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The editors invite submissions of articles, special reports, and news items, which should be sent to the editorial offices at U.S. General Accounting Office, Room 7806, 441 G Street, NW, Washington, D.C. 20548, U.S.A. (Phone: 202-512-4707. Facsimile:202-512-4021. E-Mail: <chases@gao.gov>).

Given the *Journal's* use as a teaching tool, articles most likely to be accepted are those which deal with pragmatic aspects of public sector auditing. These include case studies, ideas on new audit methodologies or details on audit training programs. Articles that deal primarily with theory would not be appropriate.

The *Journal* is distributed to the heads of all Supreme Audit Institutions throughout the world who participate in the work of INTOSAI. Others may subscribe for US\$5 per year. Checks and correspondence for all editions should be mailed to the *Journal's* administration office, P.O. Box 50009, Washington, D.C. 20004, U.S.A.

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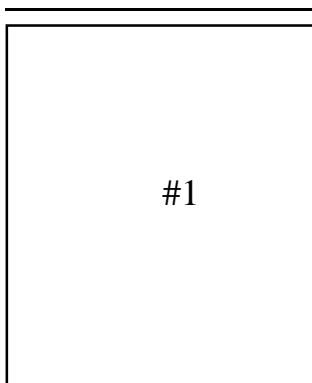
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Transformation in the South African Audit Office

By Henri Kluever, Auditor-General of South Africa

(Editor's Note: The Journal is pleased to present this editorial by the out-going Auditor General of South Africa, in which he describes the many transformations his Office has successfully accomplished in this closing decade of the century.)



Mr. Henri Kluever

The South African Office of the Auditor-General stands poised for the challenges of the new millennium. During this preceding decade of transition, effectively my term as Auditor General (1993-1999), far-reaching changes have been effected that have laid the foundations for our ambition to promote democracy through accountability by becoming an internationally recognized, world-class national audit office.

Historical Context

A brief reference to the history of our Office is pertinent here. Browsing in the library, casting my eyes over the dark leather bound audit reports of yesteryear, I found myself musing on the significant initiatives taken by the Office so many eventful decades later. We had as our incentive, the pursuit of democratizing the control of the public purse as surely as if we were still in the days of St. John and the signing of the Magna Carta! Originally based upon the British model, South Africa's auditing legislation was first passed in 1911, amended in 1916 and then remained unchanged until the new Exchequer and Audit Act was passed. Control and compliance remained unchanged until the concept of performance auditing was incorporated into the Exchequer and Audit Act of 1975.

Recently, our most radical legislative challenge lay in harnessing for our purposes, the democratic separation of powers between the legislative, executive and judicial arms of government. We knew that for the Office to fulfil its functional role as watchdog of the Legislature and the Executive we could

no longer operate under ministerial supervision – we had to become an independent institution that reported directly to Parliament. This became a move that, in a decade, transformed the Office from another civil service department to a State institution supporting constitutional democracy – as outlined in the Constitution of South Africa Act of 1996.

Of course, South Africa's political history cannot be isolated from these historical developments in the Audit Office. The then-Deputy Auditor-General, Mr. Bertie Loots wrote in 1992: "The Unique statutory responsibilities of the Office, supported by the image of autonomy, objectivity and integrity which it has earned over the years, not only places the Office in a position of trust vis-à-vis the general public but also carries special responsibilities in the New South Africa."

At the time of my appointment as Auditor-General in 1993, I had served the Office as Deputy Auditor-General since 1986, and had been personally involved or cognizant with the transformation process on a number of levels. As Deputy Auditor-General I was the office's accounting officer. We commercialized the Office by opening a trading account in terms of Section 11A of the then Exchequer Act in the 1987/88 financial year. This meant that on March 1, 1987, the Office began operating on a commercial basis – i.e., staff completed time sheets and we billed our auditees. Our first major information technology system, the TAS (Time Accounting System), was implemented. This vastly improved the management of our resources, which in turn increased our output. There was, however, still much to be done.

Achieving Full Independence

I remember clearly the 1990 Report of the Joint Committee on Public Accounts, an interim period preceding the full independence to the office, which said: "In view of the many irregularities revealed by various commissions of inquiry in the recent past, it is clear that the frequency, range and professionalism of auditing should be increased." Not only were these requirements met, but the first major piece of new legislation since 1975 was promulgated in 1989, when The Auditor-General Act made provision for the Auditor-General and his or her staff in a separate Act. It was this Act that visibly enhanced the independence of the Auditor-General. However the then Executive Authority retained the final say on certain crucial administrative matters relating to the Office. We did manage to negotiate substantive delegations from the Public Service

Commission. This, in practice, allowed us limited management authority regarding staff matters, but within the systems determined by the Public Service Commission.

This situation was perceived as contrary to the internationally accepted principle of an independent audit institution. It placed the Auditor-General in the unenviable position of having to report on the financial affairs of the Executive Authority without fear or favor, while being dependent on the goodwill and cooperation of the latter for the procurement of essential resources for the carrying out of his task.

The matter remained a source of concern to me and to the Joint Committee on Public Accounts. Eventually, with the full support of the Cabinet, the offending provisions were deleted from the Act by the Auditor-General Amendment Act of 1992. The Audit Arrangements Act followed in 1993, and regulated the management, administration, and conditions of employment of the staff of the Office. It also facilitated the transfer of overall supervision and related matters to a parliamentary oversight body, the Audit Commission. Furthermore, the Act ruled that future Audit Office Reports would be tabled in Parliament – thus becoming public documents. The Audit Commission is responsible for approving the estimate of income and expenditure of the Audit Office; monitoring the operational performance of the Office with regard to finance, quality control, training and affirmative action, and appointing an independent auditor to audit the accounts of the Audit Office. The Audit Commission is composed of eight members of Parliament representing all the political parties and three expert extra-Parliamentary members appointed by the president for a period not exceeding five years. No member of the Audit Commission may be part of the Executive Authority. The Audit Commission's function could be summarized as that of high level overview of the Office's work.

The second regulatory body for the Office itself is the Staff Management Board, which was also established by the Audit Arrangements Act. This body is responsible for human resources management matters pertaining to the Office. The Auditor-General, in consultation with the Audit Commission appoints the members of the Board. At least two thirds of the members should be personnel from the Office. This human resources autonomy enabled the office to develop a unique compensation policy. A cost-to-company-package approach which is moderately market-related is used. This enables the Office to recruit quality professional staff.

The current Audit Office is then, in terms of legislation, a very different entity to what preceded it. It was a long road to travel, but well worth it because we finally emerged as the independent taxpayers' watchdog for all South Africans.

Internal Reform and Modernization

The second phase of our transformation then began. The internal process that was to consolidate our mission, vision and credo and establish our Office as leaders in promoting effective accountability. That meant we had to start living our corporate philosophy. Thus from 1993, together with my two

deputy Auditors-General, firstly with Mr. Bertie Loots, and secondly with Mr. Shauket Fakie, I embarked upon a multi-faceted program to build contemporary excellence into the Office's audit services. We sought to build trust and confidence in our clients and we began a process of organizational transformation to consolidate and support our corporate values.

Many readers will remember the years during which South Africa had what it termed politically, four independent 'states' and six self-governing territories. As well as the larger reintegration process, the audit functions of these regions had to be amalgamated into the national audit, and the demands placed on staff during the ensuing years were considerable. In addition to the amalgamation of audits, regional staff also had to be accommodated, a process not without strain whilst coterminously restructuring and positioning the Office in accordance with the provisions of the Constitution. An official affirmative action program was implemented in 1994 that included auxiliary efforts in the field of training, recruitment and strategic congresses. The computerization of the Office was another project successfully being implemented together with the streamlining of existing audit functions and the branching out into others – e.g., coordinating the function of auditing of local authorities, environmental audit and forensic audit.

Serving the Public and Parliament

Amidst these changes, the Office was becoming acutely aware of its positioning as an institution protecting democracy within South Africa, and that it needed to explain this role to its external stakeholders. A heightened profile for media and communications was envisaged during the mid-1990s. This strategic direction was linked to the timely and professional publication of the national accounts of government to assist Parliamentary committees assess the progress being made in departmental accounting and financial management systems. The Votes are still not, however, always positively received in spite of the clinical nature of the reporting style. Nevertheless, how the media, the public and Members of Parliament interpret and use the Vote reports is an expression of democratic freedom. Our aim is still to produce quality reports that are the end-result of diligent and accurate audit processes.

International Relations

We in fact tested our government auditing standards against those agreed upon by INTOSAI in 1990. The results secured the appropriateness and validity of our audits with internationally accepted standards and we moved on with confidence to seek full compliance with GAGAS (Generally Accepted Government Auditing Standards) during 1994. To assist us further we embarked on an international learning process, traveling in very few years, to countries such as Australia, China, Canada, the United Kingdom and New Zealand. We established excellent relationships and learned a great deal, from how to set up computerized auditing systems to instigating corrective steps from audit findings. We attended conferences meetings and other international forums and to

(continued on page 8)

News in Brief

Barbados

1998 Annual Report

The Barbados Audit Office submitted its 1998 Annual Report to Parliament on December 9, 1998. The Report consisted primarily of findings of audit examinations of Government Ministries and Departments, and includes a special section about the implementation of a value-for-money (VFM) audit program undertaken by the Office. Two pilot projects were completed as part of this program, and these VFM audit reports were submitted to Parliament.

The Annual Report also referred to the failure of some Accounting Officers to submit Appropriation Accounts on time in accordance with the relevant laws, and deficiencies in the preparation of some of these accounts were also pointed out. In addition, some concern was expressed about revenue accounting; audit found deficiencies in the systems employed and, in some instances, the balances submitted did not represent the amounts collected for the year.

Overall, however, the breaches of the financial rules were observed to be substantially reduced as compared with those of previous financial years, and the Report notes a marked improvement in the response of Ministries and Departments to audit queries and memoranda. Unqualified reports were issued for the majority of accounts, which, generally speaking, properly presented the financial position of the organization for the year under review.

For more information, contact: Auditor General's Office, Nicholas House, Broad Street, Bridgetown, Barbados (tel: 246-426-2537; fax: 246-228-2731).

Belgium

Court of Audit on the Internet

On July 8, 1999, the Belgian Court of Audit opened its Internet site at the web address <<http://www.courdescomptes.be>>. Presented in Belgium's three national languages and in English, the web site contains over 1300 pages of information about the Court of Audit, including descriptions of the various facets of the institution (tasks and powers, organization, operations, historical survey, main reference texts, practical information, bibliographies, etc.). The site also includes the most recent texts of the Courts' reports of comments, and the texts of rulings given by the Court since November 1997 in the scope of its jurisdictional tasks. Text can be read in pdf format.

In terms of style, the site was designed to give priority to providing easily accessible information, and the site designers opted for a clear and functional display. Readers can target information as they like using the site's search engine and two search bars. Visitors to the site can transmit their remarks and suggestions concerning the site to the webmaster.

For more information, contact: Court of Accounts, 2 rue de la Regence, B-1000 Brussels, Belgium (tel: 32-2-55-551-81-11; fax: 32-2-551-8622; email: ccek@ccek.be).

Bermuda

1998 Annual Report Issued

The Auditor General's Report on the 1998 accounts was presented to the House of Assembly on June 18, 1999. The Audit Report highlights the following six matters that especially warrant the attention of the House

because of their broad and ongoing application: unresolved audit recommendations; late financial reporting; impaired state of financial records and accounting resources; lack of performance reporting; year 2000 issue; and, impairment of professional capability.

The Auditor General stated that the 125 unresolved recommendations listed indicates an insufficient amount of accounting and accountability resources available to direct the identified problems or areas for improvement. The large number of organizations failing to present financial accounts, some of which are years in arrears, renders the House incapable of holding the Government responsible for its stewardship of the monies entrusted to it. Without proper financial controls, and accurate and timely information, the Report noted, Government organizations cannot be managing their financial resources efficiently. A lack of appropriately skilled accounting personnel across the civil service and the lack of a central internal audit branch also contribute to the problems.

For more details visit <www.oagbermuda.gov.bm> or contact: Office of the Auditor General, P.O. Box HM 2891, Hamilton HM LX, Bermuda (e-mail: auditbda@ibl.bm; or fax: 441 295 3849.)

Canada

First volume of 1999 Report Issued

The first volume of the Auditor General's 1999 Report was issued in April for tabling by the Speaker of the House of Commons. The Report indicates that some departments and agencies, such as Correctional Service

Canada and Human Resources Development Canada, have managed to correct significant deficiencies and have even come up with innovative solutions. However, the Report also points out that the government has made little progress in some crucial areas — particularly fisheries and Indian affairs — that audit has drawn attention for some time.

One of the troublesome issues noted in the report concerns fisheries on the East coast. There are problems with the management of lobster, scallop, snow crab and shrimp fisheries that are similar to those observed two years ago in the management of groundfish fisheries, such as cod or redfish. These management problems should be taken seriously, the report says, as they could affect not only the stocks but also the people and communities that depend on those stocks.

The Report also commented on the way \$150 million in contributions was paid to East coast fishers and factory workers between 1994 and 1998. These contributions were intended to help them with labor adjustment, following the groundfish moratorium. Audit's conclusion was that these funds were not properly managed. A third of the projects were not supported by any claim, and some of the expenses claimed were reimbursed without justification.

The issue of Funding arrangements for First Nations was another area reported on. Indian and Northern Affairs Canada provides almost 4 billion dollars each year to First Nations to administer programs including social assistance, education and housing. It is crucial to the proper management of these funds that Indian and Northern Affairs complete the implementation of its new funding regime, taking into account the capacity and willingness of many First Nations to assume full responsibility for those funds. If improvements to funding arrangements are not made faster, it will be more difficult for the Department and our First Nations to achieve the desired results from these transfers. It will also be more difficult for First Nations to strengthen their own capacity to become self-reliant.

The Auditor General's Office also looked at other challenges — new, major challenges — that the government will be facing, for example, the collaborative arrangements that the federal government is using in partnership with other levels of government, the private sector and voluntary organizations to provide services and programs to Canadians.

The new National Child Benefit program (which is part of the social union), the infrastructure program, and the climate change initiative are all examples of new collaborative arrangements. The challenge now facing the government is to ensure accountability in this new context of partnership. In this regard, the Report suggests that, as parliamentarians approve or review these mechanisms, they need to know whether the information being communicated to them is complete and credible, and whether the public interest is being properly served.

Another considerable challenge facing the federal government: is the management of science and technology personnel. In the last few years, 5,000 science and technology employees have left the public service, and it is estimated that the science-based departments may have to recruit some 3,000 employees in the next five years. The Report emphasizes the importance of this issue by stating, "We should not underestimate the efforts required to build a revitalized and renewed work force. It is essential that the scientific community obtain from the government more flexible external recruitment measures and the resources necessary to meet its needs."

For more information, contact: Johanne McDuff, Office of the Auditor General of Canada, 240 Sparks Street, Ottawa K1A 0G6, Ontario, Canada (tel: (613) 952-0213, ext. 6292; e-mail: mcduffjo@oag-bvg.gc.ca).

Hong Kong

Audit Report No. 32

On March 29, 1999, the Director of Audit submitted his Report No. 32 to the

President of the Legislative Council. The Report was tabled in the Legislative Council in April 1999.

The Report contains ten value-for-money audit studies. These comprise studies on: (a) provision of management services in public rental housing estates; (b) administration of two non-contributory social security schemes; (c) control of obscene and indecent articles; (d) the Government's monitoring of electricity supply companies; (e) provision of services for offenders and children/juveniles in need of care or protection; (f) use of information technology in schools; (g) management of two capital works contracts, and (h) management of telecommunications services under a technical services agreement. Most of the recommendations in the Report have been accepted by both the Government and the Public Accounts Committee. Moreover, these studies have identified some US\$102 million of savings and benefits to the Government of the Hong Kong Special Administrative Region.

The Report received extensive media coverage. The studies contained in the Report have prompted improvement measures to be taken on the issues identified. For example, the study on the provision of management services in public rental housing estates identified surplus capacity in the Housing Department, the executive arm of the Hong Kong Housing Authority (Housing Authority). As a result, the Housing Authority has taken improvement measures to enhance the efficiency of the Housing Department.

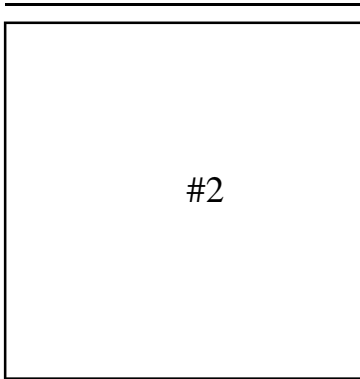
For more information about the Report, please contact: Director of Audit, Audit Commission, 26./F, Immigration Tower, 7 Gloucester Road, Wanchai, Hong Kong, China, (fax: 852 28242087; e-mail: audaes2@aud.gen.gov.hk)

The Netherlands

New President and Board Member for SAI

On May 15, 1999, Mrs. Saskia J. Stuiveling was appointed by the Queen

as the new President of the Court succeeding Mr. Henk Koning who retired from office the first of April 1999. Concurrently, the Queen appointed Mr. Pieter Zevenbergen as a Member of the Court of Audit. With continuing Member Dr. J.E. Havermans, who was appointed in 1966, the three-person Court is complete. All appointments are for life.



Mrs. Saskia J. Stuiveling

Mrs. Stuiveling is the Court's 23rd President and the first woman to serve in that capacity. Mrs. Stuiveling studied law and holds a degree from the Erasmus University Rotterdam School of Management. She has held various posts in government, such as senior policy adviser to the Mayor of Rotterdam, member (for the Labor Party) of the Upper House of the Dutch Parliament, and State Secretary for the Interior. Since 1996 she served as chairperson of the INTOSAI Working Group on Environmental Auditing. Outside the Court, she holds a number of posts in the fields of development cooperation, the arts, and health.

Mr. Zevenbergen has a degree in public science from the Netherlands School of Economics, now known as Erasmus University Rotterdam. He held various posts in the field of local government; beside being Mayor of the island Ameland, of Voorst and of Bergen op Zoom, he acted as arbitrator and adviser. Prior to joining the Court he served as the *Dike Reeve* of the Delfland Water Authority. Outside the Court he holds a number of posts including vice-chair of the European Cyclist Union and he is a member of the management committee of the International Cyclist

Union (UCI) and president of the Trust Foundation of Erasmus University Rotterdam.

Mr. Havermans has a degree in law from Leiden University, and a doctorate in social sciences from Nijmegen University. Before joining the Court Mr. Havermans was the Mayor of Pannerden, of Druten, of Doetinchem and finally of the city which is also the seat of government, The Hague. He is a member of the CDA, the Christian Democratic Alliance. Mr. Havermans was, amongst other posts, a member of the executive committee of the International Union of Local Authorities (UILA). Outside the Court he holds a number of posts in the community and in the field of education.

For more information contact: The Netherlands Court of Audit, P.O.Box 20015, 2500 EA The Hague, the Netherlands (e-mail: bjz@rekenkamer.nl).

Oman

International Relations

International relations and cooperation has been a priority of the Secretariat General for State Audit (SGSA), Sultanate of Oman, in recent months, with delegations from four SAIs visiting Oman between February and April 1999.

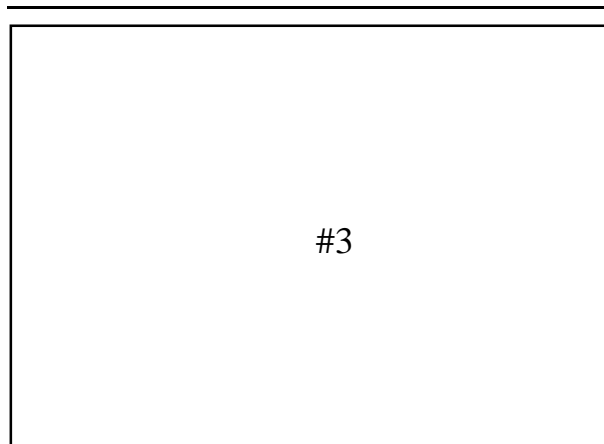
Sir John Bourn, Comptroller and Auditor General of the United Kingdom, visited SGSA from February 25 to

March 1, 1999, as part of a program of mutual cooperation and collaboration. Training and the audit of privatization and defense were the main areas of discussion. Sir John also met several senior Ministers of the Government of Oman, during his stay, which was reported widely in the national media.

Other international visitors to the SGSA included: (a) a four-member delegation from the SAI of the United Arab Emirates from February 4-10, 1999, and (b) a two-member delegation from the SAI of Yemen and a one-member delegation from the SAI of Bahrain from April 15-21, 1999. These three delegations studied the use of information technology (IT) in SGSA, especially the strategic framework for management of IT and the use of web-enabled technology to provide simple and easy-to-use interfaces.

In connection with IT, SGSA has joined the INTOSAI Standing Committee on EDP Audit at the Invitation of the Chairman of the Committee. It also set up the Arabic language version of the Committee's web-site in February 1999. This site, (http://www.sgsa.com/intosai_edp), provides on-line access for the Arabic SAI community to information about the Committee's activities, as well as electronic versions of its products.

For more information, please contact: Secretariat General for State Audit, P.O. Box 727, Postal Code 113, Muscat, Sultanate of Oman, E-mail: sages@gto.net.om, Fax: (968)-740264.



Heads of the SAIs of Oman and the United Kingdom pose for official photograph during visit.

Switzerland

1998 Annual Report Issued

The Swiss Federal Audit Office (SFAO) has issued its annual report for 1998, which includes highlights of the 240 audits, conducted during that year. In deciding which audits to include in the annual report, the SFAO considers the financial relevance and significance of the findings nationally. The report cites the financial savings resulting from the audit findings; in 1998 the SFAO reported savings in the two-digit million Swiss franc range. It should be added that certain savings will only be achieved after the realization of middle or long term corrective measures. While important, these savings should not overshadow the primary purpose of the SFAO which is, as the report states, to expose weaknesses in the accounting systems and in the financial management of government, and to provide advice to government on how to remedy identified problems.

The nine-part annual report provides information on the position and tasks of the SFAO, certification audits, the audit of semi-public entities, the audit of administrative units, special audits (including VFM and EDP audits), international contacts and mandates, the relationship with internal audit units, organization and accounts of the SFAO, and an outlook on future activities.

Looking ahead, the SFAO sees itself confronted with a two-fold challenge. On one hand it has to adapt to new audit approaches and techniques, while on the other hand it has to respond to the requirements of the ongoing administrative reform processes in Switzerland. The organization and the processes of the SAI of Switzerland have therefore been analyzed with the assistance of a well-known international consulting firm. Furthermore, amendments to the Federal Law of the Swiss Federal Audit Office, strengthening its independence, were passed by Parliament to take effect on 1 September 1999.

The 53-page annual report is available in German, French and Italian from: Swiss Federal Audit Office, Monbijoustrasse 51a, CH-3003 Bern, Switzerland, e-mail: sekretariat@efk.admin.ch).

United States of America

Three Comptrollers General Broadcast Live

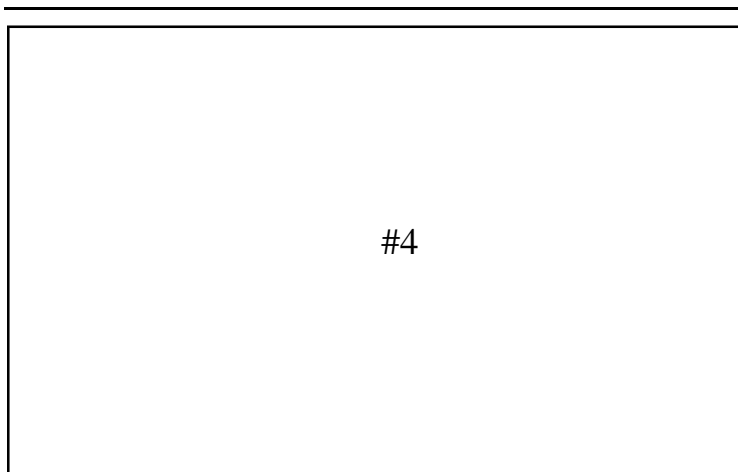
Three western hemisphere Comptrollers General participated in a live telecast from Washington on September 9, 1999, to audiences in Latin America and the Caribbean. Comptrollers General Daniel Fretes Ventre of Paraguay, Victor Caso Lay of Peru, and David M. Walker of the United States discussed the role of supreme audit institutions in fighting government corruption in the international, interactive Worldnet "Dialogue" broadcast. The live broadcast was sponsored by the U.S. Information Agency in support of on-going OLACEFS program to share strategies for effective government-provided citizen services in the anti-corruption area.

Speaking from a studio in Washington, the three SAI leaders addressed audiences in Lima, Peru;

Asuncion, Paraguay; and Tegucigalpa, Honduras on the subject of "anti-corruption strategies."

WORLDNET's "Dialogue" is a live daily international international teleconference produced by the U.S. Information Agency in Washington. Each program is transmitted via satellite throughout all of Latin America and the Caribbean, with up to three sites participating interactively. These interactive sites usually have as their principal audiences government officials, private sector representatives, and media. The "Dialogue" format resembles that of a press conference question and answer session, with questions coming from the overseas audience; questions and answers are simultaneously interpreted in Spanish and English. In addition to the primary broadcast audience, a secondary audience exists insofar as regional television and radio stations with satellite receivers record "Dialogue" programs for future use. Remarks from the programs are also frequently quoted in magazine and newspaper articles.

For more information, visit GAO's web page or contact: U.S. GAO, Room 7806, Washington, D.C. 20548 USA (tel: 202-512-4707; fax: 202-512-4021; e-mail: oil@gao.gov).



From left to right: Comptrollers General Walker, USA; Fretes Ventre, Paraguay; and Caso Lay, Peru; respond to questions from moderator.

Auditing Using the Internet

An evaluation by the U.S. General Accounting Office (GAO) of the status of Superfund hazardous waste sites around the nation provides a preview of how technology is changing the way GAO conducts audits and reports the results of its reviews.

GAO's environmental protection issue area was presented with the challenging task to prepare a status report on progress in cleaning up the 1,231 hazardous waste sites on the Environmental Protection Agency's (EPA) national priorities list. Not only did the job require an extensive data-gathering exercise, it also posed a challenge in reporting the resulting data in an easily accessible format.

Rather than sending out a questionnaire to some 350 EPA cleanup managers responsible for the 609 sites where cleanups are still under way, the evaluation team, turned to the Internet as a means of disseminating the questionnaire and collecting responses. Working with in-house design, methodology and information technology experts, the staff designed an interactive survey instrument; this is the first time GAO used the Internet to conduct a survey for an audit assignment. And the results of the survey are being reported electronically on CD-ROMs and on the Internet.

There were both costs and benefits of using the Internet. The job required more up-front planning, since there was a lot to learn about creating an electronic interactive survey instrument, communicating effectively on-line, disseminating the survey and gathering responses via the Internet, and ensuring the integrity and security of the data. But the effort paid off: GAO obtained responses from 99 percent of those surveyed in just two weeks. In addition, since the data were transmitted electronically, there was no need for additional data entry, saving weeks of audit time and contractor costs.

Many useful lessons were learned during this assignment. For example, the staff designed a unique survey form for each waste site by incorporating existing

data about the site from EPA's Superfund management information system into the survey form sent to the relevant manager. The electronic format determined the specific questions, which needed to be answered about a specific site on the basis of the manager's responses to certain key questions. Pull-down menus made it easy for the respondents to correctly complete the survey and helped ensure data accuracy. GAO also included a "help" button which allowed respondents to e-mail questions about the survey to the evaluation team, who responded immediately by phone or e-mail.

Reporting the results of the survey presented another challenge. A traditional GAO blue-cover report containing summary tables on the survey would be more than 1,800 pages long, so the team explored options that both save paper and make the data easier to use. The solution: a brief report summarizing the results of the survey (Superfund: Half the Sites Have All Cleanup Remedies in Place or Completed (GAO/RCED-99-245, July 30, 1999), accompanied by a CD-ROM containing the summary report and the individual site tables as well as dedicated area on GAO's Internet site (<http://www.gao.gov/RCED-99-245/>). It was a cost-effective solution. GAO prepared 65 CD-ROMs for the Congressional requester at a cost of 44 cents each.

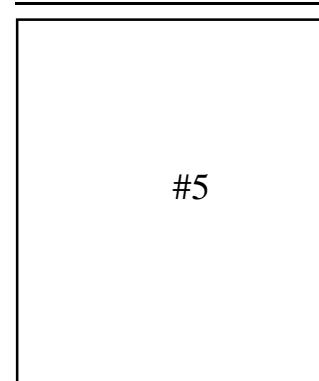
For more information, visit GAO's web page or contact: U.S. GAO, Room 7806, Washington, D.C. 20548 USA (tel: 202-512-4707; fax: 202-512-4021; e-mail: oil@gao.gov).

Venezuela

SAI Head Re-appointed

Dr. Eduardo Roche Lander was re-appointed for a second 5-year term as Comptroller General on June 3, 1999, by a joint session of the Senate and Chamber of Deputies. Dr. Roche Lander, who has served as General Comptroller of the Republic since April 1994, is a mechanical engineer, with a master's degree in economic planning from Stanford University and a doctorate in economics from the University of Paris.

He has been a university professor, member of the Engineering Faculty Council and the University Council of the Venezuela's Central University, and Vice-president of the Supreme Electoral Council. He is the author of the book "In Defense of the State, Democracy and the Citizen — Five Years Against Corruption."



Dr. Eduardo Roche Lander

As he began his new term, Dr. Roche Lander pledged his continuing commitment to ensuring that his office remains a strong voice for governance, accountability, transparency and anti-corruption efforts. The national audit office will continue to strengthen its role as an organization dedicated to promoting democracy and serving citizens. As an example of this commitment, the Office published a code of ethics for public sector officials.

Planning for the current 5-year period, Dr. Roche Lander has prepared a "Strategic Plan 1999-2003." As part of the planning process, the Office has redefined its mission and vision. The revised mission reads: "The Office of the Comptroller General of the Republic is the constitutionally autonomous organization, auxiliary of the Republic's congress, at the service of the democratic state and the Venezuelan society. Its principal goal is to watch over the right and transparent administration of the public patrimony and to struggle against corruption." In a related action, the Office also refined its vision as follows: "To self-consolidate as a Republic's power and ethical reference, and an efficient instrument of the Venezuelan society. By this way it can exercise its

right to control the public administration, and efficiently contribute to the revitalization and rearrangement of the public power, as well as the strengthening of democracy and state of right.”

The Office of the Comptroller General will continue laying the foundations of its actions on the principles and values of objectivity, fairness, apolitical character and ethics. It also intends to improve its performance by increasing its effectiveness in the exercise of investigative and sanctioning powers, putting emphasis on controlling the areas of National strategic interest, and continuing the modernization of the Office of the Comptroller General.

The Office’s 1998 report to the Congress illustrates the important changes in the type of work being done and how it is reported. The annual report is now a *Technical Report of State Audit*, containing opinions about the performance of the national, state and municipal public government departments. And, as part of its overall modernization program, the Office has entered the “information super highway,” by introducing an Internet web site (<http://www.cgr.gov.ve>) that provides detailed information about the office, its standards and reports, and useful information about the National System of Control.

As an example of the National System of Control, the Second National Comptrollers meeting was held on

October 29, 1998. It was attended by 230 state, municipal and internal comptrollers and by officers from the Office of the Comptroller General of the Republic. The National System of Control was highlighted during this meeting as a fundamental instrument of good governance at all levels of government.

Internal and external control systems of the Public Administration were also addressed, as was the year 2000 computer problem.

For more information, contact: Office of the Contralor General de la Republica, Caracas 1050, Avenida Andres Bello, Apartado 1917, Caracas, Venezuela (e-mail: crojas@cgr.gov.ve and <http://www.cgr.gov.ve>. ■

Editorial

(continued from page 2)

our delight, in 1996, received recognition as a leading organization regarding best government auditing practices by nonetheless than the World Bank.

Our international links had indeed grown. In 1995 we were appointed as independent external auditor of World Health Organization for the two biennium’s 1996/7 and 1998/99. We were delighted to announce in May this year that we had been reappointed for the coming two bienniums. Together with Finland we audited INTOSAI for a period of three years (ended 31 December 1997) and we learned a great deal from undertaking this prestigious external audit. The fact that we are hosting the 17th Commonwealth Auditor-General Conference in October this year also bears testimony to our growing national confidence on the world stage, whether as external auditors or hosts to debates on Auditing in the 21st Century.

Training and Development

In terms of training we are actively involved in promoting SADCOSAI/AFROSAI/INTOSAI in the region. The INTOSAI Development Initiative (IDI) is well established in our Office and is part of the Long-term Regional Training Program (LTRTP). A management training congress organized by our Office was held in June this year and many more are scheduled in the southern African development community region.

The training and development aspect of the work of the Office is central to its vision of becoming a world class audit office. The Office has target plans for employment equity that

comply with the provisions of the Employment Equity Act, and the total representation in the Office is currently 67 percent, although at management level we are less successful with the figure at 39 percent. We have, however, actively intervened to assist in the training of accountancy students by implementing a program to benefit members of historically disadvantaged communities. The Denel (Pty) bridging school for Commerce students is a joint venture with the Office, who sponsor a number of black students each year. We also have a new in-house Chartered Accountant Training program, which is essential if we are to access sufficient numbers of black and women qualified auditors for the new millennium.

In terms of the development of our Audit Office in line with fast-moving global standards, I feel the Office has an exciting era ahead of it. As I approach the day of my retirement I can feel content that I played a not insignificant part in the shaping of a truly respected, national Audit Office for South Africa. I was honored to have been the first Auditor-General in our new democracy, and attempted at all times to deal with my task professionally and objectively, honoring and promoting the principles of good governance through accountability.

I will keep in touch with my auditing friends and partners around the world and I wish you all a dynamic and exciting new millennium.

For more information, contact the author at: The Office of the Auditor General, Old Mutual Centre, P. O. Box 446, Pretoria 0001, Republic of South Africa (tel: 27-12-217593; fax: 27-12-323-7389; e-mail: debbie@agsa.co.za and <http://www.agsa.co.za>). ■

Regional Cooperation: Trying to Make a Difference

By Eric Harid, Office of the Comptroller and Auditor General of Zimbabwe

The INTOSAI Development Initiative (IDI) supplied the seed for a fruit tree in Africa in March 1996 and the Assembly of English Speaking SAIs—through its Regional Training Committee (RTC)—planted and nurtured the fruit tree. It has now started to bloom. Some of the blossoms have made way for fruit and some of the fruit is ripening. What the fruit will taste like and, more importantly, what its nourishment value will be, this we are about to find out.

On May 31, 1999, the first course developed and customized by English-speaking African SAIs for presentation in their region, was held in Addis Ababa, Ethiopia with twenty-five participants participating from thirteen regional SAIs. This course was the first in a series of modules on Performance Auditing, and signals the start of the Regional Operational Training Program (ROTP) of the Assembly of English-speaking African SAIs.

The ROTP has its origin in the Long-term Regional Training Program (LTRTP) which was launched by IDI during a five-day Strategic Planning Workshop in Windhoek, Namibia in March 1996. Attended by the Heads or Deputy Heads of 19 African SAIs, the workshop agreed to establish an infrastructure to ensure the sustainability and viability of regional as well as local training programs. With this infrastructure in place, the Assembly of English-speaking African SAIs hopes to achieve the objective of the LTRTP in the region, namely *“to help SAIs enhance their training capabilities and broaden their training and information exchange activities.”*

The workshop in Namibia appointed a six-member Regional Training Committee (RTC) chaired by Zimbabwe with a Secretariat based in Pretoria, South Africa. While IDI was driving the LTRTP from its office in Canada, the RTC proceeded to lay plans for the continuation of the LTRTP initiative and to build on the concept of regional cooperation *“to enhance public accountability and good governance by enhancing the audit performance of SAIs in the region.”* A Summary Strategic Plan containing key elements of the co-operation envisaged was approved at the First Assembly of English-speaking African SAIs held on November 6, 1996, in Lahore, Pakistan. This was followed by a Regional Operational Planning Workshop which was held in April 1997 in Pretoria, South Africa. The outcome of this workshop was the Regional Operational Training Program (ROTP) mentioned earlier. The interim period was devoted to harnessing support for the program, building administrative capacity, and developing the necessary course materials.



#6

Comptroller and Auditor General Harid makes a point as Secretary General Witteveen, Netherlands; looks on.

The Netherlands Court of Audit (NCA) is a key player in the work of the RTC. Through the assistance of IDI, the RTC initiated contact with the NCA in November 1996 to request assistance to meet the goals of the ROTP. Mr. Tobias Witteveen, the NCA Secretary General, played an important role by approaching the Netherlands Ministry of Foreign Affairs for the funding of the project. The project also got needed support from the then Zimbabwean Ambassador of the Kingdom of the Netherlands, Mr. Wessels. The project was finally approved in November 1998, thus enabling the release of funds to start the training activities.

As so-called “satellite” partner in the cooperation project, the NCA *inter alia* -

- assists with the acquisition and application of donor funding for planned activities through the Netherlands Foreign Ministry;
- assists with the management of the program and the coordination of activities;
- assists various Technical Committees with the development of training materials; and,
- assists with the presentation of training courses while simultaneously grooming selected local trainers to take over this role.

Altogether six training events have been scheduled to take place in various countries in Africa in 1999. These include courses in the fields of regularity auditing, performance auditing and computer auditing, as well as management skills. In most cases local trainers who have graduated through the LTRTP are involved in the presentation of these regional courses in conjunction with trainers from the NCA. Also in the pipeline is a project to train more instructors to supplement the pool of local trainers and course designers and developers.

Other projects that are envisaged for the year 2000 and thereafter include forensic auditing, environmental auditing, institutional development of the SAI and constructive support for Public Accounts Committees. The installation of an

effective communication network between all member countries using modern technology is perhaps one of the most ambitious projects of the ROTP. This will have a profound effect on the results of the program and help ensure its sustainability.

The IDI tree is still young and it will have to weather many storms before it can stand firm. Nevertheless, it is growing and the good news is that it can be grown by slip!

For more information, contact: Chairman, Regional Training Committee of English-speaking African SAIs, Office of the Comptroller and Auditor General, P. O. Box CY 143, Causeway, Harare, Zimbabwe. ■

Establishment of National Audit Offices in Bosnia and Herzegovina: The First Steps

By Martin Grimwood, Senior Consultant, International Management Consultants Limited

Background

The State of Bosnia and Herzegovina was formerly part of the Republic of Yugoslavia. It has a very short Mediterranean coastline but is otherwise landlocked with the Republic of Croatia to the south and west and the Republic of Yugoslavia (Serbia and Montenegro) to the north and east.

Bosnia and Herzegovina is comprised of two entity governments: the Republika Srpska (the population of which are basically Serb) and the Federation of Bosnia and Herzegovina (which comprises ten cantons some of which are Bosniak (Muslim) some of which are Croat and the remainder mixed). In addition to the two entity governments and cantons, which exercise most of the tax raising and spending powers in the country, are the Joint Institutions of State which operate limited joint functions, including the issue of passports.

Bosnia and Herzegovina's unique combination of a transitional economy fractured by war and a very decentralized structure built on fragile relationships between recently warring ethnic groups has resulted in the proposal for a uniquely structured Supreme Audit Institution arrangement.

As one of the key elements of the Public Finance Structural Adjustment Program, the World Bank is supporting the formation of Supreme Audit Institutions (SAIs) in the Entities of Bosnia and Herzegovina and for the Joint Institutions of State. International Management Consultants Limited of the United Kingdom were selected by the World Bank to act as specialist advisers in this undertaking.

The institution of independent external audit systems in Bosnia and Herzegovina is intended to strengthen public sector governance by increasing the transparency of transactions, accountability of public officials and, ultimately, the efficiency of the administration as a whole. The credibility of government financial statements will increase as a result of an effective and independent external audit system.

Policy Papers and Seminars

Work commenced in June 1998, with background research in the United Kingdom and at the INTOSAI secretariat in Vienna. The initial task was to assist the State and Entity governments in the development of appropriate government audit models. During July 1998, extensive discussions were

held with central and local government authorities in both Entities of Bosnia and Herzegovina on the basic purposes and concepts of government audit. Based on these discussions a series of Policy Papers was developed setting out proposed organizational arrangements and policy alternatives.

In November 1998, two seminars were held in the Federation (one for Cantons and one for the central Federation government) and one seminar in the Republika Srpska (which does not have cantonal government) to discuss the Policy Papers. These seminars provided feedback on the most appropriate options and indicated continued commitment of the Entity governments to the formation of SAIs.

Implementation of Proposals

Based on these seminars, and taking account of the views expressed by the participants, a Paper "Proposed Organizational Structure and Action Plan for Implementation" was prepared and sent to senior members of the State and Entity governments in December 1998.

This contained recommendations as to the institutional and policy structure of the State and Entity SAIs and laid out an action plan for establishing such structures. Its objective was to seek the State and Entity government's agreements on the policies to be adopted and the actions to be taken towards establishing supreme audit institutions with sufficient authority and resources.

Subsequently, high level meetings were held in January and February 1999 at both the State and Entity levels. These indicated a high level of acceptance of the proposals and provided the basis for continuing World Bank support.

Agreed Model

The agreed model will involve the establishment of three SAIs:

- SAI for the Joint Institutions of the State of Bosnia and Herzegovina;
- SAI for the Federation of Bosnia and Herzegovina (which will also be responsible for the audit of cantons); and,
- SAI for the Republika Srpska.

The Policy Papers covered the following topics:

Background Briefing Paper: on the nature and purpose of government audit;

Paper #1: Approaches to Government Audit: discusses the various approaches to external state audit: “court”, “collegiate”, government department and independent audit office. The recommendation for Bosnia and Herzegovina are independent audit offices at State and Entity levels;

Paper #2: Audit Organizations in Bosnia and Herzegovina: details how the independent audit office model might be applied in Bosnia and Herzegovina;

Paper #3: Relationships between Audit and Other Government Processes: covers relationships with Parliament, Government and the Administration, the General Public and Internal Audit;

Paper #4: Who and What to Audit: details the types of audit (compliance, certification and performance); organizations to be audited (the recommendation is everybody receiving government support or guarantee); and the use of private audit firms (recommended where they have the requisite skills, especially in commercial areas of government);

Paper #5: Legal and Regulatory Framework: indicates the levels where legislation will be required (Constitution, Auditor-General Act, Audit Standards and Financial Regulations). It also identifies some of the key areas which the legislation will need to address including: the Status and Position of the Auditor-General and SAI, the Independence of the Auditor-General and SAI; and the Powers of the Auditor-General and SAI;

Paper #6: The Structure of the SAIs: details possible structures for the SAIs. The SAIs would comprise two major divisions Policy and Administration (Executive Services, Professional Support Services, Information Technology and Administrative services) and Operations (Central Government, Local Government and Public Enterprises);

Paper #7: Human Resources and Training: identifies the type of staff required (Auditor-General and Deputies, Professional Audit Staff and Support Staff) and the training required (Basic Audit Concepts, Audit Procedures, Audit Management, Role of the Auditor-General, etc.);

Paper #8: Audit Operations: examines Audit Management and Audit Tools and Techniques;

Paper #9: Managing the Quality of Audit: examines the key elements which must be in place to ensure a high quality audit (independence, legal framework, audit process is planned and in accordance with international standards, staff are well qualified and trained and reports are clear and transparent. It also examines the question of who examines the SAI to ensure that quality control exists); and,

INTOSAI’s Lima Declaration of Guidelines on Auditing Precepts: was attached in full as a resource document.

Each SAI will carry out compliance, certification and performance (or value for money) audit. In addition the SAIs will be empowered to carry out special audits at the request of the relevant Parliament or at the legitimate request of a related governmental organization.

The external audit by the SAIs will embrace all of State, Entity, Canton and Municipality Government and other enterprises; companies or organizations partially or wholly owned, controlled, guaranteed or funded by public sources or provided by an external organization on loan or grant basis.

Each SAI will submit Audit Reports directly to the respective Parliaments. The Federation Audit Reports on Cantons and Municipalities, and organizations under these, will be submitted to the respective Cantonal Parliament. In all cases the Reports will be published.

To facilitate audits and define audit responsibilities for activities that extend across the Entities and/or the State, audits throughout Bosnia and Herzegovina, it has been determined

that they should operate under consistent laws, audit and quality standards. This will make feasible the sharing of the costs of developing technical and training material, systems and procedural manuals.

Working Groups

As part of the initial contract, International Management Consultants provided a draft Auditor-General Bill and draft budgets for the SAIs. These were considered by a Working Group comprising members from both Entity governments and the State. The working group met during March and April 1999 and produced both a final draft Audit Law and initial draft budgets for consideration by their respective governments.

The Next Stage

As of May 1999, governments are reviewing the Working Group drafts, both of the Audit Laws and the budgets. Once these have been reviewed and any necessary revisions made,

the laws will be submitted to the respective Parliaments. Once enacted, the SAI offices will be established and Auditors-General appointed.

In order to achieve the required coordination of audit activities once the SAIs have been set up, a Coordinating Committee will be established. This Coordinating Committee will be a technical committee comprised of the three Auditors-General, or their representatives. It will be chaired by the State Auditor-General and meet according to a fixed schedule at least quarterly.

The responsibilities of the Committee will be to establish Government Audit Standards, ensure consistent audit quality, assign audit responsibility for joint activities, and determine representation on international bodies.

The Coordinating Committee will be supported by a small secretariat responsible to the Committee's Chairman. The costs of the secretariat and the Committee will be shared between the SAIs according to the size of their respective budgets or on some other basis to be agreed and defined by law.

This process is time-tabled to take place during June to September 1999 with the first audit reports issued by the end of the year.

For more information about this evolving process, the author can be reached via e-mail at imc@mcgl.co.uk or at the World Bank Offices in Sarajevo on Mbosnia3@worldbank.org or by contacting this Journal. ■

Audit Profile: The Supreme Audit Office of the Czech Republic

By Pavel Smaha, Field Office Manager, Supreme Audit Office

For citizens of the Czech Republic, the swift succession of political events in the early 1990s opened the door to parliamentary democracy that had been closed for almost half a century. To safeguard these democratic changes and preclude the possibility of power being once again concentrated in the hands of a few, the Constitution of the Czech Republic, which was ratified on December 16, 1992, carefully balanced power between the legislative, judicial, and executive branches of government. Moreover, the Constitution established the Supreme Audit Office (SAO) as a unique, independent constitutional entity to supervise the management of state property and the state budget.

The History of Auditing in the Czech Republic (The Czechoslovak Republic/The Czech Lands)

Until 1918, the Czech Lands (Bohemia and Moravia) were part of the Austro-Hungarian Monarchy. The first audit institution, the Court Accounting Chamber, was set up in 1761. The Supreme Audit Office succeeded it in 1840; the Supreme Accounting Court had Jurisdiction for Czech Lands in 1866, and, after the founding of the Czechoslovak Republic in 1918, and the Supreme Accounting Audit Office was created in 1919.

The Supreme Accounting Audit Office carried out treasury, administrative, and state audits. Treasury audits examined the work of executive bodies in light of statutory regulations, while administrative audits with jurisdiction for all authorities examined whether revenues and expenditures conformed to laws, regulations, and ordinances within budgetary limits. State audits determined whether the state administration had followed the economic plan established for a specific economic or accounting period. Except for changes made during the occupation during World War II, this office functioned until 1951. Following the communist takeover of the government, the Ministry of State Control was created to carry out centralized management directives.

In the first half of the 1950s, the Czechoslovak Republic adopted the Soviet model of a centrally planned economy. During this period, the state professional audit institution was an organ of centralized state administration, headed by a minister who was a member of the government. Its purpose was to further the political objectives of the regime in accordance with its model of management. After 1960, the Central Commission of State Control and Statistics, which

handled statistical matters along with the audit function, replaced the Ministry. In 1967, these two functions were divided between two separate central offices.

During the Czechoslovak Republic's brief reform period in 1968, the supreme audit institution was subordinate to the Parliament. In 1971, the communist party instituted a system of people's control bodies at the federal and state levels that once again served as instruments to manage the federation and society.

After the "Velvet Revolution" overturned the communist regime in November 1989, a series of changes in the audit function were introduced in tandem with other democratic changes in the country. During the first phase, the Federal Ministry of Control and Ministries for the Czech and Slovak Republics were established. Major changes in the work of the state audit authority continued during the second phase, which began after 1991. In January 1993, the Czech Republic became a separate independent state, and the present Supreme Audit Office of the Czech Republic was established in July 1993.

The Status and Jurisdiction of the Supreme Audit Office

The Constitution of the Czech Republic established the Supreme Audit Office as the independent financial audit institution and control body of the Czech Republic, responsible only to the Parliament. The Constitution stipulates the following for the Supreme Audit Office:

- It shall audit the management of state property and the state budget.
- The President of the Czech Republic shall appoint its President and Vice President for a term of 9 years on the recommendation of the Chamber of Deputies.
- Its status, jurisdiction, and organizational structure shall be defined by Act No. 163/1993 on the Supreme Audit Office, which was enacted on July 1, 1993.

The Organs and Organizational Structure of the Supreme Audit Office

The statutory organs of the SAO are the President and the Vice-President. The collective organs are the College, the Senates and the Disciplinary Chamber.

The College is constituted with the President and Vice president of the Office and with fifteen independent (politically voted) Members of the Office. The Members direct auditing activity and they are responsible for drawing up the reports (audit conclusions). The authorizing legislation and procedural rules approved by the College guide the work of the all-collective organs of the Office.

The Supreme Audit Office is organized into the three major sections: the administrative; central audit (10 specialized audit departments); and, field offices sections. The SAO has a staff of 500, of whom 300 are based at the headquarters in Prague (administrative and central auditing sections). The remaining 200 are located in 19 Field Offices (regional audit departments) throughout the country.

Work of the Supreme Audit Office

The mission of the SAO is to ensure that constitutional institutions and citizens have access to reliable and competent information on the management of public resources and state property.

The SAO's audit activity is based on an audit plan that defines the nature and schedule of individual audits for the following budget year. The plan specifies the objectives and purpose of the audits and designates the entities to be audited, the schedule of audits, the members of the College responsible for preparing audit conclusions, and SAO departments responsible for approving the audit conclusions.

Adequate planning is an indispensable prerequisite for carrying out audits successfully. Therefore, before any audit begins, audit plans are prepared by obtaining the necessary information about the objectives of the audit as well as the entities to be audited. At the same time, audit objectives are established.

Audit programs are developed and audit groups are formed based on an evaluation of data collected. As part of the audit planning, an appropriate SAO member instructs audit groups on the methodologies, organizational aspects, and schedules of audits.

After the audits are performed, audit protocols are drawn up describing the audit findings as well as specific weaknesses identified and any lack of compliance with legal regulations. The auditors and auditees who are familiar with the findings sign the protocols. Auditees may file objections to the protocols in writing and state the grounds for their objections. The heads of SAO audit groups are empowered to respond to the auditees' objections, and if their comments are well founded, audit protocol must be changed. This allows findings to be changed based on the objections filed, but this has seldom happened.

Based on the audit protocols and other relevant documents, the audit result is summarized and evaluated in the form of audit conclusion (report) prepared by the Member responsible

for conducting the audit, in cooperation with the appropriate coordinating specialized departments and regional field offices. The College or the Senate (usually 3-5 Members), must approve the final form of every Report.

The SAO submits all approved audit Reports to the Chamber of Deputies, which may or may not act on them. At the request of the Parliament, the government, individual ministries, the SAO also prepares comments and opinions on proposed legal regulations, especially those concerning the budget, accounting, statistics and auditing, and tax and inspection activities.

Training

Most SAO auditors are university graduates. Many have degrees in various fields of engineering, while others were civil servants from different branches of state government.

Ongoing professional training is an integral part of the audit staff's work. After receiving initial training, staff members take additional courses required by their work. Electives and advanced training are available periodically and standard courses are updated and new courses added.

Because most audits have been computerized since 1996, auditors have their own notebook computer, and training in computer skills is increasingly important. All computers located in the SAO are linked to a local area network, and all SAO offices use modern area network technology and security systems to ensure safe communication.

International Cooperation

The SAO of the Czech Republic is committed to cooperating with audit institutions from other countries. It is a member of INTOSAI and EUROSAI, and hosted the 3rd EUROSAI Congress in Prague in 1996. The Czech Republic is also a member of the EUROSAI Governing Board, and the SAO President was its Deputy Chairman until 1996. From 1996 until the 4th EUROSAI Congress in 1999, the SAO President has chaired the sessions of the EUROSAI Governing Board.

Future Plans

In its strategic plan for the next few years, the SAO has identified the following key goals: focus on performance audits; hold an applied sampling workshop; start to use IDEA Software; maintain high standards in all audit work; start to use a document management system; and, focus on auditing in an EDP environment.

For additional information, please contact: Supreme Audit Office, Field Office Department Hradec Kralove, Ulrichovo nam. 810, HRADEC KRALOVE, CZECH REPUBLIC (email: Pavel.Smaha@NKU.cz). ■

Reports in Print

In May 1994, the U.S. General Accounting Office issued the first amendment to the 1994 edition of the *Government Auditing Standards* (commonly referred to as the “yellow book”). The amendment provides standards for the documentation required when an auditor assesses internal control risks for financial statement data that is highly reliant on computerized information systems. An electronic version of the text, “Documentation Requirements When Assessing Control Risk at Maximum for Controls Significantly Dependent Upon Computerized Information Systems” (GAO/A-GAGAS-1), can be found on GAO’s homepage www.gao.gov, in the Policy and Guidance Materials or the Special Publications sections, or directly through <http://www.gao.gov/govaudit/ybk01.htm>; printed copies are available through the **U.S. General Accounting Office, Office of International Liaison-Room 7806, 441 G Street NW, Washington, DC 20548, USA; fax: ++202-512-4021; email: <oil@gao.gov>**.

Themes of anti-corruption initiatives and efforts to combat fraud in the public sector continue to be important in the INTOSAI community and several recent publications may be of interest to JOURNAL readers.

In April 1994, the Venezuelan Congress appointed Dr. Eduardo Roche Lander as Comptroller General of the Republic for a term from 1994-1998. When the appointment was made, Dr. Roche dedicated himself to the goal of strengthening Venezuela’s democracy, state institutions and citizens’ services: in June 1999, he was reappointed for a second five-year term. As he concluded his initial term in office, he decided to publish a book that gathers widely from completed audit work to highlight the contributions of Venezuela’s SAI to society. In the prolog to *En Defensa del Estado La Democracia y El: Cinco Anos Contra La Corrupcion* (In Defense of the State, Democracy and the Citizen—Five Years Against Corruption), he draws attention to the fact that “...we all understood that Venezuela needed a democratic, strong, and modern SAI.” Copies of the book are available in Spanish by contacting the **Contraloria General, Technical Information and International Cooperation Division, Av. Andres Bello, Edificio, Guaicaipuro, Caracas 1050, VENEZUELA, phone: ++582-508-3402; fax: ++582-571-8402.**

The International Institute of Administrative Sciences recently published the proceedings from their 1997 conference on Political and Administrative Corruption. During the conference, participants from Belgium, Cameroon, Germany, Italy, Korea, Morocco, Nigeria, Netherlands, Portugal, Slovenia, South Africa, Turkey, Uganda, and the United Kingdom delivered reports and presented case studies on restructuring the state and introducing new instruments for fighting corruption. Copies of the seminar proceedings are available in French and English, at a cost of approximately US\$30, through the IIAS offices: **IISA-IIAS, 1, rue Defacqz-bte 11, B-10000, Brussels, BELGIUM; fax: ++ 32/2-537-97-02; email: <iias@agoranet.be>**.

The International Monetary Funds’ *Working Paper No. 98/85 — Does Mother Nature Corrupt? Natural Resources, Corruption, and Economic Growth* presents an interesting analysis of potential links between abundant natural resources and corruption. Their research shows relationships between capital intensive natural resources (i.e., oil, minerals) and increased incidences of corruption, and labor intensive natural resources (food and agriculture) and relatively lower levels of corruption. Noting that more law and order and more political stability also reduce corruption, the study points out that improving the quality of public institutions, including strengthening auditing and accountability can lead to improved economic growth and development.

Copies of this Working Paper are available for US\$7, and other publications can also be ordered, through the **IMF Publication Services, Box XS900, IMF, Washington, DC, USA; fax: ++202-623-7201; email: <publications@imf.org>**.

Periodically, the Board of Audit in Japan publishes an English-language version of selected articles from its *General Government Review*. The March 1999 edition includes articles on public procurement systems, development aid strategies in the railway sector, repayment of railways long-term debt, and failures in the new public management’s local administrative reform. Copies of the publication are available in English through **Office of Special Programs, Board of Audit, 3-2-1 Kasumigaseki, Chiyoda-gu, Tokyo 100-8941, JAPAN; fax: ++81-3-35-92-1807. ■**

Inside INTOSAI

IDI Annual Meeting

The INTOSAI Development Initiative's Board of Directors held its annual meeting in Ottawa under the chairmanship of Board President and Canadian Auditor General Mr. Denis Desautels. As IDI prepares to transfer its General Secretariat from Ottawa to the Office of the Auditor General of Norway in Oslo in 2001, the agenda of the meeting included discussions of the transfer which is proceeding as planned. Also discussed was the completion of IDI's long-term regional training plan (LTRTP). The LTRTP was initiated in 1996 to strengthen INTOSAI's regional working groups by developing comprehensive regional training programs and infrastructures to sustain them (see article on page 9 for details of the LTRTP in English-speaking Africa). With financial support from development organizations such as the Asian Development Bank, the World Bank, the Inter-American Development Bank and bilateral national aid agencies from Canada, Denmark, Norway and Sweden, the LTRTP will be completed in all regions prior to the transfer to Oslo. For more information on IDI's regional programs and the transfer to Oslo, contact: IDI, Suite 1134, 240 Sparks Street, Ontario, Canada Ottawa K1A 0G6 (tel: 613-995-3766; fax: 613-941-3587; e-mail: idi@oag-bvg.gc.ca).



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IDI Board chairman Denis Desautels chairs the annual meeting in Ottawa on July 28, 1999. Board vice-president David M. Walker, USA, participated in the meeting, along with other Board members and senior IDI staff.

Committee on Accounting Standards Meets with IFAC's Public Sector Committee

Committee on Accounting Standards (CAS) chairman David M. Walker, Comptroller General of the United States, met with the Public Sector Committee (PSC) of the International Federation of Accountants (IFAC) in July. Mr. Walker spoke at the PSC meeting in Ottawa as part of an on-going dialogue between the two committees. Mr. Walker updated the PSC on the CAS' current work to provide guidance for national audit offices in their role as auditors of governmental financial, compliance and performance reports, and also discussed CAS views on the PSC's current initiatives.

The PSC was particularly interested in the CAS' views about the PSC's proposal to limit its accounting standards project to two bases of accounting — cash and full accrual. The CAS has surveyed its members within INTOSAI for their comments on this proposal, and will provide comments to the PSC. An important point already raised by the CAS in response to the proposal is the need for adequate transition time and related "stepping stone" guidance for governments that operate on a basis between cash and full accrual and are moving toward full accrual.

CAS Publications Available in Five Languages

The CAS' two publications, "Accounting Standards Framework" and "Accounting Standards Implementation Guide for SAIs: Departmental and Government-wide Financial Reporting," have been republished in Arabic, French, German and Spanish. The English language versions had already been re-published in the official INTOSAI format, so now all Committee publications are available in INTOSAI's five official languages. To receive a copy of these documents, and for more information about the CAS' work, contact: U.S. General Accounting Office, room 7806, Washington, D. C. 20548 USA (tel: 202-512-4707; fax: 202-512-4021; e-mail: oil@gao.gov).

SAI's E-Mail Addresses

In support of INTOSAI's communications strategy, each issue of the Journal will publish the e-mail/internet addresses of SAIs, INTOSAI programs, and related professional organizations. Also listed are homepage addresses on the worldwide web (www). SAIs are asked to notify the Journal as they acquire these addresses. The addresses printed in **bold** type are the new addresses.

INTOSAI General Secretariat:
<intosai@rechnungshof.gv.at>; and
<<http://www.intosai.org>>

International Journal of Government Auditing:
<chases@gao.gov>

INTOSAI Development Initiative: <IDI@oag-bvg.gc.ca>

INTOSAI Committee on EDP Audit:
<cag@giasd101.vsnl.net.in> and
<www.open.gov.uk/nao/intosai_edp/home.htm>

INTOSAI Committee on Environmental Auditing:
<<http://www.rekenkamer/ea>>

INTOSAI Committee on Privatization:
<<http://www.open.gov.uk/nao/intosai/home.htm>>

ASOSAI: <asosai@ca.mbn.or.jp>

EUROSAI: <eurosai@tsai.es>

OLACEFS: <caso@condor.gob.pe>

SPASAI: <steveb@oag.govt.nz>

SAI of Argentina: <agn1@interserver.com.ar>

SAI of Australia: <ag1@anao.gov.au> and
<<http://www.anao.gov.au>>

SAI of Bahrain: <audit@mofne.gov.bh>

SAI of Bangladesh: <saibd@cittechco.net>

**SAI of Belgium: <ccrel@ccrek.be> and
<<http://www.courdescomptes.be>>**

**SAI of Bermuda: <auditbda@ibl.bm> and
<<http://www.oagbermuda.gov.bm>>**

SAI of Bolivia: <cgr@ceibo.entelnet.bo>

SAI of Brazil: <sergiofa@tcu.gov.br> and
<<http://www.tcu.gov.br>>

SAI of Canada: <desautld@oag-bvg.gc.ca> and
<<http://www.oag-bvg.gc.ca>>

SAI of Chile: <aylwin@contraloria.ci> and
<<http://www.contraloria.ci>>

SAI of China: <cnao@public.east.cn.net>

SAI of Costa Rica: <xcisnado@casapres.go.cr>

SAI of Croatia: <colic@revizija.hr>, <opcal@revizija.hr> and <<http://www.revizija.hr>>

SAI of Cyprus: <cao@cytanet.com.cy>

SAI of Czech Republic: <michael.michovsky@nku.cz>

SAI of Denmark: <rigsrevisionen@rigsrevisionen.dk> and
<<http://www.rigsrevisionen.dk>>

SAI of El Salvador: <cذر@es.com.sv>

SAI of Estonia: <riigikontroll@sao.ee> and
<<http://www.sao.ee>>

SAI of European Union: <euraud@eca.eu.int> and
<<http://www.eca.eu.int>>

SAI of Fiji: <audit@itc.gov.fj>

SAI of Finland: <kirjaamo@vtv.fi>

SAI of France: <dterroir@ccomptes.fr> and
<www.ccomptes.fr>

SAI of Georgia: <chamber@access.sanet.ge>

SAI of Germany: <BRH_FFM@t-online.de> and
<<http://www.Bundesrechnungshof.de>>

SAI of Hong Kong: <audaes2@aud.gen.gov.hk> and
<<http://www.info.gov.hk/aud/>>

SAI of India: <cag@giasd101.vsnl.net.in>

SAI of Indonesia: <asosai@bpk.go.id> and
<<http://www.bpk.go.id>>

SAI of Ireland: <webmaster@audgen.irlgov.ie> and
<<http://www.irlgov.ie/audgen>>

SAI of Italy: <bmanina@tiscalinet.it>

SAI of Japan: <asosai@ca.mbn.or.jp> and
<<http://www.jbaudit.admix.go.jp>>

SAI of Jordan: <audit-b@amra.nic.gov.jo>

SAI of Korea: <gsw290@blue.nowcom.co.kr> and
<<http://www.bai.go.kr>>

SAI of Kuwait: <aha@audit.kuwait.net>

SAI of Kyrgyzstan: <whl@mail.elcat.kg>

SAI of Latvia: <http://www.lrvk.gov.lv>

SAI of Lebanon: <President@coa.gov.lb>

SAI of Luxembourg: <chaco@pt.lu>

SAI of Macedonia: <usdt@nic.mpt.com.mk>

SAI of Malaysia: <jbaudit@audit.gov.my>

SAI of Mali: <papa.toyo@datatech.toolnet.org>

SAI of Malta: <nao.malta@magnet.mt>

SAI of Marshall Islands: <tonyowe@ntamar.com>

SAI of Mauritius: <auditdep@bow.intnet.mu>

SAI of Mexico: <cmhsecrpart@compuserve.com.mx>

SAI of Micronesia: <FSMOPA@mail.fm>

SAI of Nepal: <oagnp@oagnp.mos.com.np>

SAI of the Netherlands: <bjz@rekenkamer.nl> and
<http://www.rekenkamer.nl>

SAI of New Zealand: <oag@oag.govt.nz> and <http://
www.netlink.co.nz/%7e.oag/home.htm>

SAI of Nicaragua: <continf@lbw.com.ni>

SAI of Norway: <riksrevisjonen@riksrevisjonen.no>

SAI of Oman: <sages@gto.net.om>

SAI of Pakistan: <saipak@comsats.net.pk>

SAI of Palau: <palau.public.auditor@palaunet.com>

SAI of Panama: <omarl@contraloria.gob.pa>

SAI of Papua New Guinea: <amrita@online.net.pg>

SAI of Paraguay: <director@astcgr.una.py>

SAI of Peru: <dcio0@condor.gob.pe> and
<http://www.rcp.net.pe/CONTRALORIA>

SAI of Philippines: <catli@pacific.net.ph>

SAI of Poland: <http://www.nik.gov.pl>

SAI of Portugal: <dg.tcontas@mail.telepac.pt>

SAI of Puerto Rico: <ocpr@coqui.net>

SAI of Qatar: <qsab@qatar.net.qa>

SAI of Russia: <sjul@gov.ru>

SAI of Saint Lucia: <govtaudit@candw.lc>

SAI of Singapore: <ago_email@ago.gov.sg>

SAI of Seychelles: <seyaudit@seychelles.net>

SAI of Slovakia: <hlavac@controll.gov.sk>

SAI of Slovenia: <anton.antoncic@racsod.sigov.mail.si>
and <http://www.sigov.si/racs>

SAI of South Africa: <debbie@agsa.co.za> and
<http://www.agsa.co.za>

SAI of Spain: <TRIBUNALCTA@bitmailer.net>

SAI of Suriname: <http://www.parbo.com>

SAI of Sweden: <int@rrv.se> and <http://www.rrv.se>

SAI of Switzerland: <sekretariat@efk.admin.ch>

SAI of Thailand: <oat@vayu.mof.go.th>

SAI of Trinidad and Tobago: <audgen@hotmail.com>

SAI of Turkey: <saybsk3@turnet.net.tr>

SAI of Ukraine: <rp@core.ac-rada.gov.ua>

SAI of United Arab Emirates: <saiuae@emirates.net.ae>

SAI of the United Kingdom:
<international.nao@gtnet.gov.uk> and
<http://www.open.gov.uk/nao/home/htm>

SAI of the United States of America: <oil@gao.gov> and
<http://www.gao.gov>

SAI of Uruguay: <tribinc@adinet.com.uy> and
<http://www.tcr.gub.uy>

SAI of Yemen: <coca@y.net.ye>

SAI of Venezuela: <crojas@cgr.gov.ve> and <http://
www.cgr.gov.ve>

Canadian Comprehensive Auditing Foundation:
<http://www.ccaf-fcvi.com>

Institute of Internal Auditors: <iia@theiia.org> and <http://
www.theiia.org>

International Consortium on Governmental Financial
Management: <http://financenet.gov/icgfm.htm>

International Federation of Accountants: <http://
www.ifac.org>

1999/2000 Calendar of INTOSAI Events

October

AFROSAI Congress
Ouagadougou, Burkino Faso
October 4-8

OLACEFS General Assembly
Asuncion, Paraguay
October 4-8

Privatization Committee Meeting
Warsaw, Poland
October 5-6

EDP Committee Meeting
Harare, Zimbabwe
October 7-8

Commonwealth Auditors General Conference
Sun City, South Africa
October 10-13

2000 January

Auditing Standards Committee Meeting
London, United Kingdom
(date to be determined)

April

July

November

Public Debt Committee Meeting
Mexico City, Mexico
November 11-12

February

May

Internal Control Conference
Budapest, Hungary
May 8-11

INTOSAI Governing Board Meeting
Seoul, Korea
May 23-25

August

December

March

UN/INTOSAI Seminar
Vienna, Austria
March 27-31

June

September

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