



23rd UN/INTOSAI Symposium

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23. VN/INTOSAI Symposium

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الندوة 23 للأمم المتحدة والإنتوساي

2 – 4 March 2015, Vienna, Austria

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2 al 4 de marzo de 2015, Viena, Austria

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الموضوع | Tema | Thema | Thème | Topic

UN Post-2015 Development Agenda:

The Role of SAIs and Means of Implementation for Sustainable Development

Agenda de développement de l'après-2015 des Nations Unies :
le rôle des ISC et les moyens pour mettre en œuvre le développement durable

Post-2015 Entwicklungsagenda der Vereinten Nationen:
Rolle der ORKB und Möglichkeiten zur Umsetzung nachhaltiger Entwicklung

Agenda de Desarrollo Post-2015 de las Naciones Unidas:
Papel y Posibilidades de las EFS en la Implementación del Desarrollo Sostenible

خطة الأمم المتحدة لما بعد 2015:
دور الأجهزة العليا للرقابة المالية العامة والمحاسبة ووسائل تحقيق التنمية المستدامة

Summary of key points

BASIC PAPER | RAPPORT DE BASE | GRUNDLAGENPAPIER | PONENCIA BASE | تقرير أساسي

من إعداد | elaborado por | verfasst von | préparé par | prepared by

The technical chairs' summary of key points from the deliberations at the 23rd UN/INTOSAI Symposium

Colleagues, during the last three days the 23rd UN/INTOSAI Symposium set out to answer three main questions:

- Firstly, we considered the **specific expectations that different stakeholders** have towards SAIs with regard to sustainable development? These stakeholders include –
 - ✓ Parliament
 - ✓ Government
 - ✓ Citizens
 - ✓ The United Nations, and
 - ✓ Development aid organisations.
 - ✓
- Secondly, we explored **the prerequisites for SAIs** to participate effectively in strengthening sustainable development?
- In the 3rd place we heard of the **experiences of SAIs** regarding their work in the area of development and in particular the Post-2015 Development Agenda?

We learnt that there are many expectations of the role that SAIs could play in relation to the Post 2015 Development agenda, and the Sustainability Development Goals – these expectations range over a broad spectrum, and are quite diverse. Although these are all potentially good opportunities for SAIs to become even more relevant, it will not be easy for SAIs, and INTOSAI, to respond in all cases and meet all of these expectations. While SAIs embrace the importance of Sustainability Development Goals, we would have to be cautious not to overstretch given the limited resources available to SAIs.

We had wonderful presentations from a variety of speakers and these were followed by very productive groups discussions in the various language groups. The feedback from the groups have all been noted and processed into a set of draft conclusions and recommendations that we will consider in a few minutes time.

However, allow me first to provide an overview of the inputs and presentations made during the last two days:

- **The President of the Federal President of Republic of Austria, Herr Heinz Fischer** welcomed us warmly and was the first to acknowledge and confirm the important role of SAIs and the opportunity that SAIs had, together with the United

Nations and the other important SAI stakeholders to address the challenges and opportunities to presented by the Post 2015 Development Agenda.

- The Secretary General of INTOSAI, Dr Josef Moser, then welcomed all delegates setting expectations with regard to the challenges of public sector accounting frameworks and the need for them to present a true and fair perspective on fiscal sustainability. He also emphasised the need for SAIs the have the guaranteed right to audit financial statements or the public accounts, carry out compliance audits and of course performance. We were reminded that the citizens, a key and significant stakeholder of SAIs, were relying heavily on SAIs for transparency and strengthening of the accountability of government. We were also reminded of the importance of peer reviews, and its crucial role in promoting capacity development of SAIs.

- **Mr Wu Hongbo, the UN Under Secretary General for Economic and Social Affairs, UN DESA**, told us that this 23rd UN/INTOSAI Symposium was very timely – that it reflected the importance that UN and INTOSAI were placing in advancing sustainable development. That this universal agenda by all countries will aspire, through 17 goals and 169 related targets for a better and dignified life for all. He acknowledged that it is a visionary project and that, amongst others, SAIs will need to continue to strengthen their audit methodologies and capacity to support this global initiative. He reminded us that integration will be very important – that SAIs cannot live in a silo and will need to allocate more resources to performance audits so as to be able to advise on the efficiency, effectiveness and economy of the implementation of government policies. He warned that developing country SAIs will require scaled-up support for independence and capacity development, and that the Symposium was a good opportunity to disseminate information on what can be done to improve the capacity of SAIs.

- **Ms Carman La Pointe, the UN Under Secretary General for Internal and Oversight and Services**, spoke on their evaluation results of the Millennium Development Goals and the many lessons learnt in the process. For example, that *measurements mechanisms had not been foreseen at the adoption of the MDGs, a mistake that should not be repeated upon the adoption of the SDGs; that there had been a number of capacity gaps that had not been resourced; that the monitoring and evaluation framework had evolved over time, and had varied considerably and that there was not really provision made for rigorous evaluation. She appealed to all to not regard accountability as a bad word – and that the concept of “mutual accountability” may be the alternative way to approach this important value in the Post 2015 era. She regarded performance audit as a great tool to support monitoring and evaluation of the SDGs and therefore confirmed the important potential value adding role of SAIs; that SAIs could be the honest

broker of the assessments at the national level of government given the SAIs ability to understand the local circumstances. A great challenges identified by Ms La Pointe was reliable data at a local, regional and global level and that this may be another value-adding opportunity for SAIs, including making recommendations for “changes in course” where necessary. She concluded by inviting SAIs to collaborate with UN System Oversight Bodies to share methodologies and to jointly identify challenges facing the Post 2015 Development Agenda .

- **The Chair of ECOSOC**, Herr Martin Sajdic, spoke about the global nature of SDGs and that the international community will require information on the impact of the SDGs. That the review of the implementation must be a multi-level process, from a national, regional, to a global level, creating opportunities for exchanges of experiences. SAIs, as instruments of monitoring and review can ensure public accountability and thus ensure preconditions for the implementation of SDGs – the role of SAIs with regard to the Post-2015 agenda is therefore beyond doubt but that SAIs will have to come to understand what exactly this would entail, and also build the necessary capacity to fulfil such a role.
- **Mr Zhang Tong from the SAI of China as the INTOSIA Chair** shared information on some of their major audit projects in 2014 – he spoke about the real-time audit of the steadiness and healthiness of economic development in China; about the audit of public finance management and budget execution; about the audit of disclosure of risks in economy and society; about the key public funds and projects related to people’s livelihood that they had audited; about the audit of resources and environment, and concluded with the accountability audits that they had recently conducted. The CNAO had recently set up a new department of electronic data audit given the challenges of big data in the Post 2015 era.

After these important introductory presentations, we proceeded to focus on the various stakeholders’ expectations:

- We heard from the **Inter-Parliamentary Union** that they were advocating for a close working relationship between SAIs and Legislatures or Parliaments.

There was a need for a legal framework for Parliaments and SAIs to deal with SDGs, and capacity needed to be built on both sides to deal with the information that will be forthcoming. Sector or portfolio committees can also become involved in the processing of information on the implementation of development goals, and it would be important for legislative committees to improve its capacity to deal with SAI report, but also its own system for follow up. In conclusion, she again recognised the link between SAI work and budget approvals and oversight and indicated that because of this symbiotic relationship between Parliaments and SAIs the IPU had taken up an observer status within INTOSAI.

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- **Michael Linhart, Secretary General and Federal Minister of Foreign Affairs of Austria** reminded us of the three pillars of sustainable development of the Post-2015 Agenda, namely the *social*, *economic* and *environmental* pillars which will be monitored at the political level, by governments and the Parliaments, but that bodies such as SAIs will have to assume a control function by auditing and reporting on the public administrators' use of development funds – in particular the efficiency, economy and whether goals for which funds had been made available were being achieved in terms of clear and measurable indicators.

In order to fulfil these expectations, he suggested that SAIs must be able to audit all relevant areas of national public administration and to make their findings available to the public at large. However, we were reminded that not all SAIs have the requisite mandate to fulfil such an important function, and that efforts must continue to guarantee a uniform level of SAIs and that global players must consider how the independence of SAIs can be promoted and how their capacities can be developed.

- **Ms Margaret Saner, the Chair of the United Nations' Committee of Experts in Public Administration** indicated that we should not under-estimate the change in step that will be required by the Post 2015 Development Agenda and that capacity will be need at all levels of government. She indicated that another challenge would be to translate global goals into national and local goals for which policies had to be developed. Of course, there would be governance risks and challenges associated with this process, and that Leadership attitude and behaviour would be a key success factor. The new goals are people centred and mostly very different from the MDGs. She appealed to SAIs to assess the SDGs without making people so risk averse that public servants would not want to try new things. She indicated that effective governance was a complex network of actors, of which public servants are part, and that SAIs have the opportunity to hold standards high – be the standard bearer of standards and codes of ethics; deep knowledge and skills, but also ability to work collaboratively. Thereby also rebuilding confidence and trust in government among citizens
- From the Development Partners' perspective, **Ms Jennifer Thompson of the World Bank** indicated that SAIs are essential for the management of public resources, and that more than a billion people live in extreme poverty and that therefore the maximisation of resources MUST be achieved. She explained that the structured cooperation between the donors and INTOSAI was based on five principles and worked well – therefore there is increasing donor support. A dedicated multi-donor trust fund has been established to support to SAIs in a sustainable way, and she welcomed that the SAI performance measurement framework was being finalised as an accountability instrument on the part of SAIs. She proposed that collaboration between SAIs, and continual learning amongst SAIs, was important, as was the need for SAIs to be models of integrity,

effectiveness, accountability and transparency. She was looking forward to SAIs continuing to carry out quality comprehensive audits of public funds and service delivery, including development funds, even if they are off-budget, and to provide timely and accessible reports to citizens.

- **The Austrian Development Agency** spoke on development partners' expectations regarding Bi-lateral Cooperation and indicated that bi-lateral development support will be an essential ingredient for post-2015 development to be a success. Therefore open, comprehensive and forward-looking information on resources provided through development cooperation should be publicly provided. The crucial role of SAIs in this regard and in promoting the efficiency, accountability, effectiveness and transparency of public administration is vital as, in turn, this will be conducive to the achievement of national and international development objectives.

The Development Partners also strongly supports the role of SAIs in relation to the combatting of corruption and improving public financial management systems to ensure effective service delivery to citizens and to create a trustworthy environment for investment.

- Einar Gorrison of the **INTOSAI Development Initiative** elaborated on the *challenges and opportunities* for SAIs in Capacity Building by calling our attention to seven important factors for the future capacity development landscape, including –
 - ✓ Increased recognition of the value-adding role of SAIs, and support for SAI capacity development
 - ✓ The importance of needs-based and sustainable capacity development support
 - ✓ The importance of SAI leadership
 - ✓ The importance of ISSAIs as a platform for SAI capacity development
 - ✓ The importance of SAIs demonstrating *relevance and leading by example* as model institutions, and
 - ✓ The opportunities offered by new technology.
- **Mr Amitabh Mukhopadhyay as the Citizen's representative** appealed to SAIs to appreciate the vulnerable and weak position of citizens, and requested strong institutions such as SAIs to help citizens to hold governments to account. Matters identified that directly affect the citizen, in respect of which SAIs have a particular role to play, included matters such as public debt and other liabilities that will impact on our children's futures. SAIs were also asked to help to fight corruption; to keep watch on public-private partnerships and strengthen accountability associated with such instruments; to continue with performance auditing of the health and related sectors, and to audit the regulatory process and governments'

discretion as applied to the use of key resources such as land, water, and fossil fuels.

We were reminded that SAIs have a special responsibility in alerting citizens about the long-term sustainability of public finances and SAIs were therefore challenged to live up to the expectations created by ISSAI 12 on the *Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens* that calls upon SAIs to *demonstrate* their relevance to citizens and not only to parliaments, and that citizens expect a much greater intensity of effort by SAIs in discharging their role.

On DAY 2 we considered the 2nd question dealt with the **prerequisite of SAIs to effectively engage in the Post-2015 development agenda**. The SAI of Mexico The contribution SAIs can make to sustainable development focused a lot on policy audits, including points such as the need for SAIs to apply stringent methods for evaluating the outcomes of public policies; strengthening accountability not only in terms of probity of public spending, but in terms of the results which have been achieved with the public funds (in other words results-based auditing). SAIs can be the independent voice necessary for objective and clear reasoning about the attainment of public policies, but it is important that governments take up SAI recommendations, which identify the challenges and risks of sustainable development.

The SAI of South Africa spoke on the need to attend to capacity at both an institutional/organizational level and at the level of the individual audit professional, and that traditional audit disciplines provided the base for the value-adding role of SAIs, but that SAIs also needed to be responsive to the changing environment, in particular the Post 2015 development agenda and related changes such as the introduction of key national indicators and increasing reporting by Governments on their performance.

The SAI of Brazil spoke about the fact that Public debt solvency remained the main factor determining public financial sustainability, and that transparency and reliability are also essential to fiscal sustainability. A valuable Role of SAIs therefore to sound warning of risks to fiscal sustainability. SAIs also have to monitor Integrity and quality of the public sector system through various audit approaches, supported through the use of data analysis, and by uniting or integrating the different audit approaches. The SAI of Brazil also shared some information on certain initiatives of the TCU to strengthen public sector governance, including definition of fiscal targets, public debt management, budget management performance, and credit recovery performance.

The SAI from the UAE called for “acceptable Financial Reporting Framework for financial sustainability, and appropriately public sector qualified accountants and auditors to fulfil the accounting, auditing and reporting responsibilities required”. That this will help to provide a full picture of the finances including, provisions and current values of key assets, including the future pension liabilities/other social welfare commitments; the cost of replacing and updating current infrastructure and any other liabilities expected to be met in future. The UAE appealed to our stakeholders to realise that SAIs operate within resource constraints, and are called on to do more with the same; reminded us of the importance of acceptable financial reporting frameworks, and SAIs must advocate for this continuously, as well as competent accounting frameworks and audit personnel.

SAI Austria delivered a passionate argument that it was key for citizens’ need to know where they stood as far as the management of public funds was concerned. The public accounts was a key instrument of informing citizens of the financial situation of the State as it impacts on all of our futures. The improvement of accounting systems is therefore key to provide good instruments such as the cash flow statement, balance sheet and operating statement. Since its introduction in Austria, accrual accounting has greatly enhanced the value of financial statements, including disclosure of key risks to fiscal sustainability. SAIs can and should contribute to and support government accounting reforms. He appealed to the INTOSAI’s Subcommittee on Accounting and Reporting to continue and intensify their good work in this area.

1. **The SAI of the Philippines** explained that *citizen participation in audits* is a fusion between formal and informal mechanisms of accountability; that the important elements that have an influence include citizens distrust in government; the need to educate the citizen about the audit process; and the need for a shared agenda towards constructive engagements with the citizens. The SAI Philippines approached this in terms in a very structured programme approach that made it easier to manage the risks, and are confident to deliver more value to its stakeholders, in particular the citizens, by using this approach.

Under **Theme 3: Possibilities for SAIs to effectively engage in the Post-2015 development agenda and experiences of SAIs** there were the following contributions:

SAI Slovenia spoke on putting the safeguarding of sustainable development at the core of SAI’s focus significantly changes the notion of watching over public money. It took some time for government and even society to get used to the SAI auditing beyond probity matters but also value-for-money matters. It therefore had to be emphasized that, in order to maintain our objectivity and to ensure credibility, we do not openly question the policies adopted by the government but rather limit ourselves

to assessing how those policies were implemented and what were the consequences of their implementation or the lack of it. Experience shows that public sector still needs significant amount of review and monitoring in order to improve its efficiency, effectiveness and overall performance.

The **SAI of Ghana** made a presentation on their experiences of auditing themes related to development goals – this included:

- audits of water provision to rural communities – the audit resulted in the World Bank intervening and assisting with the completion of projects that had come to a halt;
- protection of the ecosystem – this audit gave rise to parliamentary intervention;
- increasing food production, which assisted development partners and decision makers to take better informed decisions;
- the effect of mining activities on the local community;
- forest conservation, and
- physical infrastructure.

These examples that SAI Ghana was able to share with us clearly indicated the very important and valuable contribution to SAIs have to offer with regard to the post 2015 Development Agenda.

The **United Kingdom** spoke on the extent to which the performance audits of SAIs can support economic development and growth. Such performance audits could focus on improving the national infrastructure; it could focus on raising the skill level of the population; performance audits could inform and advise on more effective regulatory regimes so that stable investment environments can be established; and last the SAI UK spoke on the link between external audit of the financial statements and economic growth, in particular the liabilities which we and our governments are leaving to our children to pay.

These documents explicitly highlight the importance of SAIs in promoting the effectiveness, accountability and transparency of public administration and the contribution of SAIs to achieving the national and international development goals and the Post-2015 Development Agenda.