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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.

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

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contents

| | |
|---|----|
| Editorial | 1 |
| News in Brief | 4 |
| Interview on International Audit Standards..... | 11 |
| Coordinated Audit on Marine Pollution from Ships..... | 16 |
| General Audit Bureau of Saudi Arabia..... | 20 |
| Spotlight on the Strategic Plan .. | 24 |
| Inside INTOSAI..... | 27 |
| IDI Update..... | 39 |
| INTOSAI Calendar | 45 |

<http://www.intosaijournal.org>



Claes Norgren

Auditor General of Sweden

Supreme audit institutions (SAI) play an important role in strengthening their respective countries' accountability and governance. SAIs help their governments improve performance, enhance transparency, ensure accountability, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for their citizens. SAI work to reduce waste and abuse of public resources has the indirect effect of making more money available for programs to fight poverty.

SAIs are a central element of good governance and accountability. While their role as watchmen of transparency and accountability is obvious in certain countries, they can play an even more important role in promoting good governance in developing countries or fragile states. Therefore, SAI operations must set a good example as key development actors along with a system that includes a Parliament, freedom of the press, and public access to official records. Active involvement in INTOSAI is one way for SAIs to further develop their perspectives on their role in governance. Learning from the experiences of others also allows SAIs to strengthen this role. This has definitely been proven true in the Swedish experience.

Globalization has placed new demands on public policy. Political decisions must take international factors into account and adopt new forms to be efficient and make a difference. The same is true of auditing. Increased international exchanges today affect such areas as business deals, financial transactions, the transport of goods, the export of services, and taxation. The interaction between the private and public sectors has increased, and new dependencies have been created. The present financial crisis is definitely global in scope and, to a certain extent, has developed due to globalization. As Robert L. Bunting, President of the International Federation of Accountants (IFAC) has observed,

“Governments, standard setters, and the accounting profession need to collaborate closely if common high-quality standards in accounting and auditing are to be established, adopted, and well implemented. And that includes accounting standards for governments, many of which have become major investors in the private sector during the crisis.”

Finding joint international solutions is becoming increasingly important, a trend that is becoming evident in the field of auditing, where the auditor has to focus on what unites rather than what divides across borders and between sectors. The need to create financial and political stability is one common denominator, and harmonized global standards and auditor independence are important prerequisites for this. Thus, SAIs are facing new challenges in their important task of auditing the impact of actions carried out by the executive branches of government.

Public sector auditing has come under intensified scrutiny as its role in strengthening public management, follow-up, and control and supporting good governance has been increasingly recognized. Over the years, INTOSAI members have expressed a clear need for more robust and reliable auditing standards than what has been available to date. Furthermore, the World Bank has emphasized the importance of SAIs and the development of international standards for public sector auditing. INTOSAI has responded by not only pursuing the work on auditing standards but also involving the donor community in the cooperation. New claims from its own members, the donor community, and society at large have created a new and important context for developing auditing standards.

This challenge has been very obvious in the Swedish National Audit Office as it chairs the Subcommittee on Financial Auditing Guidelines (FAS) and hosts the FAS Secretariat and its work to develop internationally accepted standards for financial audit. This work has been carried out in close cooperation with IFAC and the International Auditing and Assurance Standards Board (IAASB) with financial support from the World Bank and the Asian Development Bank. As a result of this unique cooperation between public and private sector auditing, we can be assured that the final product—the development of International Standards of Supreme Audit Institutions (ISSAI) for financial audits—will be state of the art. SAIs around the world also deserve special mention for their generous contributions to FAS’ work by nominating financial audit experts, commenting on exposure drafts, and encouraging us in other ways. Without this invaluable input, the task of the FAS would have been impossible. Thank you all!

Implementing new auditing standards will mean challenges but will greatly benefit all SAIs.

- *For the auditor*, it will provide greater confidence and credibility in the audit work being carried out. Internationally accepted standards form the basis for our professionalism as auditors.

- *For the head of the SAI*, it will improve the quality and credibility of your organization's financial audits and allow you to benefit from joint training activities with auditors from the private and public sectors both nationally and internationally. This will save you money.
- *For the stakeholders of each SAI*—such as the Parliament, the executive branch, the auditees, the press, and the public—it will increase confidence in the SAI's work.

Applying INTOSAI financial audit guidelines provides a basis for cooperation and the exchange of experiences between SAIs and auditors in different countries, enabling each SAI to relate its work to that of others operating in accordance with international standards. Globally accepted standards will provide a common language to serve as a basis for professional discourse and cooperation. Mutual experience will benefit all.

To INTOSAI members, implementation of the ISSAIs for financial audits will have a clear impact on our work as it puts new demands on the way we conduct our audits. That will certainly be the case for the Swedish SAI, just to mention one example. It will require an investment in education and routines that will affect our budget for some time and will also to some extent affect our auditees. However, the implementation cost must be seen as a very good investment in a joint international regulation as well as a step towards a healthy domestic and world economy.

After the XX INCOSAI, the INTOSAI congress in South Africa in November this year, the ISSAIs for financial audits will be available to the whole INTOSAI community in five languages. They are already available in English. This means that from the end of this year there will be a global standard for financial audit applicable both in public and private sectors. Over the long run, this will significantly contribute to improved transparency and accountability in the public arena, and I am very proud to have been involved in the process.

Please read more about the ISSAIs and their implementation in the interview with Auditor General Claes Norgren and Arnold Schilder, Chair of the IAASB, on [page 11](#).

NEWS

IN

brief



Belgium

New Senior President of the Court of Audit

In December 2009, Philippe Roland was sworn in as Senior President of the Belgian Court of Audit by His Majesty the King of the Belgians.



Philippe Roland

Mr. Roland holds a master's degree in political and administrative sciences (specializing in public administration) from Brussels University. He has served in the Belgian Court of Audit

since 1984. From 1997 until 1999, he was Deputy Head of the Office of the Deputy Prime Minister and Minister for Economy and Telecommunications. From 1999 until 2003, he was the Deputy Head of the Office of the Deputy Prime Minister and Minister for Budget, Social Integration, and Social Economy.

Mr. Roland was appointed a Member of the Belgian Court of Audit (French chamber) by the federal House of Representatives in June 2003 and President of the Court of Audit in October 2004.

He is also a Member of the Audit Commission of the European Space Agency.

For additional information, contact the Belgian Court of Audit:

E-mail: international@ccrek.be
Web site: www.ccrek.be

Bermuda

Former Auditor General Honored

Former Auditor General Larry Dennis has been awarded the title CBE

(Commander of the Most Excellent Order of the British Empire) by Her Majesty the Queen in her New Year's Honors and Awards List. According to a government spokeswoman, Mr. Dennis was recognized for "services to good governance in Bermuda; for his role as Auditor General for 31 years and his efforts to improve public accountability."

When Mr. Dennis retired in August 2009, he was the longest-serving Auditor General in the British Commonwealth.

For additional information, contact the Office of the Auditor General:

E-mail: auditbda@gov.bm

Brazil

SAI hosts Seminar on Public Policy and Climate Change

On November 11–12, 2009—1 month before the United Nations Climate Change Conference in Copenhagen—the Brazilian Court of Audit (TCU) hosted a seminar on public policy and climate change in Brasília. The seminar gathered government authorities and specialists, congressmen,

scholars, and representatives from nongovernmental organizations and private enterprises with expertise in these issues. It also gave participants an opportunity to share their expectations about the Climate Change Conference, particularly in regard to the role of Brazil.

In his presentation, Carlos Minc, the Minister of Environment, discussed the goal to reduce greenhouse gas emissions that Brazil was to present at the Climate Change Conference. According to Minister Minc, the government will attempt to meet this critical goal through its fight against deforestation of the Amazon and other environmental public policies. He highlighted the Brazilian government's National Plan on Climate Change, approved in 2008, which identifies actions to combat environmental degradation and establishes goals to reach the intended results. Sergio Machado Rezende, the Minister of Science and Technology, delivered a speech about the Brazilian satellite currently in orbit that observes and photographically records several

regions, thus contributing to the monitoring of deforestation. He also stated that 700 experts from 150 institutions are preparing an environmental inventory that will report preliminary results on the condition of the environment. The inventory will be available for public consultation from January to July 2010 and will be ready for international presentation starting in August 2010.

Senator Marina Silva, who preceded Minister Carlos Minc as head of the Ministry of Environment, called for greater integration among government bodies to end the false antagonism between development and environment. She stressed the need to consider environmental issues in all governmental actions and emphasized four challenges in confronting climate change: convincing political and business leaders about the importance of environment issues, overcoming 20th century views of development, establishing adequate political management projects, and creating institutional structures to deal with environmental issues.

After the seminar was adjourned, Minister Aroldo Cedraz, a member of the Brazilian Court of Audit and coordinator of the seminar, affirmed that the event marked a milestone in the way the Court carries out its assignments. He expressed his conviction about the results of the seminar as follows: "I believe in our potential, in our natural resources, but what I really believe in is the seriousness of those who brought their knowledge to this meeting, who honored us with their presence. I am sure that, together, we will contribute to Brazil adopting a better position on environment in the international scenario."

For additional information, contact the Court of Audit:

E-mail: arint@tcu.gov.br, omirpl@tcu.gov.br
 Web site: www.tcu.gov.br

Indonesia

New Chairman of the Audit Board

Hadi Purnomo has been elected the Chairman of the Audit Board of the Republic of Indonesia for 2009–2014. He was sworn in on October 19, 2009, by the Chairman of the Indonesian Supreme Court in the presidential palace, and the ceremony was witnessed by President Susilo Bambang Yudhoyono. Also sworn in at the same time were six other new board members: Hasan Bisri, H. Rizal Djailil, Moermahadi Soerja Djanegara, Taufiequrahman Ruki, T. Muhammad Nurlif, and Ali Masykur Musa. The other two members, Herman Widyananda (Vice Chairman) and Sapto Amal Damandari, were elected in 2007 and will serve until 2012.



Participants in the Brazilian Court of Audit's (TCU) Seminar on Public Policy and Climate Change: (left to right) Aroldo Cedraz, TCU Minister and coordinator of the seminar; Carlos Minc, Minister of Environment; Minister Ubiratan Aguiar, TCU President; and Sergio Rezende, Minister of Science and Technology.



Hadi Purnomo

For the first time in history, the Chairman and the Vice Chairman were elected by and among the board members themselves, as mandated by legislation concerning the Audit Board of the Republic of Indonesia.

For additional information, please contact the Audit Board of the Republic of Indonesia:

E-mail: asosai@bpk.go.id
Web site: www.bpk.go.id

Iraq

President of Board of Supreme Audit Reappointed

In October 2009, the Ministerial Council in Iraq, at the recommendation of the Higher Judicial Council, reappointed Abdul Basit Turki Said to a second 5-year term as President of the Board of Supreme Audit.



Abdul Basit Turki Said

For additional information, contact the Board of Supreme Audit:

E-mail: bsa@bsairaq.net, bsairaq@yahoo.com
Web site: www.bsairaq.net

Kuwait

Annual Report Submitted

Abdulaziz Yousef Al-Adsani, the President of the State Audit Bureau of Kuwait (SAB), submitted his office's report for fiscal years 2008–2009 on the audit of the budget implementation of ministries and government departments, their final accounts, and the relevant authorities that have supplementary and independent budgets. The report was submitted to His Highness the Amir, His Excellency the President of the National Assembly, and His Highness the Prime Minister.

The SAB developed a new mechanism to circulate this annual report to government departments subject to SAB control to enhance cooperation between the two parties and prevent irregularities in the budgets of those departments from recurring. This mechanism is intended to tighten

control over the budgets, protect public funds, and fulfill the requirements of laws and development plans. Every minister received a copy of the report, including notes to the concerned authority and its supplementary bodies.

The SAB issues four reports annually: a report on ministries and government departments, a report on authorities with supplementary budgets, a report on oil sector authorities with independent budgets, and a report on investment sector authorities with independent budgets. Copies are provided to those authorities specified in the 1964 law establishing the SAB.

Meeting of ARABOSAI Institutional Capacity Development Committee

The SAB hosted the first meeting of ARABOSAI Institutional Capacity Development Committee November 9–12 2009.

For additional information, contact the SAB:

E-mail: undersecretary@sabq8.org
Web site: <http://www.sabq8.org>

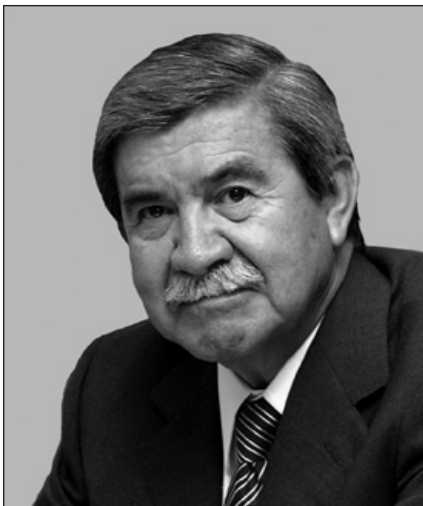
Mexico

New Auditor General Appointed

In December 2009, Juan M. Portal-Martínez was appointed head of the Superior Audit Office of Mexico by the Mexican Chamber of Deputies. Before his appointment, he served as Deputy Auditor General specializing in financial compliance from 2002 to 2009.

Mr. Portal-Martínez obtained a bachelor's degree in public accounting from the National Autonomous University of Mexico, a master's

degree in public administration from the National Institute of Public Administration, and a post-graduate degree from the Pan-American Institute of Entrepreneurial Senior Management. He is a certified public accountant, a certified internal auditor, a certified fraud examiner, and a certified internal controls auditor. He has extensive professional experience in public sector state-owned entities and the private sector, in which he has held important positions associated with auditing and comptrollership processes. His areas of expertise include internal and government audit, information and control systems, comprehensive and performance audit, and public accounting.



Juan M. Portal-Martínez

Mr. Portal-Martínez is the Founding President of the Mexican Institute of Internal Auditors and President of its National Governing Board. He has also actively participated in the Institute of Internal Auditors; the Mexican College of Public Accountants; the Mexican Institute of Public Accountants; the Commission on Government Control and Auditing; the Association of IT Auditors; the Focus Group on Comprehensive Auditing of the Ministry of the General Comptrollership of the

Federation; the Mexican Academy on Performance and Comprehensive Auditing; the Latin American Federation of Internal Auditors; and the Mexican Chapter of the Association of Certified Fraud Examiners.

He has contributed to the dissemination and development of auditing and internal control methodologies by translating into Spanish the COSO Report (the internal control framework developed by the Treadway Commission), the COCO Report (prepared by the Canadian Commission of Control Criteria), and the 6th edition of the Guidelines for Certification Programs of Professionals in Internal Auditing.

Mr. Portal-Martínez has actively participated in INTOSAI's Professional Standards Committee and its Subcommittees on Financial Auditing Guidelines and Compliance Audit, as well as in OLACEFS activities.

For additional information, contact the Superior Audit Office of Mexico:

E-mail: jportal@asf.gob.mx
Web site: www.asf.gob.mx

People's Republic of China

Issuance of Guidance Document on Strengthening Resource and Environmental Auditing

To implement China's policy of conserving resources and protecting the environment, the China National Audit Office (CNAO) published a guidance document entitled *Recommendations on Strengthening Resource and Environmental Auditing*.

The document points out the guiding principles, key tasks, and goals of

natural resource and environmental auditing in China and requires audit institutions at all levels to be fully aware of the importance and urgency of these audits. It also calls on audit institutions to promote sustainable development in China. The document requires audit institutions at different levels to audit

- the exploitation, management and protection of land, mineral, forest, and water resources;
- the prevention and control of water, air, soil and solid waste pollution;
- the implementation of key eco-construction projects; and
- the protection of eco-fragile regions.

The document calls on audit institutions to explore new audit approaches and methodologies for natural resource and environmental auditing and to carry out pilot cooperative audits and life-cycle audits on cross-regional environmental issues, key resource exploitation and environmental protection projects, and the implementation of important natural resource and environmental management policies or strategic plans. The document also encourages audit institutions to carry out natural resource and environmental system audits using information technology. Audit institutions are to establish and improve their operational mechanisms for environmental auditing to promote an audit approach in China that is integrated with other specialized types of audit, such as audits of public finance, enterprises, investment, accountability, and foreign fund applications. In the meantime, the document recommends that audit institutions further strengthen their audit teams for environmental auditing and their research on environmental auditing theories through such means as institutional improvement, audit capacity building, and the use of external experts.

The document delineates important measures to be adopted for natural resource and environmental auditing and will advance the development of environmental auditing in China.

The Third Sino-African Audit Seminar was Held in China

The Third Sino-African Audit Seminar was held in China November 7–16, 2009 with 38 delegates from 19 French-speaking African countries in attendance. Fourteen participants were heads of SAIs.

The themes of the seminar were the role of governmental auditing in promoting good governance and audits of the environment and foreign funds. Participants exchanged ideas and experiences on these topics and held thorough discussions on them. The delegates were interested in the Chinese keynote speech discussing the role of governmental auditing as an “immune system” for the healthy operation of the national economy. In addition to the seminar, participants visited Xian and Beijing for field study of audits carried out by Chinese audit institutions.

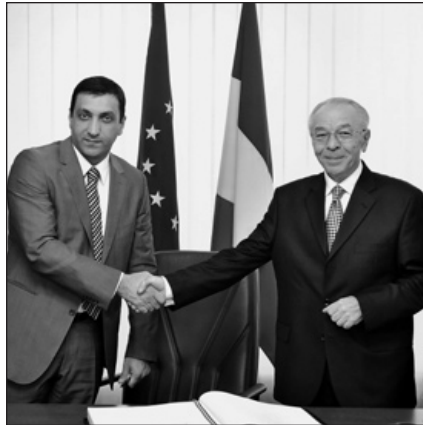
For additional information, contact the CNAO:

E-mail: cnao@audit.gov.cn
Web site: www.audit.gov.cn

Romania

Official Visit from the SAI of Georgia

At the invitation of Nicolae Văcăroiu, the President of the Romanian Court of Accounts, a Georgian delegation led by Levan Bezhashvili, the President of Chamber of Control of Georgia, made an official visit to Romania from September 21–24, 2009.



Levan Bezhashvili, President of the Chamber of Control of Georgia (left) and Nicolae Văcăroiu, President of Romanian Court of Accounts (right).

During the visit, the two presidents exchanged views on the results of the work of their SAIs, including their participation in EUROSAI and INTOSAI, and proposed the development of a cooperative agreement between the Romanian Court of Accounts and the Chamber of Control of Georgia. The Georgian delegation thanked the Romanian Court of Accounts for its support of the Chamber of Control's efforts to strengthen institutional capacity.

The Georgian delegation also met with Mircea Geoana, President of the Senate of Romania, and Doru Costea, Secretary of State for Global Affairs at the Ministry of Foreign Affairs.

For additional information, contact the Romanian Court of Accounts:

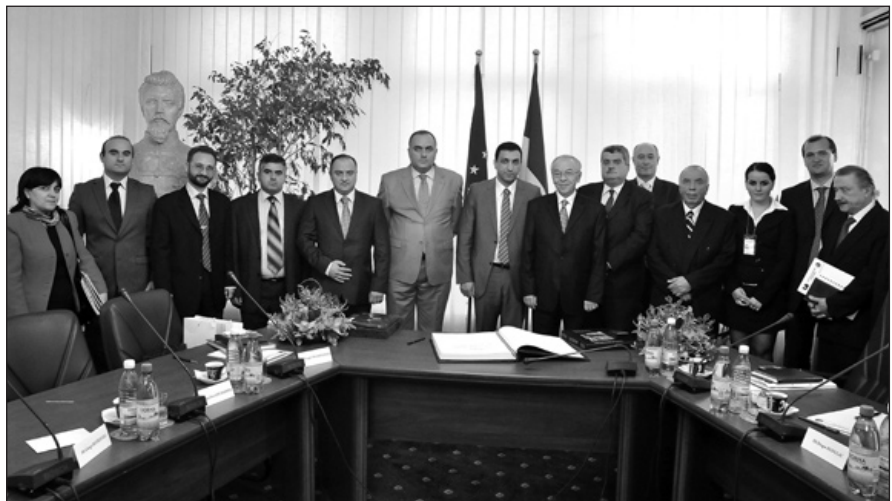
E-mail: rei@rcc.ro
Web site: www.rcc.ro

United Arab Emirates

Modernization Program for the State Audit Institution

The State Audit Institution of the United Arab Emirates (UAE) is partially through an ambitious modernization program. Changes taking place today are expected to have far-reaching effects on the accountability and performance of the UAE federal government.

Since the program began in 2007, many changes have been implemented. These have included creating a new organization and identity for the State Audit Institution, transitioning the old organization into



Representatives of the Romanian Court of Accounts and the Chamber of Control of Georgia at their official meeting in Bucharest.

the new one, introducing new risk-based audit methodologies that are based on international best practices and aligned with international auditing standards, and introducing IT and performance auditing.

The State Audit Institution is also fast-tracking young Emiratis to become auditors and qualified accountants using an innovative mix of on-the-job training and formal accounting education through the Association of Chartered Certified Accountants (ACCA). ACCA has awarded Platinum Level Approved Employer Status to the State Audit Institution in recognition of its employee training and development program. Young Emirati auditors in training also have the opportunity to study for the international Certified Information Systems Auditor (CISA) examination and benefit from intensive study seminars given by international IT audit experts.

The State Audit Institution has obtained expert input, including secondments and technical expertise, for the change program from audit institutions in Australia, Canada, Malaysia, the Netherlands, New Zealand, Norway, South Africa, and the United Kingdom.

Peer reviews were performed in 2009 to provide assurance to the UAE federal government that the State Audit Institution's change program is progressing as planned. The first peer review was to determine whether the change program is proceeding on schedule and in line with best practices in public sector auditing. This covered all aspects of the State Audit Institution and its work. The second peer review specifically focused on performance auditing and the first performance audit the State Audit Institution completed, which was on preventing and managing diabetes.

The change program is expected to be complete by the time the State Audit Institution hosts the 3rd EUROSAI/ARABOSAI conference in Abu Dhabi in March 2011.

For additional information, contact the State Audit Institution:

E-mail: president@saiuae.gov.ae
Web site: www.saiuae.gov.ae

European Court of Auditors

Annual Report on European Union Budget Implementation for Fiscal Year 2008

In November 2009, the European Court of Auditors published its annual report on the implementation of the 2008 European Union (EU) general budget. The court issued an unqualified opinion on the reliability of the 2008 annual accounts of the European Communities, concluding that they present fairly, in all material respects, the financial position of the European Communities and the results of their operations and cash flows.

The overall results for 2008 reflect improvements in budget management in recent years in terms of the legality and regularity of the transactions underlying the accounts. The improvement is due primarily to better results in the largest policy group, agriculture and natural resources, which accounts for almost half of the EU budget. This was the first time that the court gave a qualified rather than an adverse opinion for this policy group, whose overall error rate is below materiality. However, within this group the estimated level of error for rural development, remains material, although it is lower than in previous years.

The second largest policy group, representing almost a third of the budget, is cohesion, which remains problematic and is the area most affected by errors. The court estimates that at least 11 percent of the total amounts reimbursed should not have been paid out.

The court's past recommendations to improve supervisory and control systems still remain valid. They should be seen as part of an ongoing process, in which the relevant measures will require additional time before they can be deemed to be effective.

Additional attention needs to be directed to those expenditure areas where the court continued to report a high level of error due, in many situations, to the complexity of rules and regulations. Simplification, therefore, remains a priority.

The court's opinions on the implementation of the EU budget for 2008 can be summarized as follows:

- The court gave *clean opinions* on (1) the legality and regularity of the underlying transactions for revenue and (2) commitments and payments for the education and citizenship and administrative and other expenditure policy groups.
- The court gave *qualified opinions* on payments for agriculture and natural resources (except for rural development) and for economic and financial affairs (except for expenditures for the sixth framework program for research and technological development, which are, in all material respects, legal and regular).
- The Court gave *adverse opinions* on legality and regularity aspects for the (1) cohesion, (2) research, energy, and transport, and (3) external aid, development, and enlargement policy groups. Payments in these policy groups

were materially affected by errors, although at different levels.

The general budget of the EU is decided annually by the Council of the EU and the European Parliament. The European Commission is, solely or in cooperation with member states, responsible for budget implementation. The court's annual report provides a basis for launching the discharge procedure that brings the annual budgetary process to an end.

The court's annual report on the implementation of the 2008 EU budget, as well as special reports covering different aspects of EU finances and management issues, can be found on the court's web site, www.eca.europa.eu, in 22 official languages.

Meeting of the Heads of the SAIs of the European Union in Budapest

On November 30 and December 1, the State Audit Office of Hungary hosted the 2009 annual contact committee meeting of the heads of EU SAIs; the heads of SAIs of the candidate countries (Turkey, Croatia, and the former Yugoslav Republic of Macedonia) also participated, as did representatives from the INTOSAI Development Initiative, the EUROSAI Training Committee, and SIGMA (a joint initiative of the Organisation for Economic Co-operation and Development and the EU that provides support for public administration initiatives). Árpád Kovács, then President of the Hungarian State Audit Office, chaired the meeting.

The meeting's agenda featured a seminar on the role of SAIs in helping governments respond to the current economic crisis. The seminar provided a platform to exchange ideas and

information on the impact of the short-term measures taken to date in the European Union and its member states in response to the financial and economic crisis.

Participants also discussed how the implementation of the Lisbon Treaty will change the management of EU funds and possible implications for the work of SAIs and the court. Other agenda items included presenting the results from working groups covering specific areas of EU fund management, a review of 2009 contact committee activities, and a discussion of activities planned for 2010. The new contact committee Web site (www.contactcommittee.eu), which the court developed, was also presented to the participants.

The next contact committee meeting will be held in October 2010 at the court in Luxembourg and will be chaired by the President of the SAI of France.

For additional information, contact the European Court of Audit:

E-mail: euraud@eca.europa.eu
Web site: www.eca.europa.eu

Public and Private Sector Collaboration in Developing International Financial Audit Standards

In recent years, globalization has led to increased integration of the public and private sectors. This integration can be seen in the collaboration between INTOSAI and the International Auditing and Assurance Standards Board (IAASB) in developing international financial audit standards relevant to both sectors. As a result of their efforts, INTOSAI's Governing Board recently approved 36 International Standards of Supreme Audit Institutions (ISSAI) for financial audit.



Claes Norgren, Auditor General of Sweden



Arnold Schilder, Chair of the IAASB

The Subcommittee on Financial Audit Guidelines (FAS) has coordinated INTOSAI's collaboration with the IAASB. Since 2002, the Swedish National Audit Office has hosted the FAS Secretariat, which consists of eight full- and part-time staff working under the leadership of Jonas Hällström, Project Director. Recently, members of the FAS Secretariat interviewed Claes Norgren, Auditor General of Sweden, and Arnold Schilder, Chair of the IAASB, about lessons learned from their cooperation in today's globalized world.

Question: *In what ways has the collaboration between INTOSAI and the IAASB been unique, and what is your overall impression after your 6-year effort to develop financial audit standards?*

Mr. Norgren: In the past, auditing in the public and private sectors belonged to two different worlds, but now these separate worlds have met in this unique way on a global basis. Of course, many organizations cooperate in different ways to develop standards—the International Monetary Fund, the Financial Stability Board, and the World Bank, to mention a few. But this has been a new and challenging step for INTOSAI.

Mr. Schilder: Our arrangement with INTOSAI underscores the importance of high quality public sector audits. Confidence in public sector financial reporting is pivotal to economic stability and, therefore, the public interest. For that reason, the Memorandum of Understanding IAASB has had with INTOSAI since 2004 has been designed to facilitate collaboration and constructive interaction, in particular toward high quality International Standards on Auditing (ISA).

Our arrangement also underscores the importance we attach to obtaining direct and meaningful input from the public sector on our standards. ISAs are relevant to engagements in both the public and private sectors, for entities of all sizes. In this regard, INTOSAI's involvement with the IAASB's work has helped to enhance the quality of our ISAs and should contribute to their widespread use in the public sector. For example, our recently completed Clarity Project involved introducing new material in the ISAs that provides guidance on addressing considerations specific to public sector audits. Our INTOSAI and other public sector representatives played a key role in the development of that important guidance.

Similarly, we are working to develop a process to assess the impact of new standards. This is an area where the public sector has typically been ahead of the private sector. Input from our public sector members has helped our deliberations a great deal, and we will continue to seek their feedback as supreme audit institutions (SAI) begin to implement the clarified ISAs and use the ISSAIs for financial audit. Overall, I believe that ongoing public sector input contributes to the depth and quality of IAASB's debates. I am, therefore, pleased to have had Steen Bernt Jensen on the IAASB over the last year, providing a link to INTOSAI's Professional Standards Committee, and to know that we will have the benefits of Gert Jönsson, chair of the INTOSAI FAS, joining the IAASB in 2010. Jonas Hällström, Director of the INTOSAI FAS, will continue to serve as a technical advisor for the IAASB, which further enhances our ongoing collaboration.

Mr Norgren: I am impressed by the cooperation we have had on all levels. The IAASB is a very professional organization to work with on the executive as well as the working level. Daily personal contacts have been important factors in achieving the positive outcomes of this cooperation. The input has always been relevant, generous, to the point, and timely. We are very happy to have enjoyed such excellent working relations.

Mr. Schilder: INTOSAI is an organization that takes its mandate seriously and recognizes the importance of consultation and due process in the development of quality standards. Its approach to interaction with the IAASB is open and constructive, and I believe it has a clear understanding of what needs to be done to introduce ISAs in the public sector in an efficient and effective manner.

- Question:** *How might the public and private sectors apply the financial audit standards differently?*
- Mr. Norgren:** Government and Parliament are not the same as—and do not operate or have the same function as—those charged with governance in the private sector. The government entity in the state has specific requirements, but the same audit approach as in the private sector can be used. Thus, the specific characteristics of the public and private sectors remain in relation to auditing, but the two sectors have a common framework.
- Mr. Schilder:** While there are, of course, differences in application, the core principles reflected in the ISAs are equally applicable in the private and public sectors. Where the public sector's application of these core principles differs from the private sector, the differences are principally reflected in the ISA guidance material. For example, because of the nature of the audit mandate in the public sector, auditors are ordinarily unable to decline acceptance of, or withdraw from, an engagement; this is addressed in the ISA guidance material.
- The responsibilities of the public sector auditor may be affected by the audit mandate or by obligations of public sector entities arising from law, regulation, or other authorities, such as ministerial directives or government policy requirements, which may encompass a broader scope than an audit of financial statements in accordance with the ISAs. These additional responsibilities are not dealt with in the ISAs; however, they are usefully dealt with in the practice notes within INTOSAI's ISSAIs for financial audit.
- Question:** *One major challenge for both INTOSAI and the IAASB is increasing the international dissemination and use of the standards. To what extent will the cooperation between the two organizations help achieve this goal?*
- Mr. Schilder:** The quality of the ISAs makes them acceptable internationally. I believe the cooperation between INTOSAI and the IAASB has helped to improve the overall quality of the ISAs. In my view, both the IAASB's inclusion of public sector considerations in the ISAs themselves and INTOSAI's substantial investment in developing the new ISSAIs for financial audit illustrate that the ISAs can be adopted for use by public sector auditors. I am hopeful that as the individual SAIs become more familiar with the guidance offered in the ISSAIs for financial audit, more audits in the public sector will be conducted in accordance with the ISAs.
- Mr. Norgren:** The use of the ISSAIs for financial audit clearly contributes to transparency and openness. It contributes to a certain level of conformity that makes it easier to compare the state's financial information from year to year and also to compare it to information from other states, as that information will be compiled in an open and uniform way. The ISSAIs for financial audit are valuable for

citizens of countries that aim for democracy and development. While they are not a universal remedy, they are part of the arsenal of governmental actions that lead to accountability and better functioning in the public sector around the world.

Question: *What do you see as the advantages and challenges of implementing the ISSAIs for financial audit?*

Mr. Norgren: Implementation will give us better methods for auditing and enhance the quality of our work. There is great value in being able to compare your work to that of others knowing that the audits have been carried out using the same standards. Improved auditing will increase confidence in the public sector. In some countries, the public sector's credibility has implications for the national debt. In these times of financial crisis donors might demand that countries receiving funding to relieve their national debts require their SAIs to follow international standards. Thus, there are fiscal implications to having a public audit that meets those standards.

Different countries have different institutional arrangements and levels of development. One obvious advantage to implementing the standards is that they are structured in a way that allows them to be applied to various extents and in different ways. While there is flexibility in implementing the standards, the process will still be a great challenge to many SAIs. It may involve changing the way in which audits are conducted, and it may also require investments in training for SAI staff.

Question: *As you look to the future, how would you evaluate the importance of globally accepted international standards?*

Mr Schilder: In today's increasingly global economy, it is vital that the auditing profession and those responsible for oversight and regulation work toward a common set of high quality international standards. The International Federation of Accountants (IFAC) stressed this idea in its recommendations to the G20 leaders in advance of their April and September 2009 meetings. IFAC encouraged the adoption and implementation of global accounting, auditing, and auditor independence standards to improve the ability of capital markets to work globally. The benefits to the public interest far outweigh the efforts needed to overcome domestic barriers to achieving this goal. In this regard, I commend INTOSAI on its efforts to develop the new ISSAIs for financial audit, which provide further guidance to, and include, the IAASB's ISAs.

Mr Norgren: We live in an era in which globalization has become a reality. It influences private trade and industry, which have driven a far-

reaching harmonization and removed trade barriers. However, it has also led to increased integration between the public and private sectors and between different states. Therefore, we need a comprehensive way for different countries to approach common bookkeeping solutions and a framework for accounting and financial reporting. A global standard of auditing has been developed to meet this need.

In a globalized world, we need globalized standards. So it is very significant that an organization like INTOSAI has developed a framework of rules to assist in this effort. We have a set of joint standards with the IAASB that include further guidance in the practice notes for the public sector. This underlines the important role of INTOSAI and the impact the organization has had through its cooperation with the IAASB.

This, of course, places higher demands on INTOSAI related not only to implementation but also to support, continuous development, revision, maintenance, and adoption/adaptation. The freedom SAI have to implement the standards to different extents is a perfect incentive to choose to follow international standards more ambitiously over time.

I strongly believe that there is an inherent driving force for SAI to adopt the ISSAI for financial audit. Still, SAI will need substantial technical support to implement the ISSAI to their full extent. INTOSAI and the IAASB have to continue to support each other in this new challenge. If we stay committed, I am convinced that we can reach our common goal.

For additional information, contact the FAS Secretariat, Projectsecretariat@riksrevisionen.se.

Lessons from the Coordinated Audit on Marine Pollution from Ships

by Peter van der Knaap, Netherlands Court of Audit

When maritime accidents occur, the environmental damage caused by ships is not only serious but also, in a way, spectacular—it brings to mind miles of beaches polluted with oil, black waves, and dying birds and fishes. However, ships at sea can cause serious environmental damage in other, less spectacular, ways. Ships may

- burn fuel and illegally discharge used oil and/or bilge water,
- wash out tank vessels containing unpackaged chemicals, producing polluted rinse water, and
- generate domestic garbage from their crews.

In 2000, the audit institutions of Cyprus, Greece, Italy, Malta, the Netherlands, Turkey, and the United Kingdom decided to carry out a coordinated audit of marine pollution from ships. The International Convention for the Prevention of Pollution from Ships at Sea, better known as the Marpol Convention, was the common denominator among them.

During the national audits, the SAIs examined their countries' performance in preventing and dealing with pollution from ships, assuming that their countries' ratification of the treaty meant that they consider this an important policy objective. The SAIs considered the activities of their respective national maritime authorities within the context of international requirements and their own policies and promises to Parliament.

Joint Report on the Coordinated Audit

The 2006 joint report on the coordinated audit¹ has two parts. The first part outlines an ideal situation: a country called “Maretopia” that has adopted many good measures to prevent marine pollution from ships and reduce the environmental damage that could result from accidents. To describe such an ideal state, the report either drew on good practices found in one or more of the national audits or converted identified bad practices into good ones.

In the second part, the report returns to reality and presents findings from the national audits. In some cases, the report points to similarities in the national findings. In others, the report cites observations worth mentioning because of their nature or relevance for other countries. The report summarizes how countries took action to prevent pollution by (1) carrying out surveys and inspections of ships and waste collection in ports and (2) dealing with offenders and preparing for incidents.

¹Netherlands Court of Audit, *Marine pollution from ships—Joint report based on national audits 2000–2003*, The Hague, October 18, 2006 (http://www.courtofaudit.com/english/News/Audits/Introductions/2006/10/Marine_pollution_from_ships).

The countries that were part of the audit differ in the ways in which their respective authorities deal with surveying and inspecting ships. Because of these differences, the insights from one country are not automatically applicable to others. At the same time, it would be a waste if lessons learned in one country were not used in other countries insofar as they can be applied, perhaps after adjusting them to different circumstances.

One of the report's purposes was to encourage countries inside and outside this group of seven to emulate good practices other countries have developed to combat marine pollution and to learn from others' mistakes. In a number of cases, responsible national authorities have already taken action to address the weaknesses identified during the audits (see, for example, the Netherlands Court of Audit, *Marine Pollution from Ships*, 2006, www.rekenkamer.nl/Actueel/Onderzoeksrapporten/Introducties/2006/10/Marine_pollution_from_ships).

Lessons for Future Cooperative Audits

Dealing with Diversity

In doing a joint or coordinated audit, the first thing you must acknowledge is that national contexts will always be different. Each nation will have its own way of allocating responsibilities to the national, regional, and municipal levels of government. In addition, tasks and duties assigned to government bodies (such as ministries, port authorities, or inspectorates) and private companies will vary from country to country.

To coordinate an audit with the participation of seven SAIs, you must deal not only with contextual diversity but also with different audit backgrounds, traditions, rules, and practices. We encountered differences in the following areas:

- the authority of the SAI to examine particular topics or bodies;
- the existence and availability of information; and
- audit expertise, techniques, experience, and preferences.

To do justice to this diversity, an “audit à la carte” approach was adopted. The various SAIs were allowed to make their own decisions on the timing, scope (in terms of selection of issues), and audit techniques employed. However, to ensure the comparability of individual audit findings, an audit scheme of criteria for the four main elements of the coordinated audit was established. From the beginning, all the SAIs agreed to audit the following: (1) surveys and inspections of ships, (2) waste collection in ports, (3) dealing with offenders, and (4) preparing for incidents.

This common scheme and the audit design required extensive consultation among participating SAIs. Although this was time consuming, it was crucial to make this investment to establish a common understanding (even language) and, hence, comparable findings. In fact, looking back, we might have made the audit scheme even more specific to eliminate unequal judgments of similar practices. For example, if one national audit team assessed the quality of ship inspections in depth and was

consequently critical of the responsible inspectorate, it would be unfair to cite a bad practice in that country and not in another country where the audit team dealt on a more superficial level and found few areas for improvement.

Dealing with a Coordinated Audit's Long Lead Times

Some SAIs completed their audits before others. The earlier audits provided an extensive framework of standards, questions, and methodologies that were available for the other participating SAIs when they started their audits. This facilitated their audits, which was particularly helpful when the SAI had limited experience with this kind of audit.

The publication of a joint report depends on individual SAIs completing their audits in a timely fashion. A joint report cannot be published until the last national report is done. In the end, the time to complete our coordinated audit stretched from 2001 to 2005. This rather lengthy period reduced the comparability of results in the various audits. For practical reasons, the texts were not updated for the joint publication: this saved the participating SAIs a great deal of work (both in terms of research and communication with the auditees). To avoid misunderstanding, the final joint report noted that the overview was based on the official texts of the national reports.

Allowing for some flexibility in extending the audit phases over a longer period of time can help to improve the possibilities for audit institutions to participate, but there is a price to be paid. Although the coordinating SAI may begin to develop the joint report before some national reports have been formally adopted, this may be a rather risky undertaking. Many SAIs are not in a position to exchange findings before their conclusions and recommendations have been officially adopted.

Conclusions

Carrying out a coordinated audit on an international theme like the prevention of marine pollution from ships poses special challenges to auditors; however, in the end, it can lead to relevant outcomes for all participating SAIs and their national governmental agencies. Participants have to invest thoroughly in common terminology and audit criteria to deal with audit diversity. In our case, it was helpful to undertake a joint audit effort based on an international convention. The Marpol Convention not only provided common policy objectives but also specified the requirements for the prevention of pollution and other measures.

Some of our experiences with Marpol found their way into the 2007 INTOSAI/ Working Group on Environmental Auditing (WGEA) paper aptly titled *Cooperation Between SAIs: Tips and Examples for Cooperative Audits*. This paper was based primarily on experiences with cooperative environmental audits and is available on the WGEA Web site at www.environmental-auditing.org (under WGEA Publications).

All of the paper's 22 tips apply to the Marpol audit. Still, given the diversity in audit practices, the importance of discussing how differences can affect the entire project

can hardly be overemphasized. It is crucial to establish a basic level of mutual respect and trust if communication is to be helpful: only then can participants discuss their reservations, doubts, or uncertainties in an open way. Many auditors with international experience recognize the difficulty in achieving clarity on the meaning of audit concepts and criteria. Obscuring the picture by not speaking out when doubt or disagreements occur will eventually make it much harder to reach consensus in the final stage.

Long time frames call for modesty in the presentation of findings. In the end, depicting Maretopia—where the best practices of all countries involved were put together to form an alluring picture—helped us greatly in getting to agreement on the joint report. It may even have led the various national authorities to better surveys, waste collection, preparedness for incidents, and dealing with offenders. To improve efforts to prevent marine pollution from ships, it may be helpful to assess the effectiveness of our work. At this time, the Netherlands Court of Audit (NCA) is doing just that by carrying out a national “looking back” or “follow-up” audit. The NCA is revisiting the Dutch authorities involved and looking into the actions they have taken since the audit findings were published.

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The author, performance audit director with the NCA, wishes to thank Marlies Alberts, NCA project coordinator for the coordinated audit on marine pollution from ships, for her valuable comments on an earlier version of this article, which was originally presented at the May 2009 EUROSAI/OLACEFS meeting. He also acknowledges the kind help of Hayo van der Wal, Arien Blees, Rogier Zelle, and all the members of the NCA’s Working Group on Environmental Auditing as well as the international colleagues who helped to make this audit a success.

This article describes how one SAI carries out its mandate. We invite other SAIs to provide similar write-ups, which we will feature on a periodic basis. This article is based on a presentation originally given at the second EUROSAI/ARABOSAI conference in March 2009 in Paris, France.

The Role of the General Auditing Bureau of Saudi Arabia

by Osama Jafar Faqeeh, President of the General Auditing Bureau

In Saudi Arabia, the practice of financial control began as early as August 1926, when a Basic Law of Governance approved the establishment of a Bureau of Accounts. In March 1954, the Council of Ministers, chaired by the King, issued its first act naming the Bureau of Accounts a state agency. The General Auditing Bureau (GAB), the first independent audit institution, was established in 1971, reporting directly to the King, and in 1995 a royal order approved a new GAB organizational structure.

The GAB's Strategic Plan (2005-2009)

To perform its oversight role effectively, impartially and objectively, the GAB developed its first strategic plan in 2004, specifying a number of major goals and objectives. The GAB stated its core values as cooperation and dialogue, integrity and fairness, professional competence, objectivity and reliability, and independence.

The strategic plan laid out the following three goals:

- Annually providing the King, the Council of Ministers, and the Shura Council (the Parliament) with reliable and objective reports on the performance of state agencies and the financial situation of the state.
- Improving the GAB's professional performance to enable it to become a model organization that performs its mandate independently and efficiently and leads by example.
- Assisting state agencies in improving their financial and administrative procedures, living up to new challenges, and meeting requirements of sustainable development plans and reform policies.

The GAB's Initiative to Promote Dialogue and Cooperation with Audited Entities

The GAB organized an annual seminar on ways to promote cooperation to achieve comprehensive and performance audit objectives. The seminar's goal is to provide communication and consultation, promote the concept of constructive dialogue, cooperate in correcting errors, and adopt practical solutions to overcome obstacles. The first seminar was well-received and resulted in a set of practical and constructive recommendations that the Council of Ministers approved in October 2004.

The GAB's Major Initiatives to Contribute to the Development of State Agencies

Since the Council of Ministers approved the recommendations of the first seminar, the GAB has taken a series of steps to implement those recommendations and contribute to the development of state agencies. The following sections summarize the GAB's actions.

Improve the Government Accounting System

The GAB formed a task force to study the existing accounting system, identify shortcomings and a suitable update methodology, and propose appropriate terms of reference in compliance with International Public Sector Accounting Standards. These terms of reference were prepared, and a national consultancy firm was commissioned to conduct a comprehensive analytical study.

Create Internal Audit Units within Government Entities

The existence of an internal audit unit within each government entity plays an essential role in safeguarding public funds, improving efficiency, and, most importantly, bridging the gap between pre-audit and post audit and saving the SAI's time and effort.

Formulate a Unified Regulation for Internal Audit Units

After the Council of Ministers approved the creation of internal audit units within government agencies, the GAB received several inquiries regarding the duties and responsibilities of these units. In the absence of clear rules to govern these units, the Saudi SAI took the initiative, in cooperation with the Institute of Public Administration, to draft a unified regulation for internal audit units in conformity with approved professional standards. The Council of Ministers approved the regulation and entrusted the GAB with monitoring its proper implementation.

Automate Financial and Accounting Processes

To monitor implementation of the relevant Council of Ministers decision, the GAB requested that all government agencies move toward computerizing their financial and accounting processes and present their records and financials for auditing in an electronic form. A number of audited entities responded positively and made good progress toward this end.

The GAB has been eager to keep pace with these developments and enhance the computer skills of its staff by creating an information technology environment, providing updated software, and enforcing information security procedures.

The GAB also contributed to the kingdom's e-government program (Yesser) through a task force that formulated uniform specifications for accounting records and financial data for all government entities. These specifications meet GAB's auditing requirements as well as the directives of the Yesser program.

Improve Rules and Regulations

Pursuant to its charter, the GAB contributed significantly to improving the performance of some audited entities by actively participating in formulating and updating rules and regulations on internal audit, financial affairs, government procurements, and public warehousing.

Advance the Accounting and Auditing Profession

As a board member of the Saudi Organization for Certified Public Accountants (SOCPA), the GAB contributes to the development of the accounting and auditing profession in Saudi Arabia. The SOCPA issues accounting and auditing standards for the country and adopts appropriate international standards. It offers various training programs for accountants and auditors as well as a fellowship program.

In 2007, the SOCPA became a member of the International Federation of Accountants (IFAC).

Hold Annual Seminars

Since 2003, the GAB has organized annual seminars on ways to promote cooperation to achieve comprehensive and performance audit objectives. Topics are carefully selected to meet the expectations of participants and help find practical solutions to common problems facing government financial administration and the auditing function.

Build Institutional Capacity

The GAB's strategic plan emphasizes building institutional capacity and training staff as key factors in promoting the GAB as a model organization that performs its functions independently and with high competence and leads by example. The recommendations of the first GAB seminar addressed the need to provide sufficient financial resources for staff training not only for GAB staff but also for all government finance departments.

Introduce and Implement the Concept of Comprehensive and Constructive Audit

The GAB has adopted the concept of comprehensive and constructive audit and the principle of preemptive control.

Accordingly, the GAB

- took part in evaluating and improving performance at health, educational, and municipal facilities;
- helped establish contract terms and specifications that reflected realistic needs for the operation, maintenance, and cleaning of service and production facilities to ensure the efficient and optimal use of public funds and properties;
- jointly set controls and safety techniques for handling and disposing of chemical wastes;
- followed up on procedures for safely disposing of medical wastes at various health facilities;

- proposed splitting cleaning and maintenance contracts in major cities, which had a positive impact on fair competition and improved the quality of public health and cleaning services;
- emphasized the need to carefully and scientifically assess and allocate required funds to minimize using appropriations for other than their intended purposes; and
- asked all audited entities to cooperate and provide the GAB with all the data required to carry out its mandate with full independence and asked that those who do not comply be held accountable.

The GAB's Role in Fighting Corruption

The GAB took the following actions to fight corruption:

- updated its charter in line with the state's comprehensive reform policy, strengthening the principles of transparency, disclosure, and accountability; protecting integrity; and fighting corruption;
- developed audit tools and practices using auditing software and analytical methods;
- prepared highly qualified professionals through academic education and professional training;
- participated in the Saudi task force and ministerial committee that formulated the National Strategy for the Protection of Integrity and Fighting Corruption, adopted by the kingdom in 2007; and
- provided the King, the Council of Ministers, and the Shura Council with credible, reliable, and objective reports on the performance of the state agencies and the financial situation of the state, pointing out shortcomings and proposing appropriate solutions.

For additional information, contact the author at gab@gab.gov.sa.

A graphic featuring a spotlight on the left casting a beam of light towards the center. The text "Spotlight on THE STRATEGIC PLAN" is written in a mix of cursive and bold serif fonts. A large, faint globe is visible in the background on the right side.

Spotlight on THE STRATEGIC PLAN

by Kirsten Astrup, INTOSAI Director of Strategic Planning

In October, I stated that in this issue of the *Journal* I would write about progress in updating the strategic plan after the task force had met to update the plan and the Governing Board had commented on the draft.

I also discussed in October the memorandum of understanding (MOU) with the donor community that was scheduled to be signed in Brussels later that month. The long-awaited MOU—clarifying the way forward in cooperation with donors supporting supreme audit institutions (SAI) in developing nations—was indeed signed in October and represents a very important milestone for INTOSAI.

In October, we also received comments on the draft of the new strategic plan for 2011–2016 from member SAIs. We received somewhat fewer responses than expected—from 16 countries—from this first hearing round. We appreciate the comments received and are currently responding to them. Most respondents were pleased with the draft plan but suggested minor improvements to different sections. Some SAIs commented that the next version of the plan needed to focus more on the challenges that INTOSAI as an organization and individual SAIs are likely to face after 2011; in this regard, several SAIs proposed that the new plan include a new chapter reflecting these key challenges. We also received proposals for amended or additional strategies or expected benefits under the different plan goals, and the goal chairs are now considering these comments before the next version of the plan is drafted.



Kirsten Astrup

In mid-November, the Governing Board meeting was held in Cape Town, the southernmost part of South Africa. As you know, when the days grow shorter and shorter in Europe and the northern hemisphere, Cape Town has the best part of the year, namely spring and summer. So we had wonderful weather in Cape Town, even though I would have liked it to be less windy. The holiday decorations were already up in the streets and shop windows. They must have been a wonderful sight when they were lit after we left. But everybody was talking about the football World Cup, which will be held in Cape Town and other South African cities in 2010; in December, the teams gathered for an event in Cape Town. While not everyone is a football enthusiast, it is amazing to see how football and international sports in general seem to bind people together and help to unite nations.

I cannot write about my visit to Cape Town without mentioning Nelson Mandela, the former president of South Africa and Nobel Peace Prize winner whose statue in the Cape Town harbor faces Robben Island, where he was a political prisoner for many years. I especially thought of him as I was writing this column and watching the presentation of the Nobel Peace Prize to U.S. President Barack Obama on television from Oslo. As a Norwegian, I am proud that the Nobel Prize committee made this controversial gesture and am sure that President Obama will prove to the global community that he is worthy of this recognition of the hope for peace for all mankind. I was reminded of Nelson Mandela's goal of promoting peace in a society where people of different colors and races live and work together peacefully and respect each other as equals.

I believe that INTOSAI also has a role in world peace—its 189 nations represented by their SAIs work together in a peaceful way. Almost 100 countries are helping to develop and implement professional audit standards under goal 1 of the strategic plan. I believe that almost all members will be involved in capacity-building activities under goal 2, either by supplying or receiving capacity-building programs. More than 100 countries are involved in the work of knowledge-sharing under goal 3. While INTOSAI may not be awarded a Nobel Prize, its strategic work binds its members closely together. I feel privileged to be a part of this international cooperation and the successful implementation of the first strategic plan.

The draft of the strategic plan for 2011–2016 and the comments from INTOSAI members were well received by the Governing Board. Since returning from Cape Town, I have been rewriting the plan and preparing for the goal chairs' input and revisions. I have included paragraphs on the cooperation between INTOSAI and the donor community, the fight against corruption, and the value and benefits of SAIs. Previously, it had been decided that these areas should be incorporated into the next version of the plan pending the signing of the MOU between INTOSAI and the donor community and the results of the work in relevant committees and working groups. In the plan's new chapter, I have added focus areas proposed during the first hearing round, such as the independence of SAIs and the implementation of International Standards of Supreme Audit Institutions (ISSAI) and INTOSAI Guidance for Good Governance (INTOSAI GOVs).

A revised draft will be circulated for comment to the task force that is updating the strategic plan, the Governing Board, and the whole INTOSAI community. It is not too late to contribute new ideas if you missed the opportunity to comment during the first hearing round. I look forward to receiving your responses.

The draft plan, with the revisions that have been agreed upon, will be circulated again to all member SAIs during the spring of 2010. After the task force has gone through all comments, the final draft will be presented to the 60th Governing Board meeting and the XX INCOSAI in South Africa in November 2010.

Please feel free to contact me at astrup@rechnungshof.gv.at if you have comments or would like to give feedback on issues related to implementing INTOSAI's strategic plan.

59th Governing Board Meeting Held in Cape Town South Africa



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| When: | November 16–18, 2009 |
| Where: | Cape Town, South Africa |
| Host: | South African SAI |
| Participants: | SAIs from Australia, China, the Cook Islands, Denmark, Egypt, Estonia, the European Court of Auditors, France, Hungary, India, Ivory Coast, Libya, Mexico, Morocco, the Russian Federation, Saudi Arabia, South Africa, South Korea, St. Kitts and Nevis, Sweden, the United Kingdom, the United States of America, and Venezuela. |

INTOSAI's annual Governing Board meeting was held in Cape Town, South Africa, November 16–18, 2009. Terence Nombembe, Auditor General of South Africa, hosted the meeting in his capacity as organizer of the upcoming XX INCOSAI that will be held in Johannesburg in November 2010.

The board members—18 heads of SAIs from all INTOSAI regions—were joined by observers representing committees, working groups, and task forces for 2 days of discussion and deliberation on a range of important issues. In addition, the board received reports from the goals chairs and approved the annual reports of the General Secretariat, the INTOSAI Development Initiative, and this *Journal*.

Finance and Administration Committee

Osama Jafar Faqeeh, the chair of the Finance and Administration Committee, updated the board on the committee's activities over the past year; he also reported on the activities of the task forces on donor funding and the INTOSAI strategic plan. He noted that INTOSAI had just signed an historic agreement with the donor community that will help build capacity in SAIs (see [page 31](#) for more information on this initiative) and that the strategic plan is undergoing its first major revision since the inaugural plan for 2005–2010. Kirsten Astrup, the Director of Strategic Planning, reported on the status of the 2011–2016 plan. To date, few comments had been received recommending significant revisions to the new draft plan. (See [page 24](#) for additional information on the strategic plan.)

Professional Standards Committee

All goal chairs provided reports. Henrik Otbo, Auditor General of Denmark, reported on the Professional Standards Committee, focusing on the need to increase awareness

of the International Standards of Supreme Audit Institutions (ISSAI) among SAIs and develop a structure or protocol to permanently maintain the ISSAIs. He emphasized that we are leaving the development phase for ISSAIs and reaching a phase that will require harmonizing and eliminating overlap and duplication in them. In addition, Mr. Otbo noted that INTOSAI's focus on increased awareness about the ISSAIs must lead SAIs to work in accordance with the standards. A spirited discussion followed on the subject of how this evolution in the ISSAI process should be handled. As a result, the Professional Standards Committee will prepare a paper on due process concerning ISSAIs to serve as a basis for further discussion at INCOSAI XX in November.

Goal 2: Capacity Building

Ahmed El Midaoui, President of the Court of Accounts of Morocco, reported on goal 2, capacity building. Over the past year, the goal 2 subcommittee led by the United Kingdom's National Audit Office (NAO) has presented its guide, *Building Capacity in SAIs*, which has been translated and is now available in all official INTOSAI languages on the Capacity Building Committee Web site at <http://cbc.courdescomptes.ma>; work is also under way on Russian and Chinese editions. In addition, the NAO has printed editions and sent them to all INTOSAI members in accordance with their expressed language preference. The committee also reached out to the SAI of India as the chair of the goal 3 Knowledge Sharing Committee to ensure broader promotion. The committee is working on the development of two additional guides: *Introducing Professional Qualifications for Audit Staff*, *A Guide for Supreme Audit Institutions*, and *How to Increase the Use of Audit Reports*.

Under goal 2, the SAI of Peru created a software instrument to develop a database of SAI experts and investigators. The SAI of Germany developed a draft guide, *Joint, Coordinated, or Parallel Audit Programs*, which is under review. The SAI of Pakistan drafted *Guidelines for Internship Programs*, which is under review, and continues to work on an outline of its internship program for integrated financial management information systems. The SAI of Germany is currently analyzing input for its draft *Guideline on Peer Reviews*. Due to some organizational changes in the United Nations (UN), our work within the UN/INTOSAI Platform has been delayed.

Jørgen Kosmo, Auditor General of Norway, provided the report for the INTOSAI Development Initiative (IDI). After developing a capacity-building needs assessments framework and toolkit, IDI conducted extensive needs assessments programs in AFROSAI-E (English-speaking AFROSAI), ARABOSAI, ASOSAI, CAROSAI, and OLACEFS. In 2008, IDI launched the Capacity Building Needs Assessment Program in OLACEFS and conducted two programs there. IDI undertook numerous other activities, which are described in the IDI Update on [page 39](#). In addition, Mr. Kosmo highlighted the following IDI activities:

- Over the past year, IDI has developed the following guidance material and handbooks:
 - *Capacity Building Assessment Guide*,
 - *Learning for Impact—A Practice Guide for SAIs*,

- *IDIIASOSAI Handbook on Quality Assurance in Financial Auditing, and Strategic Planning Handbook.*
- A set of internal performance indicators has been developed to measure success in achieving IDI's mission.
- IDI has played an active role in the donor funding memorandum of understanding.
- IDI's annual report will be distributed electronically and is available at www.idi.no.

Goal 3: Knowledge Sharing

Vinod Rai, Comptroller and Auditor General of India, reported on goal 3, knowledge sharing. The Knowledge Sharing Committee has nine working groups and two task forces. Highlights from those reports include the following:

- The Working Group on Public Debt defined a list of experts in public debt auditing (www.wgpd.org.mx).
- The Working Group on IT Audit has six ongoing projects; *Guidelines for Auditing Systems Development* has been completed (www.intosaiitaudit.org).
- The Working Group on Privatization, Economic Regulation, and Public-Private Partnerships developed executive summaries of its guidelines as part of efforts to build an online database of official INTOSAI documents (www.nao.gov.uk/intosai/wgap/home.htm).
- The Working Group on Environmental Auditing enhanced its Web site (www.wgea.org) and held its largest meeting to date, with 180 participants from 66 countries.
- The Working Group on Program Evaluation completed its report on program evaluation, which can be used as an introduction to evaluation for SAIs.
- The leadership of the Working Group on the Fight Against International Money Laundering and Corruption was transferred to the Central Auditing Organization of Egypt, which developed a new Web site, www.wgfacml.cao.gov.eg. The working group also circulated a questionnaire seeking to identify country regulations, policies, strategies, and programs SAIs can use to detect and prevent corruption and money laundering.
- The Working Group on Accountability for and Audit of Disaster-related Aid prepared a first draft of guidance for the preparation, implementation, and reporting of audits on disaster-related aid and has a check list for awareness of fraud and corruption (<http://eca.europa.eu/intosai-aada>).
- The Working Group on Key National Indicators completed a draft guide to key terms and concepts, which is available at www.ach.gov.ru/en/intosiakni.
- The Working Group on the Value and Benefits of SAIs prepared and distributed a principle paper on that subject for the XX INCOSAI; the paper is available at www.incosai2010.org.

- The Task Force on the Global Financial Crisis held its first meeting in Washington in June and July 2009. Three subgroups were formed and the proceedings are available on the INTOSAI Web site.

Other Board Business

In addition, a number of actions and resolutions were presented, voted on, and accepted by the board. A full report of all resolutions is being prepared by the General Secretariat and should be available shortly. Some of the principal resolutions are described below:

- The Governing Board endorsed a resolution to incorporate the Lima and Mexico Declarations in international law. This is expected to contribute to greater efficiency in government and assist in achieving the Millennium Development Goals.
- The Organization of Supreme Audit Institutions of Portuguese Speaking Countries (CPLP) was accepted as an associate member of INTOSAI.
- The Governing Board will propose to the XX INCOSAI that the SAI of China be the board's candidate to host INCOSAI XXI in 2013.
- The Communication Strategy Task Force presented the first draft of a *Guideline for INTOSAI Communication* and a survey on communications.
- The Governing Board agreed that the Secretariat would organize a May 2010 conference in Vienna on strengthening external public auditing and independence.

For additional information on the meeting, contact the INTOSAI General Secretariat:

E-mail: intosai@rechnungshof.gv.at

Web site: www.intosai.org

INTOSAI and the Donor Community Sign Historic Agreement and Plan the Way Forward

“Transparency and accountability are not governments’ gracious concessions; instead, they are the legal, ethical, and moral obligation that no one can overlook.”

*—Arturo González de Aragón,
former Chairman, INTOSAI
Governing Board, and Auditor
Superior of Mexico*



Mr. González de Aragón signs the MOU on behalf of INTOSAI.

Signing Ceremony for the Memorandum of Understanding between INTOSAI and the Donor Community

When: October 20, 2009
Where: Brussels, Belgium
Who: Signing the Memorandum of Understanding for INTOSAI: Arturo González de Aragón

Signing the Memorandum of Understanding from the donor community:

- African Development Bank
- Austrian Development Agency
- Belgian Foreign Affairs, Foreign Trade, and Development Cooperation
- Canada
- United Kingdom Department for International Development
- European Commission
- International Monetary Fund
- Ireland
- Netherlands Ministry of Foreign Affairs
- Norwegian Agency for Development Cooperation
- Switzerland
- Sweden
- United States of America
- World Bank
- Inter-American Development Bank (signed on October 28 in Washington, D.C.)

On October 20, 2009, representatives from countries and donor institutions and the Chair of the INTOSAI Governing Board signed a memorandum of understanding (MOU) that paves the way for stronger capacity building of supreme audit institutions (SAI). Organized by the Belgian government and the European Commission, the signing ceremony was held in a large salon framed by glass walls and a glass ceiling that appropriately reflected the transparency the agreement is expected to foster.

In introductory remarks, Arturo González de Aragón, then Chair of the INTOSAI Governing Board, described the history of INTOSAI and how, from its inception, it had focused on promoting experience and knowledge exchange as well as strengthening SAIs worldwide. He declared in his remarks that “the signing of this Memorandum of Understanding is the conclusion of a continuous effort to strengthen supreme audit institutions’ capacities, which improve governments’ performance.”

The signing ceremony was the result of almost 2 years of effort on the part of the donor community and the INTOSAI donor funding task force led by Gene Dodaro, Acting Comptroller General of the U. S. Government Accountability Office (GAO). In September 2009, the Secretary General electronically distributed the MOU to the Governing Board members and received their approval of it. The board members reconfirmed their approval and support for the ongoing efforts of the donor funding task force at the Governing Board meeting in Cape Town, South Africa, in November 2009.



INTOSAI representatives at the signing of the MOU in Brussels: (front row, left to right) Gene Dodaro (United States of America), Arturo González de Aragón (Mexico), Osama Faqeeh (Saudi Arabia), Josef Moser (Austria), Ahmed El Midaoui (Morocco), Frank Vanstapel (Belgium); (back row, left to right) Jørgen Kosmo (Norway), Gregory G. Teu (Tanzania), John Muwanga (Uganda), Philippe Roland (Belgium).

Memorandum of Understanding

The MOU brings together all the SAIs and the donor community in a common approach that provides (1) a strategic focus for donors and the SAI community in strengthening SAI capacity in developing countries and (2) a variety of mechanisms to facilitate donor funding and support in line with donor mandates, priorities, and requirements. The MOU outlines the principles that will govern this initiative and expresses the donors' intent to strengthen audit capacity in partner developing countries so that there is sustained improvement in national (public sector) accountability, transparency, and governance.

The MOU also includes the following underlying principles:

- The SAI community will endeavor to develop individual country-led strategic plans and development action plans that are comprehensive, realistic, and prioritized.
- INTOSAI will endeavor to achieve the strategic goals set out in the INTOSAI strategic plan.
- The donor community
 - declares its commitment to respecting SAI country leadership, independence, and autonomy in developing strategic and development action plans,
 - will endeavor to mobilize additional resources to support the strategic development action plans, and
 - declares its commitment to delivering financial and other support for audit capacity-building programs in a harmonized and coordinated manner.

The MOU calls for the establishment of a steering committee, comprising representatives from INTOSAI and the donor community, to provide strategic guidance and counseling to the parties. The steering committee will establish a Secretariat to provide administrative support to the steering committee.

In comments prepared for the signing ceremony, John Muwanga, Auditor General of Uganda, recognized the importance of the agreement, highlighting the increasing significance and recognition that SAIs are receiving from the donor community:

“Donors are increasingly appreciating the role that SAIs undertake in promoting public sector transparency and accountability within the wider sphere of good governance. . . . [T]he role of the SAI in providing the necessary fiduciary assurance is therefore more crucial now than it ever has been. Corruption and abuse of public resources impede effective resource mobilization and allocation. The SAI’s role in bringing about greater accountability and ensuring that funds are used for their intended purpose enables resources to be continually directed towards planned programs which are designed to tackle and enhance poverty reduction measures and bring about economic development.”

Technical Meeting of Donors and INTOSAI

On October 21, the day after the signing, representatives from the donor community and INTOSAI met to discuss the next steps in implementing the agreement.

Ahmed El Midaoui, President of the Court of Accounts of Morocco, generously offered to host the first meeting of the steering committee. This meeting will be held February 22–23 in Marrakech, Morocco. Jørgen Kosmo, the Auditor General of Norway, offered to prepare the initial documents needed to support the first meeting. Work is under way to develop two discussion papers for this meeting. One addresses the steering committee, its work program, and operational and funding modalities. The other outlines the roles and responsibilities of the Secretariat and discusses possible hosts for the Secretariat.

For additional information, contact Mary Mohiyuddin, the U.S. GAO's Capacity Building Coordinator, at spel@gao.gov.

Subcommittee on Financial Audit Guidelines

INTOSAI nominated Gert Jönsson, chair of the Subcommittee on Financial Audit Guidelines (FAS) and the Deputy Auditor General of the Swedish National Audit Office, to be a member of the International Auditing and Assurance Standards Board (IAASB). Mr. Jönsson was appointed to this post at the IAASB's meeting in Madrid in September 2009 and took up his new duties at the end of 2009. He succeeds Steen Berndt Jensen, and his technical advisor on the board will be Jonas Hällström, the director of FAS.



Gert Jönsson

The IAASB is one of the International Federation of Accountants' 10 independent standard-setting bodies. It has 18 members, 3 of whom represent the public sector. Since 2004, INTOSAI has nominated a representative to fill one of these three positions.

Over the past 20 years, Mr. Jönsson has held several management positions at the Swedish National Audit Office and has solid financial audit experience. For many years, he was responsible for the office's international cooperation, which has resulted in a wide range of international contacts. Mr. Jönsson has chaired the FAS since 2005; during this time, he has played a key role in INTOSAI's cooperation with the IAASB. (See the editorial and the article on [p. 11](#) for additional information about INTOSAI's cooperation with the IAASB.)

For additional information, contact the FAS Secretariat: projectsecretariat@riksrevisionen.se.

Working Group on Environmental Auditing

The Working Group on Environment Auditing (WGEA) held its eighth steering committee meeting August 3–6, 2009, in Bali, Indonesia. The working group would like to thank Anwar Nasution, the former Chairman of the Audit Board of Indonesia, for his kind hospitality and the staff of the Indonesian SAI for their superb organisation of the event. In Bali, the steering committee reviewed the first drafts of working group guidelines that are to be finalized and delivered to the INTOSAI community at INCOSAI XX in November 2010. These seven new documents address climate change, sustainable energy, forests, fisheries, minerals and mining, environmental accounting, and international agreements. They represent a joint effort by 33 member countries; the working group would also like to express its gratitude for their hard work.

All the meeting materials, including the minutes and other relevant information on environmental auditing, are available on the WGEA Web site: www.environmental-auditing.org.

Upcoming Meetings of the WGEA

The WGEA's ninth steering committee meeting will be held February 15–18, 2010, in Dar es Salaam, Tanzania. The purpose of the meeting is to discuss further (1) the guidance documents, other projects, and plans to communicate them and (2) the development of the 2011–2013 work plan. The steering committee aims to approve the final drafts of the guidance documents at this meeting.

The 13th meeting of the WGEA will be held in China June 7–11, 2010, to approve all developed documents and the new work plan for 2011–2013. The meeting will also give participants the opportunity to share their experiences and knowledge in various fields of environmental auditing through tutorials and workshops. Invitations to the meeting will be sent out to all INTOSAI members, and the working group is looking forward to active participation.

WGEA's 2008–2010 Work Plan

The 2008–2010 work plan is the most extensive and ambitious one since the working group was established in 1992. It includes the following:

- Develop new audit guidelines on
 - climate change (Norway),
 - sustainable energy (Czech Republic),
 - forestry (Indonesia),
 - minerals and mining (Tanzania), and
 - fisheries (South Africa).
- Develop a study on environmental accounting: current status and option for SAIs (United States).

- Develop, in cooperation with the United Nations Environment Programme (UNEP), a manual on auditing multilateral environmental agreements.
- Conduct a global coordinated audit on climate change (Canada).
- Encourage regional cooperative audits.
- Develop a biodiversity auditing training course and web page (Brazil and Canada).
- Conduct an annual collection of environmental audits and the sixth survey (Estonia).
- Publish the *Greenlines* newsletter (United States).

The work plan has been implemented under the leadership of the new Chair, the SAI of Estonia. The Chair appreciates all the hard work of the project leaders and their subcommittee members, who have put forth every effort to meet established goals, follow project plans, and deliver agreed outcomes on time. The results of the work plan will be presented during the June 2010 WGEA meeting in China and at the November 2010 INCOSAI XX in South Africa, but a great deal of work has already been accomplished.

Hosts Needed for Upcoming WGEA Meetings

The WGEA is looking for SAIs who would be interested in hosting one of the following meetings that have been scheduled for 2011–2013.

- Spring 2011: 10th steering committee meeting
- January/February 2012: 14th working group meeting
- Autumn 2012: 11th steering committee meeting
- Spring 2013: 12th steering committee meeting

Please contact the Secretariat if you are interested in hosting one of these important events.

For additional information, contact the WGEA Secretariat:

E-mail: info@wgea.org

Web site: www.environmental-auditing.org

Working Group on Key National Indicators Meets in Beijing

The Working Group on Key National Indicators held its second meeting in Beijing, April 21–22, 2009, with 34 participants from 16 SAIs. The meeting was hosted by the China National Audit Office (CNAO), and Liu Jiayi, Auditor General of the CNAO, delivered an address at the opening ceremony. Other participants included Sergey Vadimovich Stepashin, Chairman of the working group and Chairman of the Russian SAI, and Valentyn Kostiantynovych Symonenko, Chairman of the Ukrainian SAI.

During his opening speech, Mr. Liu stressed the importance of key national indicators as a mechanism to assess the development of countries, improve the performance of government, and strengthen government accountability. Researching, establishing,

and using key national indicators will undoubtedly play an increasingly important role during the current global financial crisis in promoting policies to help governments achieve their goals and helping SAIs fulfill their responsibilities. Mr. Liu stated that during audits in China, especially performance audits, the CNAO paid significant attention to collecting key indicator information on the economy, society, zoology, environment, culture, resources, and people's livelihood. The CNAO used this information to carry out audits in areas such as the environment, education, public health, social security, and fixed asset investment.

During the meeting, participants discussed the current work of the group and the working plan for 2009–2010; they also discussed the concept mechanism for developing and using a key national indicators system. In addition, CNAO representatives submitted a paper on relevant assessment indicators and their utilization in audit on scientific developments in China.

For additional information contact the working group at intrel@ach.gov.ru.

New ASOSAI Secretary General

In October 2009, the ASOSAI Assembly unanimously elected Hwangsik Kim, Chairman of the Board of Audit and Inspection of Korea, as new Secretary General of ASOSAI for a 3-year term beginning on the date of election.

Mr. Kim stated that he would like to focus on (1) fully supporting member SAIs in their initiatives to face the challenges of the 21st century and (2) enhancing cooperation and collaboration among member SAIs and with other INTOSAI regional organizations to promote knowledge-sharing.



Hwangsik Kim

For additional information, contact ASOSAI:

E-mail: koreasai@koreasai.go.kr

Web site: www.asosai.org

ASOSAI Seminar on Social Security Audit Held in Beijing

The ASOSAI Seminar on Social Security Audits was held in Beijing September 1–8, 2009, with 29 participants from 26 SAIs in attendance. Participants shared their national policies and regulations on disaster relief funds and government-subsidized housing programs and exchanged ideas and audit case studies related to these topics.

Through this seminar, ASOSAI members gained an idea of how Asian countries have audited disaster relief funds and government-subsidized housing programs, and expanded their vision on how to carry out social security performance audits.



Participants in the ASOSAI Seminar on Social Security Audits held in Beijing in September 2009.

For additional information, contact ASOSAI:

E-mail: koreasai@koreasai.go.kr

Web site: www.asosai.org

Transregional Program on Public Debt Management Audit

An 8-week e-learning course entitled Audit of Public Debt Management was conducted from early October to late November 2009 as the first activity of the Transregional Program on Public Debt Management Audit. The course was delivered in French and English to approximately 90 participants from 31 SAIs in AFROSAI-E (English-speaking AFROSAI), AFROSAI-F/CREFIAP (French-speaking AFROSAI), ARABOSAI, ASOSAI, CAROSAI, EUROSAI, and PASAI. The program, which will continue until 2011, is being delivered in cooperation with the Debt Management Program of the United Nations Conference on Trade and Development, the United Nations Institute for Training and Research, and the INTOSAI Working Group on Public Debt. Each team is also expected to develop a plan for a public debt management audit to be carried out in its SAI and write a proposal for adapting the INTOSAI guidance for its SAI.

IDI/AFROSAI-E Management Development Program



Participants in the Leading an SAI Workshop in South Africa included the Auditors General of Mauritius and Tanzania and their deputies and the Deputy Auditors General from Ethiopia and Zambia.

Approximately 50 participants from 23 SAIs convened in South Africa in October 2009 for the Head of SAI/Senior Management Workshop entitled Leading an SAI. This was the first workshop in the Management Development Program that IDI launched in cooperation with AFROSAI-E. The program, which runs from 2009 to 2010, will target three levels of leadership in an SAI—heads of SAI and senior management, directors and deputies, and team leaders. The program will cover both strategic and technical management issues.

IDI/ADB/PASAI Cooperative Performance Audit Program

IDI, the Asian Development Bank (ADB), and PASAI are cooperating to deliver a Cooperative Performance Audit Program in the PASAI region during 2009–2010. The program's primary objective is for participating audit offices to increase their performance audit capabilities by learning from others through a cooperative performance audit. The audit will assess the effectiveness of solid waste management

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.

within the audit jurisdictions of the participating audit offices. In October 2009, the teams from the 10 participating SAIs met for a 2-week joint audit planning meeting in Fiji to present the preliminary studies from their respective jurisdictions and work together to develop detailed audit programs suited to their needs. After the planning meeting, the teams were expected to carry out the necessary field work and analysis and prepare a draft performance audit report that they will present at the audit report review meeting in March 2010.

IDI/AFROSAI-E Strategic Planning Program



Marc Benstrong, the head of the Seychelles SAI, and two of his team members took part in the operational planning meeting in South Africa for the Strategic Planning Program.

IDI and AFROSAI-E conducted two rounds of the Strategic Planning Program in 2006–2008. During these programs, the participating teams developed strategic and operational plans. In October 2009, strategic planning teams from the 10 participating SAIs convened for a 3-day operational planning meeting in South Africa to review the implementation status of the strategic plans and share experiences related to the challenges and successes of implementation. The teams also received expert and peer feedback on tackling operational issues.

IDI/OLACEFS Needs Assessment Program

In November 2009, IDI and OLACEFS completed the second round of the Needs Assessment Program in the region when the last group of nine SAIs met in Uruguay for a needs assessment review meeting. The meeting provided an opportunity for the teams to present the results of the needs assessments conducted in their SAIs, receive feedback from their peers and discuss ways to proceed, and plan how to use the results from these assessments to develop their SAIs' capacities. A total of 17 SAIs in OLACEFS now have teams trained in capacity-building needs assessment.

IDI/ARABOSAI Strategic Planning Program

In 2009, IDI launched an ARABOSAI Strategic Planning Program designed to enhance SAI capacity in strategic planning and enable SAIs to develop and manage the implementation of strategic plans. In October 2009, a strategic planning meeting was held with the heads of seven participating SAIs to discuss and agree on the content, roles, and responsibilities for the program. In November 2009, the instructors met to prepare for the Strategic Planning Workshop, scheduled to take place in March 2010. During this program, the strategic planning teams from the participating SAIs are expected to prepare draft strategic plans for their SAIs. The program will also include a module on operational planning and development of operational plans to facilitate the implementation of strategic plans.

IDI/CAROSAI Program on Quality Assurance in Financial Auditing

In September 2009, a workshop on Quality Assurance (QA) in Financial Auditing was delivered to QA teams from 13 SAIs in CAROSAI. After this workshop, the participating teams planned and carried out two pilot QA reviews in their SAIs and tested the draft QA manual developed as part of the program. In December 2009, the teams reconvened to receive peer and expert feedback on their pilot QA reviews and give feedback on the QA manual. At the end of this program, each SAI will have a team trained in conducting QA reviews for financial audits and a QA manual adapted to their environment and in line with international best practice.

IDI/AFROSAI-F/CREFIAF Train the Trainer Program

IDI staff, a subject matter expert, and a group of seven newly certified IDI training specialists convened in Djibouti in October 2009 to review and adapt the 2-week course on Audit Methodology developed during the Course Development and Instructional Techniques Workshop held in Tunisia earlier that year. In December 2009, the new training specialists delivered the course in Morocco to 27 participants from the region.

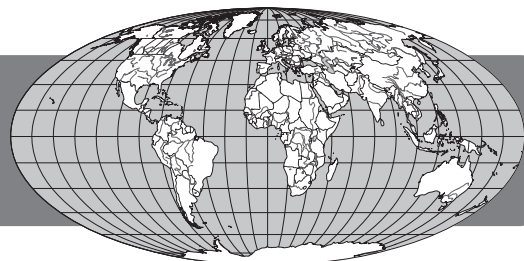
Contacting IDI

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

E-mail: idi@idi.no

Web site: www.idi.no

INTOSAI 2010 Events



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|---|---|---|
| <p>January</p> <p>TBD Meeting of Subcommittee 3 (Promote best practices and quality assurance through voluntary peer reviews) of the Capacity Building Committee, Bonn, Germany</p> | <p>February</p> <p>15-18 Steering Committee meeting of the Working Group on Environmental Auditing, Dar es Salaam, Tanzania</p> <p>16-18 Subcommittee on Internal Control Standards meeting, Moscow, Russian Federation</p> <p>22-23 Steering Committee meeting of Donor Funding Task Force</p> | <p>March</p> <p>31-April 2 Finance and Administration Committee meeting, Caracas, Venezuela</p> <p>3 IDI Board Meeting, Oslo, Norway</p> <p>23-25 Global Working Group meeting, Sydney, Australia</p> |
| <p>April</p> <p>6-8 Working Group on Key National Indicators meeting, Astana, Kazakhstan</p> <p>15-17 Working Group on IT Audit meeting, Beijing, China</p> | <p>May</p> <p>5-7 Steering Committee meeting of the Professional Standards Committee, Copenhagen, Denmark</p> <p>10-11 Meeting of the Working Group on Privatization, Economic Regulation and Public-Private Partnerships, London, United Kingdom</p> | <p>June</p> <p>7-11 Assembly of the Working Group on Environmental Auditing, Guilin, China</p> |
| <p>July</p> | <p>August</p> | <p>September</p> |
| <p>October</p> <p>26-27 10th ARABOSAI General Assembly, Saudi Arabia</p> | <p>November</p> <p>22-27 60th INTOSAI Governing Board meeting, XX INCOSAI, 61st INTOSAI Governing Board meeting, Johannesburg, South Africa</p> | <p>December</p> |

TBD = To be determined

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.

INTOSAI

