

INTOSAI



JOURNAL

INTERNATIONAL
of GOVERNMENT AUDITING



April 2007



Board of Editors

Josef Moser, *President, Rechnungshof, Austria*
Sheila Fraser, *Auditor General, Canada*
Faiza Kefi, *First President, Cour des Comptes, Tunisia*
David M. Walker, *Comptroller General, United States of America*
Clodosbaldo Russián Uzcátegui, *Comptroller General, Venezuela*

President

Helen H. Hsing (U.S.A.)

Editor

Donald R. Drach (U.S.A.)

Assistant Editors

Linda J. Sellevaag (U.S.A.)
Elizabeth Singer (U.S.A.)

Associate Editors

Office of the Auditor General (Canada)
Khalid Bin Jamal (ASOSAI-India)
Luseane Sikalu (SPASAI-Tonga)
Michael C.G. Paynter (CAROSAI-Trinidad and Tobago)
EUROSAI General Secretariat (Spain)
Khernais Hosni (Tunisia)
Yadira Espinoza Moreno (Venezuela)
INTOSAI General Secretariat (Austria)
U.S. Government Accountability Office (U.S.A.)

Administration

Sebrina Chase (U.S.A.)

Members of the Governing Board of INTOSAI

Árpád Kovács, *President, Allami Számvevőszék, Hungary, Chairman*
Arturo González de Aragón, *Auditor General, Auditoría Superior de la Federación, Mexico, First Vice-Chairman*
Osama Jaffer Faquih, *President, General Auditing Bureau, Saudi Arabia, Second Vice-Chairman*
Josef Moser, *President, Rechnungshof, Austria, Secretary General*
Henri Bruno Bessin, *Inspector General, Inspecteur Général d'Etat, Burkina Faso*
Paul R.S. Allsworth, *Director of Audit, Cook Islands Audit Office*
Vijayendra Nath Kaul, *Comptroller and Auditor General, India*
Muneharu Otsuka, *President, Board of Audit, Japan*
Yun-Churl Jeon, *Chairman, Board of Audit and Inspection, Korea*
Guillermo Argüello Poessy, *President, Consejo Superior de la Contraloría General, Nicaragua*
Juergen Kosmo, *Auditor General, Riksrevisjonen, Norway*
Guilherme D'Oliveira Martins, *President, Tribunal de Contas, Portugal*
Albert Edwards, *Director of Audit, National Audit Office, St. Kitts and Nevis*
Faiza Kefi, *First President, Cour des Comptes, Tunisia*
Sir John Bourn, *Comptroller and Auditor General, National Audit Office, United Kingdom*
David M. Walker, *Comptroller General, Government Accountability Office, United States of America*
Guillermo Ramírez, *President, Tribunal de Cuentas de la República, Uruguay*
Clodosbaldo Russián Uzcátegui, *Comptroller General, Venezuela*

The *International Journal of Government Auditing* is published quarterly (January, April, July, October) in Arabic, English, French, German, and Spanish on behalf of INTOSAI (International Organization of Supreme Audit Institutions). The Journal, which is the official organ of INTOSAI, is dedicated to the advancement of government auditing procedures and techniques. Opinions and beliefs expressed are those of editors or individual contributors and do not necessarily reflect the views or policies of the organization.

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
Room 7814, 441 G Street, NW
Washington, D.C. 20548
U.S.A

(phone: 202-512-4707; fax: 202-512-4021;
e-mail: 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.

The *Journal* is distributed to INTOSAI members and other interested parties at no cost. It is also available electronically at www.intosai.org and by contacting the Journal at spel@gao.gov.

Articles in the *Journal* are indexed in the Accountants' Index published by the American Institute of Certified Public Accountants and included in Management Contents. Selected articles are included in abstracts published by Anbar Management Services, Wembley, England, and University Microfilms International, Ann Arbor, Michigan, U.S.A.

contents

| | |
|---------------------------------|----|
| New Journal Web Site | 1 |
| Editorial | 2 |
| News in Brief | 5 |
| SAls and Civil Society. | 15 |
| CAROSAI Congress | 20 |
| Audit Profile: Ghana | 25 |
| Reports in Print | 28 |
| Inside INTOSAI. | 29 |
| IDI Update. | 35 |
| Calendar | 37 |

**International
Journal
of
Government
Auditing**

441 G Street, N.W. — Room 7814
Washington, D.C. 20548
USA

Telephone: 1-202-512-4707
Facsimile: 1-202-512-4021
E-mail: intosajournal@gao.gov

**Revue
internationale
de la
vérification
des
comptes
publics**

**Revista
Internacional
de
Auditoría
Gubernamental**

**Internationale
Zeitschrift
für
Staatliche
Finanzkontrolle**

**المجلة الدولية
للرقابة المالية الحكومية**



February 22, 2007

Dear Colleagues:

I am pleased to announce the launch of the new Web site for the *International Journal of Government Auditing*. This site—www.intosajournal.org—is designed to make the *Journal* more useful to INTOSAI members, more accessible to our global readership, and more user-friendly. It offers new formatting and features, such as member information (past *Journal* articles and news for each SAJ), upcoming events, and links to other organizations.

This new Web site is also the foundation for an even more robust Web presence and an opportunity for the *Journal* to improve the range and richness of its content. As we continue to develop the Web site, look for more material on best practices and benchmarking studies, stronger technical content, and exciting opportunities, such as online discussion groups.

Thank you for your continuing support of the *Journal*. As always, we are eager to accept articles, news items, and other submissions. With your support, we can continue to develop this Web site into a dynamic and interactive tool for the global auditing community.

Sincerely yours,



David M. Walker
Comptroller General
of the United States
and Chairman, Board of Editors,
International Journal of Government Auditing



**Mr. Arturo
González de
Aragón**

*Auditor General of Mexico
and First Vice Chairman
of the INTOSAI Governing
Board*

In October 2004, INTOSAI members had the pleasure of meeting in the beautiful city of Budapest for the 18th INCOSAI (International Congress of Supreme Audit Institutions). During the 53rd meeting of the INTOSAI Governing Board, the SAI of Mexico—honoring the commitment it had made—issued an official invitation for the 55th meeting of the Governing Board to be held in Mexico in November 2006 and for the 19th INCOSAI to be held in Mexico City, November 5-10, 2007. The commitment also includes hosting the 56th and 57th meetings of the Governing Board, which will take place before and after the congress. The events will be held in Mexico City, formerly Tenochtitlán, the capital of the Aztec Empire, and today the capital of our country.

As the members of our organization that have hosted INTOSAI's supreme event can testify, this responsibility—which we have freely assumed—involves a considerable financial, logistical, technical, and administrative effort. It is also a great honor for the SAI of Mexico and constitutes a commitment to all INTOSAI members.

The preparations required to organize this type of congress involve many months of hard work to carry out its planning, design, and operations. The results of these efforts are concentrated into a period of 6 days during which the host SAI's organizational skills and ability to respond are put to the test. Many details must be taken into account, many unexpected situations may arise, and many technical and administrative problems must be dealt with. The climate may cause adverse conditions that need to be resolved *in situ*. In all these circumstances, two elements are essential: foreseeing potential issues and having the capacity to respond to them.

Holding a Governing Board meeting or a congress requires the participation of all INTOSAI members. Their collaboration on the various committees, subcommittees, working groups, and task forces gives our organization its life and purpose. The INTOSAI motto (Mutual Experience Benefits All) has been wisely chosen: the *raison d'être* of this international institution to which we are proud to belong is the exchange of experiences and knowledge in order to strengthen the organization's members.

For this reason, I invite all INTOSAI members to join in our common effort and contribute their experience, presence, and participation to enrich the formidable body of knowledge that we have decided to create among ourselves. Our ultimate purpose is to be able to better serve the societies that have entrusted us with the important task of auditing the use of public resources.

It does not matter whether the members are experienced or newly created SAIs or SAIs undergoing a process of transformation; whether they are chambers, courts of audit, audit councils, or comptroller or audit general offices. Nor do the differences in governmental traditions, administrative practices, degrees of independence, and scope of the legal or constitutional mandate matter. Each SAI brings a unique contribution to this common task, for the principal wealth of the INTOSAI lies precisely in the diversity of its membership. It will be the responsibility of the Mexican SAI to provide the right environment for an open, respectful, free, and democratic exchange of ideas and contributions.

The growing importance of online communications is a sign of the times. For this reason, we have tried to take maximum advantage of tools such as the Internet to streamline the dissemination of information relating to the congress. Please visit our Web site for the 19th INCOSAI at www.incosai2007.org.mx, where you will find up-to-date details on the program of events, cultural and social activities, administrative and logistical matters, and other items of general interest.

Obviously, the congress reflects a financial and administrative cost not only for the host SAI but also for all the delegates, who must devote time, work, resources, and efforts to ensure that their participation is effective. Consequently, we are committed to (1) ensuring that the technical discussions form the core of the congress and (2) obtaining results that will have a real impact on our auditing work and lead to tangible improvements in our practices to benefit the citizens of our respective countries.

For this congress, the technical subjects to be covered come under the two broad areas into which the work of an SAI can be divided: the proper use of resources and the promotion of best government practices. The first area will be covered in theme I—management, accountability, and audit of public debt—which the Federal Court of Audit of Germany is coordinating, and the second, in theme II—performance assessment systems based on universally accepted key indicators—which the U.S. Government Accountability Office is coordinating.

Society has a legitimate concern about the use of resources obtained by public sector borrowing, and SAIs can help to allay this concern through their auditing duties. The

work of SAIs must also propose parameters for objectively assessing government performance to detect areas of opportunity and to apply the necessary corrective measures. Since both subjects reflect situations common to our work, they are of interest to the whole INTOSAI membership. This has been confirmed by the widespread response we have seen in the country papers sent in by colleagues from around the world.

The technical side of the congress will not be restricted to the two themes mentioned above: various committees, working groups, and task forces will report to delegates on the results of their work. We will also be distributing an important document on the nature of auditing practice and its relationship to auditing institutions.

The congress will provide an invaluable opportunity for personal, face-to-face contact with members of SAIs from all over the world. Conversations in the lobby, participation in cultural and social events, and private meetings between heads of SAIs can often lead to informal agreements, answers to questions, opportunities to define joint projects, and a greater awareness in general of our own concerns and needs as we see them through the concerns and needs of others. These personal interactions will reinforce relationships between institutions.

The SAI of Mexico also sees this congress as an opportunity to introduce visitors to our country's culture, traditions, and vision for the future. We are proud of our past, responsible for the present, and focused on moving toward a better future. It is our desire that those who visit our capital city for the first time, as well as those who have been here before, take away a positive impression of our country. The aim of the official and cultural events organized for congress delegates and accompanying persons is to ensure not only good technical results but also a very enjoyable time in Mexico.

Only a few months remain before our congress in November, and much is still to be done. Personally and on behalf of the SAI of Mexico, I extend a cordial invitation to all INTOSAI colleagues to attend the 19th INCOSAI in Mexico City. We look forward to seeing you then.

NEWS

IN

brief

Belgium

Court of Audit Celebrates Its 175th Anniversary

The Belgian Court of Audit celebrated its 175th anniversary during an academic session held at the Egmont Palace in Brussels on December 7, 2006. Attendees included the King as well as the presidents of the legislative assemblies, the Prime Minister, and the heads of Belgium's highest jurisdictional bodies.



The academic session marking the 175th anniversary of the Belgian SAI.

The court was officially established by a decree passed by the National Congress on December 30, 1830, several weeks after the proclamation of Belgium's independence and before the Belgian Constitution was approved

in January 1831. The court's predecessor was the Chambers of Accounts of the Burgundian Netherlands (dating back to the 14th century).

During the academic session, several formal speeches stressed the court's new competencies and the modernization of its working methods. In his introductory speech, Franki Vanstapel, Senior President of the Belgian Court of Audit, highlighted the international nature of this development. He stated that the intensification of contacts between courts of audit—both inside and outside Europe and primarily through international organizations such as EUROSAI and INTOSAI—has fostered mutual exchanges of viewpoints. He added that while changes in management and public accounts inside the country are worthy of full consideration, the international information networks and the concepts they have generated are also of considerable value. National regulations are a need, but international standardization is an absolute necessity.

In his presentation, Herman De Croo, President of the House of

Representatives, highlighted the increasing collaboration between members of Parliament and their auditing body (the Court of Audit is a collateral body of Parliament). He was pleased to note that more of his parliamentary colleagues were exercising their individual right of consultation with the court and access to information in the court's files and stated that he would do his utmost to ensure that the court was used as widely as possible.

In the closing speech, Philippe Roland, President of the court, discussed the international dimension of auditing methods. He pointed out that the Belgian SAI was taking international standards into account when planning its control operations and in the reporting process.

Two outside speakers delivered lectures during the academic session. Karel Pinxten, a member of the European Court of Auditors, gave a speech on auditing public monies and good management from a European perspective and Jean-Paul Servais, Vice-Chairman of the Banking, Finance and Insurance Commission, discussed public governance and audit.

For additional information, contact the Belgian Court of Audit:

Fax: ++32 (2) 551 86 22
E-mail: International@cckrek.be
Web site: www.courdescomptes.be

Bhutan

Audit Act of Bhutan Enacted

In June 2006, the 65th National Assembly of Bhutan unanimously endorsed the Audit Act of Bhutan, 2006, which makes the Royal Audit Authority, the SAI of Bhutan, a constitutional body with full organizational and functional

independence. The Royal Audit Authority also has full authority to determine and administer its organizational structure and budgetary and personnel requirements. In accordance with the act, the Royal Audit Authority can conduct performance, financial, propriety, compliance, and special audits as well as any other audits that the auditor general deems necessary.

For additional information or a copy of the Audit Act of Bhutan, 2006, contact the Human Resources and International Relations Division of the Royal Audit Authority:

Fax: ++975 2 32 34 91
E-mail: tashi@bhutanaudit.gov.bt
Web site: www.bhutanaudit.gov.bt

Brazil

TCU Holds Environmental Auditing Course and Study Tour

In November 2006, the Brazilian Court of Audit (TCU) offered an environmental auditing course to members of OLACEFS SAIs as part of

the organization's 2006 annual regional capacity building plan. Participants represented the SAIs of Argentina, Bolivia, Brazil, Chile, Costa Rica, the Dominican Republic, El Salvador, Ecuador, Mexico, and Peru. The course content, which was based on material from the INTOSAI Development Initiative and the Working Group on Environmental Auditing, focused on four main areas: water, air, waste, and biodiversity. Course instructors were TCU auditors Fábio Henrique Granja e Barros, Sildaléia Silva Costa, and Cima Helena Blumm Ferreira.

Following the environmental auditing course, the TCU organized a study tour on environmental management control for auditors from the Organization of Supreme Audit Institutions of the Community of Portuguese-speaking Countries (OISC/CPLP). Auditors from Angola, Cape Verde, Mozambique, and Sao Tome and Principe took part in the study tour, whose primary goal was to demonstrate modern environmental audit techniques used by the TCU. The tour was structured in three parts: lectures, case studies, and visits to TCU units and other public agencies in charge of environmental and performance audits. TCU auditor



Participants from OLACEFS SAIs who took part in the environmental auditing course in Brazil.

Luiz Henrique Lima presented the case studies. The study tour was carried out as part of the OISC/CPLP's cooperation activities program for 2005-2006.

Creation of IT Audit Secretariat in the Brazilian Court of Audit

In recognition of the increasing importance of information technology (IT) auditing, the TCU created in 2006 the Information Technology Audit Secretariat, a special technical unit in charge of IT audits of external control.

The secretariat oversees the management and use of IT resources by the federal public administration. Its activities include the following:

- planning, coordinating, and carrying out oversight or evaluation activities through surveys, inspections, or audits;
- identifying priority topics for IT audits in accordance with the TCU's strategic plan;
- overseeing the enforcement of TCU decisions or recommendations in the agencies or institutions in charge of IT activities;
- providing auditors to assist with IT audits carried out by technical TCU units;
- researching and developing or disseminating methods, techniques, and standards for IT audit work in conjunction with the TCU Associate Audit Secretariat;
- producing guidelines and other documents for entities subject to TCU oversight; and
- promoting exchanges of technical information with public sector agencies and institutions.

For additional information, contact the TCU:

Fax: ++55 (61) 3316 - 7501, -7522
E-mail: arint@tcu.gov.br
Web site: www.tcu.gov.br

Chile

Office of the Comptroller General Celebrates Its 80th Anniversary

In 2007, the Office of the Comptroller General of Chile is celebrating its 80th anniversary. The office was established by law in 1927, in response to the 1925 proposal of the Kemmerer Commission, with which the Chilean government had contracted for advice on its modernization. In 1943, constitutional reforms granted the office constitutional status and established its independence. Its organic law was promulgated in 1952, and its revised and systemized text was approved in 1964. After that date, changes were made to the office's legal and constitutional framework to enable it to carry out its supreme audit function.

At the beginning of the 21st century, an agreement signed by the government of Chile, the Inter-American Development Bank, and the Office of the Comptroller General allotted \$25 million for a 4-year modernization plan, which significantly increased the office's ability to carry out its work. In 2006, the office made strides toward implementing integrated strategic planning and a model for control, functions, and products as well as new methodologies for developing special audits and investigations.

The office has provided 80 years of uninterrupted service to the public and defended such essential values as respect for juridical principles and



Noemí Rojas, Comptroller General of Chile, is leading the modernization of the Chilean SAI.

defense of honesty, transparency, and the public interest. The support and leadership of Noemí Rojas, the current comptroller general, and past comptrollers general have been essential to sustain this effort and to position the office to carry out its mission in the 21st century.

For additional information, contact the Office of the Comptroller General:

Fax: ++56 (2) 870 13 94, 671 81 01
E-mail: relacionesinternacionales@contraloria.cl
Web site: www.contraloria.cl

Denmark

Peer Review of the National Audit Office

During 2006, the National Audit Office of Denmark (NAOD) underwent a peer review of its performance and financial audits. The peer review focused on whether the audits carried out by the NAOD are effective, in accordance with established international standards, and in keeping with the practice of

professional supreme audit institutions (SAI).

The Office of the Auditor General of Norway was the lead reviewer for the peer review team, and Kristin Amundsen was the team leader. Other members of the team were from the SAIs of Canada, Poland, and Sweden.

The final peer review report was presented to the NAOD staff in September 2006. The report's overall assessment was that

- the NAOD's internal audit guidelines comply with international standards, and its work is consistent with those guidelines;
- the NAOD meets high standards of transparency and invites external reviewers to examine its products; and
- the NAOD's strategic planning process should take the interests of the Danish public into consideration to guide the selection of subjects for performance audit.

An English version of the report can be downloaded from the NAOD Web site.

For additional information, contact the NAOD:

Fax: ++45 33 11 04 15, 14 38 28
E-mail: rigsrevisionen@rigsrevisionen.dk
Web site: www.rigsrevisionen.dk

Eritrea

Auditor General Wins International Award

In 2006, Berhane Habtemariam, the Eritrean Auditor General, received the Association of Chartered Certified Accountants (ACCA) Achievement Award for his outstanding contribution to the accounting and finance profession. ACCA is a global

professional accountancy body that promotes the highest ethical and governance standards and work in the public interest. The ACCA Achievement Awards were presented for the first time in 2006 and are to be awarded annually to regional recipients in Africa and the Middle East, the Americas, Asia (including Asia Pacific and South Asia), and Europe. For the initial awards, there were eight recipients around the world; Mr. Habtemariam was the only recipient from Africa.



Berhane Habtemariam (left) receives ACCA award.

Mr. Berhane was recognized for his contributions to building a transparent and corruption-free country over the past 15 years and for his efforts to meet the challenge of effectively starting the accounting and finance profession in a nation that has recently emerged from war. He was commended for his commitment to advancing the cause of ethics and professionalism. He helped to create the conditions needed to enable the Eritrean accounting and auditing profession to conform to international standards. As Auditor General of Eritrea, he adopted a successful strategy for producing qualified professionals by focusing on training and professional development.

For additional information, contact the Office of the Auditor General of Eritrea:

Fax: ++291 (1) 15 02 52
E-mail: oag_er@gemel.com.er

European Court of Auditors

New Bulgarian and Romanian Members Join the Court

On January 1, 2007, Bulgaria and Romania acceded to the European Union (EU), increasing the number of EU member states to 27. On the same date, the Council of the European Union, after consultation with the European Parliament, confirmed the appointments of Nadezhda Sandolova (Bulgaria) and Ispir Ovidiu (Romania) as members of the European Court of Auditors (ECA) for renewable terms of 6 years.

On February 5, 2007, the two new ECA members were formally sworn in by the Court of Justice of the European Communities, in accordance with the EU Treaties.

The ECA's new organization chart is available at www.eca.eu.int/eca/organisation/eca_organisation_organigramme_en.htm.



Newly appointed ECA members Ispir Ovidiu (left) and Nadezhda Sandolova (right) with ECA president Hubert Weber (center).

Reports and Opinions for 2006

On October 24, 2006, the ECA published its fiscal year 2005 annual report, its 29th annual report. The

ECA reported that the commission had made considerable progress in introducing its new accrual accounting system but that weak internal controls persisted for the majority of EU expenditures—at both the member state and the commission levels—as did a high incidence of errors in the underlying transactions.

The court concluded that the 2005 consolidated accounts of the EU general budget (whose total payments equaled 104.8 billion euros, or 135.1 billion U.S. dollars) presented fairly, in all material respects, the financial position of the European Communities as of December 31, 2005, and the results of the year; however, this opinion was qualified mainly due to misstatements in the balance sheet and inconsistent applications of cut-off procedures.

In addition to its annual report, the ECA issued 10 special reports and 8 opinions in 2006. All ECA annual reports, special reports, and opinions are available at www.eca.europa.eu/index_en.htm.

Meeting of the Contact Committee of the Heads of EU SAIs

The Contact Committee brings together the heads of the SAIs of the EU Member States and the ECA with the goal of enhancing cooperation to improve external audits and accountability in the EU. At its December 11–12, 2006, meeting in Warsaw, Poland, the committee discussed ways in which EU SAIs can contribute to the improvement of accountability for EU expenditures.

Further details on the work of the Contact Committee may be found at www.contactcommittee.eu

For additional information, contact the ECA:

Fax: ++(352) 4398 46430
E-mail: euraud@eca.eu.int
Web site: www.eca.eu.int

Finland

New Auditor General Elected

The Finnish Parliament has elected Tuomas Pöysti as Auditor General of the State Audit Office. His term runs from January 1, 2007, to December 31, 2012. Previously, he served as the Government Controller-General, the highest adviser on issues of governance and accountability and the highest officer for risk management, internal control, and evaluation in the executive branch of government.

Dr. Pöysti has extensive experience in government corporate and financial management and in the development



Tuomas Pöysti

of legislative policy. He has special knowledge of government budgeting reform, accountability, and the design and use of fiscal policy rules. Dr. Pöysti has written several academic and professional publications

concerning information security and information technology governance, financial control and internal audit, budgeting, state aids, information law, law and informatics, and European administrative law.

Dr. Pöysti was born in 1970 and graduated from the University of Lapland in 1995. He obtained his doctor of law degree in 1999 and has served as docent of administrative law at the University of Helsinki since 2001.

For additional information, contact the State Audit Office:

Fax: ++358 (9) 432 5820, 432 5818
E-mail: tuomas.poysti@vtv.fi
Web site: www.vtv.fi

France

Report on Audit of Tsunami Aid Issued

On January 3, 2007, the French Court of Accounts published its report on French aid in the wake of the December 2004 tsunami disaster. The report was issued in two volumes. The first presents findings on the intervention of the French government and the ways in which 32 French nongovernmental organizations (NGO) managed funds raised from the public (about 300 million euros); the second volume contains observations on each NGO. The report highlights lessons learned and makes recommendations for ways in which both the government and NGOs can improve the delivery of disaster-related assistance in the future. It also notes that a significant amount of available funding (more than half) had not been used as of December 31, 2005, raising questions about whether fund-raising efforts should have been halted or whether some of the funding should be redirected.

The complete report in French, as well as a summary in English, is available on the court's Web site under *Les rapports/organismes faisant appel à la générosité publique*.

For additional information, contact the Court of Accounts:

Fax ++33 1 42 98 96 02

E-mail: presidence@ccomptes.fr

Web site: www.ccomptes.fr

Kenya

New Controller and Auditor-General Appointed

In July 2006, Priscilla Njeri Komora was appointed the new Controller and Auditor-General of Kenya, succeeding Evan Nelson Mwai, who retired. She is committed to sustaining ongoing reform initiatives in the Kenya National Audit Office and improving its relationship with Parliament. She is also looking forward to working with the INTOSAI community.



Priscilla Njeri Komora

Prior to her appointment, Mrs. Komora had served as Deputy Auditor-General since 1996. She holds a bachelor of

arts (honors) degree and has attended numerous local and international seminars and training programs in public sector accounting and auditing, governance, accountability, and related fields.

For additional information, contact the Kenya National Audit Office:

Fax: ++254 (2) 33 08 29

E-mail: cag@kenyaweb.com

Malta

Annual Audit Report on the 2005 Public Accounts

Joseph Galea, the Auditor General of the National Audit Office (NAO), submitted his annual audit report to the Speaker of the House of Representatives in December 2006. The report covers audits carried out during the second part of 2006 for the financial year ending December 31, 2005, and also refers to other audits published in the midyear audit report that was tabled in the House in July 2006.

The report cited a number of areas of concern, including significant arrears in revenues, of which only a small percentage was collectible; weak internal controls over the payroll transactions of the education office of Gozo, the second largest island in the Malta archipelago; weaknesses in the Social Security Department's computerized system leading to problems in reconciliation; and issues related to the reassessments of beneficiaries receiving disability pensions.

In a special report on key issues emerging from the implementation of e-government, the NAO discussed the need for senior management in

ministries and public entities to give more attention to the

- leadership and ownership of e-government initiatives and projects,
- development of strategies to encourage the public to interact electronically,
- use of technology-enabled change to transform back-office processes and structures, and
- establishment of management information systems and monitoring processes to periodically review and improve the type and level of services offered online.

The NAO carried out a preliminary survey that focused on the Occupational Health and Safety Authority's work related to the construction industry. Although the authority sought to raise occupational health and safety awareness and enforce relevant regulations within all economic sectors, including the construction industry, its lack of human resources made it a reactive rather than proactive institution.

Report on the 2006 Work and Activities of the NAO

The Auditor General also presented to the Speaker of the House of Representatives the annual report on the work and activities of the NAO for 2006. In addition to general information on the NAO, its organization, and its relationship with standing parliamentary committees, the report highlights developments relating to information technology, staff recruitment and mobility, qualifications, and training activities. It also describes the NAO's relations with SAIs and other organizations and local and overseas events activities that enhance

the professional competencies of its employees.

These will be the last annual reports that Mr. Galea will submit, as his second and final term as auditor general will be completed in July 2007.

For additional information, contact the NAO:

Fax: ++356 21 22 07 08

E-mail: joseph.g.galea@gov.mt

Web site: www.nao.gov.mt

Nepal

Annual Report Submitted

In December 2006, the Auditor General of Nepal, Gehendra Nath Adhikary, submitted the 43rd annual report for the 2004-2005 fiscal year to the Prime Minister. The report was subsequently tabled in the Parliament. The annual report consists of five volumes: government offices, performance audit, corporate bodies, local government, and charts of account.

Retirement of Auditor General

Gehendra Nath Adhikary completed his tenure as Auditor General of Nepal and retired on January 1, 2007. He was appointed in August 2003 on the recommendation of the constitutional council in accordance with provisions of the constitution. Mr. Adhikary submitted three annual reports during his term of office.

For additional information, contact the Office of the Auditor General of Nepal:

Fax: ++977 (1) 426 27 98

E-mail: oagnep@ntc.net.np

Web site: www.oagnepal.gov.np

Netherlands

European Union Trend Report Issued

In February 2007, the Netherlands Court of Audit published its *EU Trend Report 2007*, the fifth edition of an annual report in which the court describes developments in the financial management of the European Union (EU). The report focuses on the monitoring and control of the expenditure of EU funds in both the Netherlands and the EU as a whole and contains three significant findings.

First, the report concludes that the Netherlands has taken an important step toward improving its accountability for EU funds. In 2007, the Netherlands will submit its first "member state declaration" on agricultural funds to the European Commission and the Dutch Parliament. Starting in 2008, the declaration will also relate to structural funds (to finance regional and social measures) and the Netherlands' own resources. In it, the government will account for the expenditure of funds received from the EU and the remittance of funds to the EU. At the request of the Dutch government, the Court of Audit will express an opinion on the annual declarations. By preparing a member state declaration, the Netherlands is in the vanguard of improving financial accountability so that EU citizens know whether or not their money is being spent correctly. At present, Denmark and the United Kingdom are the only other member states who will issue a comparable declaration.

Second, the report concluded that there had been little if any improvement in the insight into and regularity of the expenditure of EU funds at the EU level in 2005. The European Court of Auditors was again unable to issue

a positive Statement of Assurance on the 2005 financial year. At the budget heading level, there was no specific insight into the regularity of the appropriation and expenditure of EU funds. A limited improvement in European financial management can be seen at the level of the European Commission. The annual activity reports of the commission's directorates-general provided slightly more insight into their activities than in previous years, but they still provided limited information on, for example, inspections in the member states. The EU's accountability chain has been improved by the commission's inclusion of a declaration in the synthesis report. However, the true significance of the declaration is limited because many reservations were made in 2005.

Third, the report concludes that the Netherlands has sufficient information on the expenditure of European agricultural and structural funds. In general, the systems work reasonably well, but there was still no complete insight into the regularity of expenditure on EU programs in 2005. The Netherlands' response to irregularities in the implementation of structural fund programs also poses financial risks, particularly for programs financed from the European Regional Development Fund (ERDF).

Furthermore, little information is available on the effectiveness of EU policy in the Netherlands. The way in which ministers account to the House of Representatives on the results of EU policy in the Netherlands is relatively diffuse and incomplete: reports are often late and concentrate on expenditures rather than on policy outputs.

For additional information, contact the Netherlands Court of Audit:

Fax: ++31 (70) 34 24 - 411
E-mail: internationalaffairs@rekenkamer.nl
Web site: www.rekenkamer.nl

Panama

76th Anniversary of Comptroller General's Office

In December 2006, the Office of the Comptroller General of Panama celebrated its 76th anniversary. The anniversary came at a time when the office was and still is undergoing many changes as a result of implementing its strategic plan. The plan has the following seven strategic goals: modify the focus of the office's work by broadening and improving opportunities for audit, inspection, and control; simplify administrative processes and standardize government accounting; develop and sustain the administration and training of human resources; strengthen the technological infrastructure to support audit work; strengthen the national statistical system; develop regulations for the Court of Accounts; and improve the working environment.

Dr. Dani Kuzniecky, the Comptroller General of Panama and Executive Secretary of OLACEFS, and his working team appeared before various communications media to give an account of the office's work and explain new initiatives undertaken during his administration that relate to transparency and compliance with laws and regulations in the receipt and use of public funds.

The office is currently undertaking the challenge of auditing the Panamanian government's investment in the widening of the Panama Canal. The

office has designed a system that will allow it to develop its audit work by examining audit reports that the project administrator, the Panama Canal Authority, is required to submit to ensure its compliance with applicable laws and regulations.

In addition, the office is decentralizing its audit work by establishing regional offices with multidisciplinary human resources. These offices will be responsible for meeting the needs of entities by promoting improved internal control systems and processes that will enable institutions to be more efficient in carrying out the tasks that have been assigned to them.

For additional information, contact the Office of the Comptroller General of Panama:

Fax: ++507 510-4399
E-mail: centrodeinformacion@contraloria.gob.pa
Web site: www.contraloria.gob.pa

Puerto Rico

Initiatives to Improve Public Administration and Prevent Corruption

In 2006, the Office of the Comptroller of Puerto Rico developed a program, called Initiatives to Improve Public Administration and Prevent Corruption, to encourage legislators to strengthen internal controls in their offices and promote higher administrative standards in the legislative branch. The program identifies 12 elements or criteria, most of which were included to correct or avoid findings included in previous audit reports.

The criteria cover the following areas: budget control, strategic planning, personnel administration, professional service contracts, regulation of office

use, property control, documentation for the use of a government car or the car allowance, documents and file control, information technology, ethics culture and values, receiving and investigation of complaints (hotlines), and human resource regulation.

During February 2007, auditors visited the legislators' offices to rate them on the criteria. The office plans to issue a report on its findings and present a certificate of compliance to those scoring 80 or more points (out of a maximum of 100).

In 1998, the office began a similar annual review program to encourage city governments to establish criteria to improve public administration. The program has contributed to many improvements, perhaps the most significant being that for the first time, all city governments submitted financial statements within 6 months of the fiscal year ending on June 30, 2006. In 1997, only one city government submitted its financial statements on time, while others were several years behind.

For additional information, contact the Office of the Comptroller of Puerto Rico:

Fax: ++1 (787) 751-6768
E-mail: ocpr@ocpr.gov.pr
Web site: www.ocpr.gov.pr

Qatar

State Audit Bureau Implements Strategic Plan

The strategic plan of the State Audit Bureau of Qatar (SAB) for 2005-2010 has four main strategic goals: upgrade audit practices, optimize the use of audit resources, enhance the use of information technology, and increase international cooperation. To implement

the plan, the SAB undertook the following major initiatives during the past year.

- An international audit firm from the United Kingdom was engaged, and specialized performance audits of government petrochemical companies and road and drainage projects are under way.
- Audit management software (named Teammate) was used successfully in a pilot audit, and there are plans to extend the software to other audits.
- Regular training programs in Audit Command Language (ACL) were held.
- The SAB entered into training arrangements with one of the big four audit firms in Qatar; auditors are also sent on specialized international training programs.
- The SAB joined the INTOSAI IT Audit Committee.
- Financial and administrative procedures are being reviewed with a view to attaining ISO (International Organization for Standardization) certification and creating a paperless work environment.

For additional information, contact the SAB:

Fax: ++974 441 21 02, 437 0561
E-mail: mail@sab.gov.qa

Saudi Arabia

Training and International Activities

Osama Jafar Faquih, the President of the General Auditing Bureau of Saudi Arabia (GAB), participated in a scientific convention, entitled The Effect

of Privatization on Public Services, held in December 2006. At the meeting, the GAB presented a research paper on its role in the privatization of the communication sector in the Kingdom of Saudi Arabia. Also during December 2006, the GAB organized a training program on audits of privatization for employees of the Gulf Cooperation Council SAIs.

In collaboration with the SAI of India, the GAB organized four training programs at its headquarters in Riyadh. The programs addressed performance and IT auditing, audit quality management systems, and risk management in audit planning.

For additional information, contact the GAB:

Fax: ++966 (1) 403 20 57
E-mail: gab@gab.gov.sa
Web site: www.gab.gov.sa

United Arab Emirates

Gulf Cooperation Council Meeting for Regional SAIs

The State Audit Institution of the United Arab Emirates (UAE) hosted the fifth meeting of the Gulf Cooperation Council (GCC) for the heads of regional SAIs in September 2006. The meeting provided an excellent opportunity to promote the sharing of knowledge and experience to improve auditing practice in the region.

The meeting approved the first-ever auditing standards for GCC SAIs. The standards were prepared by a technical committee of senior SAI staff. Participants also discussed strategies for promoting cooperation among GCC SAIs in auditing the environment, money laundering, and international institutions. The discussion was based on papers presented by the SAIs of

Saudi Arabia, Kuwait, and the UAE. The paper on auditing international institutions, prepared by the SAI of the UAE, was based on the best practice principles approved at the 18th INCOSAI in Budapest in 2004. The discussion focused on implementing these principles within the GCC context.

For additional information, contact the State Audit Institution of the UAE:

Fax: ++971 (2) 644 86 88
E-mail: saiuae@emirates.net.ae
Web site: www.saiuae.gov.ae

United States

New Revision of Government Auditing Standards Issued

In January 2007, the U.S. Government Accountability Office (GAO) released a new revision of *Government Auditing Standards*, also known as the Yellow Book. The January 2007 edition, which supersedes the 2003 version, contains the final 2007 revisions to the standards, except for the quality control and peer review sections in chapter 3, which GAO is exposing for comment. The 2007 Yellow Book will be published in final form once those sections are finalized. Until then, electronic versions of the January 2007 Yellow Book revision and the draft sections on quality assurance and peer review are available on GAO's Web site at www.gao.gov/govaud/ybk01.htm.

The Yellow Book standards apply to GAO as well as to governmental and other auditors conducting audits of entities receiving federal funds. Many states and local governments and other entities, in the United States and abroad, have voluntarily adopted these standards as well.

The 2007 revision contains fundamental changes that reinforce the principles of transparency and accountability. Specifically, the changes

- heighten the emphasis on ethical principles as the foundation, discipline, and structure behind the implementation of the standards and describe five key ethical principles that should guide the work of those who audit government programs and operations;
- clarify and streamline the discussion of the impact of nonaudit services (professional services other than audit services) and their effect on auditor independence;
- update financial auditing standards based on recent developments in financial auditing and internal control;
- increase transparency surrounding restatements and significant concerns, uncertainties, or other unusual events that could have a significant impact on the financial condition or operations of a government entity or program;
- enhance performance auditing standards that elaborate on the overall framework for high-quality performance auditing, including the concept of reasonable assurance and its relationship to audit risk and the levels of evidence used to support audit findings and conclusions;
- clarify the standards through standardized language to define the auditor's level of responsibility and distinguish between auditor requirements and additional guidance; and
- reinforce the key role of auditing in maintaining accountability and providing information for making improvements in government operations.

The January 2007 revision is the fifth since the standards were first issued in 1972. GAO developed the standards with the assistance of the Comptroller General's Advisory Council on Government Auditing Standards, which comprises experts in financial and performance auditing drawn from all levels of government, private enterprise, public accounting, and academia. The standards were also subject to a 60-day period of public comment.

Fiscal Stewardship Report Issued

In February 2007, the U.S. Government Accountability Office issued a new publication, entitled *Fiscal Stewardship: A Critical Challenge Facing Our Nation*, designed to assist both the Congress and the nation's citizens in understanding and evaluating the federal government's current financial condition and long-term fiscal outlook. In a brief and understandable format, the document highlights financial challenges, such as the federal government's unified budget deficit of \$248 billion, and discusses the growth in structural deficits due to rising health care costs and demographic trends. The publication concludes that addressing the United States' large, growing, and structural fiscal imbalance will require a multipronged approach, including

- increasing transparency in financial and budget reporting and in budget and legislative processes to highlight long-term fiscal challenges;
- reinstating and strengthening budget controls for both spending and tax policies to deal with near-term and longer term deficits;
- strengthening oversight of programs and activities, including

creating approaches to better facilitate the discussion of integrated solutions to crosscutting issues; and

- reengineering and reprioritizing the federal government's existing programs, policies, and activities to address 21st century challenges and capitalize on related opportunities.

For additional information, contact the U.S. GAO:

Fax: ++(202) 512-4021
E-mail: spel@gao.gov
Web site: www.gao.gov

Expanding Collaboration between SAIs and Civil Society

By Vivek Ramkumar, International Budget Project, Center on Budget and Policy Priorities, Washington, D.C.

Some donor and civil society institutions¹ have suggested that government accountability can be strengthened through increased collaboration between SAIs and civil society. To date, most civil society activity has focused on examining the budget's passage through the legislature and subsequent implementation rather than the auditing process and SAIs. However, civil society organizations around the globe are undertaking important activities that focus on government audit systems, and initial efforts have produced encouraging results in some countries.

This article presents brief overviews of innovative civil society and SAI practices adopted in six countries—India, Mexico, South Korea, Argentina, South Africa, and the Philippines. The overviews are followed by an analysis of opportunities for increasing collaboration between civil society organizations and national public audit institutions, as well as the challenges that these working relationships will generate. Finally, the article discusses steps that could be taken to mitigate these challenges.

Civil Society Experiences in Auditing

Civil society groups in the six countries surveyed are using a variety of innovative methods to involve citizens in the auditing and assessment of public expenditures.

In India, the Mazdoor Kisan Shakti Sangathan (MKSS)—a peasant and workers' union—uses public hearing forums to conduct social audits of local government expenditures in village communities. During these social audits, local communities check accounting and other records of public works programs executed in their areas and identify instances of fraudulent documentation, including accounts purporting to record the construction of works that have not been created (ghost works), fraudulent billing for project activities, and falsified labor rolls.

In South Africa, the Public Service Accountability Monitor (PSAM)—a research and advocacy organization—works closely with the Eastern Cape Provincial legislature to track government agency responses to instances of financial misconduct and corruption identified in the auditor general's reports. PSAM highlighted the large number of audit disclaimers issued by a provincial audit agency—which was unable to access financial information during its audit—and led a public campaign that resulted in strengthening financial management practices within provincial government agencies.

¹ Civil society institutions encompass all organizations that are not public or for profit, including universities, nongovernmental organizations, environmental movements, indigenous peoples' associations, organized local communities, and trade unions.

The author is developing a comprehensive guide to methods that civil society organizations can use to monitor government expenditures and accounts. He is also leading an effort to support the development of cooperative relationships between national audit institutions and civil society organizations to expand opportunities for public participation in audit processes. Ramkumar previously worked with the MKSS, an organization that pioneered the Right to Information movement in India.

editor's note

In the Philippines, a participatory audit was successfully conducted as a joint undertaking of the national Commission on Audit and a nongovernmental organization (NGO) called the Concerned Citizens of Abra for Good Government (CCAGG). CCAGG specializes in monitoring infrastructure projects within its province and uses local monitors (volunteers drawn from the area) to verify that road construction projects are executed according to contract norms.

In Mexico, Fundar—a research and advocacy organization—obtained hundreds of pages of accounting records from the Ministry of Health using the national freedom of information law and identified large-scale corruption in a contract awarded to a private agency for an HIV/AIDS prevention program. An official investigation conducted by the SAI corroborated Fundar's findings. Pressure brought to bear by the Fundar-led campaign resulted in government proceedings to recover misappropriated funds and changes in the policies governing the management of discretionary funds, including the HIV/AIDS prevention program.

In South Korea, the Concerned Citizens for Economic Justice (CCEJ)—the oldest NGO in the country working on economic rights issues—routinely uses the national citizen audit request system to request government audit investigations of public projects plagued with corruption or resulting in wasted resources. In one case, the organization's dogged pursuance of a case led to action against corrupt officials even after the agency had been cleared by the audit. In another case, changes were made in procurement policies in part as a result of the organization's advocacy campaign that demanded a limit on the issuance of no-bid contracts by the government.

In Argentina, the Civil Association for Equality and Justice (ACIJ)—a human rights organization—successfully filed a lawsuit to obtain the minutes of the hearings of the congressional commission responsible for reviewing the SAI's public audits and initiating action based on audit recommendations. ACIJ used these records to highlight the commission's lack of action in requiring corrective actions to respond to audit recommendations.

SAI Experiences in Participatory Audits

Some SAIs and governments have initiated innovative processes to include the public in the conduct of audits.

In South Korea, the Board of Audit and Inspection (BAI) introduced the national citizen audit request system under the Anti-Corruption Act of 2001 to allow citizens to request special audits from the BAI on public agencies suspected of corruption or legal irregularities.² Applications are made under this system to a Citizens Audit Request Screening Committee, comprising citizens and audit officials who screen requests to identify frivolous complaints and decide which requests merit a full audit. Further, some local governments have decided to address complaints and grievances filed by

² See the April 2006 issue of the *Journal*, "Audit and Civil Society: The Korean Experience," for a more detailed discussion of SAI and civil society experiences in South Korea.

citizens by appointing citizen auditors. These auditors, who are not public officials, review petitions for a certain period and, if necessary, conduct audits and notify the petitioners of the results.

In 2002, the national Commission on Audit (COA) of the Philippines entered into a partnership with several NGOs, including CCAGG, to conduct participatory audits, in particular performance audits, to determine whether government programs/projects had achieved anticipated results. Audit teams included members from COA and NGOs. In another instance, COA is cooperating with another NGO, Procurement Watch, Inc., by providing access to procurement documents of agencies that it is auditing to test a tool that measures corruption in procurement processes.

In India, inspired by the MKSS social audit process, the Andhra Pradesh state government is leading a social audit campaign together with a consortium of NGOs. All over the state, local communities receive information on the use of funds under the National Rural Employment Guarantee Scheme, and social audit forums are organized to discuss the veracity of expenditures incurred under this scheme. The state government acts on findings from social audits to improve the functioning of the scheme.

Lessons Drawn from SAI Collaboration with Civil Society

There is a wide spectrum of collaboration between civil society groups and auditors. In some cases, civil society organizations conduct independent audits. Organizations like the MKSS in India have developed innovative social auditing processes that are independent of formal government audit processes. In fact, many of the public programs covered by MKSS social audits had previously been audited by government auditors who did not report any of the misappropriation of funds that the MKSS later uncovered. Similarly, in Mexico, Fundar found problems with an HIV/AIDS prevention program when it conducted an independent investigation of the program accounts—an independent government audit later corroborated these findings.

In other cases, civil society organizations use audit findings of government auditors to hold government agencies accountable. Organizations like PSAM in South Africa and ACIJ in Argentina publicize findings from government audit reports—or the follow-up actions taken by the legislative committee responsible for overseeing government audits—to demand action from agencies.

In still other instances, civil society organizations collaborate closely with auditors. In the Philippines, CCAGG was a member of a government team undertaking performance audits of the public highways agency. Procurement Watch, Inc., measures procurement irregularities by accessing public agency documents possessed by government auditors at the same time as formal government audits of these agencies. CCEJ in South Korea actively uses the citizen audit request system to request special audits of government projects for which it has identified financial irregularities.

In some countries, auditors are increasingly receptive to citizen participation in their audit processes. The experiences of South Korea—including the development of the

national citizen audit request system, the appointment of citizen auditors by local governments, and the implementation of the advance audit notice system—represent some of the most progressive policies in the public audit process to foster citizen participation. Similarly, the participatory audit experience in the Philippines represents a unique model for future potential civil society participation in government audits. Finally, the collaboration between the Andhra Pradesh state government in India and the MKSS in conducting social audits to monitor programs under the National Rural Employment Guarantee Scheme underscores the diffusion of participatory audit innovations among government entities at the state level in that country.

However, auditors and civil society groups both have concerns about the nature of collaborative practices. For example, SAIs generally have a mandate to report to legislators but not to the public. Thus, in most countries, audit reports are submitted to the legislature, which is responsible for examining the audit findings and enforcing action against executive agencies. Audit systems themselves are not normally geared toward citizen participation—audit reports are not always released in a timely fashion to the public, the reports are written using technical jargon, and the public is not given an opportunity to offer input on the findings in legislative hearings.

Further, audit institutions may fear that their neutrality may be compromised through collaboration with civil society organizations. Audit officials are often concerned that any collaboration with citizens or citizen groups—which often have their own explicit agendas—may compromise the neutrality and objectivity expected of their institution and therefore compromise their independent audit opinion.

In particular, audit institutions typically have not developed processes for selecting partners from among civil society organizations. Thus, even if audit officials are receptive to closer collaboration, they may be uncertain about how to identify groups that have the skills and the credibility to assist in conducting audits.

For their part, civil society organizations are concerned that governments may come to develop corrupt or “unseemly” relationships with civil society organizations if there is no system of checks and balances on their participation in audits. Any government-initiated participatory audit scheme that involves the selection of NGOs or experts from civil society is in danger of being misused. If governments, rather than audit institutions, select civil society partners for audits, they may be tempted to select only those organizations or personnel that are sympathetic to them or that will not highlight major irregularities in their financial operations.

Strengthening Collaboration between SAIs and Civil Society

Measures may be available to mitigate some of the concerns of audit officials and civil society groups regarding increased collaboration.

First, the spectrum for collaboration between auditors and civil society is very broad, and collaboration could take a variety of forms depending on the comfort levels of

either institution or the relevant country context. For example, civil society groups could (1) directly participate in audits (as in the Philippines experience), (2) focus on demanding follow-up actions to audit findings and put pressure on the government to require the implementation of audit recommendations (as in Argentina), or (3) identify entities that should be the subject of audits (as in South Korea). Further, civil society organizations could even undertake independent audits that complement formal government audits (as in the state of Andhra Pradesh in India).

Second, concerns that audit findings are not geared toward citizen participation can be mitigated if audit institutions develop accessible reports that are widely distributed to the public in a timely manner and if legislators hold public hearings on audit reports and publish minutes of meetings in which audit reports are discussed. In fact, section 16 of INTOSAI's Lima Declaration of Guidelines on Auditing Precepts is titled "Reporting to Parliament and *General Public* [emphasis added]" and asks that SAIs be empowered by the national constitution to report their findings publicly as "this will ensure extensive distribution and discussion, and enhance opportunities for enforcing the findings of the SAI." Section 17 expands on this point by stating that audit reports should "present the facts and their assessment in an objective, clear manner and be limited to essentials. The wording of the reports shall be precise and easy to understand." Making such information available will help citizens understand legislative hearings.

Finally, to mitigate concerns that close collaboration with civil society could compromise the neutrality of SAIs—and to ensure that SAIs are able to select partners from among civil society in a fair and effective manner—audit institutions could conduct audits so that any citizen, irrespective of ideology and partisanship, has the opportunity to provide suggestions to the audit team. This could ensure that no one person or organization dominates or misuses the collaborative process. Alternatively, the procedure for selecting civil society partners could be made transparent to address concerns that governments may co-opt the partners that it selects to collaborate with audit institutions. One such measure would involve creating an independent board—akin to the South Korean Citizen Audit Request Screening Committee—that could act on behalf of the government to select the appropriate organizations to partner with audit institutions.

Conclusion

Recent trends in civil society show the emergence of activities that focus on government auditing systems and the use of innovative tools that incorporate aspects of the audit discipline to monitor public resources. Citizen participation is increasingly recognized as an essential component of good governance practices. We are just beginning to see the potential for this collaboration and are excited by the possibility for improved transparency and service to citizens.

For more information on international civil society audit initiatives, contact the author at ramkumar@cbpp.org or visit the International Budget Project Web site at www.internationalbudget.org.

CAROSAI Convenes Its Seventh Triennial Congress in the Bahamas

By Ron Stroman, U.S. Government Accountability Office

The Caribbean Organization of Supreme Audit Institutions (CAROSAI) convened its seventh congress in the Commonwealth of the Bahamas, October 16-19, 2006, with the theme Towards Greater Accountability. Almost 40 delegates and observers from 14 Caribbean supreme audit institutions (SAI); the SAIs of Cuba, the United Kingdom, and the United States; the INTOSAI Development Initiative (IDI); the INTOSAI Secretariat; the Organization of American States (OAS); and the Association of Chartered Certified Accountants attended the congress.



Participants in the CAROSAI meeting in the Bahamas.

Opening Ceremony

Perry Christie, the Prime Minister of the Bahamas, was the keynote speaker at the opening ceremony. Prime Minister Christie challenged the auditors to ensure government accountability for public funds. He described the need for the Bahamas to develop a professional class of public servants that can match the efficiency and expertise of the private sector. He also raised a concern about the importance of developing equitable funding sources for public sector infrastructure development that primarily benefits private sector projects.

Terrance Bastian, Auditor General of the host SAI, welcomed the delegates and observers to the Bahamas. Mr. Bastian said that auditors general, as stewards of public funds and resources, should be held to the highest standards of accountability to enhance

good governance. Mr. Bastian pointed out that the public is demanding the best possible value for the use of public funds, and auditors general have a responsibility to ensure accountability, transparency, and efficiency in the management of those resources. Mr. Bastian said that he hoped that as a result of attending the congress, the auditors would be in a better position to use the latest auditing techniques and technology to enhance service to parliaments and public sector entities.

Theme I: The Auditor's Role in the Efficient Management of Public Funds

Veronica Brown, the Director of Audit for Antigua and Barbuda, presented the lead paper and summarized the country papers for theme I. Mrs. Brown described the indispensable role that SAIs play in enforcing a system of effective checks and balances in the control of public finances and accountability to the taxpayers for the management of those funds. According to Mrs. Brown, the legal mandate of SAI independence is the key principle that enables SAIs to accomplish their missions.

Mrs. Brown also outlined major structural impediments that some CAROSAI SAIs face in trying to maintain independence. These impediments include (1) the need for SAIs to obtain budgets and staffing levels from the Ministry of Finance, (2) SAI staff appointments made by the Public Service Commission, and (3) SAIs' lack of direct control over the acquisition of their own technological resources. In the plenary session, participants discussed the need for clear and transparent protocols for making SAI reports public and the need for legal support for value-for-money audits.

Theme II: Modernizing SAIs' Administrative and Auditing Methods in the Electronic Age

Antonette Hodge from St. Kitts and Nevis led the discussion of modern auditing in an age of explosive technological development, including the advantages of and obstacles to relying on computers as the primary instrument for accessing information and storing documents. There was consensus that computers can make auditing more efficient by providing faster access to readily available information.

Participants discussed the major challenges that computers pose for CAROSAI SAIs. First, the costs of modernization, keeping new technology current, and updating computer security require new dedicated revenue for information technology. Also, it is difficult to hire and retain audit staff with the necessary computer skills.

Theme III: Corruption and Money Laundering—Challenges to Good Governance

Albert Edwards, Auditor General of St. Kitts and Nevis, led the discussion on money laundering. The delegates identified the fight against corruption and money laundering as a leading issue for Caribbean nations. While SAIs are not anticorruption specialists, they play a pivotal role in deterring and detecting corruption and money laundering. For example, SAIs can ensure that their officers comply with codes of professional

conduct as well as conflict-of-interest reporting requirements. Moreover, SAIs can and should report all material instances of wrongdoing to the appropriate regulatory and investigative agencies.

The delegates had a spirited discussion regarding the difficulty of combating corruption in businesses possessing substantial financial resources. In addition, the central bank has the primary responsibility for combating money laundering in several countries, but SAIs often have no authority to audit the central bank. Several SAIs mentioned the importance of having legally mandated whistleblower protection.

Linda Fealing, the Inspector General for the OAS, discussed OAS efforts to combat corruption, in particular the Inter-American Convention against Corruption, which the OAS adopted in 1996. The convention is designed to promote and strengthen member state mechanisms to prevent and eradicate corruption. Ms. Fealing also described the OAS Secretary General's efforts to mitigate the risk of fraud and corruption in OAS's general secretariat and the role of the inspector general's office.

Theme IV: Contribution of Auditing Standards and Procedures to Enhancing the Uniformity and Quality of Audit Work

Adrian Strachan, the Auditor General of Jamaica, began his presentation by noting that auditing standards provide an essential analytical framework to ensure that audit work is carried out with independence, integrity, and objectivity. With the rapid pace of globalization and the need to conduct audits across national boundaries, Mr. Strachan emphasized the need for an international consensus on generally accepted auditing standards. He made it clear, however, that a consensus cannot emerge until there is universal agreement on fundamental concepts, such as the definition of what constitutes an audit.

Participants also recognized that several highly publicized events involving questionable ethical behavior by auditors—in cases such as ENRON and WorldCom—have underscored the importance of periodic outside reviews of SAIs' internal control systems. In this regard, it was pointed out that U.S. Government Auditing Standards require audit organizations to have an external peer review at least every 3 years. Participants discussed whether CAROSAI could arrange a system of peer reviews for its members and generally agreed on the importance of having the results of each peer review accepted by international organizations.

Theme V: The Role of the Public Accounts Committee

Sir John Bourn, the Comptroller and Auditor General of the United Kingdom (UK), discussed the National Audit Office's (NAO) role in supporting the UK Public Accounts Committee. The committee is chaired by a senior opposition member of Parliament and is nonpolitical in that it focuses on recommendations about management improvements rather than policy. The public and press are invited to attend committee

hearings. Panel questions are based on a brief that the NAO and the members' own staffs provide to the committee. The NAO drafts the committee reports and follows up on its recommendations.

Training and Capacity Building

IDI presented its new strategic vision for 2007-2012 and discussed its training activities in CAROSAI and other INTOSAI regions. IDI also discussed its current e-learning effort with the INTOSAI Information Technology (IT) Audit Committee. This effort entails the development of a 20-hour e-learning course on IT controls planned for three INTOSAI regions—ASOSAI, AFROSAI-E, and CAROSAI.

Dan Duguay, Auditor General for the Cayman Islands and Chair of the Regional Institutional Strengthening Committee (RISC), presented RISC's accomplishments and future plans. Mr. Duguay noted that as a result of the committee's work, (1) financial and IT courses were developed and delivered with funding from the Inter-American Development Bank, (2) two master's degree classes were completed with funding from the Canadian Development Fund, and (3) computers were purchased locally for various SAIs in the region.

Key Emerging Issues for SAIs

David M. Walker, Comptroller General of the United States, urged SAIs to supplement their traditional audit responsibilities by providing government officials with foresight about key emerging issues. Mr. Walker stated that SAIs are uniquely positioned to discuss these emerging trends in a professional, objective, fact-based, nonpartisan, fair, and balanced manner. Some of the key emerging issues Mr. Walker discussed were long-range fiscal challenges, globalization, new security threats, climate change, and natural disasters. Mr. Walker also discussed the importance of working toward global convergence on major accounting and auditing standards.

Other Business

A memorandum of understanding (MOU) was signed by CAROSAI, the NAO, and IDI. The MOU continues an agreement between the signatories to work together to strengthen Caribbean SAIs through regional training and support for capacity-building initiatives.

Other Activities

Delegates and guests enjoyed the hospitality and graciousness of the host SAI. They attended a dinner reception hosted by the Governor-General of the Bahamas, Arthur Dion Hanna, at Government House. Participants also had the opportunity to visit the Atlantis Resort on Paradise Island and toured the world-famous Atlantis aquarium. Finally, on Wednesday evening delegates attended an evening of dinner, dancing, and entertainment on Sandals Island.

For additional information, contact the Department of the Auditor General of the Bahamas:

Fax: ++1 (242) 322 6420

E-mail: auditorgeneral@bahamas.gov.bs

Audit Profile: Ghana Audit Service

By George Winful, Ghana Audit Service

History

In 1910, the Ghana Audit Service (GAS) was created in London as a colonial audit department. Originally called the Gold Coast Audit Department, it later became known as the Auditor-General's Department. The 1969 Constitution of Ghana extended financial and administrative autonomy to the agency, and the 1972 Audit Service Decree established it as the GAS and strengthened its independence by establishing a seven-member Audit Service Board as its governing body. The board consists of the chairman, four representatives appointed by the president acting in consultation with the Council of State, the auditor-general, and the head of the Civil Service. The Audit Service Act of 2000 (Act 584), which derives most of its provisions from the 1992 Constitution, further enhanced the mandate of the GAS.

Mission

The GAS exists to promote good governance—transparency, accountability, and probity—in the public financial management system of Ghana by auditing the management of public resources in accordance with recognized international auditing standards and reporting to Parliament. Its vision is to become one of the leading supreme audit institutions in the world by 2010, delivering professional, excellent, and cost-effective auditing services.

Mandate

By law, the GAS is required to audit all public accounts of Ghana and report on them to Parliament within 6 months after the end of each financial year. Its mandate includes accounts of the courts, central and local government administrations, public universities and other schools, and all public corporations or other bodies or organizations established by an act of Parliament.

The auditor-general also has authority to conduct compliance, financial, and performance audits on his own initiative or at the request of the president or Parliament.

Legal Authority and Independence

The auditor-general is appointed by the president in consultation with the Council of State. Under the 1992 Constitution and Act 584, the auditor-general is not subject to the direction or control of any other person or authority and has the power to disallow any item of expenditure that is contrary to law. In addition, the auditor-general retains the power to impose surcharges for disallowed expenditures and to have access to all books, records, returns, or other documents relating to active accounts. Internal auditors of any public institution or body must submit copies of all reports issued as a result of internal audit work to the auditor-general.

Organization

The GAS headquarters is in Accra, the capital, where about 40 percent of its 1,379 employees work. In addition, the GAS has 10 regional offices and, within the regions, 98 district offices. Five deputy auditors-general work under the direction of the auditor-general. Twenty-three assistant auditors-general head the regional offices, and most of the 61 directors are responsible for the district offices.

Professional Development

Professional development is an ongoing activity provided through in-house as well as external training programs. The external training programs include courses offered by the United States Government Accountability Office, the United Kingdom National Audit Office, and the African Organization of English Speaking Supreme Audit Organizations (AFROSAI-E). The GAS also sponsors officers' undergraduate and graduate studies in local universities and other institutions of higher education to obtain professional designations offered by professional accountancy institutions.

Institutional Development Plan

With the assistance of the European Union, the GAS prepared a 5-year corporate institutional renewal plan for 2004–2008. The plan covers human resources, audit methodology, information technology, infrastructure, logistics support, and financial resources. As part of the plan, 90 senior staff underwent year-long training in new financial audit methodologies.

The GAS Board approved a financial audit manual, and more than 700 copies were made available to audit offices throughout Ghana. Auditors and team leaders in all district offices have been trained in using the financial audit manual to conduct audits.

A performance audit department was created under the jurisdiction of a deputy auditor-general. It is headed by a director, and the 23 trained performance auditors working under his supervision include quantity surveyors, lawyers, architects, engineers, and accountants. A performance audit manual has also been produced.

An information technology (IT) department was also created, and modern IT equipment was installed. An IT manual was developed and is being used.

The GAS gained financial independence from the Treasury Department in January 2004. It has introduced management systems to assist in applications of modern accounting, human resource, and personnel management policies and practices.

International Cooperation

The GAS is a member of INTOSAI; the African Organization of Supreme Audit Institutions (AFROSAI); and AFROSAI-E, AFROSAI's subregional English-speaking group. The auditor-general is currently the vice chairman of the AFROSAI-E Governing Board.

Future Plans

The GAS is currently reviewing its processes and methodologies to meet current and future demands. Future plans include the following:

- computerizing processes to ensure maximum efficiency,
- providing more performance auditing training, and
- enhancing coordination and cooperation with key stakeholders to increase awareness of GAS operations.

For further information, contact the Ghana Audit Service:

Fax: ++233-21-662493/675496

E-mail: gogas@ighmail.com

Reports in Print

In this issue, the *Journal* continues to highlight reports from SAIs and some international organizations that identify best practices.

In July 2006, Germany's SAI (the Bundesrechnungshof) and 16 German state courts released a set of guidelines for information and communications technology (ICT) outsourcing. This document is designed to provide practical suggestions for adopting a new approach to designing and implementing ICT audits. It addresses several topics relevant to ICT outsourcing, including legal prerequisites, pros and cons, selection criteria for projects, preparation of contracts and the stipulations they should contain, and retroactive program evaluation.

For additional information, contact the Bundesrechnungshof:

Fax: ++49-22899-721-2990

E-mail: poststelle@brh.bund.de

Web site: www.bundesrechnungshof.de

The National Audit Office of Denmark (NAOD) published guidelines that specify principles of good public auditing practice to establish a set of professional service standards that auditors have to meet when they audit areas covered by these principles, particularly the area of public subsidy audits. The guidelines are based on INTOSAI's auditing standards and the *European Implementing Guidelines for the INTOSAI Auditing Standards*.

For additional information, contact the NAOD:

Fax: ++45 33 11 04 15, 14 38 28

E-mail: rigsrevisionen@rigsrevisionen.dk

Web site: www.rigsrevisionen.dk

In December 2006, the Organization for Economic Cooperation and Development (OECD) published a report entitled *Best Practices for Consumer Policy: Report on the Effectiveness of Enforcement Regimes*. The objective of the study was to investigate which enforcement regimes are cost-effective in securing a high level of compliance with consumer protection legislation designed to prevent financial losses. One of the study's principal research methods was the use of case studies to identify existing systems and to assist in evaluating policy options. The four countries selected for case studies were the United Kingdom, Australia, Belgium, and the Netherlands. The report concludes that it is highly unlikely that any single model of practices and procedures will provide the most cost-effective means of achieving a high degree of compliance with the law across OECD countries. However, it identifies a set of different options that are likely to be cost-effective.

For additional information, contact OECD:

Fax: +33-1-45-24-85-00

Web site: www.oecd.org

The International Accounting Standards Board (IASB) is an independent, privately funded accounting standard-setter that cooperates with national accounting standard-setters to achieve convergence in accounting standards around the world and follows a rigorous, open due process as it develops International Financial Reporting Standards (IFRS).

In 2006, the IASB issued *Working Relationships between the IASB and Other Accounting Standard-Setters*, a statement of best practices that is particularly relevant to standard-setters in jurisdictions that have adopted or converged with IFRS, or are doing so. The IASB statement identifies a range of activities that the IASB and other

accounting standard-setters believe should be undertaken to facilitate the ongoing adoption of or convergence with IFRS.

The IASB statement assumes that the ultimate aims of the IASB and other accounting standard-setters are to

- develop, in the public interest, a single set of high-quality, understandable, and enforceable global accounting standards that result in transparent and comparable information in financial statements and other financial reporting to help participants in the world's capital markets and other users make economic decisions and
- promote the use and rigorous application of those standards.

In fulfilling these objectives, the IASB and other accounting standard-setters also aim to

- take account of, as appropriate, the special needs of small and medium-sized entities and emerging economies and
- bring about the convergence of national accounting standards and IFRS to high-quality solutions.

The activities identified in the IASB statement are important in building and maintaining an open and cooperative relationship between the IASB and other standard-setters. The IASB statement is available online on the IASB Web site at About Us/About IASB.

For additional information, contact the IASB:

Fax: ++44 (0)20 7332 2749

E-mail: iasb@iasb.org

Web site: www.iasb.org

Michaela Ott-Spracklin Retires from INTOSAI General Secretariat



Michaela Ott-Spracklin

proofread more than 100 German-language issues of the *Journal*. The *Journal* staff, who know she will be missed by her colleagues around the world, wish her well in her retirement.

Michaela Ott-Spracklin has retired from the INTOSAI General Secretariat/Austrian Court of Audit. Ms. Ott-Spracklin joined the General Secretariat in 1985 and served under three different secretaries general. Over the course of her distinguished career, she was instrumental in assisting with many events, including 13 UN/INTOSAI Seminars, 12 INTOSAI Governing Board meetings, 5 CAROSAI congresses, 3 ARABOSAI congresses, 1 AFROSAI congress, and 1 INTOSAI congress in Berlin. Ms. Ott-Spracklin also

I N S I D E
INTOSAI

Alberta Ellison Retires from U.S. GAO

Alberta Ellison has retired from the U.S. Government Accountability Office (GAO) after a distinguished 37-year career with the U.S. government. Mrs. Ellison was associated with GAO's International Auditor Fellowship Program from its founding in 1979 and later assumed the role of program manager. The fellows widely recognized her as a patient and dedicated friend who helped make their stays in the United States more comfortable and meaningful.

Mrs. Ellison was also associated with this *Journal* and was named assistant editor in 2003. Her strong commitment to the *Journal* was apparent to all who worked with her.



Alberta Ellison

During her career, Mrs. Ellison represented the *Journal* at the Commonwealth of Auditors General Conferences and also had the opportunity to attend numerous INTOSAI regional meetings, such as the AFROSAI congress in Burkina Faso and a SPASAI congress in Fiji.

Mrs. Ellison will be missed by her friends and colleagues at GAO and around the world, who join with *Journal* staff in wishing her well in her retirement. Those wishing to contact Mrs. Ellison can do so through this *Journal*.

Financial Audit Guidelines Subcommittee

New Practice Notes

Over the past few months, the Financial Audit Guidelines Subcommittee (FAS) has drafted practice notes on risk standards, special reports and summarized financial statements, communication, and quality control standards. Exposure drafts of all these practice notes have been posted on the FAS Web site, and all SAIs are encouraged to comment on them. Comments from court system SAIs are especially welcome. The FAS hopes to have 12 practice notes ready for endorsement by INCOSAI in November 2007.

To speed up the practice note process, a “SWAT team” was formed and worked intensively for a week on a group of practice notes. The team—comprising experts from the United States, Canada, Norway, and Sweden—met in Stockholm in December 2006. This method proved to be very successful and will be used to work on other practice notes in the future.

Subcommittee Meetings

After the last issue of the *Journal*, the FAS held a telephone conference to discuss the abovementioned draft practice notes. During the conference call, the FAS and the INTOSAI representative to the International Auditing and Assurance Standards Board (IAASB) Consultative Advisory Group discussed and agreed upon input to be given on the IAASB’s suggested strategic priorities. Two additional telephone conferences were held in February and March.

The Office of the Auditor General of Canada will host the next face-to-face meeting in Ottawa in June. Another meeting is scheduled in Stockholm in late August.

Call for New Nominations to the FAS Reference Panel

Nomination letters have been sent to all SAIs with a call for new nominations of experts to the FAS reference panel. A special request has been sent to courts, as the FAS is in urgent need of input from court of account SAIs to back up the excellent contributions of the SAI of Brazil.

For additional information, contact the FAS Project Secretariat:

Fax: ++46-8-5171 4111

E-mail: projectsecretariat@riksrevisionen.se

Web site: <http://psc.rigsrevisionen.dk/fas>

Subcommittee on Internal Control Standards

The State Audit Institution of the Sultanate of Oman generously hosted a meeting of the Professional Standards Committee (PSC) Subcommittee on Internal Control Standards in Muscat on January 14-17, 2007. The meeting was chaired by Franki Vanstapel, Senior President of the Belgian Court of Audit, and drew 25 delegates from 12 member SAIs.



Members of the Subcommittee on Internal Control Standards at its meeting in Oman in January 2007.

The meeting began with a review of the results of the combined questionnaire on internal control tools and aspects of good governance that the subcommittee had sent to INTOSAI members. The survey results indicated that INTOSAI was in need of internal control tools; it also identified ongoing needs in the field of good governance. Participants debated the best approach to take to meet these needs and agreed that it would be better to make existing materials available to all interested SAIs and public managers than to develop INTOSAI-specific internal control tools and guidance on good governance. The members formally recorded the activities and decisions the PSC had implemented and confirmed its new dual approach for the subcommittee: (1) using and building on standards issued by other standard-setting bodies to the maximum extent possible and (2) developing complementary guidance where there is a

special need or a pressing concern in the SAI environment. Members felt that this approach would lead to more efficiency within INTOSAI and clarify how internationally accepted standards are to be used. To this end, participants recommended that information on internal controls and guidance on good governance be posted to the PSC Web site to give SAIs and public managers electronic access to existing materials.

During the meeting, members also approved a draft collaboration agreement concluded with the Institute of Internal Auditors (IIA). They agreed that this collaboration agreement was in line with the PSC's stated policy of using the expertise of other standard-setting organizations wherever possible. This agreement supports goal 1 of INTOSAI's strategic plan by developing partnerships with other standard-setting organizations.

The members also reviewed a draft on further information on entity risk management. The draft informs INTOSAI members about new developments in the field of internal control.

Finally, the marketing of INTOSAI's guidelines for internal control standards for the public sector was discussed. Subcommittee members had already taken several actions to distribute the guidelines in their countries. The guidelines have been translated into national languages and initiatives have been undertaken to introduce them to public managers and auditors. The members agreed that INTOSAI should develop a plan for the implementation and the dissemination of its standards and guidelines, and the chair said he would bring up this matter with the PSC.

For additional information, contact the Subcommittee on Internal Control Standards chair:

Fax: ++32 (2) 551 86 22

E-mail: International@ccrek.be

Working Group on Environmental Auditing

WGEA Steering Committee Meeting

The Office of the Auditor-General of South Africa hosted the sixth steering committee meeting (SC6) of the Working Group on Environmental Auditing (WGEA) in Cape Town, South Africa, February 11–14, 2007. SC6 was a pivotal meeting during which the following key agenda items were covered:

Final review and approval of four guidance papers. Steering committee members gave final comments and approval to the project leaders of the following guidance papers:

- Auditing biodiversity: Guidance for SAIs (Brazil and Canada);
- Cooperation between SAIs: Tips and examples for cooperative audits (the Netherlands and Poland);
- Evolution and trends in environmental auditing (Canada); and
- The World Summit on Sustainable Development: An audit guide for SAIs (United Kingdom).

The papers were circulated to all WGEA members for review and approval at the beginning of March. WGEA members had 4 weeks (until April 4) to comment on and approve the papers. The ballot process for approval gave members the option to approve as is, approve subject to some comments, or not approve. The papers are to be amended one last time and will be presented at the WGEA assembly meeting (WGEA11) in Arusha, Tanzania, in June 2007 and subsequently at the XIX INCOSAI in Mexico in November 2007.

Development of a long-term vision and action plan for the WGEA. During SC6, important discussions concerning the future of the WGEA took place in relation to the following three areas:

- **Visioning.** Steering committee members began to develop a collective vision for the WGEA in 2015 (Vision 2015) focusing on common goals and objectives and emphasizing professionalism, capacity building, information sharing, regional coordination, and increasing the impact of environmental audits.
- **Action planning.** Working with Vision 2015, steering committee members identified concrete projects and activities to be included in the 2008–2010 WGEA work plan.
- **Future functioning of the WGEA.** Steering committee members also exchanged views regarding organizational and governance matters related to the WGEA, including the respective roles and responsibilities of the assembly and steering committee, the desired composition of the steering committee, the desired role of regional coordinators, and the nature and frequency of meetings.

The 2008–2010 work plan (and supporting vision) will be finalized at the upcoming meeting in Tanzania. At the end of that meeting, it will be important for WGEA members to agree on the project ideas and for the project leaders, coleaders, and subcommittee members to be committed to carrying out the work plan.

WGEA Meeting in Tanzania

Preparations are well under way for the next meeting of the WGEA, which will be held in Arusha, Tanzania, during the week of June 25, 2007. This is a high-priority event for SAIs interested in environmental auditing. The steering committee approved the agenda, which will feature presentations by renowned external speakers, workshop sessions on environmental audits conducted by SAIs, small group discussions, and

tutorials on various WGEA guidance documents. The steering committee discussed ways to create a new generation of activities while keeping the momentum, a sense of engagement, and participation and interest during the meeting. SAIs interested in attending should contact Anne Charron at anne.charron@oag-bvg.gc.ca. The WGEA hopes to see you in Arusha!

For additional information, contact the WGEA:

E-mail: environmental.auditing@oag-bvg.gc.ca

Web site: www.environmental-auditing.org

New INTOSAI Web Sites

The INTOSAI community has launched several new Web sites in the past few months.

The first was the new INTOSAI Web site, which is aligned with the INTOSAI strategic plan. Visitors to the site can search for materials under the plan's four goals and find copies of INTOSAI circulars and much more useful information.

For additional information, contact INTOSAI:

Fax: ++43 (1) 718 09 69

E-mail: intosai@rechnungshof.gv.at

Web site: www.intosai.org

The INTOSAI Public Debt Committee (PDC) also recently unveiled a new Web site. The site offers relevant information on the PDC's products, activities, and projects. It is also a vehicle to enhance communication among PDC members.

For additional information, contact the PDC:

Fax: ++52 (555) 534 18 91

E-mail: agonzaleza@asf.gob.mx

Web site: www.intosaipdc.org.mx

On January 23, 2007, the INTOSAI Development Initiative (IDI) launched its new Web site, which includes information about IDI, past and upcoming events, publications, news, and more. It also serves as a useful portal offering different types of links to other Web sites. For example, it includes links to organizations related to environmental auditing, performance auditing, and combating fraud and corruption. The site is available in English, French, Spanish, and Arabic.

For additional information, contact IDI:

Fax: + 47 21 54 08 50

E-mail: idi@idi.no

Web site: www.idi.no

IDI/CAROSAI Strategic Planning Program

The five members of the CAROSAI Strategic Planning Committee and representatives from IDI held a 3-day meeting in the Cayman Islands in February 2007 to plan the process and activities for the upcoming IDI/CAROSAI Strategic Planning Program. They drafted vision and mission statements and discussed the resources required for this process, the roles and responsibilities of the stakeholders, and important regional development issues.

IDI/CREFIAC Workshop on Performance Audit

In 2006, IDI conducted a Regional Workshop on Performance Auditing as part of a Long Term Regional Training Program for CREFIAC (African Sub-Saharan Francophone SAIs). Teams of auditors from selected SAIs were invited to take part in the program. A second Regional Performance Auditing Workshop was delivered in Mali in February 2007 to accommodate the strong interest in this topic and the future needs of other member SAIs. To facilitate the development of the newly graduated IDI training specialists, six of the specialists were selected to deliver the second workshop.

IDI/ARABOSAI Capacity-building Program on IT Auditing

To build on the success of the IDI/ARABOSAI IT Auditing Program in 2006, the 2-week IT Audit Workshop is to be delivered again in July 2007. This second course will also be held in Yemen. To ensure continuity, two IT champions from the first course will be on the delivery team along with four new IT champions. A redesign meeting was held in Yemen in February 2007 to acquaint the new instructor/champion team with the course.

IDI Global Needs Assessment Project

Assessing the capacity-building needs in INTOSAI's regions is the first step in implementing IDI's new strategic plan for 2007-2012. To carry out this task, IDI is undertaking a global project to develop a framework and tools for institutional needs assessments. In March 2007, a team of IDI staff, training specialists, and other regional representatives from ARABOSAI, AFROSAI-E (the African Organization of English-speaking Supreme Audit Institutions), and ASOSAI gathered in Norway for a design meeting to develop the required products. The framework and tools will be adapted to regional circumstances, and institutional needs will be assessed in some regions during 2007.

IDI/ISCITA E-learning Cooperation Project

The alpha (test) version of the IDI/INTOSAI Standing Committee on IT Audit (ISCITA) e-learning course on the Audit of IT Controls was presented at the 16th ISCITA meeting in Oman in March 2007. This version of the course incorporates a series of new interactive learning strategies. As this issue of the *Journal* goes to press,

IDI UPDATE



IDI Update keeps you informed of developments in the work and programs of the INTOSAI Development Initiative. To find out more about IDI and to keep up to date between editions of the *Journal*, look at the IDI website: www.idi.no.

the final version of the course was to be delivered in late March/early April for the SAIs in AFROSAI-E, ASOSAI, and CAROSAI. More than 400 auditors signed up for this e-learning course.

IDI and Liaison with the INTOSAI Community

IDI representatives attended and reported at the following events in March 2007: the meeting of subcommittee 1 of the Capacity Building Committee (London), the AFROSAI-E Governing Board meeting and workshop (Angola), the EUROSAI Training Committee meeting (Germany), the meeting of the INTOSAI Standing Committee on IT Audit (Oman), the INTOSAI Governing Board's Finance and Administration Committee meeting (Oslo), and the UN/INTOSAI Symposium (Vienna).

Contacting IDI

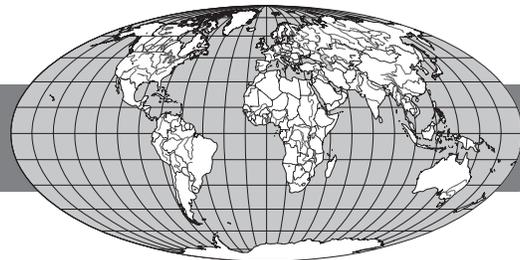
To discuss any of the issues raised in this edition of the IDI Update, please contact IDI:

Telephone: ++47 21 54 08 10

E-mail: idi@idi.no

Web site: www.idi.no

INTOSAI 2007 Events



| | | |
|---|--|--|
| <p>April</p> <p>10–13 Committee on Experts on Public Administration meeting, U.N. Economic and Social Council, New York, United States</p> <p>23–24 Professional Standards Committee Steering Committee meeting, Bahrain</p> | <p>May</p> <p>10–12 V EUROSAI/OLACEFS Seminar, Lisbon, Portugal</p> <p>26–31 ARABOSAI Congress, Yemen</p> | <p>June</p> <p>18–19 Financial Audit Guidelines Subcommittee meeting, Ottawa, Canada</p> <p>21–22 Public Debt Committee meeting, Lisbon, Portugal</p> <p>25–29 11th Working Group on Environmental Auditing Assembly, Arusha, Tanzania</p> <p>27–30 OECD Forum on Statistics, Knowledge, and Policy, Istanbul, Turkey</p> |
| <p>July</p> <p>10 Financial Audit Guidelines Subcommittee telephone conference</p> | <p>August</p> <p>23–24 Financial Audit Guidelines Subcommittee meeting, Stockholm, Sweden</p> | <p>September</p> <p>10–14 32nd EUROSAI Governing Board meeting, Switzerland</p> |
| <p>October</p> <p>15 14th Working Group on the Audit of Privatization meeting, Marrakech, Morocco</p> <p>17 OLACEFS Governing Board meeting, Dominican Republic</p> | <p>November</p> <p>4 Professional Standards Committee meeting, Mexico City, Mexico</p> <p>5–10 19th INCOSAI and 56th and 57th INTOSAI Governing Board meetings, Mexico City, Mexico</p> | <p>December</p> |

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