



13 July 2020

## **The Role Supreme Audit Institutions in Auditing Emergency Funding**

Dear Ms. Kristalina Georgieva,

We wish to thank the IMF for its agile and unprecedented response to the Covid-19 pandemic, and the emergency financial support provided to countries in need across the world. We understand the IMF has received emergency loan requests from over 100 countries and is providing support through Rapid Credit Facilities (RCFs) and Rapid Financing Instruments (RFIs). We greatly appreciate that in the Letters of Intent (LoI) around these emergency loans, the IMF has, in many countries, emphasised the important role played by Supreme Audit Institutions (SAIs). Independent, credible and professional SAIs are a key part of national public financial management systems, helping to ensure borrowers can repay the IMF, and that such funds contribute to achieving country goals including macro-economic stability, sustained inclusive growth, gender equality and poverty reduction.

INTOSAI and the IMF have a shared goal to ensure transparency, accountability and inclusiveness in the use of government expenditure, including emergency funding, through encouraging and supporting SAIs to undertake relevant, high quality audits and report their findings. To enable this, we have a shared vision of independent, credible and professional SAIs, and a commitment to support SAI development.


In the [Memorandum of Understanding](#) between the International Organisation of Supreme Audit Institutions and the Donor Community, signed by IMF 20 October 2009, all parties recognised that SAIs need to be independent institutions with a special position outside the executive branch of government, as well as the importance of SAI leadership at the country level in leading SAI reforms. Recalling this, we firmly believe that audit related commitments and conditions in loan agreements necessitate a dialogue with SAI leadership. We consider it imperative that the design of such commitments and conditions are led by the SAI, rather than imposed by either the IMF or the executive. The [Mexico declaration on SAI independence](#) makes clear that an independent SAI must have, amongst others, the right to select its audits, conduct its work, report on and publish its findings without interference from the executive. We believe SAIs are best placed to consider what audits can and should be delivered in response to Covid-19 and emergency funding, considering the SAI's resources and other planned audits.

In light of this, we call for enhanced dialogue, at the country level, between the IMF, SAIs and stakeholders on the audit of emergency finance and the institutional and organisational reforms needed to enable SAIs to conduct their work in an independent and professional manner. INTOSAI and IDI commit to encourage and support SAIs to participate in such dialogue.

We further suggest establishing an annual dialogue between IMF and the INTOSAI community, facilitated by IDI, with involvement of all stakeholders, to share views, experiences, learn lessons and track progress in the audit of emergency funds.

Reflecting on our shared objectives, we look forward to developing a constructive relationship between our organisations to further strengthen Supreme Audit Institutions and ensure increased transparency, accountability and inclusiveness in the use of public funds.

Yours sincerely,



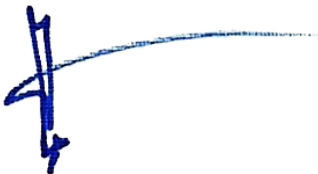
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Mr. Alexei Kudrin  
INTOSAI Chair  
Chairman of the Accounts Chamber of the  
Russian Federation




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Dr. Margit Kraker  
INTOSAI Secretary General  
President of the Austrian Court of Audit



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Dr. Hussam Alangari  
Chair, INTOSAI Policy, Finance and Administration  
Committee  
President of the General Audit Bureau, Kingdom  
of Saudi Arabia



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Mr. Gene L. Dodaro  
Vice-Chair, INTOSAI Policy, Finance and  
Administration Committee  
Comptroller General of the United States and  
Head of the US Government Accountability  
Office



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Mr. Per-Kristian Foss  
Chair, INTOSAI Development Initiative  
Auditor General, Norway