



ARABOSAI Newsletter

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Issue 1

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ISSAI's Compliance seems to be a common challenge for ARABOSAI members but things are about to change.

Spotlight on ISSAIs implementation

For the past number of years, ISSAI's implementation has been a key talking point in the ARABOSAI community. Committees and SAIs pointed out that the insufficient level of ownership has been among the most important reasons contributing to the increased risks in this regard. It goes without saying that ISSAI's compliance is not a simple decision to make. It takes much more effort to achieve such objective. This is exactly that as IDI always says, ISSAI's compliance is a process. Moving towards ISSAI's compliance requires 5 steps to be taken, which show the progressive and long term process.

In 2018, the ARABOSAI institutional capacity building committee intended to face this challenge by focusing on building capacity of SAI's members to move towards ISSAI's compliance. This was also a real common interest for ARABOSAI and IDI as both of them are striving to have ISSAI's translated into actions on the ground.

MOVING TOWARDS PROFESSIONALISM

Based on INTOSAI strategic priorities for 2017–2022 and in particular the fifth "Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI", and in order to strengthen and enhance professionalization among the region, ARABOSAI has designed and begun to implement a number of initiatives that fall into the following projects:

- Update of the organizational chart;
- Improvement of the reporting process;
- Conducting of a regional Professionalism assessment;
- Leveraging partnership and cooperation
- Enhancement of sharing information activities;

Even though the majority of the projects in question are either starting up (they have just started) or in their infancy (still in the early years), ARABOSAI has already made a visible progress which is expected to generate more positive impacts in the few coming years. [Read more on page 15.](#)

Editorial

We can learn from and be inspired by each other.

We did not come up with this wording by our own. We just picked it from what we have been learning lately being in contact with a wide range of stakeholders including SAls regions, INTOSAI committees and a long list of relevant parties.

We find the idea of being inspired by each other very insightful as it gives us a great deal of humility and openness. Engaging with other in a mutual inspiration should be a process as things are basically in a permanent change and nowadays it is a costly and risky choice not to work with others.

Even though the ARABOSAI did not start from scratch, it has learned a lot from the INTOSAI community. IDI, AFROSAI-E, EUROSAL, INTOSAI General Secretariat and INTOSAI goal committee (CBC, PSC and KSC) have been providing the region for years with updates and support. This enabled us to keep up with the rapid pace of change and to be brought up-to-date with what has been accomplished in the INTOSAI community on regular basis.

However, despite a wide range of interesting activities and initiatives being implemented inside the Arab region little seemed to be known by the international community in this regard. News and outputs produced by the region are of course shared during official and annual meetings and progress regarding the ARABOSAI accomplishments is annually reported to the INTOSAI Governing Board meeting. In addition, representatives from the region attend technical meetings and make presentations to explain what kind of outcomes the ARABOSAI projects and activities generate either from SAI's perspective or regional one. Is this enough?

I am afraid the answer is no with the great amount of information being constantly shared, circulated or sent out among the INTOSAI community. The unaccountable number of projects, outputs, news and initiatives makes it hard for us to see beyond titles and capture the real picture.

Given all these considerations, ARABOSAI is pleased to issue the first edition of a newsletter where progress, news, best practices are reported in order to bring the whole INTOSAI community updated with the region .

This newsletter is expected to complete the communication package which includes inter alia, Website upgrading, the issue of an INTOSAI technical report and the efficient use of the IDI-KSC portal.

INTOSAI community will be informed about news, progress and initiatives up to 3 times per year.

The ARABOSAI General Secretariat

This newsletters expected to complete comprehensive communication package which includes inter alia, Website upgrading, the issue of an INTOSAI technical report and the efficient use of the IDI-KSC portal.

Success stories and best practices

Like any other INTOSAI region, ARABOSAI has the natural advantage of having a depth of knowledge about the challenges facing SAIs members. ARABOSAI has therefore begun lately to be more effective in supporting SAIs member as it has moved away from strictly presenting, organizing and providing services to focusing more on its advocacy role by facilitating, promoting and disseminating outputs, best practices and success stories.

It is in line with such strategic shift that ARABOSAI has set for achievement the goal of facilitating sound communication and cooperation between the SAIs member and committees, working groups, and task teams of the regional organization. Sharing best practices and success stories of SAIs member is planned to be a work stream through which ARABOSAI is seeking to foster different forms of knowledge sharing among the SAI members including facilitating access to communities of practice, between the region and other regions.

THE KUWAIT STATE AUDIT BUREAU PUBLISHES ITS FIRST CITIZEN'S REPORT EVER: AN INSPIRING SUCCESS STORY

In his opening message of the first Kuwait State Audit Bureau citizen's report ever, the Acting President Adel Abdulaziz Al-Sarawi invites citizens and civil society to work together to safeguard Kuwait's funds. In few words charged with conviction, the opening message succeeded to capture the essence of any citizen report which is a facilitated exchange between a Supreme Audit Institution and citizen in order to engage in a joint effort towards achieving sound public management of public institutions.



Any reader of the Kuwait State Audit Bureau citizen's report will be feeling confident discovering in simple words the main features of the Bureau business model, chart, resources, outputs and strategy. All these aspects are described in a professional manner and layout expected to help general public to be better acquainted with the Bureau role and contribution to enhance public governance among the state of Kuwait public entities.



It is definitely a good start that the ARABOSAI would like to share this with the whole INTOSAI community inviting them for more similar outputs in the coming years. By setting the tone, the Kuwait State Audit Bureau is now well placed to be an inspiration for the whole Arab region to get citizen reporting going.

The SAI's of Iraq, Palestine, Jordan and Tunisia share their experience in auditing the Government preparedness in meeting the expectations resulting from agenda 2030

Following a scientific joint event with ARFOSAI-E, held on the sideline of the ARABOSAI governing board meeting- (Tunis, March 2018), ARABOSAI recently announced the launch of a new section of its website, incorporating success stories related to auditing of SDG's,

SAI's who are currently performing or have recently performed audits related to SDG's, were invited to send their stories to the ARABOSAI's General Secretariat.

Following this call for contribution, the SAI's of Iraq, Palestine, Jordan and Tunisia share a full or an abstract of their final reports related to the audit of the government preparedness to meet the expectations resulting from agenda 2030. The Arabic versions of the 4 reports can be found on the ARABOSAI website but only reports from Iraq, Jordan and Palestine are available in English on the English version of the Website.

The four above mentioned reports have a lot in common. This should be attributed first to the fact that the four SAI's have been involved in the Sharaka project and followed the same approach to perform their audits.

It is worth noting that the Netherlands Court of Audit has initiated and funded a regional project named SHARAKA, the Netherlands court of Audit has lately moved to a regional perspective of supporting SAI's in the Arab region. This project, which is showcased into several domains, embraces SAI-PMF and SDG's considerations which seems to have been a very good opportunity for a number of ARABOSAI's SAI's to make significant progress to meet expectations resulting from agenda 2030.



ARABOSAI announced the launch of a new section of its website: success stories related to auditing of SDG's

Leveraging partnership and cooperation

IDI has been for years a key partner of ARABOSAI. The wide range of activities and projects implemented by IDI for the benefit of the Arab SAI's and the regional Organization demonstrate the importance of the amount of investment that IDI has put into the capacity development program in the Arab region. As a matter of fact, since its inception IDI has designed and implemented capacities and development programs in order to address the SAI's and the regions capacities gaps. The strategic planning program, the quality Assurance Program and the 3 I Program are among the most important and valuable activities that IDI succeeded to implement in the Arab region.

Drawing on the good and sustainable partnership and building on the good level of effectiveness based on the progress accomplished and the achievement of the numerous capacities development goals, IDI and ARABOSAI have taken concrete steps to leverage their partnership in order to closely implement joints activities. This included, inter alia, the following steps:

- Sign out agreements with IDI to ensure a good quality of delivery of IDI training activities in the region. This covers basically the logistic services that ARABOSAI General Secretariat provides to IDI on regular basis.
- Set up a small focus group with the participation of IDI to set detailed terms of reference and framework against which ARABOSAI's assessment would be conducted.
- Move towards a closer collaboration between ARABOSAI General Secretariat and IDI on technical issues.

Follow-up of the ARABOSAI-IDI joint activities



Results of SAIs commitments with IDI

As part of the Secretariat's role in following up the achievement of the commitments included in the agreements concluded between the Organization and the IDI and in fulfillment of Executive Council Resolution 249/2018, Point 9 where the Executive Council directed the General Secretariat to coordinate with IDI to prepare a questionnaire to follow up the achievement of the commitments stipulated Agreements between the Organization and the IDI.

Accordingly, it was coordinated with the IDI to select the training of trainers program and the INTOSAI 3i program, as well as the topics to be covered by the questionnaire. The Committee considered the report prepared by the Secretariat on the results of the SAIs commitments with IDI and included an analysis of the data received as a response to the questionnaire.

After discussion and deliberation, the Committee recommended the following:

1. To complete the receipt of responses to the questionnaire and prepare a report on the purpose and provide IDI with an updated version of the report.
2. Involve trainers in updating the training program of the organization.
3. Allocate a minimum period of training during each year and assign facilitators to perform or supervise the performance of training programs.
4. Provide modern scientific references in order to benefit from them in the preparation of training materials and

develop the means of presentation and training necessary for performance.

5. Activating the evaluation stage of the trainee after returning to work.

6. Continuous training for trainers and facilitators to organize meetings with the aim of exchanging experiences.

7. Increase the use of the experiences of the IDI trainers by assigning them to perform more training courses.

8. Use this expertise in other areas of capacity development in order to develop the professional and organizational capabilities that are based on the needs and skills of all the staff of the SAI and to find appropriate mechanisms to meet them.

E-learning Program



In accordance with Resolution number 249/2018 of ARABOSAI Governing board at its meeting of 28 and 29 March 2018 which was held in Tunis, regarding the coordination between the general Secretariat and the IDI in the field of e-learning, the following activities were conducted in 2018:

- 17 trainees from 10 SAIs participated in an e-learning training, organized by the IDI. This training was about « Management of the Learning Management System, it was organized from 2 May to 3 July.
- 10 trainees from 6 SAIs participated in an e-learning training addressed to English speaking regions related to e-learning facilitators. This training lasted 2 months and started in September 2018.

And In line with this orientation, the organization set itself the goal of setting up an e-learning system for the benefit of ARAB SAIs in 2019.

SAI FIGHTING CORRUPTION PROGRAM



As mentioned in its strategic planning ARABOSAI is working on ISSAI implementation.

In this regard ARABOSAI was engaged with IDI in the SAI fighting corruption program, which has as a first component - SAI Leading by example in implementing ISSAI 30-

During 2014, the IDI conducted a Global Survey on SAIs achievements regarding fighting corruption in their countries. The results show that SAIs are encountering tough challenges in fulfilling their roles of preventing, detecting and reporting on corruption. Therefore the IDI dedicated a high priority program which was agreed upon with a wide variety of stakeholders in 2015 to meet the needs of SAIs members of INTOSAI regions in developing countries including ARABOSAI.

The program is made up of three major components, the first one is "SAI Leading by example in implementing ISSAI 30" that targets to review of the existing their ethical practices based on ISSAI 30, so a proper training for team assigned to this mission is planned. This component is planned to be initiated during April 2019.

The second component consists carrying out an "Audit of the Institutional Frameworks for fighting corruption". A training workshop on conducting ISSAI based performance audits of institutional framework for fighting corruption hosted by Jordanian SAI from April, 8th to 17th 2018, in which 12 teams from ARABOSAI member SAIs took part in this event and they committed themselves to discuss SFC audit plans later the same year. A second workshop was held in Morocco from the 17th to 21st September, the plans of SFC audits prepared by audit

teams were discussed in order to start executing the audits and they are expected to finish their work by the end of February 2019. A further workshop is planned to review the audits conducted by the teams.

The third and final component named "SAI-Stakeholder Platform for fighting corruption" concern the support provided by the IDI to SAIs in setting up or enhancing SAI-stakeholder platform for fighting corruption in the respective countries. And this part of the program is intended to be carried out during 2019.

The SAI Engaging with Stakeholders programme

Programme background

While many SAIs face challenges both internal and external in their engagement with stakeholders, there are SAIs that are excellent examples of good practices in stakeholder engagement. SAI's engagement with stakeholders is impacted by both, the SAIs own capacity to engage and the readiness and capacity of different stakeholders to engage meaningfully with the SAI. Enhanced SAI stakeholder engagement would definitely lead to greater audit impact and enable the SAI in delivering envisaged value and benefits.

Recognizing the importance of this area, ARABOSAI indicated this topic as a priority need during the meeting of ARABOSAI institutional strengthening committee, and IDI Planning and Prioritisation workshop for INTOSAI regions.

Programme overview

The main objective of the programme is “greater audit impact through enhanced SAI stakeholder engagement”.

The programme was launched in ARABOSAI after the following steps were achieved at global level:

- A research was conducted at global level to identify the current mechanisms used by SAIs, challenges and the key success factors that have supported SAIs in effectively engaging with stakeholders.
- The output of the research formed an input in the development of the guidance on SAI Stakeholder engagement which is a practical tool that could guide SAIs in developing stakeholder engagement strategies. The guide was developed in English to serve for all INTOSAI regions and then translated to Arabic.

IDI envisaged the following strategy to run the programme in ARABOSAI:

Commitment of SAIs in the programme is one of the critical steps in the implementation strategy. 15 SAIs signed the statement of commitments at the stage of joining the programme.

The guidance that was developed for this programme formed the basis for the development of blended courseware for training SAI teams in stakeholder mapping, strategy development and practical guidance on the operationalisation of the strategies. 11 SAI teams from ARABOSAI were trained in November-December 2017 in developing the strategy. After being trained, 10 out of the 11 teams drafted strategies for their SAIs to engage with stakeholders. These draft strategies were reviewed in May 2018 by resource persons and peers at a review workshop held in Tunisia. During the workshop, participants got feedback from Resource Persons and peers on the draft strategies they developed.

SAI level support which forms the last step in the implementation strategy is further aimed at supporting selected SAIs in operationalising their action plans. This support will be provided in 2019 to selected SAIs.

BUILDING ON THE AFROSAI-E-ARABOSAI COOPERATION

ARABOSAI and AFROSAI-E signed in 2016 a memorandum of understanding regarding cooperation on issues related to promoting good governance, in particular through the strengthening of accountability, transparency and integrity. This MoU was adopted as a framework of launching, developing and following up on the cooperation.

ARABOSAI and AFROSAI-E intend to develop a technical cooperation through the implementation of multiple activities in the areas of training, capacity building strategic planning, cooperative audit initiatives, peer review initiatives, exchanges of information and experiences, networks of experts. The main objective of AFROSAI-E-ARABOSAI co-operation is to strengthen professional skills of their members and support them in implementing various aspects and find joint solutions to common challenges and concerns, to develop cooperative initiatives.

The MoU has set out a multiple activities approach which means that events that have been derived from the MOU will cover several topics and matters and have various formats. Both sides are convinced that this approach to capacities development and sharing experiences is expected to generate significant impact.



AFROSAI-E ARABOSAI Quality assurance workshop



In addition to organizing a scientific joint meeting the two organizations were successful in 2018 to set out three main joint events to get the work going. This included two workshops relating to quality assurance and audit of Sustainable Development Goals (SDG's).

ARABOSAI and AFROSAI-E have agreed through the Memorandum of Understanding, to launch regular, wide-ranging cooperation for the mutual benefit of their respective member SAls and more broadly for the benefit of the INTOSAI Community.

In this regard a workshop on QA was held in PRITORIA in SOUTH AFRICA, in the period from 29th October to 02th November 2018.

12 members from 6 SAls were present in this workshop, they are from KUWAIT, SAUDI ARABIA, OMAN, MORROCCO, SUDAN, PALESTINE and TUNISIA.

This workshop was organized by AFROSAI-E and facilitated by 6 facilitators mostly from AFROSAI-E secretariat.

Through its Strategic plan, ARABOSAI aims to assist members SAls in setting the mechanisms for Quality assurance, ARABOSAI strategy for achieving this item will be based on activating a manual for Audit Quality Assurance and training a number of employees within member SAls on the manual's approach and its applications. In addition to setting up a regional task force comprising a number of experts on audit quality

ARABOSAI intends to set up an expert group who will be assigned to perform QAR support visits to ARAB SAls.



assurance from member SAIs. These experts will be in charge of backstopping SAIs at their workplace.

In addition, ARABOSAI aims to develop its expertise to ensure efficient and effective Management. To achieve this item, ARABOSAI intends to set up a team of experts from members SAIs to provide support in different support such as forming taskforce on quality assurance.

Based on the methodology of AFROSAI-E in this field, the AFROSAI-E –ARABOSAI QA workshop is designed to bring support to a number of selected participants from ARAB SAIs on how to implement QAR support visits and how to perform QAR and to report conclusions.

As a first step, ARABOSAI is planning to provide training to selected group about the AFROSAI-E experience in this regard.

After that an expert group will be set up and will be assigned to perform QAR support visits to ARAB SAIs.

ARABOSAI shared its experience on quality assurance during the AFROSAI-E technical updates meeting

AT the AFROSAI-E Technical update, a representative from ARABOSAI general secretariat shared the key element of the ARABOSAI quality assurance approach.



Progress regarding moving towards professionalization initiatives



Moving towards professionalization initiatives:

ARABOSAI (the Arab Organization of Supreme Audit Institutions) is a regional Organizations that promotes INTOSAI's goals regionally, thus providing members with opportunities of professional and technical cooperation on a regional basis.

INTOSAI's 2016 Abu Dhabi Declaration highlighted the importance of enhancing global and regional professionalism to support the continuing professional development of SAIs as well as the role played by INTOSAI regional organizations in this regard.

Based on INTOSAI strategic priorities for 2017–2022 and in particular the fifth "Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI", and in order to strengthen and enhance professionalization of ARABOSAI, the organization has designed and begun to implement a number of initiatives that fall into the following projects:

- 1- Update of the organizational chart;
- 2- Improvement of the reporting process;
- 3- Conducting of a regional professionalization assessment;

- 4- Leveraging partnership and cooperation
- 5- Enhancement of sharing information activities;

All these considerations flow from the region commitment to strictly comply with the requirements relating to the INTOSAI crosscutting priority 5 “Building upon, leveraging, and facilitating cooperation and professionalism among the Regional Organizations of INTOSAI”.

Even though the majority of the projects in question are either starting up (they have just started) or in their infancy (still in the early years), ARABOSAI has already made a visible progress which is expected to generate more positive impacts in the few coming years.

ARABOSAI is currently conducting a regional professionalization evaluation

Based on INTOSAI strategic priorities for 2017–2022 and in particular the fifth “Building upon, leveraging, and facilitating cooperation and professionalization among the regional organizations of INTOSAI”, and in order to strengthen and enhance professionalization of ARABOSAI, the organization intends to carry out an evaluation. The purpose of conducting an evaluation is to have an objective and credible assessment of the performance of ARABOSAI and to provide lessons for the future and strengthening of the organization and accountability to stakeholders. This evaluation should:

- Determine the range of services that ARABOSAI must provide to its members, as

well as the best ways to manage resources to achieve its objectives.

- Analyze operational and strategic process; identify risks, deficiencies and needs in order to operationalize its strategic plan, to improve the organization's performance and to support its capabilities.

ARABOSAI is currently making progress in, this regard. Following a call for proposal process, a 4 members' team was set up. These members were selected from among auditors and evaluators working for Arab SAI are not including those who are currently sharing the Governing Board including first and second vice chairs, the technical committees or hosting the General Secretariat.

The team is currently in the inception report phase.

ARABOSAI is designing a specific work plan related to supporting SAI's meeting agenda 2030 requirements

In 2018, ARABOSAI launched an initiative as a first step to comply with the INTOSAI requirements related to meeting expectations resulting from agenda 2030. The region made the choice to set out a state of the region report on auditing of SDG.

The objective of "the state of the region report" is to provide a clear and realistic picture on the extent of the progress made by SAIs of the ARABOSAI region in reviewing and following-up governments' implementation of Sustainable Development Goals (SDGs) , ARABOSAI and its member SAIs in the follow-up and monitoring of the Agenda 2030

implementation at the national, regional and global levels. The study was based on the four approaches embodied in the cross-cutting priority two of the INTOSAI 2017-2022 strategic plan, in order to contribute to overcoming the difficulties that might prevent SAIs from reaching them.

With regards to benchmarks, ARABOSAI has set out a 5 steps methodology which can be described as follows:

- 1- Send out questionnaire to the ARABOSAI member SAIs regarding steps taken to meet the SDG's agenda;
- 2- Data collected through questionnaires are guided by findings and conclusions formed by in-depth analysis of a number of targeted SAIs;
- 3- Identify capacities development needs with regard to a discrimination model;
- 4- Customization of guidance and tools with a regional perspective.
- 5- Develop a regional operational plan.

ARABOSAI has stuck to this methodology. The latest progress shows that following a data analysis of questionnaires, a first draft of a preliminary state report was circulated to SAIs members. The ARABOSAI General Secretariat is currently bringing updates to the first draft based on feedbacks and designing a region work plan to meet the SAI's expectations as defined in the report.

Inside ARABOSAI

ARABOSAI technical committees' news and progresses

Strategic Planning: strategic priorities being translated into operational plans

The Strategic planning committee is about to hold its annual meeting late February in Kuwait city. Based on the meeting agenda, the committee is planning to put a number of key issues on the table. Among questions to be discussed the way the 5 cross-cutting priorities should be translated into operational plans. Designing projects, setting out indicators and monitoring activities based on templates and follow-up processes are expected to be stressed on.

It is worth noting that the Strategic planning committee has been striving since the approval of the region 2018-2022 strategic plan to redefine roles and responsibilities in a way that makes activities implementation more coherent. By following a more impact-driven approach in designing projects, the committee is expecting to cope with a major challenge that previous ARABOSAI strategic plans faced which is the total disconnection between plan and projects implementation.



The Institutional Capacity Building Committee: Focusing on ISSAI's implementation

The 13th Meeting of the Institutional Capacity Building Committee of the ARABOSAI

From 21 to 24 of January 2019, Rabat - Morocco hosted the 13th meeting of ARABOSAI institutional CBC.

The meeting was attended by officials representing the Committee members namely Kuwait, Morocco, Saudi Arabia, Palestine, Jordan, Qatar, Iraq, and representatives of the General Secretariat.

The committee focused on reviewing the 2018 work plan. Discussing results generated by trainings and workshops was a central issue in the meeting agenda. A number of additional issues were also put on the table including the 2019 AFROSAI-E-ARABOSAI work plan, cooperation with the INTOSAI CBC and cooperation with the working group on auditing of extractive industries.



ARABOSAI evaluates the impact of ISSAI implementation on audit quality

Since its inception, ARABOSAI has been performing risk analysis which made it clear for all stakeholders that ARABOSAI members do face a real challenge regarding ISSAI's implementation. The insufficient Level of ownership and the non-compliance of a significant number of SAI's with the ISSAI's requirements are among the most reasons contributing to this everlasting difficulty.

It goes without saying that ISSAI's compliance is not a simple decision to make. It takes much more effort to achieve such objective. This is to mention that as IDI has always point it out, ISSAI's compliance is a process. Moving towards ISSAI's compliance requires 5 steps to be taken. The following figure shows how ISSAI's compliance should be seen as a progressive and long term process.



To elaborate a bit more on this key issues, a number of Arab SAI's met in Kuwait city in October 2018 and

shared experiences and points of view about what lessons to be learned from implementing ISSAI's.

The ARABOSAI Professional and Regulatory Standards Committee adopted a customized due process

The 12th Meeting of the ARABOSAI Professional and Regulatory Standards Committee



The 12th meeting of the Professional and Regulatory Standards Committee of the ARABOSAI, hosted by the General Auditing Bureau - Saudi Arabia, was launched Sunday morning, January 27, 2019. The meeting is attended by representatives of SAls in Kuwait, Egypt, Jordan, Saudi Arabia, Iraq and Morocco, as well as the General Secretariat.

The meeting was officially opened by Mr. Saeed bin Saad Al-Shahrani, General Director of the General Auditing Bureau in the Eastern Province on behalf of His Excellency Dr. Houssam bin Abdul Mohsen Al-Anqari, President of the General Auditing Bureau of Saudi Arabia, welcoming the participants and wishing them a pleasant stay and that successful

work leading to conclusions and recommendations that would support the audit work in the Arab world.

Dr. Saud Al-Zamanan, Chairman of the Committee, thanked Dr. Houssam Bin Abdul Mohsen Al-Anqari and all the members of the General Auditing Bureau for their hospitality and for providing all the necessary conditions for the success of the meeting. He also thanked the members of the Committee for the effort they had made to execute the Committee's work plan. He mentioned the area that will be discussed during this meeting, including articles and papers related to the standards and the guide of the governmental financial review (stage of planning) after its review and uploading on the website after taking the observations of the SAIs members of the organization into consideration

The guide of the governmental review (stage of execution) presented by Accountability State Authority of Egypt will be also discussed on this meeting. The operational plan for 2019 and main programs for 2020 (strategic plan 2018-2022) will be prepared.

During the meeting, the INTOSAI Framework for Professional Publications (IFPP) was also reviewed to consider its possible use in the Committee work.

The ARABOSAI Environmental Control Committee shares its 2018 report

The ARABOSAI Environmental Control Committee 2018 report is now available on the website. This report which is for now only available in Arabic version contains a number of interesting papers related to environmental issues. The report shows

that different approaches to environmental questions audit can be insightful despite variance and discrimination among Arab SAI's.

It is worth noting that the report provides readers with the main conclusions that the committee members draw based on their deep research work during three years of time 2016-2018.

This report can be downloaded from the ARABOSAI website.

Outputs from ARABOSAI SAIs



Innovation in audit¹

State Audit Institution - UAE

The scale and pace of innovation in science and technology will have a profound impact on all areas of work, including audit. The evolution of several technologies will all shape the nature of finance and financial reporting, hence audit. This paper will consider some of these technologies and how these have the potential to disrupt the audit process.

Data and Analytics

“Data is the new oil” (Titus, 2010)

The change in data and analytics is not a fundamental shift for the audit professional, but with new innovations the speed and the volume of data that can be handled is unprecedented (O'Donnell 2016, KPMG)².

For example, the days when the auditor completed sample testing of limited data will be replaced by analyzing much larger sample sizes, even 100% of the data. Technology allows for much of this mundane activity to be completed very quickly. However, the real value add is the ability to extract the data directly from the company and to be able

¹ The contents including, but not limited to, the text, graphics, image, links are the property of State Audit Institution and are protected by copyright. State Audit Institution reserves all copyright, trademark, patent, intellectual and other property rights of the information contained.

² Data, Analytics and your audit: What the finance executive needs to know, KPMG
<https://assets.kpmg.com/content/dam/kpmg/us/pdf/2016/data-analytics-audit.pdf>

to compare this to internal and external sources, including suppliers. Therefore, the auditor is able to focus on higher risk areas and use the 'wider landscape of data' to inform their findings.

The deeper insights available using enhanced data and analytics could be translated using powerful data visualizations to convey the 'story hidden in the data.' (KPMG 2018).

Blockchain

Raphael predicts the impact of blockchain to be like how the internet has changed the way research is conducted today (Deloitte 2018)³.

What is block chain?

A blockchain is defined as a continuously growing list digital records in packages (called blocks) which are linked and secured using cryptography. These digitally recorded "blocks" of data are stored in a linear chain. Each block in the chain contains data, is cryptographically hashed, and time stamped.

The blocks of hashed data draw upon the previous-block (which came before it) in the chain, ensuring all data in the overall "blockchain" has not been tampered with and has not been altered (Blockchain Technologies, 2018)⁴.

Hence of the key benefits of blockchain technology is that it allows easy access to structured data. Better access to lots of data can be used to generate advanced analytics and accelerate machine learning.

This will enable tools to get smarter and move towards continuous auditing and assurance.

Machine Learning and predictive analytics

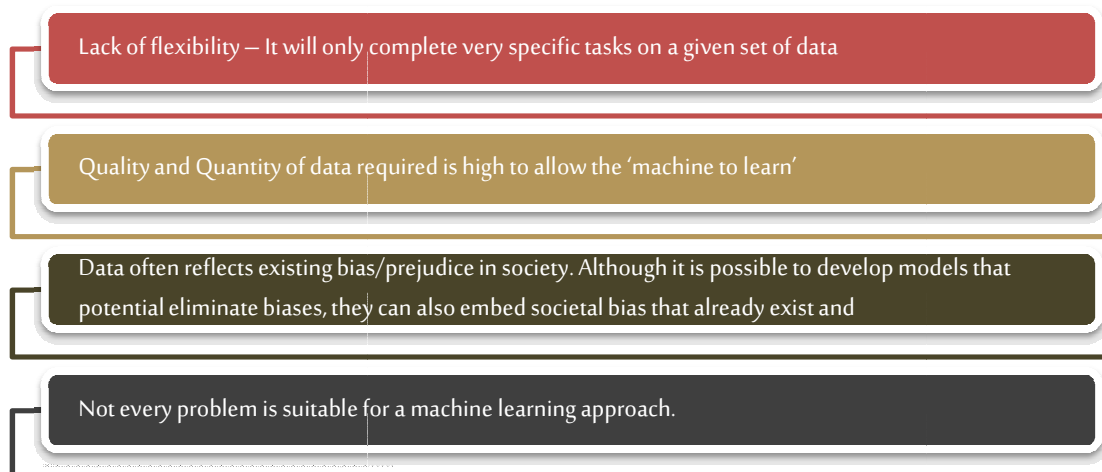
³ Blockchain and financial reporting: Impact of blockchain in the audit function, Deloitte

⁴ The Ultimate Guide to Understanding Blockchain Technology - <https://www.blockchaintechnologies.com/blockchain-technology>

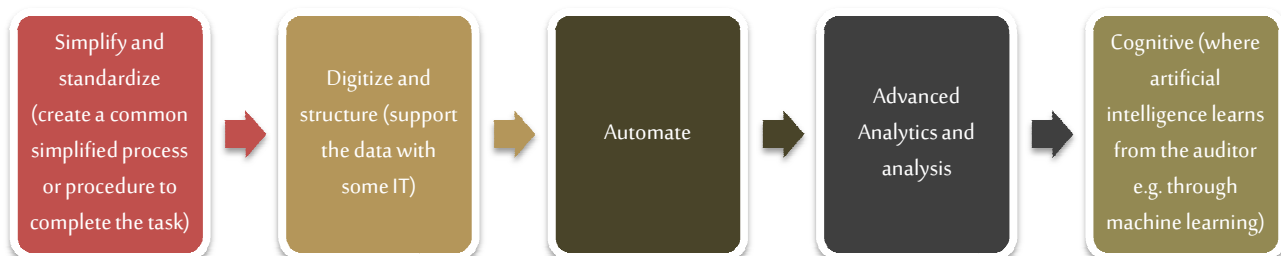
Machine learning techniques build on human cognitive strengths and develop these further through pattern recognition and learning. Most sophisticated techniques in this area include artificial neural nets and deep learning have resulted in major breakthroughs in natural language processing, translation, machine vision and game playing (ICAEW, 2018)⁵.

Machine learning can handle large volume of data, identify complex and changing patterns consistently without human frailties of tiredness or boredom.

However, there are limitations:



Cognitive technologies have the potential to greatly increase the value of the audit process. (Deloitte 2018)⁶, by following a standardized process to:



⁵ Artificial intelligence and the future of accountancy ICAEW <https://www.icaew.com/media/corporate/files/technical/informatio - technology/technology/artificial-intelligence-report.ashx?la=en>

⁶ Cognitive technologies: Bringing value to the audit process <https://www.deloitte.com/us/en/pages/audit/articles/cognitive-technologies-and-audit-process.html>

It is expected that this approach can lead to improving an auditor's professional judgment by modelling thought processes (comparing the results with that expected that can be contrasted with initial conclusions.) Although there are some potential pitfalls in artificial intelligence that will need to be managed: such as intentional and unintentional cognitive bias (as discussed above in machine learning).

The impact on the auditing profession

The result is an enhanced role for auditors. It will allow the auditor to be released from performing repetitive mundane activity, i.e. low value, to high value activity functions such as monitoring the outcomes of automated tasks, reviewing advanced analytics, and assessing the implications of findings.

This will enable auditors to spend more time using their professional judgment (and scepticism), and to better understand their client's business. In a world where 'cognitively-transformed audit processes' dictate the audit approach this will also result in higher value added activity and insight for the audit profession.

In this new era there will still be the need for the audit professional but their activity will be enhanced. New skills and training in the new innovation will be crucial to remain relevant and a valued resource. The SAI of the UAE is ready to rise to this challenge and has committed to the professionalization agenda (as Chair of INTOSAI) and its [strategy for Artificial Intelligence](#).



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