

ANLAGEN

Referate und Präsentationen

4. Arbeitsgruppenberichte
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1. question:

The capacity of SAIs to contribute to the fight against fraud and corruption differs according to the nature and scope of SAIs' mandate and assignments stated in their charters. Some SAIs are responsible for pre and post audits, while others only conduct post audits. Furthermore, some SAIs are entitled to suggest amendments to existing laws or are even proposing new laws, in order to deal with points of weakness or loopholes in existing laws or regulations. Some SAIs are also entitled to participate actively in defending law suits against governmental authorities involving public funds.

Generally speaking, SAIs can contribute to the fight against corruption and detection of fraud nationally through:

- Training qualified professional cadres who are able to undertake audit operations and performance audits in a highly professional and objective manner which enable SAIs to accomplish their missions and objectives effectively and efficiently.
- Introducing an effective and preventive internal audit system in all governmental agencies in order to ensure timely detection of fraud, symptoms of corruption and misuse of public funds.
- Ensuring professional, credible and reliable reports, based on objective analysis according to sound professional standards upon which legislative bodies can rely when evaluating or judging fraud or corruption cases and prosecuting the suspects.

At international level, SAIs can contribute to fighting corruption and fraud by:

- Setting, publishing and disseminating professional audit standards on the widest possible scale;
- Supporting the adoption and adherence of good governance, transparency, full disclosure and accountability;
- Strengthening cooperation and working relationships, close coordination with other institutions involved in safeguarding integrity and fighting corruption in all its forms, as well as promoting the exchange of information, knowledge-sharing and forming strategic alliance with these institutions.

2. question:

1- INTOSAI can contribute to the fight against corruption and fraud by developing and elaborating a comprehensive framework of auditing and professional standards. A framework which auditors can rely on, when implementing best practices in order to tighten the grip on attempted misuse of public funds, all forms of fraud as well as eradication of corruption.

2- Focusing on the development of well qualified professional staff in SAIs of developing countries through comprehensive training programs, as well as securing the necessary financing of such programs and elaborating operational manuals. In this way highly professional cadres capable of detecting fraud and corruption symptoms are able to produce professional reliable reports on such cases.

3- Intensifying coordination and the exchange of reliable information, as well as enhancing full cooperation amongst SAIs, by using modern communication technologies such as the INTOSAI Online Collaboration Tool.

3. question:

1- Ensuring full institutional independence of SAIs – at operational, financial and administrative level.

2- Adapting and implementing the standards of good governance, transparency, full disclosure and accountability.

3- SAIs should report directly to the legislative bodies in order to avoid any influence of the executive bodies.

4- Ensuring the highest standards of quality, depth, credibility and professionalism of SAIs' reports, so that they may serve as a reference for legislative bodies in evaluating the performance of executive bodies.

5- Providing sufficient incentives, immunity and protection for SAI employees.

6- Consolidating and promoting the culture of transparency, openness, full disclosure and accountability as well as the full adherence to both, the code of professional conduct and the code of ethics, in order to ensure that SAIs become a model organisation, which lead by good example.

I:

What specific contributions can Supreme Audit institutions make towards fighting fraud and corruption, both in their own countries and on an international level?

- Effective Auditing to enhance transparency
 - Auditing: financial, performance, management, forensic – should be characterized by effective risk-analysis (vigilance)
 - Auditing Vigilance has to do with effective review of the control environment as lack of control create opportunities for fraud and corruption.
 - It also entails the review of policy framework for all key-operations and SAIs comment on the status thereof and summarized points of weakness that require leadership action.
 - Reporting: at parliamentary level, annual report
 - Communication: executive to oversight level and general public
 - SAI can also participate in the procurement process as an independent observer, e.g. in the procurement board/committee.
 - Integrity is fundamental to Good Governance; SAI's should evaluate the status of management integrity and transparency and report accordingly.
- Collaboration with other fraud and anti-corruption agencies within the country
 - Need for clear responsibility and ownership framework, including the role of anti-corruption agents, internal auditors and SAIs to ensure effective leadership and follow through of corruption cases to their logical conclusion.
- Common definition of corruption

- Need for common definition in line with the nature of intervention: for repression you need a clear definition that helps to focus detection activities. For prevention you need a wider definition that will serve to prevent unprecedented corrupt behaviour (e.g. Worldbank definition)

II.

What should the role of international institutions be in a global anti-fraud and anti-corruption network; what expectations is it reasonable to have over the likely role and influence of these bodies, and how can they be used to enhance communication channels to better target efforts against fraud and corruption?

- Explore the feasibility of database and benchmarks for fraud and corruption indicators that will signal emerging issues and red flags. Characteristics of a relevant database and benchmarks could include:
 - Effective research to ensure credibility of information
 - Clear responsibility for ownership and custodianship; opportunities for cooperation at level of INTOSAI (as ultimate custodian) with OECD and other international organisations.
 - Constant maintenance and regular updates - to ensure usefulness of information
- Technical assistance through seminars and training on the use of indicators. SAIs could through IDI organize the participation of expert international organisations.
- Use of International Organisation to influence and enable governments
 - to fight fraud and corruption and
 - to use existing benchmark (Transparency International or Worldbank),
 - to dissemination of Code of Ethics,
 - to administer appropriate training of public servants.

- Influential international organisations such as (Worldbank, UN) could promote the recognition of SAI Independence by adopting the Lima/Mexico-Declaration, and persuading their member states to do likewise.

III.

How can the independence and capacity of SAIs be further strengthened, so that they can further enhance their contribution to assisting public sector bodies and legislatures to fight fraud and corruption efficiently and credibly?

- Need for implementation guide for the Lima and Mexico Declarations that are applied differently in different SAIs
 - Provide best practice and benchmarks for:
 - Financial independence
 - Legislative independence and mandate
 - Operational independence
- Greater collaboration with Internal Audit in order for SAI recommendations on risk of fraud and corruption to be better implemented. Clear charter and approval thereof at the highest level to provide appropriate authority for Internal Audit.
- Leading by example - "licence to operate": SAI should be sure that corruption is not endemic in their organisation and ensure professionalism of the auditors through:
 - Self-assessment on integrity status
 - Peer reviews
 - As the fighting of corruption is dangerous, effective leadership and leadership training would be paramount for the protection of staff against victimisation.
 - building human capital.

Discussion Summary Working Group 2 (English)

Chair: A. Nasution/Indonesia

Participants: Malta, Vietnam, Sri Lanka, Malaysia, Papua New Guinea, Tonga, European Court of Auditors, Korea (Rep.of), Indonesia;

1. Contributions of SAIs towards fighting fraud and corruption

- SAIs recognize that they have no legal mandate to prosecute fraud and corruption.
- However they could still contribute by collecting evidence in the course of conducting their audits and by pointing out suspected cases of fraud and corruption to the appropriate authorities to take further action.
- In order to carry out the function that is expected from them they need to develop competence and capacity so that they can assist the relevant authorities in pursuing their investigations;
- SAIs should introduce alternative communication channels for the public to inform them of suspected cases of fraud and corruption; need to engage all stakeholders in the audit process;
- Need to perform a pro-active role by engaging SAIs in direct discussion with auditees on system controls.

2. International Institutions (II) – role and expectations

- II should take the lead in providing the information framework;
- Necessity to standardize information and enhance information sharing so that information should be consistent over time and across sectors; establish audit trail, data base on fraud and corruption;
- Provide guidelines and establish specific mechanisms for SAIs to assist in the audit process; more insight in the activities of NGOs desirable;
- II should make it a condition that NGOs only get the funding from donors through the government if they fulfil accountability requirements and specific criteria.

3. Independence and capacity of SAIs

- 1. Technical aspect:
 - Capacity building through cooperation within INTOSAI, regional groupings and IDI;
 - Capacity of SAIs would be enhanced through extended partnership (cooperation/coordination) with all stakeholders, provided that this cooperation is very transparent in order not to jeopardize SAI independence;
 - Capacity of auditors is increased by enhancing their skills and competence and the improvement of working conditions and facilities;
- 2. Political aspect:
 - Politicians in countries concerned have to see value of well-functioning SAIs;
 - Awareness building among legislators about role of SAIs and the importance of transparency and accountability;
 - UN should be urged to adopt the Lima and Mexico Declarations on SAI independence in an UN-Resolution.

English 3

Chair: Jorgen Kosmo

1. What specific contributions can SAIs make towards fighting fraud and corruption?

- to take own responsibility to develop themselves to state of the art audit (capacity competence, methodology), with appropriate focus on contributing to preventing fraud and corruption (credibility, integrity) and to use international cooperation to become better
- good communication with the public and the media via their reporting (transparency, accountability)
- to promote transparency and accountability, influence the Government to establish / improve legislation properly designed to prevent fraud and corruption, particularly in the procurement process
- to encourage the establishment & proper functioning of a cost effective internal control process and to promote the use of internal control standards and code of ethics/code of conduct (e.g. importance of prevention of conflict of interest)
- to push the legislator as to secure the independence of the SAIs in their function and to make sure that their legal mandate makes it possible to conduct efficient auditing (including access to all relevant information)
- as, with the financial crisis, the risk of corruption will very likely increase, SAIs should shape the audit planning so to focus more on those fields more prone to corruption (resulting from a proper risk analysis)

2. What should the role of international institutions be?

- Many institutions have the responsibility in the fight against fraud and corruption, i.a. UN, World Bank, and also the EU. The donor institutions must make sure that the money is used as intended and ensure national Government's commitment to fight corruption. Particular focus needs to be given to building national infrastructure to secure and follow up.

- SAI and private sector auditors must continue working together on auditing standards for financial, compliance and performance audits.

3. How can the independence and capacity of SAIs be further strengthened?

- need for an UN resolution - referring to Lima and Mexico declarations - which states the need of independence of the SAIs
- make best possible use of capacity building and knowledge sharing initiatives, seek contact with other institutions, promote and apply best practice (professionalism, compliance with our own standards)
- to practice a system of peer review from other SAIs to keep the SAI on the edge
- in view of the financial crisis and in particular the expanding state ownership in the financial sector, as the SAIs apparently have limited and quite divergent competences in this field, it is important to have an inventory about the SAIs competences in order to find out best practice

QUESTIONS POUR LES GROUPES DE TRAVAIL DU
20ème SYMPOSIUM ONU/INTOSAI :

1. Quelles contributions spécifiques les ISC peuvent-elles apporter en matière de lutte contre la fraude et la corruption tant au niveau national qu'à l'échelle internationale ?

- Professionalisation, the adoption of best practices, and using time-tested skills and benchmarkings may allow SAIs to better contribute to the fight against corruption.
- All state players should apply a large measure of professionalism so that the cooperation with the SAI can better address the problems related to corruption.
- The existence of standards and of qualified, independent and efficient internal control functions can help to fight corruption more effectively.
- SAIs should develop and disseminate best practices as regards the detection of fraud and corruption.
- During their audits, SAI auditors could identify factors suggestive of corruption more readily if their analytical skills were strengthened.

2. Quel rôle devraient jouer les Institutions internationales dans un réseau mondial contre la fraude et la corruption; quelles sont les attentes par rapport au rôle et à l'influence de ces organismes, et comment peut-on les utiliser pour renforcer les canaux de communication afin de mieux cibler les efforts dans la lutte contre la fraude et la corruption ?

- Promote specific collaboration among SAIs as regards organised crime. This collaboration could consist of preparing suitable manuals that are unanimously adopted.
- International institutions could cooperate with SAIs in specific areas :
 - Cooperation could consist of information sharing, and of research and studies being carried out on the issue of corruption.

- Cooperation with international NGOs is desirable within reasonable limits.
 - International fora could be organised with a view to exchanging information on the fight against corruption.
 - Partnering with SAIs, international organisations should help SAIs build the required capacities and develop suitable analytical instruments to assist them in better addressing the problems related to the fight against corruption.
 - All SAIs in the INTOSAI family should be invited to build their analytical capacities. Apart from adopting best practices, SAIs should avoid a culture of emulation or imitation.
 - International organisations should help SAIs to acquire the required professional capacities and ethics.
 - International organisations can contribute to strengthening the capacity of the internal control functions which through their daily work can help to prevent corruption in a better manner.
 - INTOSAI should examine and propose for adoption the potential for cooperation among SAIs in the field of audit, information sharing and the fight against corruption.
3. Comment peut-on renforcer l'indépendance et les capacités des ISC afin qu'elles puissent davantage consolider leur contribution, à savoir appuyer les organismes du secteur public et les législatures dans la lutte contre la fraude et la corruption de manière efficace et crédible ?
- SAIs should be encouraged to specifically apply the principles of independence adopted by INTOSAI (institutional, functional and financial independence).
 - SAIs should be encouraged to include in the recommendations to their final audit reports suggestions for an amendment of legislation with a view to make of SAI interventions more efficient.

Discussion Results of the Spanish Working Group

Question 1: Contributions of SAIs

- Design a map of corruption risks within the different entities as well as a prevention plan; provide the corresponding follow-up mechanisms for audit findings and strengthen the internal control systems; information and capacity building for the auditees.

Develop capacity building programs aiming to create a culture of zero tolerance of corruption among children and young people.

Establish an authority for follow-up mechanisms for commitments and obligations.

Create mechanisms not exclusively criticizing but also recognizing Best Practice of the auditees.

Promote stronger participation of the civil society assisting SAIs in their audit functions.

Establish national and international cooperation agreements to assist government auditing (for example with the GTZ).

Provide SAIs with a common Handbook similar to those established by international organizations as INTOSAI and OLACEFS.

Establishment of a Latin-American and Caribbean Institute for Capacity Building in the area of government auditing and the fight against corruption to strengthen the professional capacity of SAIs and to offer tools to fight corruption.

• Question 2: role international institutions

Establish a global network against trans-national crime and corruption run by INTOSAI that should count on the necessary assistance of international institutions to create a data-base to avoid trans-national corruption and crime (examples: avoid illegal actions of multinational enterprises regarding public procurement or that civil servants from one

country may take advantage of international privileges although they have been sentenced in their respective countries..)

Promote the follow-up and coordination mechanisms regarding guidelines and declarations approved by the United Nations and INTOSAI.

Establish a consultative expert committee to fight corruption.

• Question 3: Strengthen independence and capacity of SAIs

Carry out studies and revisions of the constitutional and legal framework for the election of head of SAIs and the role of SAIs in each country taking into account the great importance of the independence of SAIs.

Provide utmost publicity and visibility to the audit findings of SAIs.