

INTOSAI



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

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David M. Walker
*Comptroller General of the
United States*

Nations around the world face an array of current and emerging challenges. Some of these challenges are country specific, while others—such as environmental and public health issues—know no geographic or political boundaries. In some cases, these challenges will bring great opportunities that can be capitalized on, but there will also be serious risks that must be managed.

Several powerful trends that were little known just a generation ago are rapidly reshaping our world. These include the globalization of markets, enterprises, and information; changing demographics, including aging populations in much of the developed world; the emergence of terrorism as a major security threat; and the changes wrought by rapidly evolving technologies. The United States and many other countries are also experiencing a growing and unhealthy gap between the haves and the have-nots.

Over the years, supreme audit institutions (SAI) have earned a reputation for promoting transparency, fighting corruption, improving government performance, and ensuring public accountability. I believe SAIs can leverage that credibility to address the long-term trends I have just described. Increasingly, audit offices should be prepared to anticipate future challenges; sound the alarm when necessary; and propose options for addressing issues, managing change, and mitigating risk.

Obviously, different trends will not affect all nations and SAIs in the same way. Perhaps the most urgent issue for the United States is its deteriorating fiscal outlook. Most nations face some degree of long-term fiscal risk. For example, a 2005 European

Commission report warned that because of the growing old-age dependency ratio in Europe, there is “a risk of unsustainable public finance emerging in about half of the European Union member states.”

However, the difference is in the scope and potential effect of the U.S. situation. Today, the United States confronts not one but four interrelated deficits that threaten its long-term standard of living at home and its future role in the world. These are (1) a growing federal budget deficit, (2) a personal savings deficit, which is particularly alarming in its aging society, (3) a balance-of-payments deficit, and, (4) perhaps most sobering of all, a leadership deficit.

In both government and private industry, there have been few calls for fundamental reform or shared sacrifice. In fact, the U.S. government’s continuing lack of fiscal discipline has only made things worse. The U.S. business community has been largely silent on this growing fiscal imbalance, but it has the potential to be an important champion of change. Private industry has a strong stake in this issue because if the federal government continues on its present course, companies are going to pay a price, such as higher borrowing costs, rising taxes, or slower economic growth.

It would be a mistake to conclude, however, that America’s fiscal problems are strictly a domestic concern. The continuing health of the U.S. economy promotes global stability and provides economic opportunities for both the developed and the developing world.

As head of the U.S. Government Accountability Office (GAO), I have been speaking out lately on this and other looming challenges facing my country. In newspaper and magazine articles and speeches before various audiences, I have tried to both explain the problem and suggest ways to turn things around. For example, I strongly advocate greater transparency in federal finances along with a top-to-bottom review of what the U.S. government does and how it does business. Since most SAIs are insulated from day-to-day political pressures and have a reputation for professionalism, independence, and integrity, they can and should be playing a similar “foresight” role.

Collaboration will be important to the success of these efforts. By partnering with their peers, SAIs will be able to draw on a range of best practices and professional standards to help them develop solutions to national or even regional concerns. This is one reason we at GAO are so strongly committed to working with our overseas counterparts and with international auditing organizations such as INTOSAI. In a world that is growing smaller every day, global convergence on major accounting and audit standards, reporting models, and audit reports is not only desirable, it is essential. Accounting and reporting practices in Brazil or Belgium should be equally understandable to auditors elsewhere in the world. I am happy to report that significant progress is being made in this area, along with the development of ethical codes for government auditors and the establishment of best practices on vital issues like public debt management, environmental auditing, and privatization.

More than ever, SAIs have an opportunity and obligation to encourage sound and sustainable policy choices. These choices are more likely when policymakers are equipped with solid facts and unbiased analyses, not political spin.

Recent history provides two examples of countries whose leaders took very different approaches to looming challenges. Before World War II, Argentina was one of the most prosperous nations in Latin America. Today, largely because of a combination of poor policy choices and outright inaction, Argentina has serious economic problems. In 2001, it experienced the largest public debt default in history, and its standard of living has steadily eroded.

On the other hand, there is New Zealand, which—like the United States, Europe, and Japan—has an aging population. Unlike the United States, however, New Zealand has taken steps to deal with the growing burden associated with its government pension system and other public benefits. At the same time, New Zealand has begun to transform how its government does business. New Zealand is a work in progress, but at least its leaders have acknowledged the challenges at hand and have begun to address them.

It is time for the United States and many other nations to face facts and prepare for the known challenges that lie ahead. The truth is, whether we live in Washington or Moscow, Beijing or Buenos Aires, or Cairo or Canberra, we are increasingly in the same boat. No country or SAI can or should try to do it alone, and the more we partner together to develop solutions to these shared problems, the greater the chances of success. The choice is simple. We can start rowing together, or we can risk sinking separately.



By Osama Faquih, President, General Auditing Bureau, Saudi Arabia, and David M. Walker, Comptroller General of the United States

We are pleased to write this article about recent events related to the implementation of INTOSAI's strategic plan, which was unanimously adopted just a year and a half ago at our Budapest Congress. We focus here on the recent meeting of the Finance and Administration Committee in Riyadh, where we were pleased to welcome the new Auditor General of Norway, Mr. Juergen Kosmo, as well as Dr. Klaus-Henning Busse, INTOSAI's newly appointed Director of Strategic Planning.

editor's note

This installment of "Focus on the Strategic Plan" features a special article by Osama Faquih, chair, and David Walker, vice-chair, of the INTOSAI Governing Board's Finance and Administration Committee. Mr. Faquih and Mr. Walker report on the committee's recent meeting and share their thoughts on the progress INTOSAI has made in implementing its strategic plan.

Since the Budapest Congress in 2004, both of us have been very impressed with the energy and enthusiasm that INTOSAI and its various organizations have demonstrated in implementing the strategic plan. Whether regional groups, committees, task forces, the INTOSAI Development Initiative (IDI), or this *Journal*, all are focusing on how they can align their planning and related programs and activities with the strategic plan and raise the organization to greater heights.

The Governing Board's Finance and Administration Committee has been at the center of the plan's implementation. We have convened three meetings since the plan was adopted—Vienna in January 2005, Washington in July 2005, and Riyadh in February 2006. A summary of the outcomes of our most recent meeting in Riyadh—attended by the auditors general of all seven member countries—reflects the progress we are making on many fronts. The following issues were discussed in Riyadh, and the committee agreed on specific recommendations that will be considered by the Governing Board at its annual meeting in November 2006 in Mexico City.

Framework for Dealing with External Funding

The committee's discussion on this topic was grounded in two concepts: the value of developing strategic partnerships with international development organizations sharing INTOSAI's values and objectives and the need for INTOSAI to adopt a standard approach to working with donors. Underlying this discussion was the clear recognition that INTOSAI must maintain its independence from donors in both fact and appearance and that such partnerships should not have any direct or perceived conflict of interest with INTOSAI and its core values. A resolution on this issue was prepared for presentation to the board in November; it includes recommendations that (1) through its Governing Board, INTOSAI should maintain central decision-making authority and control over any matters to which the funding applies and (2) funding requests to donors by INTOSAI's enterprisewide bodies (including, but not limited to, committees, working groups, task forces, and central bodies such as the General Secretariat, the *Journal*, and IDI) should be coordinated centrally and in advance with INTOSAI's Governing Board and General Secretariat and with input from the Finance and Administration Committee.

Importantly, the committee recognized that INTOSAI's regional working groups must retain autonomy in dealing with donors (such as regional development banks) and will not be subject to the terms of this resolution. At the same time, we recognize the benefits of regional working groups sharing information on donor relations centrally and with other regional working groups. Of course, individual SAIs' relations with donors and bilateral-related matters remain outside the scope of the committee's recommended policy.

Communications Policy and Tools

India has taken the lead on these issues in its role as board liaison for goal 3, knowledge sharing. We had an excellent discussion on these issues, and all delegates expressed appreciation to India for the quality of the draft global communications policy it has prepared. Much of our discussion focused on the benefits of distinguishing between external and internal communications, with an emphasis on establishing a clear and coordinated approach to external communications. In this context, the committee noted more than once the importance of INTOSAI's (1) establishing itself as a recognized expert in the fields of accountability, transparency, and governance and (2) becoming a more visible and active player on the international stage.

Regarding the proposed collaboration tool, some questions were raised about cost and content, and India will conduct a user survey to assess the commitment of INTOSAI's bodies to using the proposed tool. At the same time, a number of delegates stressed the importance of linking all SAIs to the Internet.

Associate Membership in INTOSAI

As with the earlier agenda items, we again had a very good discussion on the important question of associate membership. After considerable deliberation, the committee

agreed on recommending a phased-in approach to accepting associate members, with three criteria for entities seeking associate membership: they must be (1) international organizations that operate on a global scale, (2) organizations directly or indirectly involved in such issues as accountability, transparency, anticorruption, and governance, and (3) governmental, nonprofit, or not-for-profit organizations. Based on these criteria, a list of potential associate members is being developed for the board's consideration.



Finance and Administration Committee members and staff take a break during the Riyadh meeting for a group photo.

Financial Matters

The Secretary General updated the committee on INTOSAI's financial situation. He highlighted the fact that the board had adopted earlier recommendations made by the Finance and Administration Committee and that INTOSAI's *Financial Rules and Regulations* had been revised to reflect these changes. The matter of INTOSAI dues was also discussed. It was noted that the strategic plan mandated that the committee address this issue and that INTOSAI membership dues have not been raised since 1983. The committee asked the General Secretariat to propose alternate scenarios and agreed on an option that will be presented first to the board in 2006 and then to the full membership at the 2007 INTOSAI Congress in Mexico. The option acknowledges the basic principle that any increase for those SAIs least able to absorb it would be less than that for other SAIs and that dues for all SAIs would be subject to indexing for inflation every 3 years.

Update on Capacity Building Committee's Interaction with Donors

In his role as board liaison to the Capacity Building Committee (CBC), Mr. Walker reported that he and Dr. Ahmed El-Midaoui, CBC chairman and President of the Cour des Comptes of Morocco, met with top officials of international and national

development organizations in Washington last October to discuss opportunities for strategic partnerships with INTOSAI. The meetings supported the strategic plan's mandate that the committee "develop partnerships with international development organizations, consistent with INTOSAI's independence requirements." In each meeting, there was general agreement that INTOSAI and the donors shared common goals on issues such as accountability, governance, transparency, and anticorruption and that the timing is right to further develop strategic partnerships.

Possible Revenue from Publication Sales and Training Fees

Mr. Kosmo, Auditor General of Norway, summarized a paper on this subject by recommending that INTOSAI publications and training remain available free of charge. Mr. Kosmo stated that those SAIs most in need of the publications are also those least able to pay for them. In addition, with the increased use of the Internet and related technology, the publications are available at no cost on the World Wide Web and should remain so. The committee fully agreed with this conclusion and pointed out that the issue could be revisited in the future if the board wants to consider charging nonmembers for these products. It was also noted once again that all SAIs need to be connected to the Internet.

Other Business

Before the meeting concluded, Mr. Walker raised the issue of performance indicators in connection with the strategic plan, noting the importance of INTOSAI, as an accountability organization, measuring and reporting on its progress. Delegates agreed with the concept, and the Secretary General reported that he and the Director of Strategic Planning, Dr. Klaus-Henning Busse, had already begun planning for performance measures. They will continue to develop a plan for this effort and will circulate it to Finance and Administration Committee members in the coming months for review and comment. They will also report to the board on the plan at the November meeting. Mr. Walker also made a brief presentation on plans for transforming the Journal that include a more dynamic Internet presence. A number of delegates offered useful suggestions that *Journal* management will take into consideration as the transformation project develops in the coming months.

As we implement the strategic plan, the same principles that were key to its development—consultation, compromise, and consensus—are very much at play. For example, the work of the Finance and Administration Committee is truly a team effort, with each SAI working hard to ensure progress. The purpose of the strategic plan is to take INTOSAI and our individual SAIs to a higher level of capacity for oversight, insight, and foresight. Clearly, activities across INTOSAI to date are helping to move us all toward that goal while at the same time building bridges between our institutions.

NEWS

IN *brief*

Armenia

Changes in the Status of the Control Chamber

The Control Chamber of the National Assembly of the Republic of Armenia (RA) recently celebrated its 10th anniversary. To reflect its experience during these years, the Control Chamber is undergoing changes within the ongoing general reforms of Armenia's auditing system. During this year, the Control Chamber will be granted a new level of independence and a wider range of responsibilities.

One of the primary changes relates to the Control Chamber's status. Unlike most SAIs, the Armenian Control Chamber is part of the parliamentary structure. However, the amendments to the Constitution that came into force after the referendum of November 27, 2005, include new, more progressive provisions regarding the Chamber's status. According to the Constitution, the Chamber has been renamed the Chamber of Control of the RA. It will act as an independent body in compliance with international criteria for the work of SAIs. It will monitor the use of funds in the state budget as well as state and local property.

A new procedure for appointing the head of the Control Chamber has been established. He will be appointed to a 6-year term by the National Assembly on the recommendation of the President of Armenia. The National Assembly will approve the Chamber's annual audit plan and consider its report on the results of its activities not less than once per year. The Chamber's work procedures and jurisdiction will be prescribed in more detail by law, so the Armenian Chamber of Control—supported by the World Bank and a German organization (GTZ)—is working on a draft confirming its new status.

For additional information, contact the Control Chamber:

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 E-mail: vpal@parliament.am
 Web site: www.parliament.am/controlchamber

Bhutan

New Auditor General

In preparation for the implementation of the first draft Constitution of Bhutan, the Royal Government of Bhutan appointed Mr. Ugen Chewang, the former Director of the National Pension and Provident Fund Bureau, as the Honorable Auditor

General of Bhutan, one of the first three constitutional posts established in December 2005 under a royal decree. As enshrined in the draft Constitution, the post of Auditor General of Bhutan will come into effect starting in 2008. Mr. Ugen Chewang formally assumed the office of Auditor General, Royal Audit Authority (RAA), on January 13, 2006. Senior officials of the Royal Audit Authority witnessed the transfer from the outgoing to the incoming Auditor General.



Ugen Chewang

Mr. Ugen Chewang was born in 1956 in Chenary, Deothang, Samdrup Jongkhar. After completing his early education in Bhutan, he received a bachelor of commerce degree from Punjab University in India in 1978 and received a master of business administration from Syracuse University in the United States in 1985.

He began his career as an auditor in 1979, serving in the RAA in various capacities—from trainee officer to assistant audit officer to the deputy auditor general. In 2000, Mr. Ugen Chewang was promoted and transferred to the National Pension and Provident Fund Bureau, where he served as the director for 6 years before assuming his current appointment as the Honorable Auditor General of Bhutan.

IT Training Program

Twelve auditors from the RAA attended Auditing in an Information Technology (IT) Environment, a customized training program developed under the Netherlands Fellowship Program (NFP). The program ran from November 4, 2005–January 16, 2006, and involved three distinct phases: the first two weeks were in Bhutan in November followed by a week in the Netherlands in December and a week in Bhutan in January.

Two resource persons from the Centre for International Cooperation of the Vrije Universiteit Amsterdam—Ms. Margaret Elinor Hershey, IT auditor, and Mr. Gerrit Johannes Van Der Pijl, professor of IT auditing—delivered the training in Bhutan. The training covered the auditor's view of information systems/IT management, the development of information systems, internal controls, databases and data communications, IT security, introduction to IT auditing, procedures and techniques, and CAATS (computer-assisted auditing techniques and systems). Ms. Cecilia Keizer, Honorary Consul, Consulate of the Netherlands in Bhutan, was present for the opening ceremony on November 7, 2005, at the RAA Conference Hall.

During his address at the closing ceremony on January 13, Mr. Ugen Chewang, the Honorable Auditor General of Bhutan, stressed the need for auditors to continually update their knowledge and skills in IT and IT auditing through training such as the recently completed course. Dasho Kunzang Wangdi, the Chief Election Commissioner of Bhutan, was the guest of honor for the closing ceremony and awarded certificates to the participants.

For additional information, contact the RAA:

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E-mail: raa@druknet.net.bt

Web site: www.bhutanaudit.gov.bt

Brazil

Cooperation Project with East Timor

The Brazilian Court of Audit (TCU) will take part in a cooperation program in East Timor. Recently, representatives of the East Timor Parliament requested technical assistance with legislative and oversight activities. The TCU will send two auditors to East Timor to work in the areas of monitoring and overseeing budgetary execution. Each auditor will stay in the country for 6 months: the first from April to October 2006 and the second from October 2006 to April 2007.

In addition to work on monitoring budgetary execution, the TCU auditors will exchange their know-how and experiences with native professionals. This exchange will allow the East Timorese staff to learn methodologies and techniques they can continue to use after the conclusion of the cooperation program.

The TCU's project is part of a larger cooperation program being coordinated by the Brazilian Cooperation Agency (ABC), the Brazilian Foreign Relations Ministry, and the United Nations Development Programme (UNDP). Its goal is to implement projects in the fields of agriculture, education, professional training, health, and justice.

For additional information, contact the TCU:

Fax: ++55 (61) 3316 - 7522

E-mail: MIN-AM@tcu.gov.br, arint@tcu.gov.br

Web site: www.tcu.gov.br

People's Republic of China

Third International Training Program

To strengthen exchanges and cooperation between the National Audit Office of the People's Republic of China (CNAO) and the members of SPASAI (South Pacific Association of Supreme Audit Institutions), the CNAO hosted an international training program for 21 auditors general and other senior auditors from 12 SPASAI member countries. The program was held November 20–30, 2005, in Guangzhou, China. Mr. Li Jinhua, Auditor General of the CNAO, delivered a welcome speech at the opening ceremony. This was the third training activity that the CNAO hosted during the past 4 years. Auditors from 45 countries in Asia, Africa, Europe, and the South Pacific attended these programs.

The 2005 training program was designed specifically for countries in the South Pacific area with the support and assistance of the Ministry of Commerce of the Guangdong Provincial Government and various private sector companies. During the training and exchange sessions in Guangzhou, Mr. Liu Jiayi, Deputy Auditor General of the CNAO, and other CNAO audit experts gave presentations on China's economy and audit system, the legal framework for auditing in China, and the experiences and achievements of the CNAO. The specific topics presented and

discussed included financial audit, economic accountability audit, environmental audit, public investment audit, performance audit, IT audit, and the training and management of auditors. Presenters discussed the history of auditing in China as well as the CNAO's efforts to promote the modernization of auditing in China. In addition to training and exchange activities, participants were briefed by the staff of the CNAO's Guangzhou office and visited the cities of Guangzhou, Dongguan, Shenzhen, and Beijing to experience firsthand the achievements of China since it initiated its reform policies more than 20 years ago. This international training program promoted deepened friendships between the people of China and the South Pacific and also enhanced the cooperative and intercommunicative relations between the CNAO and the SAIs of SPASAI.

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Costa Rica

New Comptroller General

Rocío Aguilar has been named the first woman Comptroller General of Costa Rica. To meet the demands of the future, she is promoting significant changes to the organization of the Costa Rican SAI. Her priorities include strengthening the role of internal audits, developing a closer relationship with Congress, and developing an institutional strategy to achieve the goals of the SAI in Costa Rican society.

Ms. Aguilar graduated from the University of Costa Rica and received a law degree from the Public School of



Rocío Aguilar

Law in Costa Rica. Before assuming her new position, she was the technical coordinator of the National Council for the Public Works Concession from 2002–2005. From 1981–2000, she was the corporate manager of the BANEX Corporation. She served as a board member and president of the Costa Rican Development Foundation. She was also vice president of the Costa Rican Banking Association. She has attended numerous national and international seminars on finances, banking, and public concessions.

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Japan

New President and Commissioner Appointed

Mr. Muneharu Otsuka, one of three Commissioners of the Board of Audit of Japan, was appointed President of the Board of Audit on January 27, 2006, succeeding Mr. Nobuaki Morishita, who retired on January 20, 2006. The

President of the Board is appointed by the Cabinet based on a peer election among the three Commissioners.

Mr. Otsuka had served as a Commissioner since July 2002. During that time, he emphasized the importance of the board's involvement in international activities through INTOSAI and ASOSAI as well as the



Muneharu Otsuka

board's auditing of Japan's public finances. Mr. Otsuka participated in the Organisation for Economic Co-operation and Development World Forum—Statistics, Knowledge and Policy in Palermo in 2004. Before his appointment to the board, he was a professor of commerce at Waseda University, specializing in accounting for financial instruments. At the same time, he was the Executive Director of the National Life Finance Corporation Research Institute. He was also a member of the government advisory board on corporate accounting and derivatives.

In a related move, Mr. Kazuhiko Fushiya was appointed as a Commissioner of the Board on January 23, 2006. Before his appointment, he worked for the Ministry of Finance, where he held such prominent positions as Secretary of the National Tax Agency.

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Republic of Latvia

The State Audit Office's Strategic Development Plan and Collaborative Projects

In January 2006, the State Audit Office (SAO) Council approved a strategic development plan for 2006-2009. The plan critically evaluates the current situation within the SAO in the following areas and provides long-term development goals and milestones to be achieved in two stages: by July 2007 and by December 2008.

- Strengthening the SAO's role as external auditor. This involves improving the quality of the SAO's work through better audit procedures and methodologies, audit reporting, and follow-up of audit recommendations; developing procedures to promote greater understanding of the SAO's professional code of ethics; and improving communication with audited entities.
- Sustainable development of the SAO. This involves efforts to harmonize the SAO's strategic tasks with the objectives of audit departments, support units, and individual employees and to align SAO budget requests with the results achieved through its audits and, where possible, with links to efficiency indicators. This also includes efforts to promote the involvement of staff in the SAO's further development and to develop future managers.
- Human resource management. This includes initiatives to improve all aspects of human resource

management within the SAO; introduce a structured training program for audit staff and other specialists; facilitate and encourage teamwork within the SAO; and increase the information technology skills of SAO employees.

Over the past year, the SAO has been involved in two collaborative projects with other SAIs. The first, a bilateral project with the Netherlands's Court of Audit (NCA), has enhanced the newly created Revenue Audit Section's capacity to undertake financial and regularity audits of revenue. With the NCA's assistance, the SAO developed a long-term strategy for revenue audits, which includes a risk analysis of different revenue streams and tax collection procedures of various tax departments. The project ran from June 2005 through March 2006 and provided practical help on the first pilot audit of tax revenues.

The second was a European Union-funded twinning project with the United Kingdom National Audit Office (with the Netherlands Court of Audit as junior partner). Since February 2005, this project has provided assistance with a wide range of SAO activities. This assistance has included restructuring the SAO, providing technical training for financial and performance auditors, developing a new pay and grading system for auditors, introducing a staff performance appraisal system, assisting in the audit of EU funds, and helping to increase the use of information technology in audits and the SAO's administration. The project is scheduled to run through August 2006.

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Malaysia

New Auditor General Appointed

Tan Sri Dato' Setia Haji Ambrin bin Buang was appointed the Auditor General of Malaysia on February 22, 2006, upon his retirement after more than 35 years in the Malaysian civil service. Prior to his appointment, he had been Secretary General of the Ministry of Education since October 2001.

Tan Sri Dato' Setia Haji Ambrin was born in 1949 and has a bachelor of economics degree (with honors) from the University of Malaya (1971) and a master in international business from the University of South Carolina, United States (1981).

During his career, he worked in the Ministry of Trade and Industry from 1971 to 1982, where he was appointed Deputy Director of the Small Scale Industries Division in 1981. He also served on the Malaysian Timber Industry Board from 1982 to 1987 and in the National Institute of Public Administration from 1987 to 1991.

From 1992 to March 1995, Tan Sri Dato' Setia Haji Ambrin was Minister for Economic Affairs and Deputy Head of Mission at the Malaysian mission in Tokyo, Japan. He was a Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999 and the State Secretary of the Selangor state government from March 1999 to September 2001. He is currently a member of the Selangor Royal Chamber.

For his services, he has been awarded several decorations from the Malaysian federal government. These include the Panglima Setia Mahkota (PSM),

which confers the title Tan Sri, in 2005 and Kesatria Mangku Negara (KMN) in 1990. From the state government of Selangor, he received the Darjah Paduka Mahkota Selangor (DPMS), which confers the title Dato', in 2000. He also received a conferred decoration from His Royal Highness Sultan of Selangor Darjah Dato' Setia Sultan Sharafuddin Idris Shah, which carries the title Dato' Setia, in December 2005.

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Malta

National Audit Office Annual Reports

The Auditor General of Malta submitted his annual audit report to the Speaker of the House of Representatives before year-end 2005. The report covers audits carried out during the second part of 2005 for the financial year ending December 31, 2004, and also refers to the audits carried out during the first part of 2005 that were published in the midyear audit report tabled in the House in July 2005. The audit opinion in the annual audit report also covers the midyear audit report.

The report identifies areas of concern relating to the 2004 government financial report, such as the public debt, investments, and variances in ordinary revenue and expenditure. It also reports on governmentwide issues, such as arrears of revenue due to the government, and issues relating to specific government departments.

It identifies shortcomings related to local governments' lack of compliance with relevant rules and regulations and certain noncentral government organizations' lack of full compliance with International Financial Reporting Standards.

In January 2006, the Auditor General presented his annual report on the work and activities of the National Audit Office (NAO) for 2005 to the Speaker of the House of Representatives. Besides giving the NAO's legal background, the report describes its organization and the different types of audits it carries out—financial and compliance, performance, and special/investigative audits. The latter are carried out on behalf of the Public Accounts Committee of the House of Representatives.

The report describes the NAO's relationship with the House of Representatives through the Public Accounts Committee and through the National Audit Office Accounts Committee, which reviews the NAO's activities, budget, and audited financial statements. It also discusses the NAO's code of ethics and guidelines and gives an overview of developments relating to the office's information and communications technology; staff mobility, qualifications, and recruitment; and local and overseas training activities. The report covers the NAO's bilateral and multilateral relations with SAIs and other organizations during the year and current and future changes and challenges that the NAO faces.

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Web site: www.nao.gov.mt

Nicaragua

New Officers and Members of Superior Council Named

On February 7, 2006, the Superior Council of the Auditor General of Nicaragua unanimously elected Dr. Guillermo Argüello Poessy as President and Mr. Luis Ángel Montenegro as Vice President. Dr. José Pasos Marciacq, Mr. Fulvio Palma Mora, and Dr. Lino Hernández Trigueros were also elected as members of the council. They will serve from February 16, 2006, to February 16, 2007.

For additional information, contact the General Audit Office:

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Web site: www.cgr.gob.ni

Puerto Rico

Accomplishments of the Office of the Comptroller

The Comptroller of Puerto Rico has a constitutional duty to oversee all revenues, accounts, and disbursements of the Commonwealth of Puerto Rico and to ascertain that all operations involving public funds and public property are performed according to applicable laws and regulations. The oversight responsibility includes the three branches of government—executive, legislative, and judicial.

On October 2, 1997, the present Comptroller, Manuel Díaz Saldaña, was appointed to a 10-year term by the Governor, with the advice and consent of the majority of the members of the Senate and the House of Representatives, as required by the Constitution.

The office adopted the total quality management philosophy and operates according to a strategic plan, which, together with the commitment and dedication to excellence of its personnel, has made it possible to attain significant goals. The office reported the following achievements:

- consistently increasing the number of audit reports for the past 7 years to a total of 2,002 for fiscal year 2004–2005;
- implementing the Team Mate System, an electronic program designed to reduce the use of paper in the audit function;
- establishing the OCPH.HOTLINE to receive and investigate internal complaints related to improper conduct, illegal acts, or possible infringement of internal norms and regulations;
- providing orientation on the proper use of public funds and property in compliance with laws to 1,448 elected officials and 2,606 other government officials and employees;
- improving 159 of 230 office processes (69 percent); and
- hand-delivering all audit reports to the Governor, the Presidents of the Senate and the House of Representatives, and the Chief Executive of the audited entity on the date of publication and posting them on the office Web page.

The Office of the Comptroller is committed to helping improve public administration through an efficient and effective oversight function. To achieve its goal, the office counts on the cooperation of every public servant and the citizenry in general.

For additional information, contact the Office of the Comptroller:

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

Uruguay

School of Government Auditing Becomes Part of Court of Accounts

A law recently passed by the Uruguayan Parliament made the School of Government Auditing, established in 2001, officially part of the Court of Accounts. Until recently, the school functioned with technical autonomy. It was managed by an academic council headed by a representative of the court; the council comprised representatives of the national public university, private universities, the Office of Planning and Budget, and the national internal audit office.

Under the new law, the School of Government Auditing is now formally a dependent organ of the court. Its mission is to strengthen the capacity-building process for public officials and contribute to improvements and transparency in the management of the nation's government.

For additional information, contact the Court of Accounts:

Fax: ++598 (2) 916 75 07
E-mail: asint@tcr.gub.uy
Web site: www.tcr.gub.uy

Vietnam

State Audit Law Enacted

The State Audit Law of Vietnam, which was ratified by the Vietnamese National Assembly on June 14, 2005, was

effective as of January 1, 2006. It is the first law of its kind for Vietnam.

Under the law, the Office of State Audit of Vietnam (SAV) shall be a specialized agency that controls state finances. It shall be established by the National Assembly, operate independently, and abide by the laws.

The SAV is empowered to carry out financial, compliance, and performance audits on every agency or institution managing and using the state budget, funds, and assets.

The auditor general will be elected for a 7-year term by the National Assembly with the consent of the prime minister. He/she may be reelected once at most.

The SAV's annual audit reports will be sent to both the National Assembly and the government and will then be disclosed to the public. The National Assembly will decide on the annual budget and overall staff members of the SAV based on the auditor general's proposal.

For more details, contact the Office of State Audit of Vietnam:

Fax: ++84-4-5565517

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European Union

New Members for the European Court of Auditors

On January 23, 2006, after consulting with the European Parliament, the Council of the European Union appointed five new members of the European Court of Auditors (ECA) for a term of 6 years starting in March 2006: Mr. Karel Pinxten (Belgium), Mr. Juan Ramallo Massanet (Spain), Mr. Massimo Vari (Italy), Mr. Olavi



The five new ECA members after the swearing-in ceremony (from left to right): Karel Pinxten, Lars Heikensten, ECA President Hubert Weber, Olavi Ala-Nissilä, Massimo Vari, and Juan Ramallo Massanet

Ala-Nissilä (Finland), and Mr. Lars Heikensten (Sweden). They replaced Mr. Reynders, Mr. Fabra Vallés, Mr. Clemente, Mr. Salmi, and Mr. Tobisson, respectively. The new members of the ECA were formally sworn in at the Court of Justice of the European Communities on March 17, 2006.

In addition, the Council renewed the mandates of the following current members of the ECA until February 2012: Mrs. Máire Geoghegan-Quinn (Ireland), Mr. Vítor Manuel da Silva Caldeira (Portugal), and Mr. Morten Louis Levysohn (Denmark). The new organization chart is available on: www.eca.eu.int/eca/organisation/eca_organisation_organigramme_en.htm.

Meeting of the Contact Committee of the Heads of the European Union SAIs

Heads of the European Union (EU) SAIs held their 2005 Contact Committee meeting December 5–6 in Stockholm.

Ms. Eva Lindström, Auditor General of Sweden, chaired the meeting. One of the main agenda items concerned developments in the debate on improving management and control of EU funds. In June 2005, the European Commission had issued the *Roadmap to an Integrated Internal Control Framework*. During the December meeting, participants discussed the role of member states' SAIs in improving the control framework in a seminar entitled Improving Accountability for Community Funds: The Role of the EU's Independent SAIs. Terry Wynn, a member of the European Parliament and rapporteur for its 2003 budget discharge, acted as guest speaker, and former ECA President Jan O. Karlsson led the debate.

The other main topic concerned progress since last year's decision to look at ways to enhance and facilitate the work of the Contact Committee. A number of governance issues were considered. Participants also examined



Heads of the European Union SAs after their Contact Committee meeting in December 2005

the results from a number of working groups, and work in the context of enlargement was presented.

Contact Committee Administrative Support Center

At the 2005 Contact Committee meeting, the creation of an administrative support center was one of the governance issues discussed. The President of the ECA, Hubert Weber, agreed on its behalf to host the center, which will ensure that the Contact Committee, its acting chair, and the liaison officers benefit from administrative support to facilitate its activities. This support includes collecting and distributing meeting materials, translating supporting documents needed to ensure that the meetings run smoothly (i.e., meeting notices, agendas, and minutes), and assisting with drafting meeting minutes.

In its new role, the ECA will also administer the proposed Contact Committee Web site, while acting as a source of information on past, present, and future committee activities and

archiving past meeting and activity materials.

For additional information, contact the ECA:

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Professional MBA Public Auditing

By Josef Moser, President of the Austrian Court of Audit and Secretary General of INTOSAI

Tasks and Challenges

The Austrian Court of Audit (ACA) has a long tradition. Like many other European supreme audit institutions (SAI), it dates back to the 18th century. Its current legal basis was laid down in the Constitution enacted in 1929, after Austria became a republic. Since then, its audit authority has been expanded several times so that the ACA now has a wide-ranging audit mandate.

The ACA audits public institutions, companies in which the government holds a minimum stake of 50 percent, social security institutions, statutory professional bodies, and public funds. In line with the ACA's strategic authority, policymakers follow its recommendations in the interest of the balanced, well-targeted, and economical use of public funds.

Public finance is undergoing rapid change, as manifested by new performance delivery processes, forms of organization, lines of decision making and accountability, and channels of communication. In addition to safeguarding the principles of economy, efficiency, and effectiveness—as well as compliance with existing rules and regulations on the basis of regular and proper accounts—government auditors nowadays have to act as consultants, facilitate innovation, and promote networking to enhance the competitiveness of audited entities.

These developments affect not only Austria but also nations around the world. Globalization calls for the sustained development of national administrations. While SAIs generally have a good reputation and excellent, well-trained staff, the changing environment in public administration, business, and industry continues to impose great demands on the quality of audit methods and audit findings as well as auditors' know-how and performance capacities. Scarce resources call for increased productivity and efficiency in public administration to improve the quality of public services.

Training Response: Introduction of a Professional MBA Program

Given the changing environment, training is of prime importance. In all phases of the ACA's work—from the integration of new staff into the organization to professional and personal development—education and training are required. It is a fundamental principle that the professional expertise of SAIs must be at least as good as that of the audited bodies, which requires a continuous transfer of information and know-how to enable auditors to keep abreast of new developments. There is consistent pressure to improve efficiency and to upgrade quality to meet international standards. Furthermore, it should be our aim to link the latest scientific and professional knowledge with practical audit experience.

editor's note

This article describes the joint postgraduate study program for government auditors recently established by the Austrian Court of Audit and the Vienna University of Economics and Business Administration.

With this in mind, the ACA has decided to set up a joint venture with the Executive Academy of the Vienna University of Economics and Business Administration to develop a postgraduate program in public auditing (see figure 1). The first course started in March 2006.

Figure 1: Integrated Training Program for Public Audit Institutions



Source: Executive Academy, Vienna University of Economics and Business Administration

Note: Länder refers to the regional level of government (i.e., federal states/provinces)

Objectives of the New Postgraduate Training Program

The postgraduate program has the following objectives:

- provide the best possible training at the postgraduate level for ACA auditors, imparting the necessary practical skills, proficiency, and state-of-the art auditing at the academic level;
- enable the university to gain insight into practical audit work and carry out practice-oriented methodological and scientific studies;
- give auditors from other audit institutions (national, regional, and local audit institutions in Austria and abroad) appropriate practical and scientific training at the university level;
- enable interested students to carry out in-depth analyses of public auditing issues and acquire the skills and expertise necessary for employment in this field;

- encourage audit institutions outside Austria to provide similar academic training for their auditing staffs to equip them for cross-border audits (e.g., in the fields of environment, finance, and infrastructure); and
- establish a forum to deal with international guidelines and standards—such as the auditing standards of INTOSAI, the European Union, and the International Federation of Accountants—in a practice-oriented and scientific manner.

Curriculum

As shown in figure 2, the four-semester program consists of (1) a general component, the so-called common body of knowledge, which will be taught in semesters one

Figure 2: Course Structure

Common Body of Knowledge (CBK) 1st semester	General Management I	<ul style="list-style-type: none"> • Managing People and Organizations • Data Analysis and Decision Making • Operations Management • Accounting • Financial Management • Marketing Management
Specialized modules 2nd & 3rd semester	Financial Management and Accounting	<ul style="list-style-type: none"> • Internal Accounting • Introduction to Investment Analysis • External Financial Reporting • Year-end Audit • Adherence / Audit of IT systems
	Public Sector Economics	<ul style="list-style-type: none"> • Economics of the Public Sector / Fiscal Policy • Case Studies I • Economics of Infrastructure • Economic Evaluation • Case Studies II
	Law	<ul style="list-style-type: none"> • Tax Law • Public Law • Civil Law
	Audit Procedures	<ul style="list-style-type: none"> • Budget Law • Quality Standards for Auditing • Audit Plan • Evaluation of Facts • Reporting • International Audit Standards • Cooperation among Audit Institutions • Audit Procedures
Advanced CBK 4th semester	General Management II & Master Thesis	<ul style="list-style-type: none"> • Managerial Economics • Competitive Analysis and Strategy • Leadership and Ethics

Source: Executive Academy, Vienna University of Economics and Business Administration

and four, providing in-depth knowledge of general management and (2) specialized modules, which will be taught in semesters two and three, offering participants tailor-made courses in public auditing as well as an internship at the ACA. Candidates must write a thesis and, on successful completion of their studies, will be awarded a master of business administration (MBA) degree by the Vienna University of Economics and Business Administration. The teaching language—at least for the time being—will be German.

Admission Requirements

The MBA program is designed not only for auditors from the ACA but also for external participants. Applicants must have a university degree or several years of professional auditing experience. The diversified professional backgrounds and experience of students from different international, national, regional, and municipal audit institutions, as well as postgraduate students, will have an enriching and constructive impact on the program.

International Orientation

The ACA, as the host of INTOSAI's General Secretariat, is very much aware of the great professional expertise in government auditing that has developed over the years. As the professional organization of supreme audit institutions and internationally recognized leader in public sector auditing, INTOSAI has issued numerous guidelines on financial management and specific fields of auditing.

The MBA program will provide an excellent forum for a fruitful interchange about key issues of auditing, sound financial management, and government accountability. Students and lecturers will have an opportunity to discuss professional issues and keep abreast of the latest developments in the field. Therefore, the curriculum highlights comparative analyses of auditing and accounting standards and guidelines from different international bodies, including the European Union, the International Federation of Accountants, the Institute of Internal Auditors, and INTOSAI—whose standards will, in this way, enter the academic world. They will become better known and recognized, and the benefits of linking practical work and experience with academic endeavor should then be apparent to all.

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Web site: www.intosai.org

Audit and Civil Society: The Korean Experience

By Ho-Bum Pyun, Commissioner, Board of Audit and Inspection of Korea

With the development of democracy, citizen awareness of government has increased, and citizens have come to actively demand more rights as taxpayers. Citizens may express those demands through many different types of civic groups, commonly referred to as civil society.¹ Civic groups are exerting a huge influence on societies and governments around the globe. They not only monitor various government activities but also intervene in government decision making. Governments can no longer remain unilaterally supplier-oriented, ignoring the wishes of citizens: they must inevitably make public services consumer-oriented and responsive to the citizen needs expressed by civil society.

Relationship of Audit and Civil Society

A key role of audit is to take a critical view of and monitor government activities from a third-party perspective. The activities of civil society may also include criticizing/monitoring government operations and directly participating in various government activities to achieve citizens' objectives. Thus, the two are interrelated and similar.

Both civil society and the audit agency can share and use the results of each other's activities. For instance, civil society criticizes government based upon SAI audit reports or uses them as a means of monitoring. On the other hand, the SAI can use civic groups' information and data on the oversight of government. Thus, the SAI may view civil society as playing a cooperative and complementary role.

However, conflicts of interest may arise between the SAI and civil society when, for example, civic groups wish to demand a transparent conduct of audit on national security issues followed by full disclosure of all results, citing the huge amounts of taxpayers' moneys that have been spent in this area. Responding to such demands greatly increases the possibility of divulging classified national defense strategies.

Furthermore, since an SAI's audit activities are among the categories of government activities that civil society criticizes and oversees, the relationship between the two can change from being collaborative to confrontational. Civil society expects the SAI to carry out its responsibilities with a higher degree of transparency than other agencies because of its function as an oversight agency. Like any other government agency, the SAI may in response take a passive and defensive position or try to justify its behavior.

Civil society sometimes expects the SAI to audit specific areas where citizens' interests are strongly affected. As citizens' interest in government activities grows, countries around the world commonly witness that citizens are expecting not only compliance

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

audits, but also performance audits that examine whether government programs and projects are conducted in an economical, efficient, and effective manner. Accordingly, the scope of audits has been expanded to include examining and evaluating the outcomes of government programs and projects.

Furthermore, civic groups may expect that experts in a wide range of areas of civil society will be allowed to participate directly or indirectly in an SAI's audit activities. Direct participation, however, may threaten the SAI's independence, and this issue should be approached with due caution and prudence. The SAI should maintain independence and neutrality in relation to both auditees and all outside influences.

Indirect participation—for instance, citizen experts' participation in audit planning as advisors—is highly recommended as it raises the SAI's level of expertise, which may not be otherwise sufficient. Citizens' wishes and complaints, which may not be fully grasped by the audit agency, will also be conveyed appropriately through this channel.

The BAI's Experience in Partnering with Civil Society

The relationship that has been developed between the Board of Audit and Inspection (BAI) and civil society in Korea may serve as a useful example to other SAIs. The following sections illustrate some of the different measures that the BAI has undertaken to satisfy the expectations and needs of citizens by introducing various arrangements that help to incorporate citizen opinions and input into its audit activities.

Policy Advisory Committee and Advisory Groups

The BAI has a policy advisory committee, which serves as an advisory body for its chairman. The committee comprises experts from all walks of life who are active in civic groups. They offer advice on the BAI's audit direction or on audit-related policies and communicate concerns and suggestions from external parties. Their ideas are purely suggestions and have no legally binding force. In addition to the policy advisory committee, each of the BAI's audit operations bureaus has its own advisory group. The groups' members are primarily professors or representatives of respected research institutions who share their professional knowledge in relation to the BAI's audits.

Advance Notice Audit System

To encourage citizen cooperation and participation, the BAI is implementing the Advance Notice Audit System to notify citizens in advance of the scope and timing of planned audits that may have a bearing on their interests. Using this system, the BAI can receive citizen complaints or information on poor practices of executive government organizations and reflect this information in its audits. The BAI receives much of this information through the Internet, which is widely used in Korea.

Citizens' Audit Request System

To promote timely and efficient audits and trust in the national audit agency, the BAI introduced the Citizens' Audit Request System in July 2001 in accordance with the provisions of the Anti-Corruption Act. Citizens may request audits related to public sector organizations in which the violation of laws or corruption could seriously undermine the public interest. (Matters related to state secrets, national security, criminal investigations, court trials, administration of punishment, private legal relationships, and matters currently under audit are excluded.) A Citizens Audit Request Screening Committee, established within the BAI, decides for or against a request. For those requests that are approved, the BAI conducts audits and notifies the requesting parties of the results.

The system has become widely known among the general public, and the number of audit requests is increasing. To better respond to the demand, the BAI changed the composition of the seven-member screening committee from four BAI officials and three outside experts to three BAI officials and four outside experts. In addition, an outside expert was named to chair the committee.

Civil Petitions Reception and Citizen Auditor System

To address civil petitions that citizens lodge against executive government agencies, the BAI has established a Civil Petitions Reception function. Civil petitions may be filed with the BAI by letter, fax, e-mail, or telephone. The BAI has in place a 24-hour, toll-free 188 hotline to receive all allegations of fraud, complaints, and civil petitions. About 7,500 reports were filed through the 188 hotline in 2004.

Some local governments have introduced a Citizen Auditor System to address grievances and complaints filed by citizens. A citizen auditor who is not a public official is appointed and serves as an auditor for a certain period to review petitions. The citizen auditor conducts audits, if necessary, and notifies petitioners of the audit results.

Disclosure of the Full Text of Audit Reports

Previously, the full text of audit reports was not disclosed to the public; only a summary report was issued. However, a number of citizens, civic groups, and politicians called for full disclosure of audit results. In response, the BAI recently decided to issue the full text of audit reports to the public. The only exceptions are for reports including national secrets and matters that would, if disclosed, have a serious, adverse impact on public safety and security.

Oversight of the BAI

A strict internal control system is in place within the BAI. The BAI inspector general is responsible for internal audit and is authorized to monitor the behavior of BAI auditors for violations of the code of ethics. The inspector general also examines the private lives of BAI auditors to determine whether their actions are open to social criticism.

Nevertheless, civic groups have continued to criticize the arrangements for monitoring and overseeing the BAI as inadequate, and the need to strengthen transparent internal control has been recognized. The BAI plans to institutionalize the appointment of the BAI inspector general and chief internal auditors (inspectors general) of government agencies from among qualified citizens in the private sector.

Conclusion

Active oversight/criticism and participation of citizens and civic groups in government activities help to keep government agencies and officials on the alert and cognizant of the need to implement policies that address citizens' concerns and give due regard to their rights. Citizens and civic groups should thus be viewed as a force that promotes cooperation between government and civil society, rather than a force that seeks to limit and challenge government authority. Citizens' oversight of and participation in the activities of an SAI will eventually help fortify the cause of audit and contain the abuse of audit powers.

Civil society and the BAI of Korea may serve as a good example for a desirable relationship between the SAI and civil society. The BAI has sought to develop diverse mechanisms through which the expectations and needs of citizens can be met and their opinions can be reflected in audit activities. However, participation and oversight of citizens in audit activities should not compromise the SAI's independence, which is the SAI's core value.

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Audit Profile: Office of the Comptroller General of the Bolivarian Republic of Venezuela

By Clodosbaldo Russián, Comptroller General of the Bolivarian Republic of Venezuela

In addition to the three traditional branches of government (the executive, legislative, and judicial), the Venezuelan Constitution established two new branches—the electoral and the citizens' branches. The latter comprises the People's Defender, the Office of the General Prosecutor, and the Office of the Comptroller General of the Republic (CGR) and exercises its powers through the Republican Ethics Council.

History

The Office of the Comptroller General of the Nation was set up in 1938 by the National Treasury Act. With the constitutional reform of 1947, it attained constitutional status, and in the 1961 Constitution its name was changed to the Office of the Comptroller General of the Republic. In 1975, the first organic law related to the CGR was passed; it was amended in 1984, 1995, and 2001, the last amendment being made as a result of the approval of the 2000 Constitution. A new organic law governing the CGR and the National Fiscal Control System was enacted on January 1, 2002; it regulates the functions of the CGR and the National Fiscal Control System and public participation in performing the audit function.

Even though the CGR gradually acquired more autonomy throughout its history, it gained complete independence and full recognition of its auditing powers only after the constitutional reform of 2000.

Independence and Legal Authority

The CGR is not subordinate to any other public entity and enjoys operational, administrative, and organizational autonomy. It is under the management and responsibility of the Comptroller General of the Republic, who is appointed for a term of 7 years.

To be appointed Comptroller General, a candidate must hold Venezuelan nationality by birth and no other nationality; be over 30 years of age; be a lay person with a minimum of 15 years experience as a graduate in law, economics, public accounting, commercial administration, or fiscal sciences; and have at least 10 years' experience in a management capacity in public sector auditing institutions.

The Constitution of the Bolivarian Republic of Venezuela grants the CGR the legal authority to

- control, monitor, and audit transactions related to public revenues, expenses, and property without affecting the powers vested in the states and municipalities, in accordance with law;

- control the public debt, without affecting the powers vested in the states and municipalities, in accordance with law;
- inspect and audit public sector organs, entities, and juridical persons subject to its control; conduct audits; order investigations into irregularities committed against the public patrimony; raise objections; and apply administrative penalties, as appropriate, in accordance with law;
- call on the General Prosecutor of the Republic to initiate appropriate legal action in response to infractions and crimes committed against the public patrimony that it becomes aware of in the course of performing its official functions;
- exercise management control over public sector organs, entities, and juridical persons subject to its control and evaluate their compliance with (and the results of) public policies and decisions related to revenues, expenses, and property; and
- carry out any other functions granted by the Constitution and by law.

In performing its duties, the CGR monitors the legality, accuracy, and truthfulness--as well as the effectiveness, economy, efficiency, quality, and effect--of the operations and results of the management of the institutions and entities within its area of responsibility. In performing these functions, the CGR carries out various auditing duties, which include valuations, inspection of building works, examination of accounts, inspection of accounts, investigations, and audits of financial affairs, compliance, and management.

The CGR's organic law allows for the development of the National Fiscal Control System by perfecting auditing mechanisms and creating the conditions needed to increase the viability of citizen participation in the auditing function. Within the framework of the National Fiscal Control System, the CGR is responsible for forming policies; issuing regulations, rules, manuals, and instructions relating to its auditing functions; and coordinating external and internal audits. In addition, the law establishes the CGR as the institution responsible for operating the National Fiscal Control System; defines the methods to be used for internal audits; and establishes the powers to carry out investigations, determine liabilities, and impose penalties. Furthermore, the law empowers all audit institutions to carry out investigations to verify any acts or omissions contrary to law or regulations that could give rise to auditing actions.

The law contemplates the regular filing of sworn statements of assets, the right of defense, and an objection procedure. It defines 30 circumstances giving rise to liabilities, provides for audit institutions to impose fines, and gives sole authority to the Comptroller General to (1) impose penalties involving suspension from office without salary for a maximum of 24 months and (2) dismiss or bar persons from public office for a

maximum of 15 years. The law states that administrative proceedings for determining liability must be oral, public, and brief.

Organizational Structure

The CGR has 982 employees (15 management staff, 507 specialized audit staff, 375 administrative and support staff, and 85 other workers). Its organizational structure comprises a comptroller's and sub-comptroller's office and general directorates for the following areas: technical services, legal services, fiscal control of national public powers, fiscal control of the decentralized national administration, fiscal control of states and municipalities, and special procedures.

International Cooperation

Since its creation, the CGR has been a member of INTOSAI and OLACEFS, to which it provides full collaboration and support. In the past, it has been a member of the INTOSAI Governing Board and an auditor of the organization. Currently, it is a member of the Governing Board, the Finance and Administration Committee, and the Working Group on the Audit of International Institutions. It is also on the Governing Board of this *Journal*. In OLACEFS, it has been chairman on two occasions, a member of the Governing Council several times, and a deputy auditor. At present, it is the chair of the Regional Training Committee and a member of the Special Committee for Reviewing the OLACEFS Charter and Regulations and the Special Technical Environmental Committee.

To strengthen relations between institutions and exchange know-how and experience, the CGR has signed several international agreements and conventions with sister institutions in other countries.

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Reports in Print

The World Trade Organization (WTO) has published its report, *The Internationalization of Financial Services—Issues and Lessons for Developing Countries*. The internationalization of financial services is important to strengthening and liberalizing financial systems in developing countries. There has been considerable support for the view that internationalization can assist countries in building financial systems that are more stable and efficient by introducing international standards and practices. At the same time, there have been concerns about the risks that internationalization may carry for some countries, particularly in the absence of adequate regulatory structures. This publication examines different aspects of this debate and the relative benefits and costs of internationalization; it also provides insight into the diversity and significance of the effects of internationalization on domestic financial systems.

To order a copy of this publication, contact:

WTO Online Book Shop
 Fax: +41 22 739 57 92
 Web site: <http://onlinebookshop.wto.org/shop>.

Public sector entities and organizations face a wide range of risks from external fraud activities. Examples include (1) entities that claim grants to which they are not entitled, (2) businesses or individuals that operate in the shadow economy and do not declare their activities or pay taxes, (3) organizations that collude with criminals to defraud the government, and (4) entities that systematically exploit weaknesses in government programs. The European Federation of Accountants has published a new report, *Good Practice in Tackling External Fraud*, that addresses these risks. According to David Delvin, president of the European Federation of Accountants, "Public organizations have a responsibility to develop anti-fraud

policies to show that such fraudulent activities are unacceptable and will not be tolerated." The report is divided into three main sections: understanding and managing the risks of external fraud; preventing and deterring external fraud; and detecting and investigating fraud and imposing sanctions. Case studies are also provided for illustrative purposes. The publication can be downloaded from the Federation's Web site (www.fee.be).

To order a copy of this publication, contact:

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 or ++32-498-112-941
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Countries that belong to the Organisation for Economic Co-operation and Development (OECD) have several features in common. They are among the richest countries in the world, their economies are market-oriented, and their citizens enjoy relatively good living conditions. At the same time, the individual governments of OECD countries pursue different economic, social, and environmental policies. Because of these similarities and differences, it is instructive to compare long-term trends in the economic, social, and environmental phenomena of OECD countries. The *2006 OECD FactBook* is now available to *Journal* readers. It is the most comprehensive horizontal statistical OECD publication. Its purpose is to (1) provide a wide range of users with a one-step resource containing comparative, country-based economic, social, and environmental data, (2) help users assess the position and the performance of a single country by looking at a wide range of domains, (3) enhance the visibility of the OECD, and (4) highlight measurement issues and underline areas where the comparability of statistics across countries is still weak. Another element of this year's *FactBook* is the inclusion of some indicators for key non-OECD countries, such as

Brazil, China, India, Russia, and South Africa. Given the growing importance of these countries in the global economy, future editions of the *FactBook* will continue to include indicators for these major global players.

To order a copy of this publication, contact:

OECD
 2, rue André Pascal,
 F-75775 Paris Cedex 16, France

Telephone: ++33 1.45.24.82.00
 Fax: ++33 1.45.24.85.00
 Web site: www.oecd.org.



Financial Audit Guidelines Subcommittee

Membership Changes

Since the last issue of the *INTOSAI Journal*, some significant changes have taken place in the membership of the Financial Audit Guidelines Subcommittee (FAS). During 2005, several SAIs and the European Court of Auditors (ECA) approached the FAS chair to express their interest in joining the subcommittee. The chair felt it necessary to wait until the organizational structure and terms of reference for the new Professional Standards Committee were finalized before making any final decisions. In addition, the chair's aim has been to limit the subcommittee to 10 members to allow for active discussions, efficient meetings, and high levels of activity between meetings. The Austrian SAI decided to step down in favor of ECA. This allowed one more member to join, and an offer was extended to another SAI to broaden the regional representation.

Practice Note Task Forces Are Up and Running

When the cooperation agreement between the International Auditing and Assurance Standards Board (IAASB) and INTOSAI was signed, the IAASB had just revised a number of International Standards on Auditing (ISA). The subcommittee decided to set up task forces to develop practice notes for these ISAs (and for those that were not expected to be revised in the near future). Each task force was given the task of developing practice notes for two to four ISAs. The first two task forces were set up in January 2006 and started their work in February 2006. Four additional task forces will be formed during 2006 to develop practice notes to 11 other ISAs.

The question of when to translate the practice note and corresponding ISA will be discussed at the Professional Standards Steering Committee meeting in Washington, D.C., in May 2006.

The first task forces will develop practice notes for the following ISAs:

PRACTICE NOTE TASK FORCE 1: INTERNATIONAL STANDARD ON QUALITY CONTROL 1 AND ISA 220

Experts: Mr. Mike Suffield, United Kingdom; Mr. Robert Tjin Tsoe Jin, the Netherlands

Back-office experts: Mr. Roy Glass, New Zealand; Mr. Mohammad Heissat, Jordan

PRACTICE NOTE TASK FORCE 2: ISA 300, ISA 315, AND ISA 330

Experts: Ms. Marcia Buchanan, United States; Ms. Vijaya Moorthy, India

Back-office experts: Mr. H. Ömer Köse, Turkey; Mr. Russel Frith, Scotland

The timetable for developing practice notes for these ISAs will be a maximum of 13 months, including the exposure period.

Exposure Drafts for Comment

The subcommittee recently issued its two first practice notes (for ISA 230 and ISA 240) for comment by INTOSAI members. Comments were due by March 31, 2006. The practice notes and related ISAs, as well as information on the format for comments, can be found on the FAS Web site. The subcommittee welcomes comments on these drafts from all INTOSAI members, other committees, and other parties and will continue to expose all newly developed guidance on its Web site. The subcommittee will explore additional ways to encourage SAIs to comment on the draft practice notes.

Expanding the Reference Panel

In November 2005, a call was sent out to all INTOSAI members asking for new nominations of experts to the FAS Reference Panel. The Project Secretariat is now following up on the nominations. The Project Secretariat is updating its registers based on the responses received from many SAIs, and the work of finding suitable experts for the ISA and practice note task forces is continuing.

In March 2006, the Project Secretariat sent out a letter asking SAIs to confirm whether the experts who had already been nominated would continue to serve or whether the new experts who have been nominated would replace them. The Project Secretariat encourages SAIs to nominate technically strong candidates who have excellent English language skills.

ISA Task Forces at Work

In each issue of the *Journal*, the Project Secretariat offers a brief update on the ongoing work with ISA task forces. The International Federation of Accountants (IFAC) Web site (www.ifac.org) provides updated information on the IAASB task forces, exposure drafts of ISAs, and other related information.

Work is in progress on the following ISAs where INTOSAI experts are involved:

ISA 230—DOCUMENTATION

Expert: Ms. Kelly Ånerud, Norway

Back-office experts: Ms. Gail Vallieres, United States; Mr. Inge Danielsson, Sweden

ISA 701 (ISA 705 AND ISA 706)—MODIFICATIONS TO THE AUDITOR'S REPORT

Expert: (Vacant)

Back-office experts: Ms. Marcia Buchanan, United States; Ms. Birgit Bach-Nielsen, Denmark

ISA 260—COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

Expert: Ms. Tove Myklebust, Norway

Back-office experts: Mr. Filip Cassel, Sweden; Ms. Gail Vallieres, United States

ISA 800 (ISA 701 AND 800)—AUDITOR'S REPORT ON SPECIAL PURPOSE AUDIT ENGAGEMENTS

Expert: Mr. Jonas Hällström, Sweden

Back-office experts: Mr. Demsash Betemariam, Ethiopia; Mr. Martin Dees, the Netherlands; Mr. Robert Cox, New Zealand

ISA 550—RELATED PARTIES

Expert: Mr. John Thorpe, United Kingdom

Back-office experts: Ms. Zainun Taib, Malaysia; Mr. Uwe Schreiner, Germany

ISA 580—MANAGEMENT REPRESENTATION

Expert: Ms. Vijaya Moorthy, India

Back-office experts: Mr. Martin Garrido, Chile; Mr. Ennio Colasanti, Italy

ISA 620—USING THE WORK OF AN EXPERT

Expert: Mr. Claudio Branco, Brazil

Back-office experts: Mr. András Morvay, Hungary; Ms. Monica Besetsa, Lesotho

ISA ON MATERIAL WEAKNESSES IN INTERNAL CONTROLS (Number to be assigned)

Expert: Mr. Mohammad F Bajhatt, Saudi Arabia

Back-office Experts: (Vacant); Mr. Filip Cassel, Sweden

The subcommittee is also charged with developing practice notes for each ISA to provide additional guidance that auditors in the public sector may need to apply to the ISA. The practice notes will be based on the contributions of the audit experts from the reference panel.

Other Ongoing Activities

The Project Secretariat is reviewing all the terms of reference for experts and other process-related documents to ensure that they are aligned and structured in a similar way. The memorandum of understanding between INTOSAI and the IAASB will be reviewed before the summer to reflect the new INTOSAI structure. At the end of February, the FAS provided the IAASB with comments on the proposed and redrafted ISA 240, ISA 300, ISA 315, and ISA 330. These comments will be displayed on the FAS Web site.

Meetings

The subcommittee meets twice a year and has two additional meetings by telephone conference call for the whole group. The telephone conference calls allow the Project Secretariat to inform subcommittee members of ongoing activities and plans, while the face-to-face meetings focus more on discussing different issues, agreeing on ways to move forward, and approving different documents.

In December 2005, the subcommittee held a telephone conference call, and on March 23–14, 2006, it held a meeting in Namibia, hosted by the Office of the Auditor General of Namibia. In September 2006, the subcommittee will meet in New York. This meeting will be sponsored by the IAASB.

Funding

The Project Secretariat is constantly seeking new sources of funding. As announced in the January 2006 *Journal*, the IAASB has offered to cover the traveling cost for the INTOSAI experts participating in IAASB task force meetings. This offer was effective January 1, 2006, and will be reconsidered annually. The offer recognizes the important role of INTOSAI experts in developing the ISAs and provides an opportunity for more SAIs to nominate experts to participate in IAASB task force meetings. The Project Secretariat has sent specific information about this to all INTOSAI members.

FAS Web site

The new FAS Web site (<http://psc.rigsrevisionen.dk/fas>) provides current information on the work on the guidelines, exposure drafts on practice notes for comment, meeting agendas, approved minutes from subcommittee meetings, and much more.

For additional information, contact the FAS Project Secretariat in Stockholm, Sweden:

Fax: ++46-8-5171 4111

E-mail: projectsecretariat@riksrevisionen.se

Subcommittee on Internal Control Standards

In February 2006, a task force of delegates from the Professional Standards Committee's Subcommittee on Internal Control Standards met in Brussels. The meeting focused on deliberations concerning the amplification and further elaboration of the updated *Guidelines for Internal Control Standards for the Public Sector* that were approved at the 18th INCOSAI. The task force—which included members from the SAIs of Bangladesh, Belgium, France, Hungary, Lithuania, the Netherlands, Oman, Romania, Ukraine, the United Kingdom, and the United States—worked in two groups.

The SAI of the United Kingdom (NAO) coordinated the activities of the group considering the further elaboration of the guidelines, and the SAI of the United States (GAO) coordinated the activities of the group deliberating their amplification. To facilitate the task force's work, the SAIs of the United States and the United Kingdom had prepared and disseminated discussion papers on their respective tasks in January. During the first part of the meeting, the two groups held separate meetings to discuss their respective issues. In a subsequent session, the groups presented the results of their discussions to the plenary task force, which agreed on a number of proposals that were sent to the full subcommittee for comment. The proposals are summarized below.

Regarding elaboration of the guidelines, the task force proposed that a supplement to INTOSAI's *Guidelines for Internal Control Standards for the Public Sector* be developed to explain the relationship between the guidelines and the Committee on Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management (ERM) framework. A number of countries are moving toward risk management implementation based on the ERM model, and the task force agreed that by providing a high-level overview of the key features of the ERM model with links to the relevant detailed guidance, the supplement would help both public management and SAIs understand and apply the ERM framework. The NAO will coordinate the activities related to this supplement.

Regarding amplification of the internal control guidelines, the task force believes it is absolutely essential that tools be developed to promote the implementation and audit of internal controls. With this aim in mind, the task force proposed that a working group survey all SAIs regarding the following:

- the status and context of internal controls in their countries' public sector,
- the internal controls in place (SAIs will be asked to submit one or two examples of tools available in their countries and identify initiatives to implement the guidelines), and
- the internal control tools needed.

The survey responses will be evaluated and used by the task force to develop an internal control "toolkit" for public managers and SAIs. GAO will develop the survey questions and evaluate the replies. The task force also proposed amending the brochure *Internal Control: Providing a Foundation for Accountability in Government* after the toolkit is developed.

In addition, the task force suggested surveying INTOSAI members on governance issues, including (1) the difficulty of reporting on the effectiveness of internal controls, (2) the involvement of independent members at board level, (3) audit committees, and (4) the role of internal audit. This information will be incorporated into a paper highlighting best practices. In the interim, the subcommittee is considering upgrading INTOSAI's Web site by adding links to other professional audit organization Web sites that currently address best practices.

The two surveys discussed above (internal control tools and governance) will be incorporated into one survey that the SAI of Belgium will send to all INTOSAI members.

Milestones for completing the tasks identified at the meeting were established. The subcommittee's goals are to complete the supplement to the existing guidelines, the combined survey, and a first evaluation of the survey results before the next meeting of the subcommittee (in the Sultanate of Oman in January 2007) and finalize the internal

control toolkit before the 19th INCOSAI in Mexico in 2007. If these time frames are met, both the supplement and toolkit may be approved at the 19th INCOSAI. The subcommittee plans to complete the best practices paper on governance frameworks after the next INCOSAI.

For additional information, contact the subcommittee chair, the Senior President of the Belgian Court of Audit:

Fax: ++32 (2) 551 86 22

E-mail: InternalControl@ccrek.be

Subcommittee on Performance Audit

The INTOSAI strategic plan approved at the 18th INCOSAI in Budapest called for the creation of the Professional Standards Committee (PSC), which encompassed the former Committees on Accounting and Reporting, Auditing Standards, and Internal Control Standards. In September 2005, the PSC had its first steering committee meeting in Oslo. On that occasion, the steering committee established a Subcommittee on Performance Audit and nominated the Brazilian Court of Audit as its chair.

At its meeting in November 2005, the INTOSAI Governing Board approved the terms of reference for the PSC. According to those terms, the PSC comprises the Subcommittees on Financial Audit Guidelines, Compliance Audit, SAI Independence, Internal Control Standards, Accounting and Reporting, and Performance Audit.

A primary task for the Subcommittee on Performance Audit will be disseminating the INTOSAI Implementation Guidelines for Performance Auditing and developing standards and guidelines concerning performance auditing.

Currently, the membership of the Subcommittee on Performance Audit is being determined. Minister Adylson Motta (the chair of the Subcommittee and President of the Brazilian Court of Audit) and Mr. Henrik Otbo (the chair of the Professional Standards Committee and Auditor General of Denmark) have asked the presidents of the INTOSAI regional groups to appoint one SAI to represent each region on the subcommittee. They have also invited 11 other SAIs and the European Court of Audit to become members.

For additional information, contact the subcommittee chair:

Fax: ++55 (61) 3316 - 7522

E-mail: MIN-AM@tcu.gov.br, arint@tcu.gov.br

Task Force on the Audit of International Institutions

The INTOSAI Task Force on the Audit of International Institutions was established at the 18th INCOSAI in Budapest to

- coordinate and assist in identifying international institutions that (1) should have SAIs as their external auditors and (2) need to develop auditing arrangements in line with best audit arrangements,
- cooperate with concerned SAIs in promoting to relevant international institutions and authorities the principles approved at the 18th INCOSAI with the aim of changing the audit arrangements, and
- promote SAIs as external auditors and assist interested SAIs in preparing for such assignments.

In light of these duties, the task force is forwarding to the INTOSAI regions a letter for distribution to all SAIs during the spring of 2006. The letter will inform SAIs of the INTOSAI principles for best audit arrangements for international institutions and invite the SAIs to inform their relevant ministries/agencies about the principles. The goal of this activity is to increase government awareness of the requirements for audits of international institutions and help standardize and improve those audits.

Any SAI that does not receive the task force letter during the spring of 2006 should contact Mr. Bjoern Olsen, deputy chair of the Professional Standards Committee:

E-mail: bjoern.olsen@rigsrevisionen.dk

Telephone: ++ 45 33 92 83 80

Working Group on Environmental Auditing

Participants at the meeting sat in awe as they watched and listened to a special video-taped message from the two crew members aboard the International Space Station, William McArthur and Valery Tokarev:

“Looking at the Earth from space, we have the opportunity not only to see how beautiful our planet is but also to detect and warn about the wounds incurred to the earth as a result of mankind’s rash activities. Your work is very important and useful for people.”

It was a thrilling end to the opening morning of what turned out to be the most well-attended and successful meeting in the history of the INTOSAI Working Group on Environmental Auditing (WGEA)—its 10th meeting, held in Moscow, the Russian Federation, October 27–November 1, 2005. The meeting was organized by the Office

of the Auditor General of Canada and hosted by the Accounts Chamber of the Russian Federation. The 124 participants, from 62 supreme audit institutions, benefited from the expert presentations, interactive workshops, small group discussions, and networking that took place.

Building Awareness of Environmental Issues

Enhancing participants' knowledge of environmental issues was a major goal of the meeting. To achieve this end, the meeting featured speeches by renowned experts on biological diversity (Mr. Hamdallah Zedan, Executive Secretary, Secretariat of the Convention on Biological Diversity), climate change (Mr. Feng Gao, Coordinator, Implementation Programme of the United Nations Framework Convention on Climate Change), and the recently released United Nations *Millennium Ecosystem Assessment* (Dr. Marcus Lee, Program Office for Land, Division of Early Warning and Assessment, the United Nations Environment Programme). The assessment, with contributions from over 1,000 scientists around the world, describes the alarming deterioration of global and regional ecosystems as well as the consequences for economic development and human prosperity. As noted by Dr. Lee, the assessment concluded,

“Human activity is putting such a strain on the natural functions of the Earth that the ability of the planet’s ecosystems to sustain future generations can no longer be taken for granted.”

Exchanging Experiences and Building Capacity

Another major goal of the meeting was exchanging experiences and building capacity within SAIs to undertake environmental audits. In the keynote address to the meeting, Ms. Carman Lapointe-Young, Auditor General of the World Bank, strongly endorsed the role and work of SAIs as an important part of global environmental governance. She stressed in particular the need to focus on significant risks, including environmental risks, during audit work. Mr. Christian Avérous, Head of the Environmental Performance and Information Division of the Organization for Economic Co-operation and Development, outlined the process and methods used in undertaking country environmental reviews and their similarities to auditing practices.

To facilitate information exchange, the meeting featured four interactive workshops and numerous presentations by SAIs organized around the following themes:

- biological diversity (Austria, the Czech Republic, Macedonia, Mongolia, Paraguay, and the Russian Federation);
- climate change (Australia, Canada, Estonia, the Netherlands, and the United States);

- facing the challenges (Denmark, Indonesia, Kenya, Libya, the Russian Federation, Turkey, and Ukraine); and
- increasing the effect of environmental audits (India, Korea, Norway, Russian Federation, the United Kingdom, and the United States).

These presentations demonstrated that through financial, regularity, and performance audits, SAIs around the world are examining their governments' management of environmental issues, funds, and programs. Moreover, it is clear that such audits are having a significant effect in their countries. For instance, environmental audits have led to the following results:

- new legislation and better enforcement of existing regulations;
- enhanced protection of national parks, wetlands, marine and freshwater ecosystems, forests, and ocean resources;
- improved compliance with international and regional environmental treaties;
- strengthened handling of municipal and hospital wastes; and
- improved targeting of public funds for environmental protection.

WGEA Projects Will Provide More Help for SAIs

A third major goal of the meeting was discussing and contributing to the many projects under way as part of the working group's 2005–2007 work plan. To this end, the meeting featured several working sessions, small group discussions, and project updates. These projects include

- guidance on auditing biological diversity,
- tips and examples for undertaking cooperative audits,
- guidance on the evolution of and trends in environmental auditing,
- explorations of SAI experiences related to the World Summit on Sustainable Development,
- tools to keep the former WGEA themes of water and waste management “alive,”
- the fifth survey on environmental auditing,
- enhancements to the WGEA Web site, and
- improved communications with SAIs and international organizations.

What Participants Said

At the conclusion of the workshops, participants shared what they had learned during the course of the meeting. Selected comments follow:

“We have a great responsibility and opportunity to push our governments to ensure they stop dangerous trends in [the] environment.”

“The conference opened our eyes about how we are doing things in comparison to other SAIs. It will help us to address the most important programs of government, to make the best use of resources, and to employ the most efficient communication.”

“An important first step in doing audits is training auditors on the environment using the WGEA/IDI training course. Then, environmental aspects can be introduced as part of larger audits that are not environment-only.”

“Parallel or coordinated audits are a great way to build capacity, share audit practices, and learn from one another. Plus, we can audit larger issues that way.”

“If we humans continue to live recklessly, we shall bequeath a lifeless and a more dangerous planet to our children. We should embark on impact/results-based audits if we want to have our environment preserved for future prosperity.”

“We are now convinced of the need to act and are confident in our ability to undertake environmental audits.”

For additional information, contact the WGEA Secretariat:

Fax: ++(613) 941-8286

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

Web site: www.environmental-auditing.org

International Relations Network in OLACEFS

During the 18th INCOSAI in Budapest, the idea of establishing networks among the heads of international relations units in SAIs was set forth. It became part of the INTOSAI strategic plan as well as the OLACEFS strategic plan. This network has been established within OLACEFS. Its first meeting took place in El Salvador during the OLACEFS Assembly in June 2005. A second meeting took place in November 2005 in Lima, Peru, during the 4th EUROSAI-OLACEFS conference.

One of the first results of the network was the active participation of the heads of international relations units in the first annual report of OLACEFS (which was highlighted in Inside INTOSAI in the January 2006 *Journal*). This report will be a permanent and reciprocal working tool for the OLACEFS SAIs.

For additional information contact the OLACEFS General Secretariat:

Fax: ++507 210 43 99

E-mail: omar1@contraloria.gob.pa

Web site: www.olacefs.org.pa

IDI/EUROSAI Public Debt Audit Program

In cooperation with EUROSAI and the INTOSAI Public Debt Committee, IDI will run a Russian-language Workshop on Public Debt Auditing for the 11 countries of the Commonwealth of Independent States and Mongolia this year. In February 2006, the SAI of Azerbaijan hosted a design meeting for the program. Six IDI training specialists gathered with IDI staff and subject matter experts to design a complete set of courseware. The 2-week workshop will be held in Kazakhstan in May 2006, with 30 participants from the above-mentioned countries.

Graduation of New OLACEFS Training Specialists

After the Long Term Regional Training Program was concluded in OLACEFS, the heads of the Latin American SAIs were asked to present diplomas to their new training specialists on behalf of IDI. The diplomas have been presented, and the OLACEFS region has 29 new IDI-certified training specialists.

Global Survey on the Draft IDI Strategic Plan for 2007–2012

During November 2005, IDI distributed a survey questionnaire regarding its new strategic plan to all the SAIs of developing and emerging countries. By mid-February 2006, 80 percent of these countries had responded to the questionnaire, giving IDI valuable feedback on its draft plan. The results of this survey were presented to the IDI Board in March 2006.

IDI/SPASAI Workshop on Dealing with Fraud and Corruption while Auditing

IDI recently funded a 1-week IDI-SPASAI workshop, Dealing with Fraud and Corruption while Auditing. The workshop was delivered in Apia, Samoa, from November to December 2005 and was attended by 24 participants from 11 members of SPASAI. Instructors from the SAIs of Cook Islands and Tonga trained the participants. The instructors were supported by a subject matter expert from the Serious Fraud Office in New Zealand. The material presented at the workshop was originally designed and developed by ASOSAI and adapted to meet the needs of SPASAI.

IDI/ASOSAI Cooperation for Capacity-building

As part of the IDI-ASOSAI Cooperation 2005-2006 for building capacity in newly established SAIs in the ASOSAI region, a joint instructor planning meeting was held March 13–24, 2006, in Hanoi, Vietnam. The objective of the meeting was to develop structured courseware on audit areas identified during two IDI-ASOSAI needs assessment missions conducted in October and November 2005 for the Mekong–South Asian and Central–East Asian subregions, respectively. One set of course materials will be developed in Russian for delivery in Ulaanbaatar, Mongolia, during July–August 2006 to participants from Central and East Asian SAIs. The courseware in English is scheduled for delivery in 2007 to participants from the Mekong–South Asian region.

IDI UPDATE



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

IDI/CREFIAF Regional Workshop on Performance Auditing

The second phase of the Long Term Regional Training Program for CREFIAF (Sub-Saharan Francophone SAIs) will be completed with the delivery of the Regional Workshop on Performance Auditing, which will be held in Cameroon at the end of April 2006.

Contacting IDI

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

Telephone: ++47 21 54 08 10

E-mail: idi@idi.no

Web site: www.idi.no

INTOSAI 2006 - 2007 Events



<p>April</p> <p>4-5 Task Force on the Audit of International Institutions, Venezuela</p>	<p>May</p> <p>4-5 Professional Standards Steering Committee meeting, Washington, D.C., United States</p> <p>22-26 SPASAI Congress, Saipan, Northern Mariana Islands</p> <p>23-26 Committee on IT Audit, Brasília, Brazil</p>	<p>June</p> <p>20 International Tsunami/ Disaster Relief Conference, Vienna, Austria</p> <p>26 Environmental Audit Steering Committee, Yogyakarta, Indonesia</p> <p>29-30 14th EUROSAT Training Committee meeting, European Court of Auditors, Luxembourg</p>
<p>July</p>	<p>August</p>	<p>September</p> <p>4-5 Professional Standards Steering Committee meeting, Cameroon</p> <p>11 31st EUROSAT Governing Board meeting, Reykjavik, Iceland</p> <p>11-15 ASOSAI Assembly, Shanghai, China</p>
<p>October</p> <p>16-19 CAROSAI Congress, Freeport, Bahamas</p>	<p>November</p> <p>1-4 55th INTOSAI Governing Board, Mexico City, Mexico</p> <p>27-29 IV Meeting of the EUROSAT Working Group on IT, Bratislava, Slovak Republic</p>	<p>December</p>
<p>January</p>	<p>February</p>	<p>March</p>

Editor's Note: This calendar is published in support of INTOSAI's communications strategy and as a way of helping INTOSAI members plan and coordinate schedules. Included in this regular Journal feature will be INTOSAI-wide events and regionwide events such as congresses, general assemblies, and board meetings. Because of limited space, 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.