



INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —



Winter 2019
Vol. 46, No. 1

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The *International Journal of Government Auditing* is published quarterly in Arabic, English, French, German and Spanish on behalf of INTOSAI (International Organization of Supreme Audit Institutions). The *Journal*, which is an official organ of INTOSAI, is dedicated to the advancement of government auditing procedures and techniques. Opinions and beliefs expressed are those of 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
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Washington, D.C. 20548
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Given the *Journal's* use as a teaching tool, articles most likely to be accepted are those that deal with pragmatic aspects of public sector auditing. These include case studies, ideas on new audit methodologies, or details on audit training programs. Articles that deal primarily with theory would not be appropriate. Submission guidelines are located at <http://intosaijournal.org/our-submissions/>.

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

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RETHINKING DIALOGUE

In Times of Enhanced Stakeholder Integration and Modern Technologies

by Dr. Margit Kraker, INTOSAI General Secretariat and President of the Austrian Court of Audit

As we approach the International Organization of Supreme Audit Institutions (INTOSAI) XXIII Congress (INCOSAI) with quick strides, it gives me great pleasure to seize this opportunity to take stock of the organization's progress over the last couple of years and look to the road ahead.

When I assumed office as INTOSAI's Secretary General in the summer of 2016, the organization was in the midst of restructuring its operations and redefining its outreach

emphasis. INTOSAI's vision to raise its profile and become a credible, trusted partner in the international community called for enhanced and effective cooperation among its different bodies. The vision also required a clear definition of its focus areas. With the adoption of its third strategic plan (Strategic Plan 2017-2022) at INCOSAI XXII, INTOSAI succeeded in both. By establishing well-designed structures for goal cooperation and standard setting, INTOSAI attained an unprecedented level of integration.

The INTOSAI Strategic Plan 2017-2022 defines clear objectives that provide the basis for various INTOSAI bodies to perform their tasks. The enhanced cohesion of INTOSAI's work becomes especially visible in the common reporting framework through which INTOSAI bodies and Regional Organizations demonstrate shared efforts to conduce to strategic goal implementation.

The first-ever INTOSAI Performance and Accountability Report (PAR), established in close cooperation among the

Chairman and Vice-Chairman of INTOSAI's Policy, Finance and Administration Committee and General Secretariat, contained contributions by INTOSAI's Chairman and Vice-Chairman, Goal Chairs, Regional Organizations, INTOSAI Development Initiative and Governing Board (GB) members. The PAR, vital proof of an inclusive, clear reporting approach, will be prominently placed on INTOSAI's website for external stakeholder availability. In doing so, we meet the level of transparency and accountability expected from us as a model international organization.

Similar efforts related to strengthened cohesion and coherence are evident in member Supreme Audit Institution (SAI) contributions to Sustainable Development Goals (SDG) implementation. Progress reached in this area and the diverse outcome documents, including national SDG preparedness and activity reports, are available via numerous INTOSAI media outlets.

Against the backdrop of this broad variety of INTOSAI communication channels, the old adage "too many cooks in the kitchen" quickly comes to mind. This notion prompted a discussion on INTOSAI communication during the 71st GB meeting in Moscow, where GB members exchanged views on vital questions for fundamental issues—defining internal and external stakeholders and developing the core messages INTOSAI wants to deliver to those groups; product accessibility and user-friendliness; language consistency; and information and initiative awareness.

As the organization was established to primarily serve the audit community through knowledge sharing and capacity building, it will be essential to re-examine the presentation and placement of valuable expert knowledge and experience provided by different INTOSAI bodies.

GB members also considered language consistency, noting that, as the professional umbrella organization for the international audit community, INTOSAI is in an influential position to shape audit-specific terminology.

The importance of awareness, particularly that of all activities and outcome products, was also deliberated, and cultivating such awareness requires constant communication

and information sharing. As our tasks grow steadily, and we are expected to respond to varied emerging issues often linked to modern phenomena (digitalization, new technologies), communication will remain a key challenge.

While "too many cooks in the kitchen" can present problems, our communication channel diversity is not necessarily a drawback. Since many problems can only be solved on a regional, even national, level, we must accept that INTOSAI products will come in different shapes that are formed by member SAI multifaceted systems. This aspect accurately summarizes the motto of INTOSAI's professionalization efforts, "Global profession, local solution." Nevertheless, present deliberations will certainly contribute to advancing INTOSAI's outreach.

The level of integration attained in INTOSAI's strategic operations and reporting mechanisms is a highly favorable sign INTOSAI will continue to join forces and elaborate systems for effective, streamlined presentations that take into account both target audiences and product purpose. In this regard, I would like

to thank all INTOSAI member SAIs involved in sharing the manifold activities carried out by the audit community.

INTOSAI's performance benefits SAIs and translates into valuable input for national governments. INCOSAI XXIII will focus on topical themes closely tied to issues we currently face: "Information Technologies for the Development of the Public Administration," which incorporates digital data application and the role of big data; and "The Role of the Supreme Audit Institutions in the Achievement of the National priorities and Goals," which includes strategic audit, foresight and analytics.

These issues are crucial for INTOSAI subject-specific progress and discussions with national governments and key international partners, including the United Nations.

I look forward to continuing this path of development with all INTOSAI member SAIs, as well as internal and external stakeholders. I am convinced INTOSAI will succeed in shaping dialogue with all interested parties in a way that considers all needs while preserving the values of inclusivity, integration and diversity.

"I am convinced INTOSAI will succeed in shaping dialogue with all interested parties in a way that considers all needs while preserving the values of inclusivity, integration and diversity."

NEWS FROM SAIs AROUND THE WORLD

News from the United Kingdom

NATIONAL AUDIT OFFICE HOSTS JOINT STRIKE FIGHTER SAI CONFERENCE

The United Kingdom (UK) National Audit Office hosted the 14th Joint Strike Fighter (JSF) Supreme Audit Institution (SAI) conference in September 2018.

SAI delegates from each of the partner nations involved (Australia, Canada, Italy, The Netherlands, Norway, Turkey, UK and United States) met to exchange insights from audit work and share knowledge of the most expensive weapons procurement program in the world.

The Joint Program Office, which procures the aircraft on behalf of the partners, also attended to provide an up-to-date picture on aircraft progress.

The JSF (or F-35) is commonly referred to as a stealth fighter aircraft that has conventional and short-take-off-vertical landing versions with variants designed to operate from runways and aircraft carriers.

It is expected that over 3,000 planes have been, or will be, acquired by the partner nations and other buyers.

The conference focused on two themes:

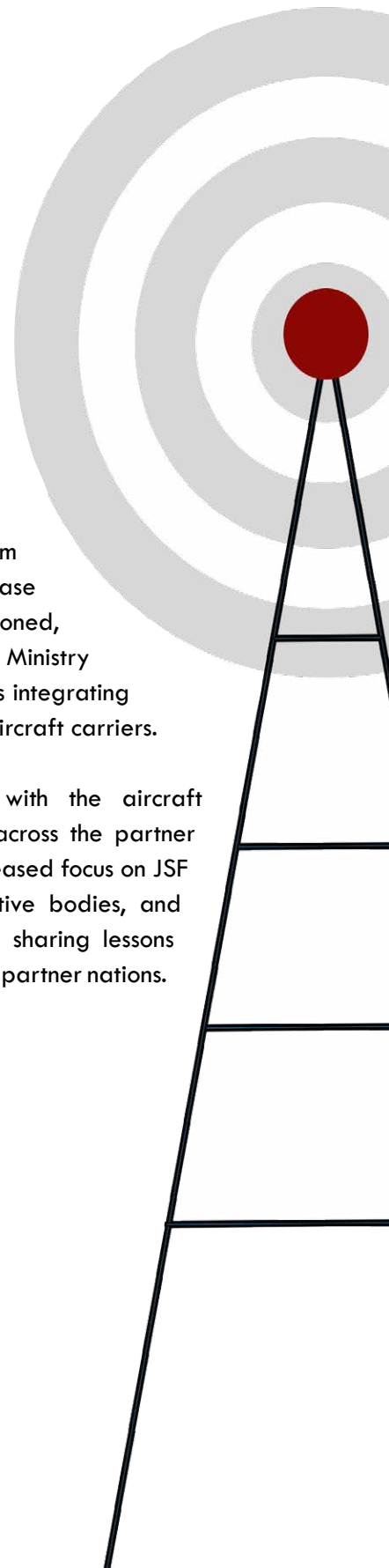
- Continuing concern with accountability and transparency challenges associated with a complex multi-country procurement; and
- Anticipated JSF sustainment costs once in service.

Delegates presented on a wide range of recent audit work relating to the F-35, including aircraft development

progress, likely economic benefits to partner nations, and the aircraft's transition into service.

The JSF SAI conference also featured presentations from the commander of the air base where UK aircraft are stationed, as well as the head of the UK Ministry of Defense program, which is integrating the F-35 with the UK's new aircraft carriers.

Participants agreed that, with the aircraft beginning to enter service across the partner nations, there will be an increased focus on JSF issues within various legislative bodies, and there will be much value in sharing lessons from audits undertaken in the partner nations.



News from Spain



SPANISH COURT OF AUDIT WELCOMES NEW PRESIDENT

Ms. María José de la Fuente y de la Calle was appointed President of the Spanish Court of Audit (SCA) in July by His Majesty King Felipe VI. She will serve a three-year term. As SCA President, she also assumes responsibilities as Secretary General of the European Organization of Supreme Audit Institutions (EUROSAI).

She joined the SCA's Senior Corps of Attorneys in 1993 and began her career in the Audit Department of Autonomous Communities. She served extensively in the international sphere as the Director of the SCA's Liaison Unit with the European Court of Auditors from 1999 to 2003.

She held the position of SCA's Director of International Relations until 2012 when she was then appointed as SCA Audit Counselor, where she assumed leadership of the Audit Department of Local Entities, and, in September 2015, began serving as co-leader of the Audit Department of Political Parties.

She holds a degree in law from Comillas Pontifical University of Madrid.

Click [here](#) to learn more about Ms. María José de la Fuente y de la Calle.

News from Iran



SAC SUBMITS ANNUAL REPORT, VISITS SEVERAL PROVINCES

Iran's Supreme Audit Court (SAC) submitted its 2017 Annual Audit Report to parliament in accordance with the national constitution. Dr. Adel Azar, SAC President, thanked efforts put forth by colleagues as part of his summary report presentation, which was divided into three sections: (1) revenues and expenditures; (2) single article budget law notes; and (3) recommendations to improve the budgeting process. Dr. Azar cited urgent necessary actions on important issues, including resource allocation for national construction projects, budgeting for state-owned enterprises, banks and government-affiliated institutions; and state aid to public companies experiencing losses.

Dr. Azar traveled to several provinces across the nation throughout the year, where he called special attention to performance audits across all provinces and identified key challenges and opportunities in each. In the Fars province, an implementation of unconventional salaries was noted. Dr. Azar said the SAC was able to swiftly deposit illegally paid monies to the public treasury due, in part, to new policies on continuous preventive, guiding and authoritative financial supervision. Similarly, the SAC President noted unconventional salaries paid to some authorities in the Kermanshah province, where he emphasized the importance of safeguarding public resources. In the Ardabil province, Dr. Azar stressed the SAC's mission, adding the SAC audits all organizations receiving state funding. In the Razavi Khorasan province, Dr. Azar highlighted the electronic audit system currently in place (Sana) with a desire to quickly resolve any potential problems with its use.

News from Lithuania

SAI LITHUANIA CELEBRATES 100 YEARS!

On January 16, 2019, the National Audit Office of Lithuania (NAOL) celebrated the Centenary of its establishment, an anniversary marking a challenging, yet colorful, history. The NAOL continues to make every effort to be recognized as an independent Supreme Audit Institution (SAI) that is valued for its professionalism and delivers benefits by contributing to positive change in the public sector.

The NAOL is the only institution in the European Union (EU) that simultaneously carries out functions of three autonomous institutions: SAI, EU Investment Audit Institution, and Fiscal Institution. The NAOL's values—professionalism, responsibility, cooperation, and innovation—constitute the foundation that allows us to fulfill the NAOL mission, which is to help wisely manage public funds and property.

Establishment of the National Audit Office of Lithuania

In 1918, following the declaration of independence of Lithuania, state governing bodies and authorities were developed. Soon after the NAOL's establishment on January 16, 1919, the first Law on National Audit Office was passed, which officially adopted the institution's name, "Valstybės kontrolė." NAOL functions were governed by the Constitution of Lithuania, and the Auditor General appointed by the President.

Restoration and Integration

On March 11, 1990, with the restoration of Lithuania's independence, a new development stage of the state and the NAOL began, which defined the NAOL as a body accountable to the Supreme Council (Reconstituent Seimas).

In 1992, the NAOL became a member of the International Organization of Supreme Audit Institutions and joined the European Organization of Supreme Audit Institutions in 1993.

Ten years later, the NAOL was granted a new mandate: to audit the legality and efficiency of EU assistance funds use allocated to Lithuania, as well as the use of state budget funds allocated to municipalities. In 2015, the NAOL was mandated a function of an independent fiscal institution.

Modern Guardians of the Treasury

In 2002, prior to Lithuania's EU membership, Lithuania law established a new legal status to the NAOL as the nation's SAI—a designation that reflects the NAOL's functions, status and purpose.

A special logo was created to mark the NAOL's 100th anniversary. The design bears a key representing the time axis, and abbreviations of the NAOL's historical and constitutional names provide the backdrop.



Both the newly founded institution and the one with centuries-old traditions would not achieve their goals without people. Thus, this important anniversary provides an opportunity to thank those who have developed the NAOL and express appreciation to all who, through their daily work, fulfill today's NAOL mission.

On this beautiful occasion, the SAI of Lithuania wants to thank the entire international auditing community for the journey traveled together and the experiences, discoveries and solutions shared.

2019 NAOL PEER REVIEW

In 2019, the fourth peer review of the National Audit Office of Lithuania (NAOL) will begin. The peer review team—European Court of Auditors (ECA) (team leader), Supreme Audit Office of Poland and National Audit Office (NAO) of the United Kingdom—will assess whether NAOL's audit approach complies with International Standards of Supreme Audit Institutions (ISSAIs) and make recommendations for improvement.

The voluntary peer review, conducted following ISSAI 5600, will help the NAOL improve its audit activities and audit quality control system, thus enabling the institution to maximize public audit impact, contribute to positive change in the public sector, and increase cost-effective public service delivery.

The peer review will entail an assessment of selected performance, financial and compliance audits with the expected peer review report and recommendations to be delivered by the end of 2019.

The previous peer review exercise was conducted in 2014. The recommendations made by the peer review team—ECA, Finland's NAO, and the Office of the Auditor General of Norway—served as incentives for institutional reforms that led to the NAOL's current composition and constitution.

News from Japan

THE BOARD ISSUES ANNUAL REPORT TO JAPAN'S PRIME MINISTER



Acting President of the Board of Audit, Dr. Mari Kobayashi (left) and the Prime Minister of Japan, Mr. Shinzo Abe. Source: Official Website of the Prime Minister of Japan and His Cabinet

On November 9, 2018, Dr. Mari Kobayashi, Acting President of the Board of Audit of Japan (the Board), submitted the Fiscal Year 2017 audit report to Prime Minister Shinzo Abe. The audit report, containing results on audits the Board conducted in 2017-2018, includes final accounts of annual expenditures and revenues of state and government-affiliated institutions.

After the submission to the Cabinet, the Cabinet, in turn, provided the audit report to the Diet (Japan's bicameral legislature) together with the final accounts of the state's expenditures and revenues. This audit report contains 374 audit cases resulting in 115.6 billion yen (approximately \$1.03 billion dollars) of "improper amounts."*

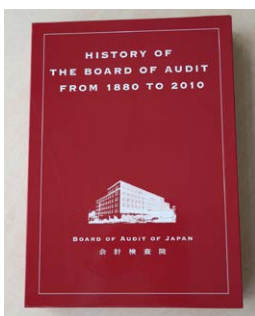
The Board continuously conducts agile, flexible audits and responds to issues in a timely and appropriate manner. In this audit report, the Board noted issues on several matters, including:

- Securing the safety of citizens' well-being;
- Social security;
- Implementation systems and effective management of schemes and projects;
- Proper and fair systems and projects operation;
- Assets, funds and stocks;
- Proper budget execution and appropriate public accounts management; and
- Environment and energy related issues.

Throughout the year, the Board reports to the Diet and Cabinet at any time on issues which the Board has (1) presented its opinions, (2) demanded to take measures, or (3) found specific needs to audit for that fiscal year. In 2017-2018, there were 7 cases that fell into these categories. Likewise, the Board may conduct an audit of specific matters requested from the Diet under the Diet Law and report the results (the Board reported 3 cases to the Diet in 2017-2018 in this category).

*For a definition of "improper amounts," please visit www.jbaudit.go.jp/english. Contact the Board via email: liaison@jbaudit.go.jp or web: <http://www.jbaudit.go.jp/english/> for additional information.

THE BOARD PUBLISHES BOOK ON ORGANIZATION'S 130-YEAR HISTORY



The Board of Audit of Japan (the Board), the nation's Supreme Audit Institution (SAI), recently published the "History of the Board of Audit from 1880 to 2010," which describes the development of government auditing in Japan since the Board's establishment in 1880. The 130-year chronicle provides readers with the Board's legal, historical and organizational perspectives with a focus on how government audit has evolved in response to the changing environment.

Inside, readers will discover how the Board, from the earliest stages of its development, studied and adopted a system from continental European countries and began audit work emphasizing the objectives of economy, accuracy and regularity.

This book is a useful publication for the International Organization of Supreme Audit Institutions (INTOSAI) community, researchers and students alike to gain a better understanding of the Board's history and current audit activities.

A limited number of copies are still available (in print or electronically on CD). To request a copy, email SAI_Japan_Research@jbaudit.go.jp.

"History of the Board of Audit from 1880 to 2010" is the English version of "Kaikei Kensain Hyaku-sanju Nen Shi," originally published in 2010 to mark SAI's Japan's 130th anniversary.

News from Hungary

SAO HOSTS EURORAI SEMINAR ON AUDITING LOCAL, REGIONAL COMPANIES



The State Audit Office (SAO) of Hungary hosted a seminar for the European Organization of Regional External Public Finance Audit Institutions (EURORAI) in Székesfehérvár, Hungary, in October 2018. Nearly 180 experts from 70 regional external public finance audit institutions in 25 countries attended the international seminar that focused on experiences acquired in auditing companies owned by local and regional authorities. Participants included members of the European Organization of Supreme Audit Institutions' (EUROSAI) Task Force on Municipality Audit (TFMA).

During the opening event, guest speakers Tihamér Warvasovszky, SAO Vice President; Dominique Roguez, EURORAI President; and Péter Róth, Székesfehérvár's Vice

Mayor, stressed municipality financial management and balance—its importance regionally and internationally.

László Domokos, SAO President, officially opened the professional program. In his speech, Domokos highlighted the SAO's mission and objectives.

“Relying on its sound professional background and audits that create added value, the mission of the State Audit Office of Hungary is to contribute to the transparent and reliable use of public funds, thus to a well-governed state.”

Domokos added that audits of companies owned by local authorities were designed to serve these objectives, and in the context of such audits, the SAO has audited nearly two hundred municipal companies in recent years

The seminar, divided into two sections—(1) practical experiences acquired during financial and compliance audits of companies owned by local authorities, and (2) performance audit of those companies—allowed participants to learn about audit experiences of Austrian, French, German, Hungarian and Russian colleagues. The sections were facilitated by Gyula Pulay, SAO Director, and Christian Melly, Head of the Audit Office of the Canton of Valais, Switzerland.

At the program's conclusion, Roguez noted that Székesfehérvár provided an excellent backdrop for the seminar, particularly “from a cultural point of view.”

Melly echoed those sentiments and emphasized, “As always the EURORAI seminar is one characterized by professionalism and quality.”

SAO HELPS SPREAD CULTURE OF INTEGRITY

A key decision of the 2017 European Organization of Supreme Audit Institutions (EUROSAI) Congress was that one-year project groups could be established by State Audit Institutions (SAIs). The State Audit Office (SAO) of Hungary took this opportunity and created a project group on “The Role of SAIs in Spreading a Culture of Integrity” to contribute to establishing and extending integrity within the region.

Project group participants included Albania, Austria, Bulgaria, Georgia, Macedonia, Romania and Ukraine. Croatia and Portugal also participated as observers.

The SAO created an interactive, online marketplace for good practices and institutional solutions connected to

integrity, where participants of the project group could share related experiences and materials, and establish bilateral or multilateral cooperations to learn about integrity solutions from peers. This one-stop-shop for integrity included integrity-related tools and methods, such as self-assessments, surveys and audits.

The ability to directly communicate and share knowledge and experiences with one another resulted in a large, descriptive database of integrity-related products and practices and provided precise and thorough assistance in measuring integrity in respective SAI environments.

At the conclusion of the project group, the SAO will focus on transferring achieved results to EUROSAI activities.

News from Egypt



ASA CHAIRS WGFACML MEETING IN MEXICO CITY



The Accountability State Authority of Egypt (ASA), Egypt's Supreme Audit Institution (SAI), chaired the 12th meeting of the International Organization of Supreme Audit Institutions (INTOSAI) Working Group on the Fight Against

Corruption and Money Laundering (WGFACML) hosted by SAI Mexico in Mexico City in October 2018.

ASA President and WGFACML Chair, H.E. Hesham Badawy, opened the event by addressing the delegates from 10 member-SAIs. Mr. Benjamin Fuentes-Castro, Head of SAI Mexico's Technical Unit welcomed participants, which included presentations and discussions on the working group's past progress, current activities, and experiences in sharing best practices in fighting corruption and money laundering.

The National Audit Office of China (CNAO) will host the next WGFACML meeting scheduled for April 25-26, 2019, in Beijing.

ASA PARTICIPATES IN EXTERNAL AUDIT OF COMESA, SEVERAL KEY EVENTS

The Accountability State Authority (ASA) of Egypt, as one of four members of the Common Market for Eastern and Southern Africa's (COMESA) Board of External Auditors 2018-2020, participated in auditing accounts of COMESA institutions and the Secretariat for the fiscal year ending on December 31, 2017. The audit, which took place from August to October 2018, has been finalized, and the final audit reports have been submitted. Egypt will chair COMESA's Board of External Auditors in 2019.

SAI Egypt participated in several key COMESA events throughout 2018, including the Audit and Budgetary Matters Subcommittee; Administrative and Budgetary Matters Committee; Inter-Governmental Committee and Council of Ministers meetings.

The ASA will also represent Egypt, which was elected during the African Union (AU) General Assembly held in Nouakchott, Mauritania, as a permanent member to the AU Board of External Auditors due to being a top AU contributor.



News from Kuwait

SAB PUBLISHES 2018 CITIZENS REPORT

"Together we will safeguard Kuwait's funds."

The State Audit Bureau (SAB) of Kuwait recently published the "2018 Citizens Report"—the first publication that addresses citizens with an aim to raise awareness about the SAB, its role in protecting public funds and citizen involvement in overseeing the community.

The publication urges citizens and civil society organizations to participate in public accountability and highlights the most important issues affecting society. Features include an in-depth look at the SAB as an independent audit body that supports and assists the government and National Assembly in collecting revenues and expending funds within the budget.

Readers will also learn more about the SAB's strategy and governance, including the SAB's foundation—mission, vision, values and strategic goals—and objective to exercise responsible management by employing a set of policies and procedures to create a working environment that supports justice, transparency and accountability.

Several key issues affecting citizens and society are also detailed in the report, such as the delay in the completion of Sabah Al-Salem City; allocation of lands by the Public Authority of Agriculture Affairs and Fish Resources; mismanagement of overseas health care; state budget deficit resulting in the use of public debt for payments; overfishing and fish resources; and coastal pollution.

A "Q&A" section provides insight and explanation into some of the most often received inquiries, and the ability to scan and connect to specific topics using quick response codes makes facilitates information access to all.

Download your copy of the SAB's "2018 Citizens Report" [here](#).

A [special issue](#) of ALRAQABA Magazine (English) is also available online. This issue highlights SAB participation and support to the International Organization of Supreme Audit Institutions (INTOSAI), including the joint INTOSAI Capacity Building Committee/INTOSAI-Donor Cooperation Steering Committee meeting hosted by the SAB in Kuwait.

News from Peru

SAI PERU HOSTS INTERNATIONAL INTEGRITY CONFERENCE EMPHASIZING PROACTIVE, INNOVATIVE APPROACHES



The Office of the Comptroller General of the Republic of Peru, Peru's Supreme Audit Institution (SAI) hosted the 2018 Annual International Integrity Conference (CAII) in Lima in December. The conference gathered together more than 1,200 national, regional and international delegates representing academia, civil society, public and private sector organizations, media, SAIs, and subject matter experts to encourage debate and analysis on new approaches and practices in anti-corruption and integrity policy-making. The ultimate goal: to proactively develop new and increasingly innovative strategies to combat corruption locally, regionally, and globally.

SAI PERU ASSISTS SAI HONDURAS WITH STRATEGIC WAY FORWARD



During a special ceremony held at Peru's Supreme Audit Institution (SAI) headquarters, Peru's Comptroller General, Mr. Nelson Shack Yalta, delivered the Institutional Strategic Plan (2018-2023), Multi-Annual Audit Plan and Action Plan to the President of SAI Honduras, Mr. Roy Pineda Castro, as part of a Memorandum of Understanding signed in February 2018.

The technical assistance was developed during three visits to SAI Honduras and video conferences involving work teams from both SAIs.

The first visit, held in August 2018, focused on developing methodology and schedules. The Peruvian team conducted a "Strengths, Weaknesses, Opportunities and Threats (SWOT)" analysis and helped define SAI Honduras' mission, vision and values—the foundation to developing the strategic plan.

In October 2018, SAI Peru met with various stakeholders to address administrative, logistic and safety issues. They also engaged with high-level authorities and conducted working meetings to clarify strategic objectives, indicators, milestones and goals.

The November 2018 visit entailed presenting the deliverables to senior management and generating awareness about the newly devised documentation and processes to key stakeholders.

This best practices example highlights joint efforts that result in strengthening capacity at the organizational level that can have positive impacts, through replication, regionally.

News from Russia



SAI RUSSIA PREPARES FOR 2019 CONGRESS, MEETS WITH INTERNATIONAL COUNTERPARTS

"We have many ideas, proposals and innovations aimed at strengthening the role of the International Organization of Supreme Audit Institutions (INTOSAI). It's an ambitious goal, but one I believe is attainable in the foreseeable future."

Inspiring words about the audit community's huge creative potential from Aleksey Kudrin, Chairman of the Accounts Chamber of Russia, the nation's Supreme Audit Institution (SAI), delivered to delegates attending the 71st Governing Board (GB) meeting in Moscow.

Russia's SAI, host of the XXIII INTOSAI Congress (INCOSAI) to be held in the nation's capital in September 2019, has chosen two Congress themes to focus on at the triennial event: (1) Information Technologies in the Development of Public Administration and (2) Role of SAIs in the Achievement of National Priorities and Goals. These themes, Kudrin noted, reflect the need for evolution and new approaches.

"The center of our discussion will shift from financial and compliance audits to strategic and complex approaches in public audit to improve public administration effectiveness and accountability."

The Congress, which will also feature several discussion panels to expand on topics important to the global audit community, will result in the "Moscow Declaration," which, according to Kudrin, must reflect new opportunities for SAI improvement in forming and implementing coordinated and stable policies.

During the GB meeting, Kudrin held several bilateral meetings, including one with INTOSAI Chairman and President of the United Arab Emirates' (UAE) State Audit Office, Dr. Harib Saeed Al Amimi, and Gene Dodaro, Comptroller General of the United States.

Delegates agreed they should continue work on developing INTOSAI's Charter, ensuring it is more responsive to modern technological challenges and includes the new role of audit institutions as strategic advisors to their governments.



SPECIAL CONTRIBUTION

"Standing Higher"—Ms. Hu Zejun, CNAO Auditor General

FEATURE STORIES

- *Inform, Consult, Involve, Collaborate, Empower: International Survey Uncovers Stakeholder Engagement Definition, Use and Impact*
- *Performance Audits to Communicate, Incorporate, Better Serve Stakeholders*
- *Mobilizing Stakeholders to Increase Audit Impact*
- *Using Visuals to Discover, Tell Audit Stories*

SPECIAL THEME: STAKEHOLDER ENGAGEMENT



"Standing higher," a metaphor that auditors should stand higher to better understand the overall situation and development trends, is more important than ever as Supreme Audit Institutions face increasingly higher external expectations due to the rapid development of government auditing.

STANDING HIGHER

Ms. Hu Zejun, CNAO Auditor General, Shares Importance of Building Capacity, Engaging Stakeholders, Seeing the Bigger Picture

Since her appointment as Auditor General of the National Audit Office of China (CNAO), Ms. Hu Zejun has often used the phrase, "Standing higher," a metaphor that auditors should stand higher to better understand the overall situation and development trends—to get a better grasp of the bigger picture.

The notion of "standing higher" is more important than ever as Supreme Audit Institutions (SAIs) face increasingly higher external expectations due to the rapid development of government auditing.

SAIs, now performing much more than book checking as the word "audit" implies, are actively contributing to national governance through such initiatives as auditing performance and efforts to attain the Sustainable Development Goals (SDGs).

Additionally, the Beijing Declaration, adopted at the XXI International Organization of Supreme Audit Institutions (INTOSAI) Congress, called for SAIs to help enhance national performance, transparency and accountability, and protect citizens' interests.

These efforts, aimed at improving good governance, alongside the INTOSAI consensus to meet expectations of various stakeholders, demands a change in mindset and improved capacity.

"We must be fully aware of our mission as auditors, achieve our goals through operations (both innovative and standard) and establish our credibility through self-improvement. By

setting up a sound training and management mechanism for auditors, we hope to build a team of high-quality, results-oriented, professional auditors with conviction, expertise and integrity," Ms. Hu emphasized.

The CNAO has employed several initiatives to help auditors stand higher, change how they think, broaden horizons and stay up-to-date on the latest governance issues and guidance. Centralized, practical training modules and the "Audit Lecture Series" are two such programs that have brought impressive results to the CNAO.

Ms. Hu believes capacity building is a central task for all SAIs, one that is key to being able to see the bigger picture, one crucial to achieving long-term goals, and one that should extend well beyond a SAI's borders—into the regions and the INTOSAI community.

This is also true of working together, collaborating and cooperating across all levels with all stakeholders— aspects she deems essential to building a community with a shared future.

"To help promote national governance, SAIs cannot solely rely on internal efforts. Stakeholders, particularly legislature, media and the public, play an important role and should be well-informed to better support, understand and cooperate with SAIs."

Legislative support is conducive to improving a SAI's overall effectiveness, particularly in developing and improving audit laws and regulations that not only comply with national conditions, but also ensure sufficient audit responsibilities and rights.

In the information era, all media types are important to message delivery and government auditing influence. Ms. Hu believes SAIs should develop skills in working with media, as effective communication can help avoid misinterpreting audit findings. She champions the idea of shifting the media's focus to problem-solving rather than problem-reporting to help foster good governance.

The public can shape oversight synergy. Social progress occurs through citizen involvement in public affairs, and SAIs provide an important channel to understanding and monitoring government performance. Establishing a solid system to announce audit results supports safeguarding public rights; guides and mobilizes the public to implement an effective watch over government departments; and drives continuous governance improvement.

Ms. Hu underscored that stakeholder engagement should not be considered a negative aspect of a SAI's work and noted it should "be approached with an open and inclusive attitude on the premise of objectivity and impartiality."

Ms. Hu further explained that the CNAO attaches great importance to stakeholder collaboration, thus creating a positive external environment.

The CNAO extensively solicits opinions and suggestions from relevant government departments and all sectors of society. These opinions and suggestions become important references in developing audit plans. The CNAO has also developed and improved its coordination mechanism with relevant authorities to facilitate transferring identified concerns to appropriate entities.

In recent years, the CNAO put forth stronger efforts to publicly announce audit results, improve auditing transparency and protect the public's right to know.

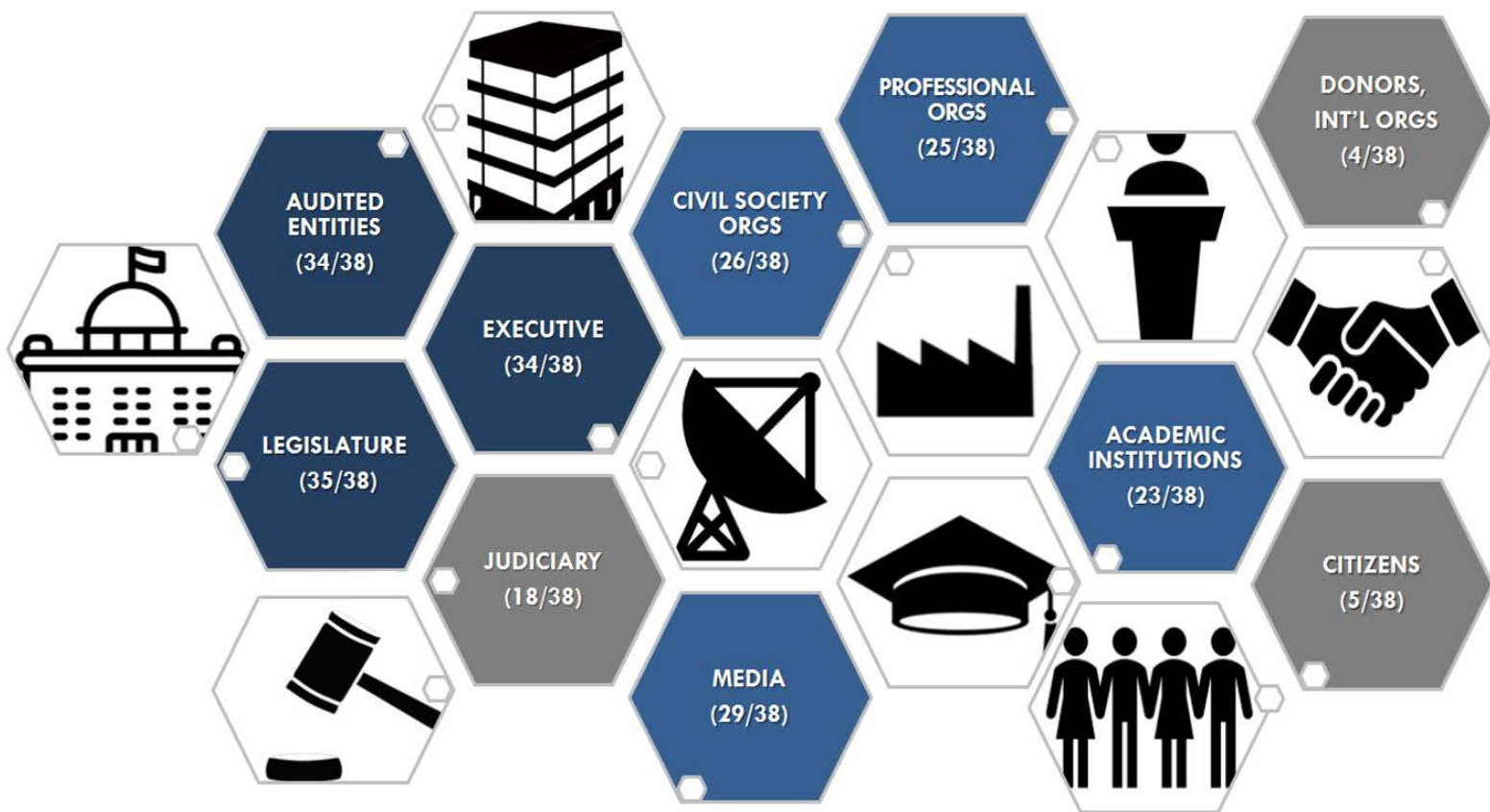
Ms. Hu recently assumed the role of Secretary General for the Asian Organization of Supreme Audit Institutions (ASOSAI), and commends the ASOSAI and INTOSAI multi-level cooperative mechanisms that have afforded active collaboration on important international issues and have resulted in a large number of influential results.

Globally, INTOSAI's work with the United Nations (UN) is extremely significant. INTOSAI and the UN hold regular symposiums and jointly promote adopting UN resolutions on auditing, including the 2030 Agenda for Sustainable Development, where both organizations have recognized SAI importance in contributing to SDG implementation.

As Asia accounts for 60% of the global population, about 30% of the global area, and 36% of the global gross domestic product, the CNAO and ASOSAI play major roles in the global sustainable development endeavor.

"We should continue to work closely with stakeholders including the UN, donors, standard-setting organizations, and respond actively to stakeholder support and concerns," she added.

Creating opportunities to incorporate stakeholders into audit work and fully embracing ideas and mechanisms to build capacity not only generate more effective, efficient and impactful audit reports, they also lead to equally effective, efficient and impactful auditors on the path to see the bigger picture, a path to "stand higher."



Cover graphic based on survey asking SAIs to define key stakeholders (survey allowed for multiple responses)

INFORM—CONSULT—INVOLVE COLLABORATE—EMPOWER

International Survey Uncovers Stakeholder Engagement Definition, Use and Impact

by Eva-Maria Asari, National Audit Office of Estonia

Supreme Audit Institutions (SAIs) play a pivotal role in holding governments accountable for the use of public funds. At the forefront of good governance, SAIs can significantly add value and benefits to the lives of citizens.

This article explores SAI stakeholder engagement and presents findings from an international survey carried out by the National Audit Office of Estonia (NAOE). The NAOE survey, as part of the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative's (IDI) SAI Young Leaders project, was distributed to 47 SAIs, as well

as the European Court of Auditors. Thirty-eight delegates responded.

Stakeholder Engagement—The Varying Degrees

Stakeholder: a person, group or organization that has interest or concern in the SAI and who can affect (or be affected by) SAI actions.

SAIs have increasingly begun to employ collaborative mechanisms as awareness of the benefits associated with stakeholder engagement has steadily risen.

Stakeholder engagement, as a planned process, gives relevant counterparts an opportunity to provide input into

audits. Rooted in a SAI's culture and historical patterns, the degrees of stakeholder engagement can be viewed as a continuum of potential influence on a decision or action being considered (see Figure 1). At each level, stakeholder participation (and impact) increases.

- **INFORMING** and **CONSULTING** are shaped by one-way communication where stakeholders are passive information receivers. Informing examples include online audit report dissemination, parliamentary committee meetings and media press conferences, while focus groups and feedback surveys are consulting examples.
- Starting with the **INVOLVEMENT** phase, engagement strategies are based on two-way interaction, which entails providing feedback on stakeholder contribution.
- **COLLABORATION** involves developing stakeholder partnerships within the audit process (in parts or whole).
- **EMPOWERMENT** encompasses delegating final decision-making (on identified issues) to stakeholders.

The NAOE survey results showed a majority of respondents preferred engagement strategies primarily based on consultation (see Figure 2), followed by informing and involving. Few SAIs responding to the survey collaborate with stakeholders, and only two SAIs defined stakeholder engagement as empowerment. As SAI engagement interventions vary, differentiating among levels, instruments and stakeholders is essential. The survey allowed for more than one response, and half of the respondents noted employing more than one approach to engage stakeholders.

Stakeholder Engagement—Impact

Research has shown a strain on stakeholder engagement due to requiring a balance between SAI autonomy and increasing audit impact through meaningful dialogue. At the same time, SAI impact does not depend solely on the degree of independence; capacity to effectively deal with, and establish, functional linkages with the external environment are also crucial.

SAIs, according to survey responses, actively seek ways to engage stakeholders and do so in a more systematic manner. A large majority (80 percent) indicated stakeholder engagement is mentioned in strategic documents and there are guidelines on stakeholder engagement. In addition, more than two-thirds of surveyed SAIs said that they review engagement principles regularly.

However, evaluating engagement activities remains a shortcoming. Though roughly half of the survey's respondents indicated monitoring stakeholder engagement activities, few performance indicators exist that are connected to stakeholder engagement, which makes it difficult to evaluate activity effectiveness and appropriateness.

EMPOWER

Final decision making delegated to stakeholders

COLLABORATE

Collaborating with stakeholders in decision making and identifying preferred solutions (e.g. involving stakeholders in the audit team)

INVOLVE

Ensuring stakeholder concerns and opinions are reflected in audit reports and providing feedback on how input was considered

CONSULT

Obtaining feedback from stakeholders on issues raised during audit and alternatives to solve them

INFORM

Providing balanced and objective information to stakeholders on audit topic and results

FIGURE 1: LEVEL OF STAKEHOLDER PARTICIPATION AND IMPACT

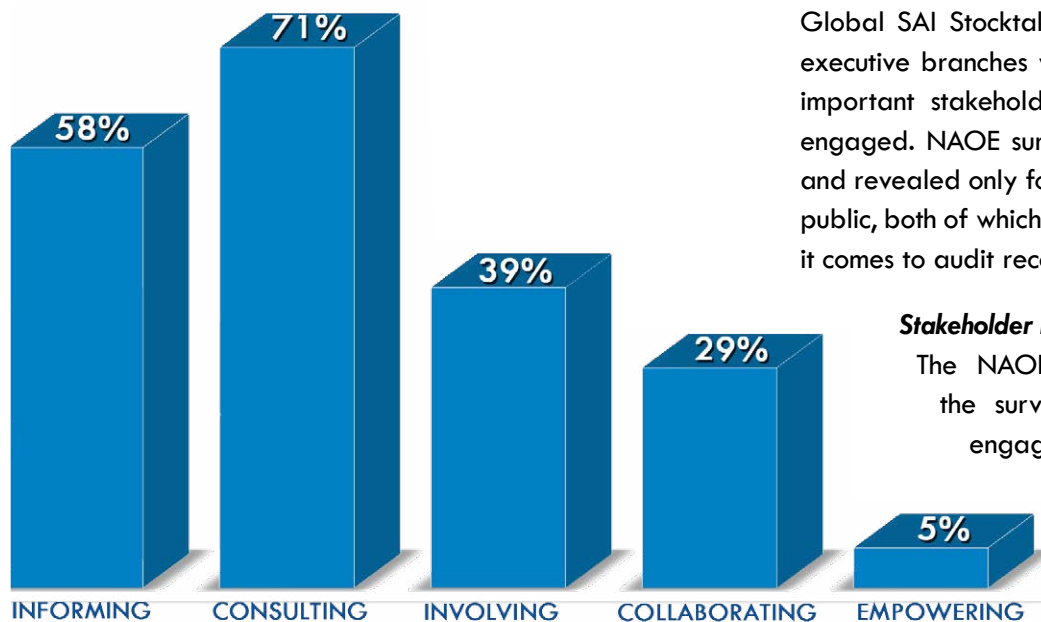


FIGURE 2: ENGAGEMENT STRATEGY PREFERENCE

Funding is also a challenge, as numerous SAIs responding to the survey reported not having separate positions or funding allocated toward stakeholder engagement activities. Several respondents noted stakeholder engagement is subsumed under other departments (communication teams or senior management). This incorporation limits the availability of information on engagement activity costs, such as staffing hours.

According to IDI's "Guidance on Supreme Audit Institutions' Engagement with Stakeholders," incorporating relevant stakeholders during the entire audit process is vital to an audit report being well-received and achieving greater impact when the report is made public. The earlier stakeholders are included, the greater the impact on the audit, as stakeholder opinions can be taken into account.

Survey results, which allowed for multiple responses, since SAIs may engage stakeholders in multiple audit stages, found frequent engagements before the audit's start and at the end when disseminating audit report results (see Figure 3). Only two respondent SAIs engage stakeholders solely when disseminating report results, and five SAIs said they engage stakeholders during all audit stages.

Identifying key stakeholders also varied according among SAIs responding to the survey (see cover graphic). IDI's 2018

Global SAI Stocktaking Report noted that legislative and executive branches were, generally, seen as most the most important stakeholders and the groups most consistently engaged. NAOE survey results confirmed the IDI's findings and revealed only four SAIs prioritize citizens and the wider public, both of which are the least consistently included when it comes to audit recommendation follow-up.

Stakeholder Engagement—A Discussion

The NAOE confirms that those responding to the survey predominantly focus on one-way engagements; however, growing awareness of engagement advantages has resulted in SAIs moving towards more systematic and participatory work with stakeholders and placing increased emphasis on gathering stakeholder feedback.

A majority of survey respondents pointed to seeking stakeholder feedback on audit activities using questionnaires or some means of regular external evaluations. Only three SAIs reported having no formal procedures in place for collecting feedback.

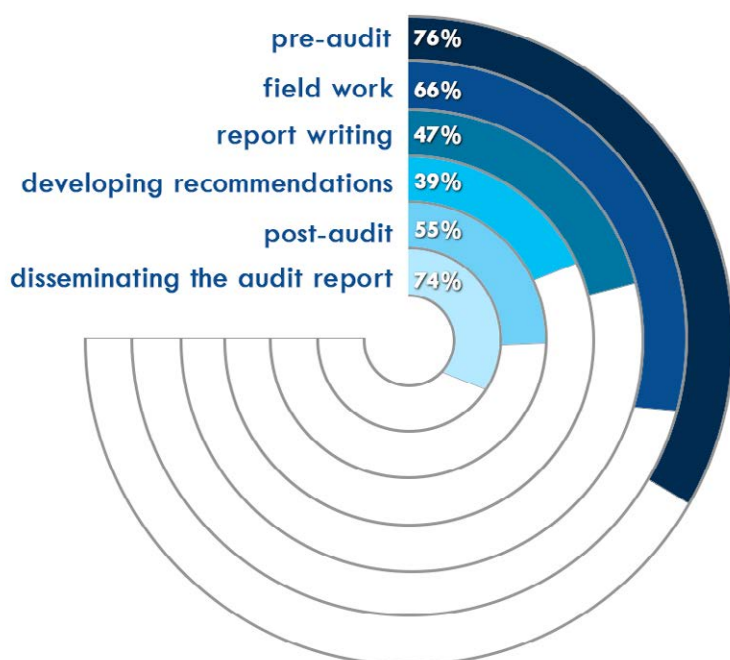
Acting on stakeholder suggestions and including stakeholders in follow-up activities would be the next steps to enhancing stakeholder engagement.

While two SAIs that responded to the survey defined their organizations' engagements as empowerment, SAIs are not legally able to hand over decision-making authority to stakeholders, thus empowerment is less likely to become the dominant form of SAI engagement any time soon.

Previous research suggests that the approach to performance auditing has shifted. Once a one-off exchange between auditor and auditee, it has become a more continuous dialogue as to assess the entity's performance and assist and advise on performance improvement.

Societal change cannot be created solely through a SAI and its work. Collaborative support is essential, as stakeholder engagement has the potential to reinforce SAI credibility and the ability to provide objective insight that can add value and benefits to the lives of citizens.

FIGURE 3: AUDIT STAGE AND STAKEHOLDER ENGAGEMENT



Stakeholder Engagement—Conclusions

Engaging stakeholders throughout the audit process can be challenging. Recently, SAIs have begun to recognize stakeholder engagement as a support instrument that can lead to increased audit impact.

The NAOE survey results demonstrate SAI engagement approaches are becoming more institutionalized and are moving toward participatory involvement—going beyond a simple dissemination of audit results. This includes collecting stakeholder views on audit planning and soliciting feedback throughout the audit cycle.

Monitoring stakeholder activities remains a challenge. Performance indicators can help assess whether the choice of instruments contributes to goal achievement and identifies the benefits associated with engaging stakeholders. Proactive and interactive engagement with stakeholders can enhance audit report impact and help SAIs demonstrate their value to society.

Note

The NAOE distributed the stakeholder engagement survey in March 2018 to 47 SAIs and European Court of Auditors (ECA) as a part of the INTOSAI Development Initiative SAI Young Leader program. 38 responses were received from Argentina, Australia, Bulgaria, Canada, Costa Rica, Croatia, Cyprus, Denmark, Ecuador, Estonia, Finland, Fiji, France, Germany, Greece, Hungary, India, Ireland, Italy, Kazakhstan, Latvia, Liberia, Lithuania, Malta, Mexico, Netherlands, New Zealand, Philippines, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, South Africa, the United Kingdom, United States, and the ECA.

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PERFORMANCE AUDITS TO COMMUNICATE, INCORPORATE, BETTER SERVE STAKEHOLDERS

by Sali Agaj and Redi Ametllari, Albanian Supreme Audit Institution

“You must run to keep in place. If you want to get somewhere else, you must run at least twice as fast as that.”—Red Queen theory of evolution.

Traditionally, audits, based on accounting standards, have focused on financial statement accuracy and regularity. In the area of public audit, the traditional approach also verifies the implementation of laws and financial rules. This method prevailed for centuries until the 1970s, at which time legislative bodies of some advanced industrial nations began to ask, “Did we gain value for money spent?”

When public funds are expended in accordance with laws and financial frameworks, it doesn't necessarily equate to adding value and benefits to the lives of citizens.

This notion was highlighted during Albania's Supreme Audit Institution's (ALSAI) 4th Scientific Conference on Risk Analysis, where Igor Soltes, former President of the Slovenian Court of Accounts, shared a story that illustrated the disconnect between public resource use and public value.

“The tiny settlement of Sutera, tucked away in the mountains of Sicily, received a generous grant from the European Union to boost tourism by building an elevator linking the village to a hilltop monastery. However, the elevator has never functioned, because the local council cannot afford the 100,000 euro in annual operating costs,” Soltes explained.

Performance audits, which aim to provide citizens with new information and trace final destinations of money spent, theoretically share a common purpose with public institutions—to better serve the citizens.

Yet, in practice, serving the citizens can be difficult. As Supreme Audit Institutions (SAIs), achieving this shared purpose means overcoming challenges associated with the auditing field, technicalities that make communicating with and incorporating stakeholders crucial SAI activities.

An auditor's vocabulary, often referred to as audit speak, can be difficult for citizens to understand. It is important for SAIs to provide reports that are comprehensive, clear and concise. ALSAI has taken steps to communicating in a more meaningful way by “translating” reports using less complex, more understandable language. ALSAI has gone a step further by transforming written reports into visual stories to convey audit findings in an aesthetic, user-friendly way.

Establishing a new communication standard with auditees can also prove beneficial. Creating synergy between the SAI and organization being audited results in a much more impactful report.




Improve Reports
Create Synergy
Strengthen Partnerships
Enrich Engagements, Results

COMMUNICATE



Topic Flexibility
Enhance Transparency
Improve Credibility
Increase Audit Impact
Add Value, Benefits

INCORPORATE



• **Cooperative work with Non-Governmental Organizations (NGOs).** The Friedrich Ebert Foundation, an NGO, included ALSAI in a project where ALSAI conducted a performance audit on “Quality of Student Services in Public Universities.” ALSAI implemented direct communication mechanisms with stakeholders (students) as part of the performance audit, which provided value feedback leading to improved audit work and reports having greater impact.

For instance, during introductory meetings with senior level authorities, ALSAI auditors no longer ask, “What has been done wrong?” Instead, we ask, “What can we improve?”

Developing partnerships with media provides a direct path to communicating audit work and audit results with citizens. It also demonstrates transparency, which enhances SAI credibility and strengthens stakeholder relations and trust.

While financial and compliance audit topics typically stem from mandates, performance audit topics often originate from citizens and social problems facing the nation. Transcending the chain of numerous laws and processes to focus directly on the epicenter of social issues has expanded ALSAI’s spectrum of audit topics—those once unreachable by other forms of audit.

Performance audit topic flexibility has also resulted in extraordinary teamwork opportunities and closer contact with stakeholders. No longer positioned in cooperative “outskirts,” stakeholders have become central to audit work. Some recent ALSAI examples include:

- **Collaborative work with the United States Agency for International Development (USAID).** After signing a cooperation agreement to implement a “Transparency in the Health System” project, ALSAI performance auditors and USAID experts engaged in a joint audit specifically to address medical emergencies in Albania. Relations were further strengthened through several USAID-organized workshops.

- ALSAI’s performance audit on the state of affairs for former politically persecuted personnel provided an opportunity for direct engagement with citizens. The audit work resulted in gaining trust and credibility with society, and a post-audit conference united relevant institutions and various NGOs to discuss the findings and means to address them.

Service to citizens must not solely be measured on producing audit products. Stakeholder accessibility throughout audit work (from beginning to end) and communicating this work are essential to enhancing a SAI’s ability to provide value and benefits to citizens.

Conceived as an intellectual and working philosophy, performance auditing in ALSAI, now in its seventh year, has become a marathon fleet designed to reach modern day capabilities of European affiliates.

ALSAI Chairman, Bujar Leskaj, believes it is a philosophy that “considers oversight not a purpose in itself. Performance auditing is an instrument to prevent corruption, and can be used as a counseling tool for the auditee.”

Performance auditing comes with no framework. It is merely a sketch that needs a little history and some literature to fully shape it. It is a practice that extends beyond a SAI’s boundaries. It constitutes a national reform through its introduction of a new managerial approach—an approach that lends itself to efficiency, flexibility, change.

Public audit aims to enhance good governance by promoting transparency and accountability in governmental financial affairs. Throughout the audit process, identifying any weaknesses and gaps is crucial, particularly pertaining to legal compliance; internal control; revenue assessment and collection; budget, public procurement and project management; and service delivery.

To address such deficiencies, audits present advice designed to achieve economy, efficiency and effectiveness in public resource use; however, merely providing suggestions does not meet an audit's desired objectives. The ultimate objective—making a difference in the lives of citizens—can only occur when audited entities implement the recommendations.

Measuring an audit's impact demands extensive survey and follow-up mechanisms to effectively identify program, project and service delivery enhancements.

SAIs can strengthen audit impact in numerous ways, such as conducting real-time audits; reducing impunity by taking action against financial irregularities; building ongoing relationships with audited entities; enriching audit quality; producing logical, convincing recommendations; and engaging media, Civil Society Organizations (CSOs) and other stakeholders.

Formulating solid stakeholder communication strategies has become essential, particularly as SAIs increase stakeholder inclusion in audit work. SAI Nepal's work has resulted in several cases that illustrate increasing an audit's impact through stakeholder engagement. This article provides two such cases.

Value Added Tax Case Study

According to Nepal's constitution, all taxes are levied as per parliamentary acts. Each year, parliament authorizes specific Value-Added Tax (VAT) refund percentages on

certain commodities sold to VAT-registered firms. An audit conducted by Nepal's Office of the Auditor General (OAGN) revealed a total of 309 million dollars in VAT refunds over a 5-year period (2012-2017).

This amount included treasury monies paid to (1) oil processing industries that import crude oil (out of six process activities, five were carried out beyond Nepal's borders and simply refined in Nepal), and (2) cellular mobile phone importers (not manufacturers). These refunds resulted in huge national revenue loss. Additionally, providing VAT refunds directly from the treasury goes against the VAT principle. Accordingly, the OAGN audit suggested reviewing and discontinuing such provisions.

OAGN communicated this issue in audit reports for two consecutive years, and Nepal's Ministry of Finance eventually established the High-level Tax System Review Commission (HTSRC). The HTSRC, created to assess revenue exemption and VAT refund impact, suggested a VAT refund reduction on certain goods—a recommendation in line with the International Monetary Fund's 2015 report on Nepal that called for a limit on tax exemptions as per international practices.

During the subsequent annual OAGN report, the Public Accounts Committee (PAC) issued a directive—reduce (and limit) the practice of granting VAT refunds.



MOBILIZING STAKEHOLDERS TO INCREASE AUDIT IMPACT

by Ramu Prasad Dotel, Deputy Auditor General, Office of the Auditor General, Nepal

A few years later, VAT refunds on cellular mobile phones and certain oil products was reduced from 60 percent to 40 percent. However, the audit's recommendation was not fully implemented, as several special interest groups successfully applied pressure on the government to continue the monetary returns.

The OAGN repeatedly reported and followed up on the VAT refund topic, and continued engaging the media to publicize the issue and raise public awareness. The communication campaign proved successful. The government finally abolished the practice of providing VAT refunds within these reported industries, and, as a result, annual gains of approximately 60 to 70 million dollars in revenue have been realized.

Capital Gains Tax Case Study

A foreign investment company owned 80 percent share of a telecommunications company in Nepal—shares fully transferred to another foreign company. A dispute arose as to whether the transfer of ownership from one foreign investor to another is taxable in Nepal.

As per Nepal's current Income Tax Act (ITA), withholdings should be retained for (1) payments made in relation to activities carried out in Nepal and (2) arrangements entered into, or carried out, as part of a tax avoidance scheme (whereby funds can be re-characterized). The dispute drew much attention to this specific taxation issue.

The seller of the Nepalese telecommunications company paid 97 million dollars as an advance in capital gains tax; however, the official sale and purchase agreement was not submitted to the appropriate tax authority.

The OAGN reviewed the 15 percent advance payment and noted the purchasing company's claimed 757 million dollar excess costs resulted in a 113 million dollar revenue loss to Nepal's government.

These findings touched on two key elements. Nepal's national ITA requires a 25 percent capital gains tax payment, thus the taxpayer, having remitted funds representing 15 percent, fell woefully short (367 million dollar shortfall). Further, the telecommunications company was believed to be participating in a tax avoidance scheme by inflating costs and reducing capital gains tax associated with the company's sale.

The story broke publicly as the OAGN submitted the annual report to Nepal's president. The OAGN also made the report available online and held a press conference to ensure the news received maximum coverage and stakeholder engagement.

Nepalese tax experts were divided on the issue. Various CSOs raised questions about the government's failure to collect proper revenues. Yet, some questioned tax revenue recovery from an outgoing investor due to potential jurisdictional conflicts. Nepal's government established a panel to investigate the case. Parliamentary committees summoned the tax authority to further discuss the matter. Government tax collectors were instructed to withhold funds from the outgoing investor. Some groups (lobbying on behalf of the telecommunications company) put pressure on the government. The press and media continuously reported on the story.

During the issue's debate, the telecommunications company paid an additional 108 million dollars; however, this amount was still insufficient (in keeping with the current tax law). Ultimately, a tax liability of 590 million dollars was assessed to the outgoing investor, and this case demonstrates substantial achievement in audit impact through constant, continued stakeholder engagement.

Conclusion

SAls play a vital role in holding government accountable and promoting economy, efficiency and effectiveness in government operations. They help deter misuse and extravagance, assist decision-makers by performing independent assessments and provide much-needed warnings to public sector entities by identifying emerging trends and challenges.

SAls must go beyond simply publishing a report by engaging and communicating with stakeholders. Media outlets, CSOs and the general public provide exposure and can exert pressure toward audit recommendation implementation—one way to measure an audit's success.

Audit reports should not be mere paperweights. Through implemented recommendations, audits should improve government resource management and, ultimately, add value and benefits to the lives of citizens.

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VISUAL STORIES THAT TRANSFORM AUDIT SPEAK INTO ENGAGING, UNDERSTANDABLE REPORTS

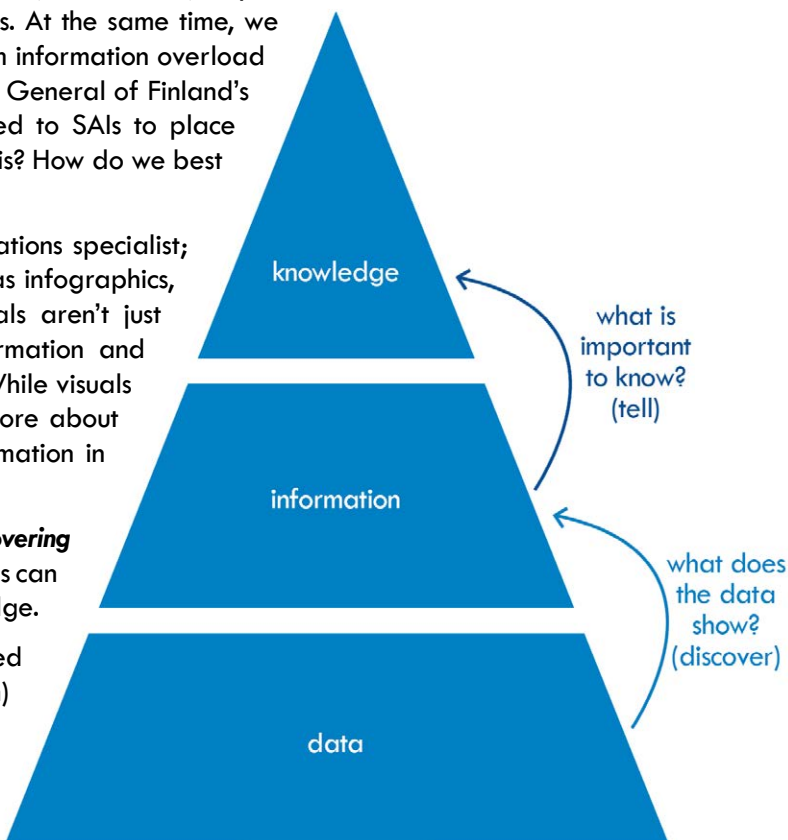
(Hover over byline to learn more about the author and click icons to discover infographic illustrations)

Auditors love words! Having served as an auditor for more than 10 years, it seems that words tend to be a source of comfort and confidence, and we, as auditors, rely on words when attempting to get our message across to readers. At the same time, we realize those reading our reports are probably suffering from information overload and are, most likely, not as text-driven as we are. The Auditor General of Finland's Supreme Audit Institution (SAI), Ms. Tytti Yli-Viikari, appealed to SAs to place stakeholders at the center of audit work. But, how do we do this? How do we best reach our audience?

Like most auditors, I am not a graphic designer or communications specialist; however, I have been creating visual stories using tools, such as infographics, animations and data visualizations for several years. Visuals aren't just pretty pictures that go with text. They are rooted in information and visual design and are used to analyze, convince or explain. While visuals should be aesthetically pleasing, designing visual stories is more about conveying how things work, and they should make the information in audits understandable and engaging.

The best visual stories should be a sum of two processes—**discovering** and **telling**. As shown in the pyramid graphic, these two processes can be combined using theories on data, information and knowledge.

By using structure, hierarchy and relationships, data is transformed into information. This transformation (information design) represents a visual story's foundation—determining important elements, defining key messages, and using visual elements to engage the audience.



Information Design, Visual Design: The Bases for Visual Stories

Information design is a foundation for both visual stories and audit work. Whether it's a question of making a flow chart, categorizing data, or mapping and plotting, many auditors already employ aspects of information design. But how can we transform these individual aspects into a full visual story?

We created a four-step process using a practical example from a previous audit on pre-trial detention. Click on the icons for visual illustrations of each step.

Step 1: The audit team delivered a table outlining the various pre-trial detention definitions.

Step 2: Hierarchy and relationships were added to make the information easier to understand (information design).

Step 3: Visual elements (color coding, icons) were incorporated throughout the report to emphasize differences.

Step 4: We then turned to the art of visual design and included visualizations representing duration (tick marks and a figure of a person waiting).

Though it was a full-page, it made the information easier to understand (structure), helpful (consistent color coding, icon usage throughout), and engaging (grabbed the reader's attention).

More Than Just a Pretty Picture

Visual stories are important in effectively communicating with stakeholders. A picture is worth a thousand words, which means a lot to the auditing community. But it is more than just supplying a pretty picture. It's about impact. It's about reaching out to our audience. It's about making our stakeholders care.

Visual stories based on human-centered design that originate from content-centered audits provide all of that; however, creating visual stories that truly match report complexity means that we, the auditors, need to start designing. Working with designers (co-creating visuals) can help prevent visual stories that are too flattened or too complex.

When Visual Stories Work

Visual stories offer numerous benefits: immediate impact; the ability to grab a reader's attention; creating a more understandable topic for a wider audience.

A design research method developed during an audit on product safety provides an excellent example of employing visual stories to realize these benefits. The success of this innovative process was largely due to the early integration of stakeholders.

The European Commission collects notifications on all products bearing a safety ("CE") marking that have been found potentially unsafe for consumers. This involves an extraordinary amount of data. Such a tough topic needed help in gaining stakeholder attention, prompting us to develop effective visuals, as well as redesign our product (our audit).

We set out to give the safety marking data a "face" to make decision makers care about the topic. To better grab the reader's attention and make the topic more understandable, two unsafe products were selected as examples, and their journeys from supplier to consumer were visually mapped. This method generated valuable insights into how the system works. It also helped create a number visual stories to convey the message, which were used by journalists in reporting on the audit.

Additional Information

For a full list of references or more general information on this topic, contact the author at L.Meijer-Wassenaar@rekenkamer.nl.

To learn more about the author's experience in developing visual stories, visit <http://auditinvorm.nl/how-to-discover-and-tell-visual-stories-in-audits/>.

Additional Visual Story Examples (click the icons for image zoom)

Asylum Process

Youth Act transition to Long-Term Care Act (WLZ)

Hurricane Irma's Path



INTOSAI 71ST GB MEETING LEADS TO IMPORTANT DECISIONS FOR FUTURE

Roughly 90 delegates from Supreme Audit Institutions (SAIs) worldwide came together in Moscow, Russia, November 15-16, 2018, for the International Organization of Supreme Audit Institutions (INTOSAI) 71st Governing Board meeting.

Numerous decisions and approvals were made under the chairmanship of Dr. Harib Al Amimi, including:

- Creating a Memorandum of Understanding between INTOSAI and the United Nations Office on Drugs and Crime to foster SAI participation in the "State Parties on the UN Convention of Fighting Corruption" conference;
- Approving the Rules of Procedure for INTOSAI Congress (INCOSAI) XXIII in 2019;
- Approving the INCOSAI XXIII outcome document (Moscow Declaration) format;
- Approving INTOSAI Handbooks for Congresses and Governing Board meetings;
- Postponing the decision on SAI Kosovo's application for full INTOSAI membership until the 72nd GB Meeting in 2019;
- Approving the revised Financial Regulations and Rules for INTOSAI;
- Approving financial resources necessary to relaunch the INTOSAI website;
- Approving a proof-of-concept exercise for a Forum for INTOSAI Professional Pronouncements (FIPP) Technical Support Function (TSF) and adopting the necessary measures. During the first phase, the TSF will work virtually, and a job profile for the collaborators criteria for the TSF host will be elaborated;
- Creating a section for the work of SAIs with jurisdictional responsibilities in the INTOSAI competency framework for public sector audit professionals;
- Encouraging SAIs to undergo, and actively engage in, SAI Performance Measurement Framework assessments;
- Transitioning Workstream for Guides and Occasional Papers leadership from SAI United Kingdom to SAI Kenya;



PERFORMANCE AND ACCOUNTABILITY REPORT
2017—2018

The first-ever INTOSAI PAR was officially approved at the 71st Governing Board meeting in Moscow, Russia. The publication, spearheaded by the Policy, Finance and Administration Committee, includes annual progress among all committees and regions, key issues and opportunities for improvement. Click [here](#) to fully explore the INTOSAI PAR.

- Supporting the draft guide on "Developing Pathways for the Professional Development of Auditors in a SAI," aimed at utilizing the INTOSAI competency framework to develop public sector audit professionals in the most context-appropriate way, including the recently completed global research results;
- Approving the first INTOSAI Performance and Accountability Report;
- Recognizing the current development status of the FIPP's Strategic Development Plan 2020-2025;
- Creating an interim Task Force on the Impact of Science and Technology on Auditing;
- Supporting the INTOSAI Development Initiative's Strategic Plan 2019-2023 for adoption by INCOSAI XXIII;
- Elaborating on a manual to ensure consistency in content, branding and a clear purpose for all INTOSAI websites;
- Updating INTOSAI's communication strategy in light of technological developments, including stakeholder definitions;
- Following up on the dialogue with the United Nations (UN) and other stakeholders on the SAI independence; and
- Elaborating on road maps for the INCOSAI XXIII, UN/INTOSAI Symposium 2020, and High Level Political Forum (HLPF) to promote advocacy and more clarity on Sustainable Development Goal (SDG) programs within INTOSAI' strategic vision framework regarding the SDGs.



THE FIPP: WHO WE ARE, WHAT WE DO

In 2014, the International Organization of Supreme Audit Institutions (INTOSAI) established a temporary Common Forum for professional standards. At the 2016 INTOSAI Congress in Abu Dhabi, the forum was confirmed as a permanent body and designated the Forum for INTOSAI Professional Pronouncements (FIPP).

The FIPP—Who We Are

FIPP members are selected by the INTOSAI Goal Chairs—Professional Standards Committee (PSC), Capacity Building Committee (CBC) and Knowledge Sharing Committee (KSC). Every year, the Goal Chairs issue a call for nominations for new FIPP members.

The FIPP composition intends to mirror INTOSAI’s membership in respect to regional representation, Supreme Audit Institution (SAI) models, audit types and audit/capacity development expertise. The FIPP comprises between 10 and 16 members, including the FIPP Chair, and member appointments are dependent on the relevant SAIs’ commitment to permitting nominees to work for INTOSAI.

The FIPP—What We Do

Supporting professional development by ensuring INTOSAI provides clear, consistent professional pronouncements for public-sector auditing, the FIPP reviews, monitors and ensures numerous tasks to include ensuring:

- International Standards of Supreme Audit Institutions (ISSAIs), as well as related principles and guidance, are developed based on a consistent set of professional standards that serve the needs of INTOSAI members;
- Professional pronouncements are based on fundamental public-sector auditing principles (as defined in ISSAI 100);
- Professional pronouncements contribute to accountability, effectiveness, efficiency and transparency of public-sector auditing; and
- Professional pronouncements provide the basis for capacity development and facilitate knowledge sharing and verification.

The FIPP's authority and responsibilities are defined in the Due Process for the INTOSAI Framework of Professional Pronouncements (IFPP). The FIPP also addresses crosscutting issues, such as:

- Responding to inquiries from those drafting ISSAs (or other documents) for the IFPP;
- Defining common INTOSAI positions on standards-related issues;
- Encouraging the consideration of all perspectives (auditor, stakeholder) in the standard-setting process; and
- Liaising with INTOSAI working groups and subcommittees that develop IFPP content.

The FIPP's Working Procedures

According to the FIPP's Terms of Reference, FIPP members develop the working procedures that establish the forum's decision-making process and reporting mechanism.

These procedures, important in supporting the FIPP's work, developing INTOSAI as a professional standard setter, and ensuring a more transparent, predictable process, were approved by the FIPP in August 2018 and will soon be available online.

The Process for Developing Pronouncements

The Due Process for developing pronouncements applies to (1) new pronouncements, (2) changes of substance in existing pronouncements, and (3) incorporating pronouncements issued by other organizations into the IFPP. The FIPP approves project proposals, exposure drafts and endorsement versions to be sent to INTOSAI's Governing Board for approval.

Click [here](#) to access the full Due Process document.

Current SDP Status

The Strategic Development Plan (SDP) is a general IFPP strategy and working plan that assembles all initiatives to develop, revise or withdraw professional pronouncements. The current SDP covers the period 2017-2019, and the status of the projects can be consulted [here](#).

The PSC is migrating existing pronouncements (not due to be reviewed in the current SDP) from the previous ISSAI framework to the IFPP. This process includes editorial changes and renumbering. All drafts will be FIPP-approved prior to migration.

The FIPP's Involvement with the New SDP

Following Due Process, there was a broad consultation to the INTOSAI community and external stakeholders. Based on these inputs, along with an internal IFPP assessment and guidance from the Goal Chairs, the FIPP will prepare a proposal for the next SDP to be approved by the PSC Steering Committee and endorsed by INTOSAI's Governing Board.

The FIPP's Commitment to Standard Setting

The FIPP is committed to supporting SAI professional work by ensuring all IFPP professional pronouncements follow a quality control process that includes consistency, accountability and transparency.

The FIPP, a part of INTOSAI's efforts to improve standard setting, is still under development. The first objective under Goal One of INTOSAI's Strategic Plan 2017-2022 calls for a strong organizational framework to support INTOSAI standard setting. This includes a permanent standard-setting board (FIPP) along with technical support and independent advisory functions.

As part of its role as an INTOSAI standard-setting board, the FIPP aims to develop working procedures and a new SDP by 2022.

For more information about the FIPP and INTOSAI standard setting, visit http://www.psc-intosai.org/en_us/site-psc/fipp/.

KEY TERMS

FIPP—Forum for INTOSAI Professional Pronouncements—established to support professional development by ensuring INTOSAI provides a clear and consistent set of professional pronouncements for public sector auditing.

IFPP—INTOSAI Framework of Professional Pronouncements—consists of:

- **INTOSAI-P:** INTOSAI Principles
- **ISSAI:** International Standards of Supreme Audit Institutions
- **GUID:** INTOSAI Guidance

SDP—Strategic Development Plan—the general strategy and working plan for IFPP development.

PSC—Professional Standards Committee—leads standard-setting efforts within INTOSAI (*INTOSAI Strategic Plan Goal 1*).



2018 OLACEFS GENERAL ASSEMBLY EMBRACES TECHNOLOGY, PARTNERSHIPS

The 2018 Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) General Assembly was hosted by the Argentinian Supreme Audit Institution (SAI) October 9-12, 2018.

The week-long event, held in Buenos Aires, included SAIs, international cooperation agencies, and key stakeholders spanning the globe.

During the assembly's technical sessions, discussions focused on integrity in public procurement—a technical topic fully developed by SAI Chile with contributions from several

OLACEFS member-SAIs. The valuable roundtable discussions resulted in the summation document, "Integrity in public procurement: Coordination and Control Mechanisms Between Procurement Systems and National Audit Institutions."

Technical session deliberations also focused on auditing public-private associations. The discussions were based on work performed by the SAIs of Cuba, Mexico and Uruguay, and included contributions from other OLACEFS members. "Superior auditing of state-owned companies and public-private associations" summarizes the outcomes associated with this technical theme.



OLACEFS also featured fruitful debates on a range of topics, including:

- Developing environmental coordination audits in the region, with an assessment of SAI contributions in implementing and achieving the United Nations (UN) 2030 Agenda and Sustainable Development Goals (SDGs); and
- Partnerships for innovation that included a panel of subject matter experts organized by the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI).

During the assembly, members discussed the region's work and approved important initiatives, such as electing SAI Uruguay as a new member of the OLACEFS Board of Directors; approving the 2017 financial statements; and implementing and following up on the 2017-2022 Strategic Plan.

SAI Peru, elected as the 2019-2021 OLACEFS President, plans to focus on a wide range of concepts and initiatives, including communication, cooperation, future projection, integration, sustainable development, and transparency.

The 2019 OLACEFS General Assembly will be hosted by SAI El Salvador.

Event working papers, background information and photos can be found online at:

- [XXVIII General Assembly and LXVIII Meeting of the Board 2018, Buenos Aires](#)
- [Gallery](#)
- Work sessions [video recordings](#) via the OLACEFS YouTube Channel

THE DECLARATION OF BUENOS AIRES



The Buenos Aires Declaration, "The Role of Supreme Audit Institutions Entities in Response to the New Information Technology of the XXI Century," establishes regional interest and commitment to implementing new technologies throughout the oversight process.

Due to difficulties in accessing public information, citizens have continually demanded developing instruments and information systems, and audit institutions are excellent mechanisms to bridge the gap between governments and civil society.

This issue was also raised at the 2017 OLACEFS General Assembly, where members identified limitations, challenges and recommendations for moving forward.

Necessary tools to be added to SAIs' toolkits include the collection, comparison and application of databases; using satellite imagery and analyzing evidence (in real time); and strengthening information system security.

Through the Declaration of Buenos Aires, SAIs in the OLACEFS region are committed to strengthening their roles in the face of new technology.

For more details on the Declaration of Buenos Aires, use the following link:

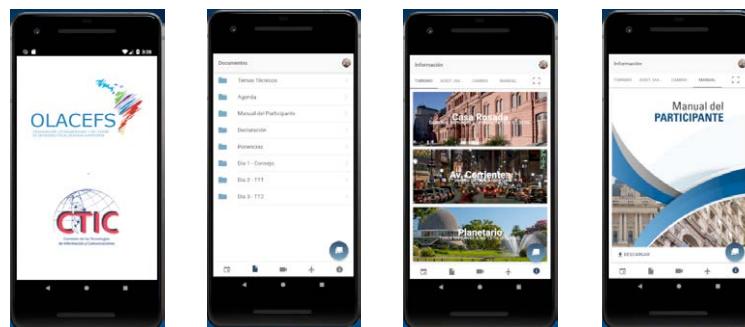
- [Declaration of Buenos Aires](#) on the role SAIs in light of new, 21st century information technologies



INSCRIPCIÓN

MANUAL DEL PARTICIPANTE

NEW TECHNOLOGY THAT ENHANCES EVENT EFFICIENCY, FUNCTIONALITY



The Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) Information Technologies and Communications Commission (CTIC), chaired by Dr. Francisco Javier Fernández, Auditor General of Argentina’s Supreme Audit Institution (SAI), developed a mobile application (app) and web portal that were successfully implemented during the OLACEFS General Assembly in Buenos Aires.

The app was equipped with several useful and interactive features, including:

- Calendar;
- Access to updated event documentation;
- Personalized data (based on participant registration information);
- Local event data, such as weather, currency exchange rates, and the participant guide); and
- An internal chat function to facilitate interaction between registered users.

During the OLACEFS General Assembly, the app, designed by SAI Argentina, was downloaded and utilized by a significant portion of event participants and contributed to the pursuit of a paperless environment by making documents readily available. The app also provided a platform that made event updates and announcements easily accessible.

Due to the app’s success, CTIC hopes this technology can be implemented for use in future events.

For more information about the app, its implementation and use, contact ctic@agn.gov.ar.



JOINT SAI PMF BASIC TRAINING COURSE A REGIONAL SUCCESS

The Organization of Latin American and Caribbean Supreme Audit Institutions' (OLACEFS) Commission of Performance Evaluation and Performance Indicators (CEDEIR) organized a Supreme Audit Institution (SAI) Performance Measurement Framework (PMF) Basic Training Course held in Lima, Peru, September 18-21, 2018.

The SAI PMF Basic Training course, jointly coordinated with the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), made it possible for 25 participants representing the SAIs of Belize, Bolivia, Cuba, Chile, Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua, and Peru, to be trained on the 2016 SAI PMF version endorsed at the XXII INTOSAI Congress in Abu Dhabi, United Arab Emirates.

Using a theoretical-practical approach, the course included instruction on SAI PMF structure and methodology. The instructors—William Burnett (United Kingdom), Enrique Mejía (Perú), Brighton Nyanga (Zambia), Horacio Saboia Vieira (Brazil)—also taught participants how to use the tool to conduct assessments.

During the event, the Comptroller General of Peru, Mr. Nelson Shack Yalta, addressed participants. He shared CEDEIR achievements, underscored the importance of SAI PMF, and praised the joint work carried out by IDI since 2012 that has benefited the region. He also reaffirmed SAI Peru's commitment to continue strengthening SAI capacities in the region.

Good Stories

SAIs can learn from and be inspired by each other. This page presents short stories from SAIs in challenging and complex situations. The stories below show how SAIs have addressed or managed to overcome challenges related to a complex situation.



INTOSAI CBC SHARES INSPIRING "GOOD STORIES"

Supreme Audit Institutions (SAI) working in complex and challenging contexts often deal with enormous challenges, yet they still find a way to carry out audit work despite the conditions. The International Organization of Supreme Audit Institutions (INTOSAI) Capacity Building Committee (CBC) has established a workstream to support these SAIs.

A key workstream initiative is to gather and share SAI experiences (in short story format) that highlight the constructive ways to overcome challenges.

SAIs worldwide have been invited to tell their stories, and some have already authored pieces that describe how specific contexts affect organizational and operational

challenges; how such challenges have been conquered; and how some SAIs have contributed to state and societal ability to cope with (or reduce) the complexity of challenges.

Currently, Auditors General from Kosovo, Liberia, Sierra Leone, Somalia and South Sudan have contributed to this initiative. These stories, available on the CBC's website at www.intosaicbc.org/goodstories, feature topics that include:

- Human resources challenges;
- Improving SAI performance;
- SAI independence;
- SAI contributions to state building; and
- Stakeholder management

Under the leadership of SAI Liberia and the INTOSAI Development Initiative (IDI), the workstream aims to continue adding stories designed to inspire.

SAI JAMAICA HOSTS CONFERENCE COMMEMORATING 30 YEARS OF SERVICE

Jamaica's Supreme Audit Institution (SAI) hosted the Caribbean Organization of Supreme Audit Institutions (CAROSAI) 30th Anniversary Conference August 15-17, 2018.

The three-day conference celebrated the theme "Building the Future on the Foundations of the Past" and included members of the CAROSAI community along with international stakeholders, local and regional politicians (past and present). Notable participants—Mr. Bruce Golding, Former Prime Minister of Jamaica; Deputy Prime Minister and Minister of Finance of the Commonwealth of Bahamas, the Honorable K. Peter Turnquest; Jamaica's Minister of Justice, the Honorable Delroy Chuck; and Mr. Peter Bunting, Opposition Spokesperson on Industry, Investment and Competitiveness—served as panelists for the conference's opening session dedicated to SAI independence.

During the opening ceremony, the Honorable Sir Patrick Allen, Jamaica's Governor General, provided guests with the keynote presentation, where he emphasized the importance of auditor independence and tasked government auditors to serve as guiding beacons to inform public entities about technologies that will assist in improving service delivery.

"Auditors must be independent if they are to give independent recommendations in their reports. An Auditor General's report is crucial to good governance, transparency and accountability," he said.

The conference closed with a final networking opportunity that afforded participants the ability to share auditing experiences against the backdrop of historical Kingston.



Auditors General and representatives of CAROSAI member states who attended the CAROSAI 30th Anniversary Conference



The Hon. Sir Patrick Allen, Governor General of Jamaica, gives his keynote address to attendees at the CAROSAI 30th Anniversary Conference



Notables attending the CAROSAI 30th Anniversary Conference (from l to r): Hon. K. Peter Turnquest, Deputy Prime Minister and Minister of Finance of the Commonwealth of Bahamas; Mr. Peter Bunting, Opposition Spokesperson on Industry, Investment and Competitiveness, Jamaica; Ms. Pamela Monroe Ellis, Auditor General, SAI Jamaica and Secretary General, CAROSAI; Mr. Bruce Golding, Former Prime Minister, Jamaica; Hon. Delroy Chuck, Minister of Justice, Jamaica



BUILDING A LONGER-TERM FOUNDATION

The Cooperation Transforms Support Structure to Focus on Long-Term Strategic Issues

The International Organization of Supreme Audit Institutions (INTOSAI)-Donor Cooperation (Cooperation) kicked off the year with a new support structure and a closer cooperation with the INTOSAI Development Initiative (IDI).

The INTOSAI Donor Secretariat, which has been supporting the Cooperation for the past nine years, will be integrated into the IDI under a new unit known as “Global Foundations.”

Major IDC initiatives, such as the Global Call for Proposals (GCP) and the Supreme Audit Institution (SAI) Capacity Development Database, will now be supported by IDI.*

Integrating the Cooperation’s support and administrative structures into the IDI will allow the Cooperation’s Steering Committee to better focus on long-term strategic issues and pursue opportunities to advocate for good practices between SAIs and the donor community.

To foster opportunities to unite members of the donor and INTOSAI communities, the Cooperation will also be considering new partnerships with various INTOSAI bodies

and working groups in hosting its annual meeting. Doing so has the potential to extend the Cooperation’s reach by providing diverse forums for members to share needs and develop plans for improved collaboration and support.

Though some administrative changes are taking place, the Cooperation’s mission and goals remain the same—to advocate for more effective, scaled-up support for SAIs around the world.

The Cooperation looks forward to working more closely with IDI and continuing its role in connecting SAIs and the donor community.

**Both the GCP and SAI Capacity Development Database will continue to work in their current forms throughout 2019.*



GAO and USAID sign agreement for CAE support to audit organizations in developing nations

GAO CENTER FOR AUDIT EXCELLENCE BUILDS WORLDWIDE CAPACITY, GOOD GOVERNANCE



The U.S. Comptroller General (CG), Gene L. Dodaro, had a vision: establish a team dedicated to building capacity and fostering effective accountability on a global scale. The CG's vision and legislation led to the creation of the Center for Audit Excellence (CAE).

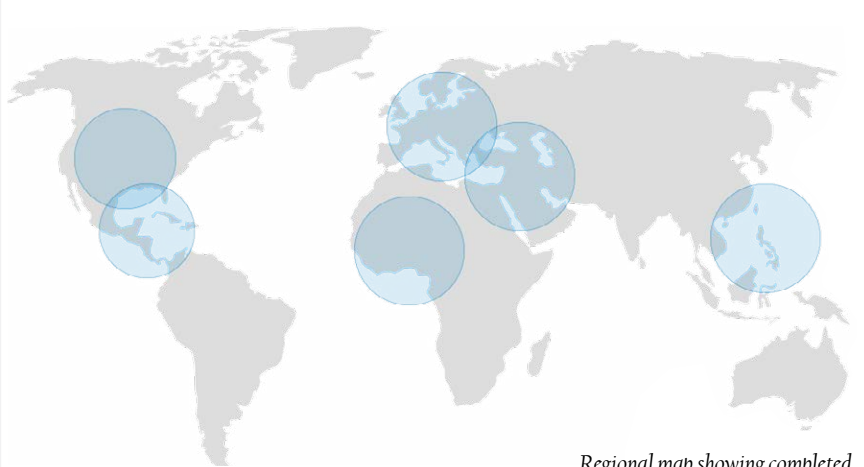
The CAE, which was officially launched by the U.S. Government Accountability Office (GAO) in October 2015, complements other GAO capacity building programs, including the International Auditor Fellowship Program. While the Fellowship Program offers training at GAO, CAE instructors and project specialists can travel globally to provide on-site services.

Under the guidance of GAO's Strategic Planning and External Liaison (SPEL) Managing Director, James-Christian Blockwood, the CAE provides fee-based training and technical assistance designed to help accountability organizations improve performance and transparency and ensure the sound use of public funds.

Committed to advancing the CG's vision, the CAE collaborates with organizations to find cost-efficient and cost-effective methods to deliver support that builds capacity and fosters effective accountability. Staffed with highly-experienced former GAO senior-level professionals, the CAE focuses on

organizational capacity building, mentoring and training as core services and leverages staff knowledge and experience to deliver key programs and initiatives that include:

- Performing needs assessments to identify areas where audit organizations can strengthen policies, procedures and skills; and enhance implementation of International Organization of Supreme Audit Institution (INTOSAI) audit standards;
- Providing a wide range of auditor training courses on topics, such as performance audits, evidence, audit methodologies, report writing, and internal control;
- Mentoring and coaching audit teams in carrying out various types of audits using proven tools and techniques for effectively managing the audit process and delivering high quality results;
- Enhancing leadership and supervisory skills in effectively overseeing audits;
- Developing, implementing and refining sound human capital strategies, quality assurance frameworks and strategic plans; and
- Developing and implementing strategies to effectively engage with legislative oversight bodies, media and citizens.



Regional map showing completed, ongoing and future CAE support

Establishing relationships with key partner organizations is an important CAE strategy to enhance Supreme Audit Institution (SAI) capacity and advance global accountability. In 2016, the CAE signed a Memorandum of Understanding (MOU) with the U.S. Agency for International Development (USAID).

“Independent, professional audit offices are a vital part of sound public financial management systems. This agreement will foster closer cooperation between our two organizations in order to help develop audit offices that are capable of fighting corruption, ensuring transparency, and promoting public trust,” noted Dodaro at the time of the USAID signing ceremony.

During its first three years, the CAE has experienced increasing demand for its services, and the organization's nationwide and worldwide reach is evident, having now served over two dozen U.S. organizations and audit entities in six countries. Additional projects with SAIs from other countries are also underway.

Since signing the MOU with USAID, the CAE has conducted an assessment to identify key capacity building needs of a SAI in Africa and recently signed a three-year agreement with USAID to help strengthen and enhance the performance audit capability of a SAI in Asia, where CAE staff will deliver training classes, coach and mentor auditors, and provide support to other institutional capacity building initiatives.

In 2018, the CAE helped a European SAI to assess and improve its process for documenting financial results from audits. CAE's project specialist, an economist and former GAO managing director, brought substantial subject matter knowledge to the project and developed a very effective

working relationship with SAI staff that helped ensure the project's success.

The CAE also recently assisted a SAI in Central America improve its capacity to conduct performance audits. A highly experienced CAE project specialist who is fluent in Spanish provided several training courses; helped the SAI update its performance audit manual, and coached an audit team in conducting an audit very well-received by SAI leadership and the audited agency.

"I find the progress achieved in the last three years incredibly inspiring and look forward to expanding our services and course offerings," remarked Janet St. Laurent, CAE Director.

On the domestic front, audit agencies have turned—and returned—to the CAE to assist with improving audit skills, enhancing knowledge on evidence standards and strengthening supervisor proficiencies in reviewing draft audit reports.

Evaluations from organizations and individuals who have received CAE support and training consistently indicate superior ratings across the board, including coursework relevance and instructor effectiveness. One respondent, representing a U.S.-based audit agency, cited CAE training as "the best investment ever made."

In the coming year, the CAE aims to maintain a healthy volume of domestic work through a continued emphasis on relationships with federal Inspectors General, state and local audit organizations, and professional associations. Domestic plans also include individual courses at GAO headquarters using online registration capabilities.

Internationally, the team seeks to continue providing high-quality services to ongoing projects, as well as starting new endeavors. The CAE plans to conduct additional outreach with the donor community and SAIs to explore and expand partnership opportunities, including a pending MOU with the World Bank.

"The CAE and its contributions have, undoubtedly, had a tremendous impact. It's an honor to be part of a team at the forefront of good governance with an opportunity and ability to shape the global audit community," Blockwood said.

To learn more about the CAE and its services, visit <http://www.gao.gov/resources/centerforauditexcellence/overview> or call Janet St. Laurent at 202-512-7100.

GAO CENTER FOR AUDIT EXCELLENCE

WHO WE ARE

The U.S. Government Accountability Office (GAO) launched the Center for Audit Excellence (CAE) in October 2015 to help build capacity and foster effective accountability organizations that can help improve performance and transparency and ensure sound use of public funds.

WHAT WE DO

Perform **needs assessments** to identify areas where audit organizations can strengthen policies, procedures and skills; and enhance implementation of INTOSAI audit standards

Provide a wide range of **auditor training courses** on topics, such as performance audits, evidence, audit methodologies, report writing, and internal control

Mentor and **coach** audit teams in carrying out various types of audits using proven tools and techniques for effectively managing the audit process and delivering high quality results

Enhance **leadership** and **supervisory skills** in effectively overseeing audits

Develop, implement and refine sound human capital **strategies**, quality assurance **frameworks**, and strategic **plans**

Develop and implement effective **engagement plans** with legislative oversight bodies, media and citizens

KEY ACCOMPLISHMENTS

- 

"The best investment ever made!"
Customer feedback consistently demonstrates quality and impact of services
- 

Provided training & technical assistance to 10 federal, state and local organizations across the U.S. during first year in operation
- 

Established strategic partnerships: signed USAID MoU and executed a service agreement with Millennium Challenge Corporation (MCC)
- 

Provided training & technical assistance services and support to 15 organizations and 3 countries by the end of 2017
- 

Supported a SAI in the Latin American region through MCC service agreement
- 

Through USAID partnership, CAE conducted an assessment to identify key capacity building needs of a SAI in Africa
- 

Service expansion in 2018 led to significant increase in international work, and implemented first project as part of USAID partnership
- 

Signed 3-year agreement with USAID to help strengthen and enhance the performance audit capability of a SAI in Asia
- 

CAE helped European SAI assess and improve its process for documenting financial results from audits
- 

Client feedback and evaluations demonstrate superior ratings. High-quality, effective training resulted in significant volume of repeat business



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