UN to plan the details of this program.

## 7 SAI INDEPENDENCE PROGRAM

Many SAIs face challenges in terms of independence associated with the Mexico Declaration. As this is considered pivotal to SAI credibility and effectiveness, the IDI has launched a pilot program to support three SAIs in achieving greater independence.

### *Planning Meeting held in Vienna March 17-18, 2016*

Key stakeholders from INTOSAI met to brainstorm an implementation strategy for the program. The group identified a number of strategies including the formation of a High Level Advisory Panel on Independence, guidance on SAI Independence and SAI-level support.

## 8 SAI PERFORMANCE MEASUREMENT FRAMEWORK

### **a SAI PMF WORKING MEETING WITH SAIS WITH JURISDICTIONAL FUNCTIONS HELD IN OSLO**

The INTOSAI-Donor Secretariat hosted a working meeting with representatives from SAIs with jurisdictional functions in Oslo March 17-18, 2016. The meeting included representatives from the SAIs of Senegal, France, Tunisia, Brazil and Portugal in addition to the INTOSAI-Donor Secretariat who acted as the coordinator for the SAI PMF Task Team. The working meeting incorporated the discussion of proposals and input from a working group within AISCCUF (Association of SAIs using French), with the intent to better accommodate the forthcoming SAI PMF Endorsement Version to the context of SAIs with jurisdictional functions.

### **b SAI PMF QUALITY REVIEW WORKSHOP IN MEXICO**

A SAI PMF quality review workshop was held in Mexico City March 9-11, 2016, to provide deeper training to SAI PMF experts in the OLACEFS region to enable experts to conduct quality reviews of SAI PMF assessments.

## 9 SUPPORT TO INTOSAI REGIONS, NETWORKS AND COMMUNITIES

### **a INTOSAI KSC-IDI COMMUNITY PORTAL LAUNCHED**

The IDI and INTOSAI KSC (Chaired by SAI, India) have collaborated to develop the INTOSAI KSC-IDI Community Portal. The portal, recently launched, has several functionalities to include hosting of communities of practice, discussion forums, library, chats, videos, news and announcements. The KSC and SAI India report that the portal is being utilized to its fullest extent by different INTOSAI bodies/regions to share knowledge within the SAI

community. Toward this aim, they have agreed to facilitate online meetings, discussions, hosting of resource materials and communities of practice on behalf of INTOSAI bodies and regions. The INTOSAI KSC-IDI portal can be accessed at <http://www.intosaicommunity.org/>

### **b** SUPPORT TO EUROSAI TASK FORCE ON AUDIT AND ETHICS

The IDI collaborated with the EUROSAI Task Force on Audit and Ethics to conduct their meetings on the IDI Community Portal.

## **10** IDI BILATERAL SUPPORT FOR SAI SOMALIA

The IDI Bilateral support to SAI Somalia aims to develop a Strategic Plan for the SAI. The IDI and SAI Somalia met in Nairobi, Kenya May 2-3, 2016, to discuss the progress and plans for the rest of the year. In addition, as part of the efforts to coordinate donor support to SAI Somalia, IDI convened a meeting together with the Auditor General of Somalia, the World Bank, DFID and the Norwegian Embassy in Kenya. The outcomes of the meetings were revised plans for the cooperation, as well as better coordination between the donors to SAI Somalia and IDI as a technical provider of support.

## **11** STAKEHOLDER COMMUNICATION THROUGH IDI'S PARTICIPATION IN MEETINGS

- The IDI engaged with its stakeholders through the participation in several stakeholder-organized meetings.
- The IDI attended the 2016 Organization for Economic Cooperation and Development (OECD) Integrity Forum April 19-20, 2016, in Paris, France. Discussions were held with the OECD's Directorate of Public Governance and Territorial Development on relevant issues for capacity development of SAIs in addition to issues related to the fight against corruption in the public sector.
- The IDI participated in the discussions at the Regional Training and Development Council of SAIs of Francophone sub-Saharan Africa (CREFIAP) symposium on Engagement with main stakeholders March 29-31, 2016, in Yaounde, Cameroon.
- At the 13th meeting of the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) Governing Board held in Abuja, Nigeria, May 9-13, 2016, the IDI presented its portfolio of capacity development programs and participated in other deliberations.
- On May 4, 2016, IDI made a presentation to the US GAO's International Auditor Fellows regarding the IDI's programs.
- On May 26-27, 2016, IDI participated in the PSC Steering committee meeting in Copenhagen and reported on the 3i Program. The 25th meeting of the Working Group on IT Audit (WGITA) was held in Brasilia, Brazil April 26-27, 2016. The IDI attended the meeting, which involved discussions regarding the ISSAIs for IT Audit and updates to the IDI-WGITA IT Audit Handbook.
- The IDI participated in the regular meetings of the EUROSAI Task Force on Audit and Ethics, EUROSAI Goal Team 1 on Capacity Development and the INTOSAI CBC-INTOSAINT via video conference. IDI also attended a meeting of the Nordic Auditors General in Lund, Sweden, April 6, 2016.

### **CONTACTING THE IDI**

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# INTOSAI DONOR COOPERATION UPDATE

## PUBLIC FINANCIAL MANAGEMENT—CURRENT ISSUES AND CHALLENGES

In this update, the INTOSAI Donor Cooperation provides contributions from the World Bank, Public Expenditure and Financial Accountability (PEFA) Secretariat and the Department for International Development (DFID) on recent developments from the donor community related to the area of public financial management (PFM). The topics include Sustainable Development Goals (SDGs), PEFA assessments and anti-corruption. From different angles, these articles discuss how SAIs can contribute and what it can mean for their future priorities.

## Role of Supreme Audit Institutions in the Post-2015 Development Agenda

*The UN General Assembly's 2014 resolution recognizes that the SAI role is important to the achievement of national development objectives, as well as internationally agreed upon development goals.*

*by Rajat Narula, Lead Financial Management Specialist in the World Bank*

Since the UN resolution of 2015, the 17 Sustainable Development Goals (SDGs) with their 169 targets have become the driving force of the development agenda. In the words of World Bank Group President, Jim Yong Kim, “The SDGs focus on people, planet, prosperity, peace and partnership provides a comprehensive and robust development path for the world to follow over the next 15 years.”

The investment needs to meet the SDG objectives are tremendous: infrastructure alone could require up to \$1.5 trillion a year in emerging and developing countries. Mobilizing and effectively using resources is absolutely the key, and accountability and good governance are critical to the effective use of resources.

Against this background, the role of supreme audit institutions (SAIs) in advancing accountable and effective governance and in enhancing the impact of service delivery is more important than ever. The UN General Assembly's 2014 resolution on “Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions” recognizes that SAIs' role is important to the achievement of national development objectives, as well as internationally agreed development goals.

SAIs can contribute to the effective implementation of the SDGs in a number of ways:

- They can support national efforts to build effective, accountable, and inclusive institutions.
- They can audit national systems, assessing progress in meeting national sustainable development goals.
- With performance audits, they can examine the economy, efficiency, and effectiveness of key government programs that contribute to specific aspects of the SDGs.
- They can be models of transparency and accountability in their own operations, including auditing and reporting.
- They can respond to financial integrity risks and to fraud and corruption.
- They can clearly and openly communicate audit findings to promote improvement, transparency and public accountability.

SAIs can contribute specifically and practically to the agenda, for example, by advocating advancements in public financial management systems through improved government accounting practices; auditing the capacity of national statistical and vital records systems to produce the data needed to ensure that no individual or social issue is “invisible”; and assessing the validity of national targets and performance measures, the availability of

baseline performance data and the adequacy of the overall performance system.

SAI capacity is a major concern. PEFA and other diagnostics consistently reveal the need for strengthening this capacity. A global survey in 2014 showed that 67 percent of SAIs consider their capacity development needs to be of high or medium priority. INTOSAI and development partners need to rally and align their support to focus on building SAIs' capacity.

It is encouraging to see INTOSAI's strategic plan 2017-2022 gearing up to answer the question, "How can INTOSAI contribute to the 2030 Agenda for Sustainable Development, including governance, to strengthen the fight against corruption?" By incorporating this question into the strategic plan, INTOSAI has signaled to the world that SAIs are ready to be a part of the solution to humanity's most pressing problems. The challenge, however, is to deliver on this promise.

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### **PEFA and SAIs are Key Ingredients—Recipe for Better Public Financial Management**

*SAIs have an important role to play in combination with PEFA assessments. External audit is a significant component of the PEFA measurement framework.*

*by Lewis Hawke, Head of the PEFA Secretariat*

The PEFA partners launched a major upgrade of the 15-year-old public financial management (PFM) performance assessment framework in Budapest, Hungary, in April. The event was attended by more than 260 people from around 70 countries who were interested to see and hear what has changed.

The PEFA framework has been expanded to include coverage of new topics, including fiscal strategy, public investment, public assets and non-financial performance. It has broadened coverage of revenue administration

to include all revenue, not just tax. It has introduced a stronger emphasis on internal control and has refined many of the continuing indicators to better reflect good international practice and to achieve greater consistency with other diagnostic instruments like INTOSAI's SAI PMF. During the event in Budapest, the PEFA partners, comprising IMF, World Bank, European Union and governments of France, Norway, Switzerland and UK, explained why they decided to upgrade PEFA. Jennifer Thomson, World Bank Director of Operational Policy and Country Services, said that PEFA needed to keep pace with the lessons that have been learned from more than 10 years of experience. Rajesh Kishan, Governance Advisor in DFID's Financial Accountability and Anti-Corruption team, noted that the upgraded PEFA was a robust framework that should help governments to improve their PFM systems.

PEFA has been used by 149 countries, and more than 500 PEFA reports have been produced over the last decade. So why has PEFA been so widely used? The main reasons relate to the broad coverage of key areas of PFM across fiscal strategy and budget planning, revenue administration and budget execution, accounting and reporting and external oversight. It provides graduated, quantitative scores for performance founded on internationally recognized good practices in each area. It provides a report card on the strengths and weaknesses of PFM systems for governments to use in prioritizing improvements. It has also been used to monitor reform progress using specific PEFA performance measures and through successive assessments. Some countries have used PEFA four times between 2008 and 2016, obtaining updates every few years on reform progress, and in some instances, regress during the period.

PEFA has been referred to as the "gold standard" for PFM diagnostics, but it needs to be treated with care. It does not assess the policies or the root causes underlying performance results. For those reasons, amongst others, the PEFA reports do not include recommendations for reform action. Governments and their internal and external stakeholders need to obtain additional information to determine how best to respond to the results of PEFA

assessments. If PEFA scores are used simplistically as a recipe for reform, it could instead be a recipe for disappointment. PEFA reports need to be combined with knowledge of the reasons for scores, their implications for fiscal risks and results and the type of intervention that will lead to improvements in each case.

SAls have an important role to play in combination with PEFA assessments. External audit is a significant component of the PEFA measurement framework, but SAls can also

provide information on performance in other areas of the PEFA, for example, through audit findings on procurement, cash management, revenue administration, internal controls, financial reporting and service delivery performance. SAls also have an important role in the discussion of how to use PEFA findings to improve PFM performance. Their knowledge of PFM systems, risks and the consequences of weaknesses in those systems is an important ingredient in the recipe for effective and lasting reform.

For more information, visit [www.pefa.org](http://www.pefa.org)



Figure 2: The Seven Pillars of PFM in PEFA 2016.

## Anti-Corruption Summit—Commitments and the Relation to SAI Work

*SAls are a key aspect of a well-functioning accountability ecosystem, and the independent scrutiny that effective SAls provide also acts as a deterrent for corruption and fraud as well as helping with detection.*

*by Rajesh Kishan, Governance Adviser—Financial Accountability and Anti-Corruption Team, Department for International Development (UK)*

In May 2016, the United Kingdom Government hosted an Anti-Corruption Summit in London which brought together world leaders and representatives from

business and civil society to highlight that corruption is at the heart of so many of the world's problems and to agree on a package of practical steps to expose, punish and drive out corruption, as well as support those who have suffered from it. The Summit was chaired by the Prime Minister of the United Kingdom and delivered a step change in global efforts to increase transparency and tackle corruption with significant commitments across a wide range of areas. It included the first ever Global Declaration against Corruption announcing leaders' shared ambition to tackle corruption and a Summit Communique (link below) setting out a common approach

to tackling corruption. This was agreed upon by all participating countries and international organizations. Statements were also made by individual countries to establish the concrete actions they will take in order to tackle corruption.

Fiscal transparency and budget oversight were both featured as important building blocks in exposing corruption in the Summit Communique, and, as part of this, it was also agreed to specifically highlight the important role that Supreme Audit Institutions (SAIs) can play. SAIs are a key aspect of a well-functioning accountability ecosystem and the independent scrutiny that effective SAIs provide also acts as a deterrent for corruption and fraud as well as helping with detection. Some SAIs are taking a more direct role in combating corruption, including publicizing areas of corruption risk and working closely with other anti-corruption institutions.

The latest Open Budget Survey (2015) revealed some concerning findings about the status of SAIs in many developing countries. It found that currently SAIs in far too many countries lack the independence, openness and level of resources required to effectively carry out their mandate. In almost a quarter of countries that participated in the survey, the heads of SAIs can be removed by the executive without the consent of the legislature or judiciary. The survey also found that in over a third of countries covered, audit reports on national budgets were either not published at all or published too late to be useful. And in over half of countries surveyed, reports are not published that track follow up actions on audit reports.

For these reasons, the Summit Communique makes a clear commitment for countries to “strengthen the capacity of SAIs” and “support the independence of SAIs and the publication of audit findings.” Whilst many countries are indeed doing these things already, the UK believes it is important to continue efforts to ensure that these minimum standards are met everywhere.

A range of other commitments were also made at the Summit, including the following:

- Six countries committing to public registers of beneficial ownership and six more with similar arrangements;
- A commitment by leading international professional services firms including effective systems, education and training, and fostering cultures that refuse to tolerate corruption;
- The creation of a new International Anti-Corruption Coordination Centre to help police and prosecutors work together to punish the perpetrators of corruption;
- New asset recovery legislation in 22 countries will help return proceeds of corruption;
- Specific support to those affected by corruption with stronger protection for whistleblowers;
- 17 countries are committed to institutional and professional partnerships including “twinning” of different countries’ tax inspectors; and
- A new Innovation hub bringing together 16 countries and business and civil society to share technological and other innovative techniques to tackle corruption.

Link to Summit Communique document: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/522791/FINAL\\_-\\_AC\\_Summit\\_Communique\\_-\\_May\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/522791/FINAL_-_AC_Summit_Communique_-_May_2016.pdf)

# INTOSAI CALENDAR OF EVENTS

## 8 AUGUST

- 2-5 19<sup>th</sup> PASAI Congress—*Pohnpei, Micronesia*
- 24-26 WGEI-3rd Meeting of the Working Group on Audit of Extractive Industries—*Mombasa, Kenya*
- 29-31 WGVBS-9th Meeting of the Working Group on Value and Benefits of SAIs—*Arusha, Tanzania*

## 9 SEPTEMBER

- 7-9 KSC-8th Meeting of the Steering Committee of the Committee on Knowledge Sharing and Knowledge Services—*Mexico City, Mexico*

## 10 OCTOBER

- 3-5 CBC-Meeting of the Steering Committee of the Capacity Building Committee—*Cape Town, South Africa*
- 5-6 IDSC-Meeting of the Steering Committee INTOSAI-Donor Cooperation—*Cape Town, South Africa*
- 17-21 XXVIth General Assembly of OLACEFS—*Punta Cana, Dominican Republic*
- 24-27 WGEA-17th Meeting of the INTOSAI Working Group on Environmental Auditing—*Jakarta, Indonesia*

## 11 NOVEMBER

No events listed.

## 12 DECEMBER

- 7 68<sup>th</sup> INTOSAI Governing Board Meeting—*Abu Dhabi, United Arab Emirates*
- 8-11 INCOSAI XXII—*Abu Dhabi, United Arab Emirates*
- 11 69<sup>th</sup> INTOSAI Governing Board Meeting—*Abu Dhabi, United Arab Emirates*

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



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