



# INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —

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# INTERNATIONAL JOURNAL

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

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# SUC-CESS

## /SUHK-SES/

**Noun:** the favorable or prosperous termination of attempts or endeavors; the accomplishment of one's goals; a performance or achievement that is marked by success, as by the attainment of honors.

This issue of the *Journal* is dedicated to the International Congress of Supreme Audit Institutions (INCOSAI) held in Abu Dhabi, United Arab Emirates in December 2016.

A special edition covering a special event.

The *Journal* was on hand to document the approval and endorsement of INTOSAI's Strategic Plan 2017-2022 at the triennial congress, and with a similar glance toward the future, wondered what INTOSAI would look like as it implements the plan and progresses over the next few years.

The notion of success, as defined in the dictionary, seems simple enough, but what does success really look like for INTOSAI? That is the question the *Journal* posed to participants at INCOSAI XXII held this past December in Abu Dhabi, United Arab Emirates.

The responses, the ideals of what success means for the future of INTOSAI were as varied, as diverse, as our membership.

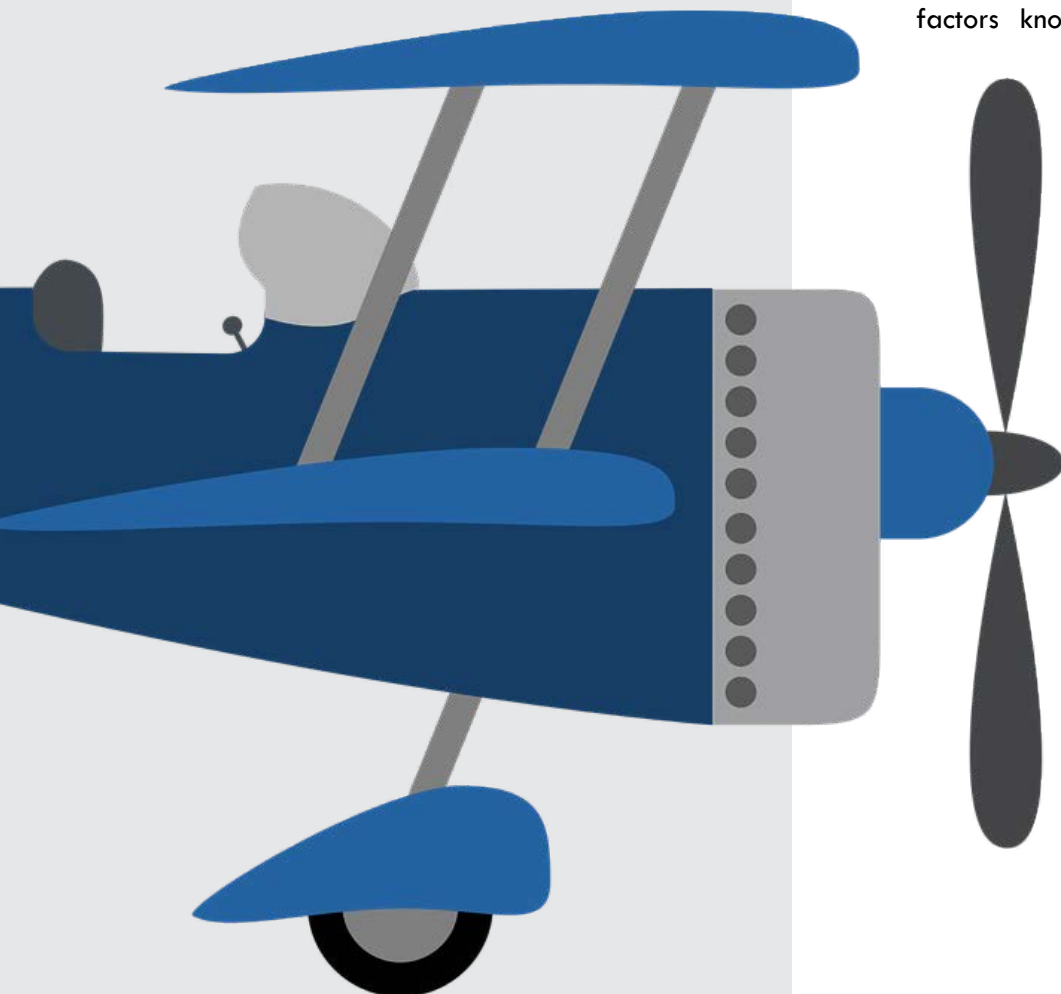
With 194 members, INTOSAI has a distinct advantage, a clear opportunity to harness and share its varied knowledge, experience and views to generate future growth and foster success in the years to come.

Success can be likened to flying. It is a journey. Some factors known, some not. Numerous possibilities and an equal (or more) amount of challenges. Constantly calibrating and recalibrating and always learning lessons along the way.

INCOSAI XXII began with a vision in 2012 proposed by Dr. Harib Al Amimi, President of the State Audit Institution of the United Arab Emirates (UAE).

His vision took flight, thanks primarily to his outstanding team of professionals. Through their collaboration, hard work and dedication, they ensured INCOSAI XXII was a success for the organization and all participants.

We thank the UAE staff for their warmth and hospitality and all INCOSAI XXII participants for making this part of our journey together so enjoyable!



With INCOSAI XXII, United Arab Emirates (UAE) State Audit Institution President, Dr. Harib Al Amimi, envisioned a pivotal congress for the International Organization of Supreme Audit Institutions (INTOSAI). The UAE set out to host an event that celebrated past achievements and, perhaps more importantly, establish the momentum, the path for INTOSAI's way forward.

"The congress is a culmination of all the valuable initiatives that are happening within our community. I hope that we, together, can use the event as a platform to take INTOSAI forward, give INTOSAI a united public voice and live up to the recognition and expectations from the global community," remarked Al Amimi. The triennial gathering of INTOSAI members, allowed for the opportunity to share experiences, discuss issues and pass resolutions aimed to improve government accountability on a global scale.

INCOSAI XXII saw the adoption of INTOSAI's Strategic Plan for 2017-2022, which identifies new priorities and strategic objectives that link to each of its four goals. Al Amimi emphasized, "The adoption of the next strategic plan gives us a great opportunity to look ahead and discuss how we want INTOSAI to grow and where we should focus our energy."

The two congress themes, the 2030 Agenda for Sustainable Development and Professionalization stimulated ideas and combined with the Strategic Plan, provided input into the future activities for the INTOSAI community.

**INCOSAI 2016 LOGO**

The XXII INCOSAI logo was carefully designed ensuring the seal was linked to the congress, yet also emphasized the cultural heritage of United Arab Emirates as the host.



***The Globe: Continuity***

The globe, symbolizing unity of the organization, represents the connection between members of the Congress for many years. The INTOSAI emblem was also incorporated to ensure continuous support to the progress and development of the Congress.

***The Watch Tower: Power***

The Al Jahili Fort in Al Ain was the inspiration behind the XXII INCOSAI logo, which signifies the culture and heritage of the country. It is one of the largest castles in Al Ain and a best-in-class example of local military architecture. One of UAE's most historic buildings, it was erected in 1891 by Sheikh Zayed the First to defend the city and protect precious palm groves. The Al Jahili Fort played a major role in UAE's heritage.

***The Date Palm***

The Date Palm, an important part of the UAE, has existed for several thousand years as part of a gulf ecosystem. In the past, the date palm was the primary source of food in the region, particularly since dates can be stored and used throughout the year. The leaves and trunk of the tree are used as building materials. Palm tree oases quite popular in the summer season.





# SNAPSHOT OF INCOSAI XXII

## KEY FACTS

- Roughly 600 delegates representing 163 Supreme Audit Institutions (SAIs) and associate members
- Congress XXII Themes: 2030 Agenda for Sustainable Development and Professionalization
- Inaugural ceremony officiated by HH Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister of the United Arab Emirates
- INTOSAI now has 194 full members, including Palestine and Seychelles
- Chinese National Audit Office (CNAO) transferred Governing Board Chairmanship to the State Audit Institution of the United Arab Emirates
- Abu Dhabi Declaration adopted setting out key outcomes and how they will guide INTOSAI

## AWARDS PRESENTED

- Elmer B. Staats Award for best article published by the International Journal of Government Auditing presented to Chandra Kanta Bhandari for the article “Engaging Civil Service Organizations in SAI Audit”
- Jörg Kandutsch for meritorious services in government auditing presented to SAI Denmark

## GROUNDBREAKING DECISIONS AND ENDORSEMENTS

- INTOSAI Strategic Plan 2017-2022
- INTOSAI Framework for Professional Pronouncements (IFPP) and revised due process
- Forum for INTOSAI Professional Pronouncements (FIPP) established
- 30 ISSAIs and 3 INTOSAI GOVs
- INTOSAI revised statutes that expand Governing Board (GB) to 21 members
- SAI Performance Measurement Framework (PMF)
- Regional Forum for Capacity Development created
- INTOSAI Community Portal confirmed
- Working Group on Big Data created with CNAO as Chair and U.S. GAO as Vice Chair

# NEW PATH TO SUCCESS UNANIMOUSLY EMBRACED

Some 12 years ago, 187 members unanimously adopted the International Organization of Supreme Audit Institution's (INTOSAI) first strategic plan at the 2004 Budapest Congress. Fast forward to INCOSAI XXII, and INTOSAI, once again, faces a landmark moment with the roll out of the Strategic Plan 2017-2022.

The plan establishes a new and exciting path for INTOSAI, a path that will better position the organization and each SAI to take advantage of emerging opportunities to provide value and benefits to our stakeholders and fellow citizens.

In presenting the plan for endorsement at the congress, U.S. Comptroller Gene L. Dodaro, who led INTOSAI's Strategic Planning Task Force, indicated the plan presents an improved way of doing business for INTOSAI.

"The plan is based on a more strategic, agile, and integrated approach, capable of responding to global development efforts as well as other current and emerging opportunities and challenges," noted Dodaro.

Guided by a process firmly grounded in consultation and consent, this strategic planning process truly exemplified the INTOSAI motto, "Mutual Experience Benefits All." An extensive internal and external scanning effort of the Task Force provided INTOSAI members and SAIs with an opportunity to provide input and comment on the plan while it was being developed. The

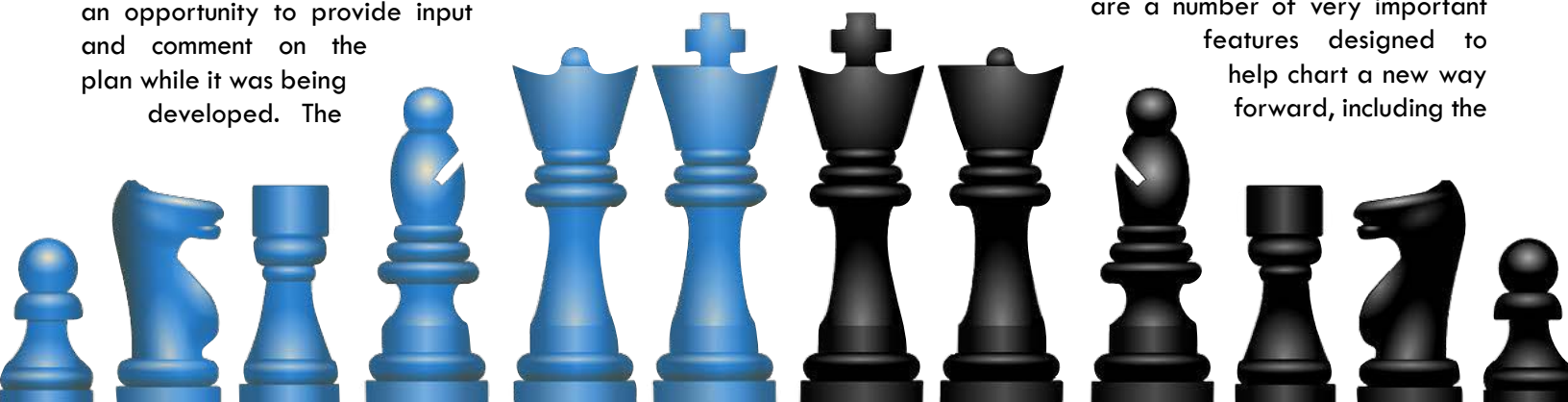
scans were organized around three main themes: what worked well, what could be improved, and what changes, if any, are needed for the future.

The scans showed consensus among member SAIs that the current strategic goals generally capture the direction and results that INTOSAI hopes to achieve going forward. Accordingly, the plan includes four strategic goals under which INTOSAI broadly organizes its work. They include: (1) professional standards; (2) capacity development; (3) knowledge sharing and knowledge services; and (4) maximize the value of INTOSAI as an international organization.

At the same time, the scan results revealed INTOSAI needs to change the way it operates to be more effective and to meet emerging opportunities and needs. The plan introduces five crosscutting priorities to support such changes:

1. Advocating for and supporting the independence of Supreme Audit Institutions (SAIs)
2. Contributing to the follow-up and review of the Sustainable Development Goals (SDGs) within the context of each nation's specific sustainable development efforts and SAIs' individual mandates
3. Ensuring effective development and coordination among standards-setting, capacity development and knowledge sharing to support SAIs and improve their performance and effectiveness
4. Creating a strategic and agile INTOSAI that is alert to, and capable of responding to, emerging international opportunities and risks
5. Building upon, leveraging and facilitating cooperation and professionalism among INTOSAI regional organizations

In addition to the crosscutting priorities, there are a number of very important features designed to help chart a new way forward, including the





vital role INTOSAI plays as a global public voice for SAI independence, external public sector auditing and good governance.

The plan formally recognizes establishing communities of practice, the common forum on standard setting, regional development forums, as well as the INTOSAI Development Initiative (IDI)-Knowledge Sharing Committee (KSC) capacity development program on auditing implementation of the 2030 Agenda for Sustainable Development.

The Strategic Plan 2017-2022 includes a commitment to performance assessments and reporting against a set of strategic objectives along with a pledge to implement a concerted enterprise risk management program.

The plan articulates the respective roles and responsibilities for SAI capacity development recognizing that individual SAIs are at the center of those efforts, as are the efforts of key stakeholders and initiatives, such as IDI, the Capacity Building Committee, and the INTOSAI-Donor Cooperation.

At the same time, the plan ensures that our ambitions are realistic and appropriate given the financial realities and resource constraints we all face.

Dr. Harib Al Amimi, President of the State Audit Institution, United Arab Emirates, expressed his sentiments regarding the success of the strategic plan and INTOSAI.

*“The adoption of the next strategic plan gives us a great opportunity to look ahead and discuss how we want INTOSAI to grow and where we should focus our energy,”* Al Amimi emphasized.

While there is a clear path for our way ahead through 2022, it is also important to ensure that what is accomplished now leads to even more success in the future.

*“It is important for us to realize the expected results from the strategic plan,”* commented Shourjo Chatterjee, Strategy and Knowledge Manager of the INTOSAI Development Initiative.

Chatterjee added that the crosscutting strategic priorities are to be driven by the goal committees and believes advanced coordination and planning are crucial to ensuring no priority is left behind, that no priority is promoted at the expense of another.



*“The adoption of the next strategic plan gives us a great opportunity to look ahead and discuss how we want INTOSAI to grow and where we should focus our energy.”*

—Dr. Harib Al Amimi  
State Audit Institution, UAE



Dr. Hussam Al Angari, President of the General Auditing Bureau of Saudi Arabia and Chair of the Financial Accounts Committee, agrees, *“As it is stated in the strategic plan, we need INTOSAI and all of the goal chairs to work in the best possible manner.”*

From the regional perspective, Mr. Tan Sri Dato’ Setia Haji Ambrin Bin Buang, Auditor General of Malaysia and Chair of the Asian

Organization of Supreme Audit Institutions (ASOSAI), believes the time has come for implementation.

*“ASOSAI has to align the strategic plan as well as the activities to ensure that the objectives will be successfully implemented at the regional level.”*

Khalid Hamid, Executive Director of the Department of Professional Services with the State Audit Institution of the United Arab Emirates believes *“the way INTOSAI has evolved is fantastic, the way in which we are a community is brilliant.”*

Hamid furthered that we need to work out how we get the best return on the investment of all our in-kind contributions in a way that gives most value back to the organization.

*“We have the infrastructure. We have the ability. We definitely have the people. What we need now is a way to harness it in a more agile way as the Strategic Plan says.”*



# A SUCCESSFUL INTOSAI AND ACHIEVING GLOBAL SUSTAINABILITY

Theme I of INCOSAI XXII addressed Supreme Audit Institution (SAI) roles and contributions in reviewing and monitoring the implementation of the 2030 Agenda for Sustainable Development (2030 Agenda).

There is a growing global recognition (and expectation) regarding roles and valuable contributions the International Organization of Supreme Audit Institutions (INTOSAI) and SAIs play in making a meaningful contribution to ensure efficient, effective, transparent and accountable implementation of the 2030 Agenda.

The Sustainable Development Goals (SDGs) are 17 aspirational objectives aimed at ending poverty, protecting the planet and ensuring peace and prosperity for all. These global goals are interconnected and build on the success of their predecessors, the Millennium Development Goals (MDGs).

Mr. Wu Hongbo, Under Secretary General of the United Nations Department of Economic and Social Affairs (UNDESA), attended this year’s Congress in Abu Dhabi, and offered a clear distinction between the SDGs and the MDGs.

“The difference between MDGs and SDGs is that we have follow-up and review,” Mr. Wu noted, and asked, “How do we do that? How do we make sure that all the money, the financial support for the implementation will be used wisely, effectively and for the purposes allocated to the implementation?”

Mr. Wu affirmed that attempting to do so means mobilizing oversight by all, particularly SAIs.

“They have to expand their mandates, because the 2030 Agenda is really unprecedented. It covers a much wider

area. The national auditors are encouraged to step outside the traditional boundary of their mandates. One more challenge is that they have to develop methodologies to measure the new mandates, as well as indicators,” declared Mr. Wu.

“I am so glad that this current Congress has greatly encouraged all INTOSAI members to support the implementation of the 2030 Agenda, to play its role to oversee the implementation. This is important. And we, the United Nations, are very glad to be associated continuously with INTOSAI to work together,” he said.

Mr. Wu noted that by working together “we could make the financial support for implementation more effective and efficient, and that will be for the benefit of all human beings, for future generations.”

The UNDESA presence at the Congress was also highlighted at their booth, where they hosted a breakout session focusing on the 2030 Agenda and SDGs. Helping to generate the discussion among the participants was Ms. Aránzazu Guillán Montero, Inter-Regional Adviser on Public Accountability for UNDESA.

“One of the challenges we have to address now is how we lead this work in the follow up and review of the 2030 Agenda,” Ms. Guillán Montero emphasized.

The 2030 Agenda is a comprehensive and transformative blueprint, and Ms. Guillán Montero expressed that there are different levels at which SAs can contribute in a wide variety of ways—nationally, regionally and globally.

Particularly at the regional level, Ms. Guillán Montero stressed that “it is important for the INTOSAI community to engage its regional organizations, which can provide inputs into the global review at the High Level Political Forum (HLPF).”

According to Ms. Guillán Montero, the annual HLPF is the core of the learning process, and it has two main mechanisms: the thematic review, where a report from the SAI perspective “can be very useful to understand the main lessons learned from the implementation process regarding that theme.”

“The other mechanism,” she added, “is where countries submit voluntary national reviews to the HLPF.”

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*“I am so glad that this current Congress has greatly encouraged all INTOSAI members to support the implementation of the 2030 Agenda, to play its role to oversee the implementation. This is important. We are very glad to be associated continuously with INTOSAI to work together.”*

—Wu Hongbo, UNDESA

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INTOSAI’s Working Group on Key National Indicators (KNI) has conducted activities with close ties to SDG implementation.

Mr. Dmitry Zaitsev from the Accounts Chamber of the Russian Federation that leads the KNI working group, emphasized the significance of the group’s efforts.

“KNI is a very important topic. The working group on KNI will give the impetus to the implementation of

the SDGs. I think we need to join our efforts, to join the UN initiative, to be a part of it,” Mr. Zaitsev said.

Tackling the goals can be broken down into achievable components, he furthered. “There are 17 goals. For example, each country will choose a goal, the key goal, which will have several targets followed by indicators—the key indicators are what we are interested in.”

INTOSAI's Strategic Plan for 2017-2022 serves as a road map for INTOSAI and its members support the implementation and assist in the follow-up and review of the SDGs and related national sustainable initiatives.

The importance of this effort was echoed at INCOSAI XXII throughout the discussions and with the Abu Dhabi declaration.

Utilizing four different approaches and providing regular feedback to its community on SDG-related audit issues, INTOSAI set forth an intention to better engage with, inform and encourage SAIs to do effective work in this area.

Several key objectives were identified to address in the years leading up to INCOSAI XXIII in 2019:

- Develop and deliver frameworks for implementing the four approaches based on SAIs' initiatives, and a mechanism for monitoring progress and collecting information;
- Support the production of high-quality SDG-related information through these frameworks, and sharing the information within the SAI community; and
- Ensure effective relations with external partners, including informative and accessible reporting and value maximization of future INTOSAI/UN symposia on the theme.



What does  
**SUCCESS**  
for INTOSAI  
look like  
to you?

Watch the full interview with Mr. Wu Hongbo

## What does success for INTOSAI look like to me?

*“A successful INTOSAI is one where Supreme Audit Institutions have independence in that they are able to complete their work but at the same time be able to attract and train very competent workers, so that we can ensure we give proper feedback and good counsel to governments, as well as to citizens.”*

—Kimi Makwetu  
Auditor General, SAI South Africa and  
Chairman, Capacity Building Committee

*“Working together to address common issues of importance not just for our countries and regions but for the world.”*

—Geoffrey Simpson  
Director of the Presidency  
European Court of Auditors

*“Success has many faces. One, for example, would be the Journal, which is getting better and better. I believe it will be even better than it is already. The other success is if INTOSAI is accepted worldwide as a true representative of our community.”*

—Imrich Gal  
Head Counsel, International Relations Division  
Supreme Audit Office of the Slovak Republic

# PROFESSIONALIZATION: A KEY ELEMENT TO INTOSAI SUCCESS

INTOSAI's members agree—a decisive contribution to improving professionalization requires a commitment from across the entire organization in order to develop the professional capacity and support all Supreme Audit Institutions (SAIs). Ultimately, the goal is to enable SAIs to deliver timely, relevant high-quality products.

INTOSAI plans to address professionalization across the organization through three major initiatives:

- Enhancing INTOSAI's standard setting;
- Professionalization at global, regional and SAI levels; and
- Rolling out the SAI performance measurement framework (SAI PMF).

In a joint interview, Nanna Henning from SAI Denmark and SAI Brazil's Rafael Lopes Torres, outgoing and incoming Professional Standards Committee (PSC) chairs respectively, discussed their views on success and the impact of professionalization.

"I think we've come a long way with the new strategic plan. We are very pleased with it, and we are taking some very important steps towards professionalization. Within the standards committee, we've been working a long time to evaluate to see what SAIs need, and one of the key elements of this is all of the important ISSAIs [International Standards of Supreme Audit Institutions] that give us a basis for us to work on," remarked Henning.

Torres believes SAI Brazil is inheriting a committee that is well-organized, which facilitates the ownership. At the same time, Torres affirmed the numerous changes affecting the committee and INTOSAI.

"We are in a moment of changes. We have a new framework, new pronouncements, so we will need to have a process of migration from the old framework to the new one. We also have a new body, the FIPP [Forum for INTOSAI Professional Pronouncements]," Torres explained.

Torres recognized that transitions typically bring challenges but also emphasized that the changes occurring now will be advantageous to INTOSAI improvement in the long run.

Henning added that there are still two outstanding recommendations from the evaluation report the PSC made three years ago that she hopes the committee will continue working on: the common supporting functions and some kind of advisory board with the external stakeholders.

She acknowledged the TCU's steps in that direction, calling their actions, "another big leap toward professionalization for INTOSAI and the work for standard setting. These are very important things to come, in my opinion," emphasized Henning.

Torres and Henning agreed that while there has been much progress, there is still much work that needs to be done, recognizing the roles of their respective SAIs on the journey.

SUCCESS

One of the highlights of the Professionalization Theme discussions and presentations was the video, “The Journey So Far—Point of No Return.” This diorama-style movie produced by the PSC Chair and Secretariat about the evolution of the International Standards for Supreme Audit Institutions (ISSAIs), was a big hit with attendees. It was informative, offered a good dose of light-hearted humor and gave the movie-goers an “unprecedented look into INTOSAI’s world of standard setting.”

*Representatives of outgoing and incoming PSC Chairs as the Chairmanship officially rests with the head of the SAI.*



“I see INTOSAI becoming more relevant as it becomes more professional,” explained Kayemba Keta from the SAI of Uganda and member of the Working Group on Extractive Industries.

Keta referenced the PSC video, “The Journey So Far,” as providing a good illustration of the history and development of the ISSAIs, and she pointed out that this INCOSAI is bringing the notion of professionalization “more into focus on how we actually professionalize, how we assure we become a more relevant, professional organization...so when we come out with something, it is universal, it’s acceptable, it has followed methodologies, and it’s something that can be embraced by the world.”

Natalya Bocharova from the Accounts Chamber of the Russian Federation, also spoke of setting standards as beneficial to the INTOSAI community.

Speaking from the perspective as Chair of the Task Force on Public Procurement Audit, which was created in 2014, Bocharova noted that they have had a number of impacts, including the publication of practical guidance with a special annex, as well as the completion of a pilot for procurement audit projects.

“We are going to continue our work and would like to create standards for adoption and hope several countries join us to help us improve the guidance and make comprehensive standards suitable for many countries, many communities,” Bocharova emphasized.

Creating relevant, useful guidance and standards in accordance with INTOSAI’s Due Process was a prevalent objective for many delegates at INCOSAI XXII.



What does  
**SUCCESS**  
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to you?

Mr. Jan van Schalkwyk, Capacity Building Committee, believes capitalizing on the two angles of SDG implementation and professionalization featured at this year’s Congress will lead to a more successful INTOSAI.

In his interview, he notes SAIs that are energetic, relevant, willing to try new things, willing to continually improve are key. “Despite the fact that we believe we are fantastically strong, that we are in it for the right reasons, we must keep stretching.”

Watch the full interview with Mr. Jan van Schalkwyk

# NETWORKING AND KNOWLEDGE SHARING OPPORTUNITIES



At INCOSAI XXII in Abu Dhabi, United Arab Emirates, a large professional exhibition area was designed to give Congress participants the opportunity to share knowledge and experiences through networking, special events, presentations, as well as in-depth discussions, both formal and informal. Numerous INTOSAI bodies, regional organizations and other affiliated groups were represented at booth spaces throughout the week-long event.





## ITINERARY HIGHLIGHTS

On this page, from left to right: African Organization of Supreme Audit Institutions-East (AFROSAI-E); Asian Organization of Supreme Audit Institutions (ASOSAI); International Organization of Supreme Audit Institutions (INTOSAI) General Secretariat; Caribbean Organization of Supreme Audit Institutions (CAROSAI); and the African Organization of Supreme Audit Institutions (AFROSAI).



The U.S. Comptroller General, Mr. Gene L. Dodaro, hosted past graduates at a special reception held for GAO's International Auditor Fellowship Program during the INCOSAI XXII in Abu Dhabi, United Arab Emirates.

A special tribute was given to former Saudi General Auditing Bureau President, Dr. Osama Jafar Faquih, during the opening ceremony at INCOSAI XXII in Abu Dhabi, United Arab Emirates.



## ITINERARY HIGHLIGHTS

From left to right: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); Pacific Organization of Supreme Audit Institutions (PASAI); Working Group on Extractive Industries (WGEI); Russian Federation delegates visit the International Journal of Government Auditing booth; and United Nations Department of Economic and Social Affairs (UNDESA).



INTOSAI General Secretary and delegation take time for a photo prior to the opening night ceremony at INCOSAI XXII.

The ISSAI 30 team, led by SAI Poland, wore custom made t-shirts to help spread the word about the new ethics standard endorsed and approved at INCOSAI!



# AND THE AWARD GOES TO...



The International Organization of Supreme Audit Institutions (INTOSAI) presented two awards at the XXII Congress in Abu Dhabi, United Arab Emirates. Named after those they honor—the Jörg Kandutsch Award and the Elmer B. Staats Award—recognize outstanding accomplishments by a Supreme Audit Institution (SAI) and individual achievement through contributions to the International Journal of Government Auditing.

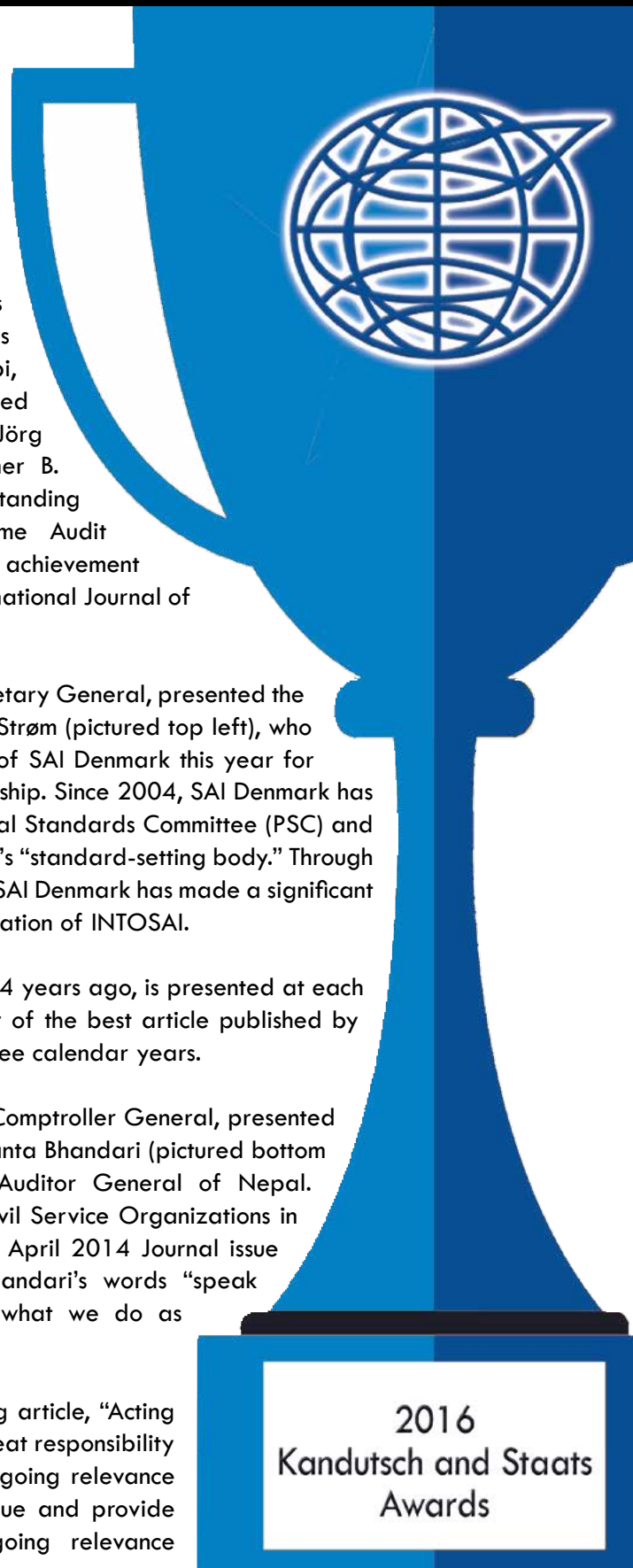
Dr. Margit Kraker, INTOSAI Secretary General, presented the 2016 Kandutsch Award to Lone Strøm (pictured top left), who accepted the award on behalf of SAI Denmark this year for exemplary and sustained leadership. Since 2004, SAI Denmark has acted as Chair of the Professional Standards Committee (PSC) and has been recognized as INTOSAI’s “standard-setting body.” Through numerous efforts over the years, SAI Denmark has made a significant contribution to the professionalization of INTOSAI.



The Staats Award, established 34 years ago, is presented at each INTOSAI Congress to the author of the best article published by the Journal over the previous three calendar years.

Gene L. Dodaro, United States Comptroller General, presented the Staats Award to Chandra Kanta Bhandari (pictured bottom left) from the Office of the Auditor General of Nepal. Bhandari’s article, “Engaging Civil Service Organizations in SAI Audit,” was featured in the April 2014 Journal issue and, according to Dodaro, Bhandari’s words “speak volumes to who we are and what we do as auditing professionals.”

Dodaro quoted from the winning article, “Acting in the public interest places a great responsibility on SAIs to demonstrate their ongoing relevance to citizens. Unless SAIs add value and provide benefits to citizens, their ongoing relevance cannot be demonstrated.”



# STAATS AWARD WINNER ON STAKEHOLDER ENGAGEMENT, SUCCESS



Chandra Kanta Bhandari from the Office of the Auditor General of Nepal was presented with the Elmer B. Staats award at INCOSAI XXII. He sat down with the INTOSAI Journal after receiving the award for an exclusive interview on how Supreme Audit Institutions (SAIs) continuing Civil Service Organization (CSO)

engagement will lead INTOSAI toward future success, providing perspectives on the relevance of his winning Journal article, “Engaging Civil Service Organizations in SAI Audit.”

**Q:** *What do you see as the future of CSOs and SAIs?*

**A:** CSOs represent the communities at the local level. They have first-hand information as to government programs at the citizen level, which will be very significant for SAIs to plan their audits and conduct audits accordingly. If we can engage them, then we can get better information.

CSOs can also create pressure to make improvements in public service delivery based on audit results of SAI reports. At present, there is a growing demand of open and responsive government. In these contexts, SAIs can play leading roles by engaging CSOs or stakeholders to strengthen public transparency, accountability and integrity, which will ultimately contribute to making a difference in the lives of citizens.

**Q:** *What would make the relationship between CSOs and SAIs more successful?*

**A:** More interaction, discussion and sharing information. That will help. CSOs have to show their relevance to

the local people. Both CSOs and SAIs have accountability to the citizens—so that we can achieve the final agenda. If we don’t work in public interest, in the interest of the citizens, we cannot show our relevance and there is a risk of losing public trust and becoming obsolete over time. Working together is key!

Our fundamental objective is to demonstrate accountability, transparency and integrity in the public sector so that the citizens can get benefits from the government programs and policies.

**Q:** *What are some factors than can impact success?*

**A:** Some countries may face governance or other challenges, such as lack of resources, despite efforts to benefit the citizens. Then there are those situations where corruption is prevalent. It is very difficult to work in these contexts. SAIs have an important role to play. We can see it two ways. In a weak environment, the SAI has to deeply engage, focusing heavily on the internal controls aspects as well as the pertinent issues in conducting its audit, and not lose sight of its objectives. On the other hand, in a stronger environment as evident by a system of internal control, SAIs may concentrate on performance audits, which will provide new knowledge, new insights and will add value to improve public service delivery for the benefit of citizens.

The best thing for SAIs to do is to try to find the right balance in going about their work. In engaging CSOs or stakeholders at different processes of audit, SAIs may better promote transparency and accountability and more effectively carry out their constitutional responsibilities.

To use the analogy of a football game, where the SAI is the goalkeeper, it would be very difficult for the SAI to protect the goal when all the other team members are weak. Our focus should be at strengthening the capability of all the players to win the game.



## COLLABORATIVE BOOK UNVEILED

Technology has transformed peoples' lives—social relations and interactions with companies and governments worldwide. Public agencies must understand this new reality and act accordingly to provide services and policies that adhere to the channels and relationship patterns of the digital age.

The same challenge applies to Supreme Audit Institutions (SAIs), which must now modernize practices and engagement. In countries with well-developed e-government initiatives, SAIs must be able to monitor, understand and evaluate these public sector transformations. In countries that are still progressing, SAIs have an opportunity to induce change, lead by example and demand rapid responses from the government that are in line with societal demands.

This scenario inspired Minister Aroldo Cedraz and a team of auditors from the Federal Court of Accounts of Brazil (TCU) to write the book “Control of Public Administration in the Digital Age,” unveiled at INCOSAI XXII.

In a series of well-connected essays, the authors describe changes to the public sector brought about by this technological revolution, along with the opportunities and challenges that such changes impose on those responsible for government audit.

The book presents an evolutionary landscape of public administration in the last few decades, followed by a description of the characteristics and changes related to the digital revolution. The book also discussed the resulting impact these transformations have made on areas all-too familiar to the INTOSAI community: public governance, performance and compliance audits, as well as the fight against corruption.

Based on actual case studies that center on innovative practices adopted by TCU as part of their organizational journey towards digitization, the book includes TCU's creation of an innovation lab; development of an audit analytics strategy; establishment of a “civic cloud” as a new platform to foster civic apps creation; and several mobile apps that bring TCU closer to society.

It is truly a unique glimpse into a desirable future for the public audit field—capable of driving enhanced government accountability and effectiveness, reduced bureaucracy and corruption, which, in turn, lead to improved economic development in a new digital ecosystem.

The original Portuguese version was translated to English, with a special foreword by the new INTOSAI Governing Board Chair, Dr. Harib Al Amimi. A Spanish edition has also been produced, which is prefaced by Dr. Juan M. Portal, Auditor General of the SAI of Mexico. The work offers a great depth of knowledge and experience for the entire international community and will hopefully provide the basis for discussions around these sweeping changes in public audit...and how SAIs can best adapt.



WORKING GROUP ON

# BIG DATA

ENDORSED AND APPROVED

*There is now an emphasis on Big Data, where we're using data analytics and developing expertise among nations, which will make*

*INTOSAI more focused and more relevant. The international auditing community must prepare, both member states and the community as a whole. We are all contributing to success with full force, and I am quite optimistic for a bright future."*

—Shashi Kant Sharma  
Auditor General of India and Chairman  
of the Knowledge Sharing Committee

## COLLABORATION, MUTUAL EXCHANGES LEAD TO WORKING GROUP LAUNCH

### GEARING UP FOR SUCCESS

The sharing and transfer of knowledge and experience has long been a tradition of the International Organization of Supreme Audit Institutions (INTOSAI). It has been a common understanding of the Chinese National Audit Office (CNAO) and the U.S. Government Accountability Office (GAO) to foster the exchange of ideas and information and ensure INTOSAI's work remains relevant.

Knowledge sharing is also a way to express our collective value and benefit to governments, international organizations and partners in the global accountability community. And, when it comes to the topic of big data, it was the collection of ideas and the notion of collaboration through beneficial exchanges (initiated jointly by the CNAO and GAO) that led to the establishment of



INTOSAI's newest Working Group on Big Data, approved and endorsed at INCOSAI XXII.

### THE CHAIR'S BIG IMPACT

In his report at the 68th Governing Board meeting held December 5, 2016, at the XXII INCOSAI, Mr. Liu Jiayi spoke of achievements during his time as Chairman of the INTOSAI Governing Board, one of which was fulfilling the vision to “become a setter and promoter of international audit rules.”

With INTOSAI's launch of bilateral and multilateral cooperation in the area of big data audit and the establishment of the Working Group on Big Data designed to further advance Information Technology (IT) application, Mr. Liu expressed the fulfillment of his vision.

Big Data has provided a window for SAI auditors to examine information from its auditees, along with related data from other sources, and the INTOSAI community is expected to benefit greatly from sharing knowledge and experiences in this emerging area. The Working Group is also expected to serve as a key partner for INTOSAI Development Initiative (IDI) and regional capacity development programs in this field. The Working Group is proposed to be chaired by CNAO with the GAO serving the Vice Chair.

### FROM THE COMMITTEE TO INFINITY AND BEYOND

As Knowledge Sharing Committee (KSC) Chair, the Comptroller and Auditor General of India presided over the KSC Steering Committee Meeting in Mexico City, Mexico, in September 2016, where the Big Data Working Group was introduced.

Met with overwhelming support, the KSC put the proposal forward to the Governing Board and Congress, as expected, after results were tallied from the KSC's survey on topics of mutual interest that preceded its Steering Committee Meeting.

Big Data was one of the most popular recommended topics.

Sharing knowledge and experience and collaborating with others truly leads to great things. INTOSAI continues to foster these practices, these goals among SAIs, and the CNAO and GAO agree—knowledge sharing plays a critical role in accomplishing that goal.

Knowledge sharing also ensures INTOSAI's work remains relevant and allows for the expression of our collective value and benefit to governments, international organizations and partners in the global accountability community.

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## HOW PARTNERING CAN INFLUENCE INTERNATIONAL AUDIT COMMUNITY

In 2012, the heads of the CNAO (Mr. Liu Jiayi) and GAO (Mr. Gene L. Dodaro) signed a Memorandum of Understanding (MoU) designed to “establish, improve and develop a framework for cooperation in national audit and promote effective interaction between the participants on the basis of equality, reciprocity and mutual benefit.” With the aim of leveraging CNAO and GAO expertise through regular exchanges, cooperation and coordination significant efforts have been undertaken to collaborate on innovative audit theories and practices between the two SAIs during the last five years.

The CNAO and GAO leaders agree that with the challenges faced in realizing the common vision of good governance and sustainable development, SAIs must utilize innovative audit methodologies and attach importance to the (1) implementation and performance of national strategies and policies; (2) economic and societal weaknesses and risks; (3) public fund and resource allocation and effectiveness of use; and (4) disposition and operation of public power. Moreover, to better serve national governance efforts, research on foresight and real-time auditing should be enhanced, along with accelerating audit capacity.

### CREATING A SUCCESSFUL FUTURE

The partnership between CNAO and GAO has been mutually beneficial—characterized by a commitment to applying bilateral products to a broader scale. Joint international seminars have attracted senior officials and experts from various SAIs. The partnership has led to several achievements, including a strong interest to expand the Working Group on Financial Modernization and Regulatory Reform and continue efforts in the areas of foresight and big data analytics.



The heads of CNAO, Mr. Liu Jiayi, and GAO, Mr. Gene L. Dodaro, meet at the XXII Congress in Abu Dhabi, United Arab Emirates.

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

While there are differences in development, social, and audit systems and practices in all countries, communication, cooperation and collaboration can lead to a common understanding. The cultivation of government audit requires collective wisdom, and effective knowledge sharing is a valid means for audit efforts to remain relevant and continually evolve.

Looking ahead, the CNAO and GAO intend to:

- Continue to strengthen bilateral cooperation between the two SAIs, invite additional SAIs (and other agencies) to participate and advocate outcomes to INTOSAI. As knowledge sharing and demonstration expands, additional joint collaborative efforts will be initiated among both developing and developed nations.
- Call on various SAIs and auditors, as well as research institutions and academia, to spotlight the importance of government auditing. Through knowledge sharing activities, government auditing concepts will be

enriched, modernized, and its practices updated, to better guide development.

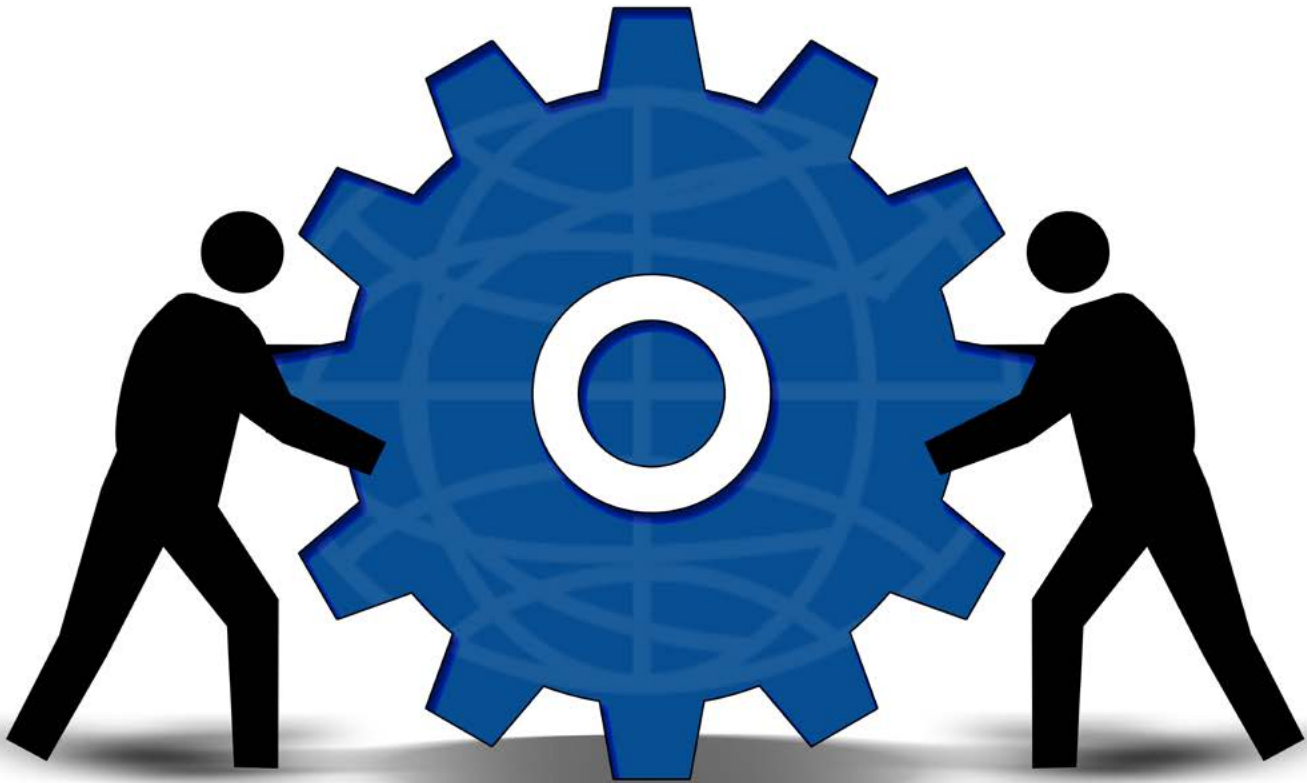
- Closely follow data analytics and the application of foresight in auditing.
- Conduct the initial meeting of the Big Data Working Group in China in April 2017.
- Work to implement the INTOSAI Strategic Plan 2017-2022.

Much like the relationship between the CNAO and GAO, the hope is for all SAIs to strengthen cooperative exchanges, thereby working to promote good governance, achieve lasting sustainable development and improve the future for the government auditing profession.

Ultimately, the goal is to fulfill the INTOSAI motto, “Mutual experience benefits all.”



Mr. Liu Jiayi, outgoing INTOSAI governing board chair passes the gavel to the incoming chair, Dr. Harib Al Amimi. Pictured center is HH Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister of the United Arab Emirates.



## WORKING TOGETHER TO DEVELOP, ACHIEVE SUCCESS

The whole is greater than the sum of its parts. This famous quote from Aristotle particularly rings true for the International Organization of Supreme Audit Institutions (INTOSAI).

As we embrace the strategic goals of INTOSAI's Strategic Plan and further reflect on the themes of INCOSAI XXII related to the 2030 Agenda for Sustainable Development and Professionalization, so, too, must we use what we learn, what we experience to increase our power as an organization, to reach optimum efficiency...to develop the capacity of INTOSAI.

Einar Gørrisen, Director General, INTOSAI Development Initiative (IDI), believes that for successful capacity development, INTOSAI and its members must nurture the people, the organization and the institution.



*Each one of us, each institution in the world can benefit a lot today through sharing knowledge and experience, and communicating with other SAIs and bodies that provide professional training.”*

—Dr. Hussam Al Angari, President, General Auditing Bureau, Saudi Arabia

It is the institutional growth that distinguishes capacity development from capacity building. Capacity *building*, traditionally, centers on people and the organization. Capacity *development* incorporates professional people and organizational growth with the concept of institutional capacity, which Gørrissen admits can be a hard thing to define.

“It’s [institutional capacity] the ability of the organization to deal with the stakeholders. It’s also about taking opportunities. It’s about positioning the SAI in the context and the culture of the society, so they can actually make a difference,” he said.

Gørrissen went on to add, “For me, the success of INTOSAI is really mirrored in the success of SAIs. If INTOSAI and the INTOSAI regions and IDI are successful, that should really result in SAIs that are stronger, more independent, can produce better audits, more timely audits, and ultimately deliver more value to all citizens.

“We don’t exist to exist. We exist for the SAIs,” Gørrissen affirmed.

Dr. Harry Azhar Azis, Chairman of the Audit Board of the Republic of Indonesia and Chairman of the Working Group on Environmental Auditing, agreed, indicating the goal, ultimately, is for SAIs to add value. Azis offered a number of items that will spell success for the future of INTOSAI, acknowledging the importance of the themes discussed at INCOSAI XXII, as well as coming together in ways that are both productive and meaningful.

With the adoption of the SAI Performance Measurement Framework (PMF) at INCOSAI XXII, there is now a framework for measuring performance against International Standards for Supreme Audit Institutions (ISSAIs) along with other established international good practices. The framework, developed by the INTOSAI Working Group on the Value and Benefits of SAIs (WGVBS), was implemented in

partnership with INTOSAI bodies, including a number of SAIs that piloted the framework from 2013-2015. The INTOSAI-Donor Cooperation supplied financial support for its development and global roll-out.

The SAI PMF implementation strategy was also approved at INCOSAI XXII. The plan clearly vests ownership and its implementation in the hands of INTOSAI and places the Capacity Building Committee (CBC) and IDI as the INTOSAI strategic governance and operation leads for support respectively.

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*“Unless we get our message across effectively, we are producing very nice paper weights in the process. No audit report should get tabled if it’s not going to lead to change. We have to make an impact.*

*That’s our job!”*

—Annerie Pretorius  
AFROSAI-E Communication Manager

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Mr. Kimi Makwetu, SAI South Africa Auditor General and Chairman of the Capacity Building Committee, believes capacity building is at the heart of success, including “properly trained, well-experienced members of staff; good, strong leadership that’s ethical, as well as governments that recognize the value of our institutions that operate independently.”

Using the SAI PMF is a good start. Learn more about it [here](#).

Annerie Pretorius, Communication Manager for AFROSAI-E, indicates communicating is also a crucial component to SAI success.

She admits communication can sometimes be an obstacle and when it comes to communication, there is “definitely room for improvement, and it’s not necessarily something that comes naturally to the audit methodology process.”

“The message we’re trying to get across, and I’m trying to get across, is that unless we get our message across effectively, we are producing very nice paper weights in the process. No audit report should get tabled if it’s not going to lead to change. We have to make an impact. That’s our job!” Pretorius noted.



### SUMMARY OF THE ABU DHABI DECLARATION

The International Organization of Supreme Audit Institutions (INTOSAI) agreed on the Abu Dhabi Declaration at the XXII INCOSAI in Abu Dhabi, United Arab Emirates. The XXII INCOSAI builds on INTOSAI's past achievements and initiatives, which aim at enabling SAIs to help their respective governments to improve performance, enhance transparency, ensure accountability and fight corruption.

The declaration establishes key Congress outcomes and how they will guide INTOSAI in the future. The Abu Dhabi Declaration was developed within the following context:

- INTOSAI's comprehensive strategic planning process which resulted in a new strategic plan for 2017-2022
- INTOSAI's revision of the statutes to align them more closely with the current structure, strategy and objectives

- United Nations endorsement of the 17 Sustainable Development Goals (SDGs), which reinforces the need and demand for effective public audit and scrutiny and the action already taken by INTOSAI entities relating to auditing the implementation of the SDGs;
- Establishment of a Community Portal to facilitate the sharing of knowledge; and
- A new framework for professional pronouncements as part of standard-setting improvement process

INTOSAI intends to continue to provide a global public voice, as anchored in its Strategic Plan as the organization becomes more prominent and external facing.

The Abu Dhabi Congress echoed the Strategic Plan in the significance of making a meaningful independent audit contribution to the 2030 Agenda for Sustainable Development, with extensive plans and specific efforts towards this goal in the coming years, such as regular

# الإنكوساي الثاني والعشرون

## 15 - 11 DECEMBER



feedback to the community on SDG-related audit issues, and engaging with key stakeholders to follow through on its ambitions.

Citizens are the ultimate beneficiaries of public auditing and have expectation for professionalism. It is the SAI's duty to perform the highest quality audits and provide citizens with reports that support transparency, good accountability and trust in government. Making a decisive contribution to improving professionalization requires a commitment from all parts of INTOSAI to grow the professional support available to all SAIs and their staff, thereby enabling them to deliver timely, relevant high-quality products.

Efforts to enhance INTOSAI's standard setting and achieve professionalization at the global, regional, and individual SAI levels are described in the declaration, along with the SAI Performance Measurement Framework (SAI PMF), a comprehensive tool approved at the Congress for assessing progress towards improved SAI performance.

The Governing Board, with the assistance of the Standing Committee on Emerging Issues (SCEI), the four key Committees and the General Secretariat, plays a fundamental role in monitoring progress in achieving the strategic plan, and following up as necessary. The SCEI will monitor INTOSAI's crosscutting priorities to ensure that they are being consistently and thoroughly integrated into INTOSAI's various strategies and programs under its strategic goals.

An accountability report will be provided at XXIII INCOSAI in 2019 on the activities undertaken and the extent to which INTOSAI is fulfilling the intention and spirit of the cross-cutting priorities, goals and objectives established in the strategic plan.

Read the Abu Dhabi declaration in its entirety [here](#).

# ACCOUNTS CHAMBER OF RUSSIAN FEDERATION TO HOST INCOSAI XXIII

The Accounts Chamber of the Russian Federation will host the XXIII INTOSAI Congress, the largest international forum for the audit community, in 2019, in Moscow, Russia.

The decision to approve the Russian Supreme Audit Institution as a host for the next Congress meeting was adopted unanimously by the participants of the XXII INCOSAI in Abu Dhabi, United Arab Emirates.

In her speech at INCOSAI XXII, Tatiana Golikova, Chairwoman of the Accounts Chamber of the Russian Federation, thanked participants for supporting Russia's candidacy to be the hosting country for the XXIII INCOSAI. She noted that the accumulated experience of the Russian Supreme Audit Institution in organizing major international events leaves no doubt about the success of the XXIII INTOSAI Congress in Moscow.



*“For us it is not only a great honor, it is  
also a huge responsibility.”*

—Tatiana Golikova  
Chairwoman, Accounts Chamber of the Russian Federation

