

**“Responsibilities, Challenges and Contributions of INTOSAI  
and External Government Audit Institutions to enhance  
Transparency, Accountability and Good Governance”**

**Speech by**

**Dr. Josef Moser  
Secretary General of INTOSAI and  
President of the Austrian Court of Audit**

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N ĭ h ă o,

Ladies and Gentlemen, esteemed Colleagues,

**I. Introduction and gratitude**

First of all I would like to thank you very much for the invitation to speak here at the Nanjing Audit University and compliment the CNAO and the Nanjing Audit University for such an impressive and professional cooperation for the benefit of transparency, accountability and the effective and efficient use of public resources.

It is a great honour and pleasure for me as Secretary General of INTOSAI and President of the Austrian Court of Audit to be here as a guest in this wonderful country with such a rich history. Nanjing, as one of the traditional "Four Great Ancient Capitals of China", can look back on a long and rich history.

The „ southern capital” (literal translation), has always been one of the most important cities in China. It has served as the

emperor's seat during six different dynasties and is associated with very many famous persons such as:

CAO Xueqin (ca. 1715 –ca. 1763), famous writer of China's best known novel "Dream of Red Mansions", in which Nanjing serves as the original site of action

WANG Changling (698–765), one of the most influential Tang poets,

WANG Xizhi (307 - 365), most famous and extraordinary calligrapher

ZU Chongzhi (429–500), brilliant astronomer and mathematician and

ZHENG He (1371-1435), China's most famous navigator. He started in Nanjing (Yangtze River) his great expeditions to the Pacific and the Indian Ocean with the largest fleet of his time.

It is my pleasure to be here at this historic as well as currently so important place and I am looking forward to learning more about this city and its inhabitants.

Speaking of learning directly leads me to the Nanjing Audit University, which is a role model for modern-day auditor training. A look back into history makes clear why this audit-focused University is situated here in China. The term for 'audit' – 's h ě n j i' - had its origins some 3000 years ago here in China and looking into so many faces with an insatiable interest in audit makes it obvious that this spirit of the past underlines the importance of audit and unfolds an effect also in the future.

Audit has always been subject to changing trends and developments throughout history. Periods when audit rights were

extended succeeded periods when they were curtailed. In the end, however, audit always emerged stronger.

## II. New challenges facing external government audit

Not only throughout history, but also today, government audit is faced with new global challenges. The changed understanding of the role of the state in terms of new public management and new demands on government in terms of quality, efficiency and effectiveness of service delivery have also impacted the work of SAIs.

The reorientation of government towards governance - with its four pillars of ‘accountability’, ‘responsibility’, ‘transparency’ and ‘fairness’ - has prompted reforms of public-sector management (new public management), the development of IT technologies (IT tools), and a new output- and resource-driven approach to government financial management.

In this process, measuring government performance is essential. This can be done primarily by presenting the benefits and impact of public-sector service delivery, assessing the costs of such service delivery, as well as developing authoritative indicators as a decision-making basis for enhancing the effectiveness of government operations.

These new approaches to government and public-sector accounting have brought novel challenges for government audit in their wake. Government audit assumes an all-important role in this process, since it charts the course for future developments and can eradicate and/or prevent ill-directed developments. It is the task of government audit to assess these new systems and the objectives aspired as to their efficiency and effectiveness.

The question then arises as to what extent government audit institutions themselves confront these challenges so as not to lose

their credibility. On the one hand, we demand that the organisations which are subject to our audits act efficiently, effectively and in a well-documented manner, mapping their performance through cost accounting and key indicators; on the other hand, SAIs must question themselves whether they, too, live up to those very standards.

The demand for clear parameters and criteria for assessing the work and impact of SAIs goes far beyond the need to maintain SAI credibility. Providing external audit and advisory services is not an exclusive prerogative of SAIs; these services are offered by other, comparable providers such as accountants and private-sector consulting companies. SAIs are therefore exposed to competition and are well advised to present the benefit of their work proactively, so that they can stand up to the judgment of a critical public.

The CNAO plays a vital role in dealing with these new challenges, since it will organise the next INCOSAI and will chair INTOSAI from 2013 onwards.

### III. Structure of the presentation

Against the backdrop of the global challenges I have just described, and of the global developments in general, I will structure my presentation as follows:

- A) as Secretary General of INTOSAI I will try and respond to the question as to what we can and must do at the INTERNATIONAL level to meet these challenges;
- B) as President of the Austrian Court of Audit I will try to outline what can be done at the NATIONAL level, by referring to the example of the Austrian SAI. I will then

C) outline the LESSONS to be learned from international and national developments.

A) INTERNATIONAL ACTIVITIES

A.1. INTOSAI in general

Globalisation has made us increasingly aware that many of our problems and challenges need to be dealt with in an all-encompassing manner. This has become evident not least in the current global financial, economic and budget crisis, or in environmental concerns, to mention just two examples.

International cooperation, effective sharing of best practices and knowledge are paramount if we want to meet these challenges.

By adopting ‘*experientia mutua omnibus prodest*’ (mutual experience benefits all) as its motto, INTOSAI has firmly committed itself to this goal.

INTOSAI was founded in 1953 and has currently 189 full members and 4 associate members. International cooperations exist with the United Nations, the World Bank, OECD, IFAC, IIA and the international donor community.

INTOSAI is an autonomous, independent and non-political organisation. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

INTOSAI operates as an umbrella organisation for the external government audit community. For more than 50 years it has provided an institutionalised framework for supreme audit institutions to promote development and transfer of knowledge, improve government auditing worldwide and enhance professional capacities, standing and influence of member SAIs in

their respective countries. INTOSAI is also a standard-setting body for International Standards of Supreme Audit Institutions (ISSAIs) as well as for INTOSAI Guidance for Good Governance (INTOSAI GOVs).

Since 1962, INTOSAI's General Secretariat has been headquartered in Vienna at the Austrian SAI. It contributes sustainably and lastingly to the development of an efficient and effective system of government audit. By identifying and communicating issues of current interest and priority themes, it launches forward-looking initiatives and triggers innovation. It closely cooperates with other globally acting partners, particularly with its 7 regional working groups i.e. AFROSAI (African Organization of SAIs), ARABOSAI (Arabic Organization of SAIs), ASOSAI (Asian Organization of SAIs), OLACEFS (Latin American Organization of SAIs), PASAI (Pacific Association of SAIs), CAROSAI (Caribbean Organization of SAIs) and EUROSAI (European Organization of SAI).

On the basis of its Strategic Plan, INTOSAI works in different areas towards strengthening external government audit on a global scale under the following 4 goals:

Goal 1: Professional Standards

Goal 2: Capacity Building

Goal 3: Knowledge Sharing

Goal 4: Model International Organisation

In order to secure professionalism of SAIs it is the task of Goal 1 – Professional Standards, chaired by the SAI of Denmark, to promote strong, independent and multidisciplinary SAIs and encourage good governance by providing and maintaining ISSAIs and contributing to the development and adoption of appropriate

and effective professional standards. Goal 1 organizes its work through 7 working groups, inter alia with regard to standards for financial, compliance and performance audits.

Goal 2 – Capacity Building, chaired by the SAI of Morocco, builds capabilities and professional capacities of SAIs through training, technical assistance, information sharing and other capacity building activities. 3 Sub-committees deal with these challenges, one of them especially with best practices and quality assurance through voluntary peer reviews. IDI, the INTOSAI development initiative, hosted by the SAI of Norway, operates in the framework of this Goal 2.

Goal 3 – Knowledge Sharing, chaired by the SAI of India, encourages SAI cooperation, collaboration and continuous improvement through knowledge sharing, including providing benchmarks, conducting best-practice studies and producing audit guidance material. 10 working groups deal with issues of mutual interest and concern, for instance with public debt, the fight against corruption, the financial crisis, or the value and benefit of SAIs. The International Journal of Government Auditing is part of this Goal 3.

And finally under Goal 4 – making INTOSAI a model international organisation - the Finance and Administration Committee chaired by the SAI of Saudi Arabia, strives for organising and governing INTOSAI in ways that promote economic, efficient and effective working practices, timely decision-making and effective governance practices, while maintaining due regard for regional autonomy, balance and the different models and approaches of member SAIs.

INTOSAI's work focuses on the following strategic priorities:

- 1) SAI independence

- 2) Implementation of ISSAIs
- 3) Capacity building of SAIs
- 4) Presentation of the value and benefits of SAIs
- 5) Fight against corruption
- 6) Communication of external government auditing concerns

Having stepped up its international presence, especially in recent years, the CNAO plays an all-important role in implementing these strategic goals and priorities.

At present, CNAO is a member of various INTOSAI Committees, Working Groups and Task Forces such as the Finance & Administration Committee, the Professional Standards Committee and its Steering Committee, the Working Group on Environmental Auditing and its Steering Committee, the Working Group on Key National Indicators, the Working Group on IT Audit, the Working Group on Value and Benefits of SAIs, and the Task Force on the Global Financial Crisis.

The CNAO is making a significant contribution to the further development of external government audit. Last but not least, it will host and organise the global congress of Supreme Audit Institutions in Beijing in 2013. In 2013 we will have the opportunity to live up to our motto ‘mutual experience benefits all’ – by addressing the following two main Congress themes:

- I) ‘National Audit and National Governance’ and
- II) ‘The Role of SAIs in Safeguarding Long-Term Sustainability of Finance Policies’

Having selected these two themes, the CNAO is demonstrating that it is taking on the challenges, and that we as INTOSAI must address those very issues more actively.

For INTOSAI, safeguarding SAI independence is one of its focal concerns.

The principle of SAI independence has been laid down in the Lima and Mexico Declarations, two milestone documents of INTOSAI, which define eight postulates which must be met so that SAIs can deliver their tasks effectively and independently.

These requirements are:

- 1) Legislation that spells out, in detail, the extent of required SAI independence,
- 2) The independence of SAI heads and members including security of tenure and legal immunity in the normal discharge of their duties,
- 3) A sufficiently broad mandate and full discretion in the discharge of SAI functions,
- 4) Unrestricted access to information,
- 5) The right and obligation to report on their work,
- 6) The freedom to decide the content and timing of audit reports and to publish and disseminate them,
- 7) The existence of effective follow-up mechanisms on SAI recommendations,

- 8) Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources.

We are well aware that no SAI is currently able to meet these requirements at 100%.

We are all called upon to identify the factors necessary to effectively fulfil our mission, to make them transparent and to work on fulfilling them.

We have to do everything possible - each SAI by itself but in particular as association of all SAIs, as INTOSAI - to meet the requirements for efficient and credible external public auditing.

#### A.2 INTOSAI initiative for strengthening transparency and accountability

In order to ensure objectivity, impartiality and professionalism of the work of SAIs, INTOSAI has the aim of incorporating the principles of independence laid down in the declarations of Lima and Mexico in international law. Then, every SAI would have the possibility to refer to international standards of independence approved by the United Nations when interacting with national decision-makers.

These efforts were crowned by success since on 26 April 2011, when the Economic and Social Council (ECOSOC) adopted a resolution, which reads as follows:

*“The Economic and Social Council takes note with appreciation of the work of the International Organization of Supreme Audit Institutions in promoting greater transparency, accountability and efficient and effective receipt and use of public resources for the benefit of citizens and of the Lima Declaration and the Mexico Declaration which set*

*out the principles of independence in government auditing, and encourages the wide dissemination of these principles;“*

With this resolution INTOSAI, its work and its fundamental principles of independence for external public auditing were formally recognized for the first time ever by one of the primary bodies of the United Nations.

This ECOSOC resolution was a huge success and has shown what INTOSAI members can achieve together.

Currently an initiative of Austria – supported by a group of friends –will be committed to the incorporation of the Declarations of Lima and Mexico in a resolution of the UN General Assembly.

This fall I again will hold talks with representatives of UN member states and the UN itself in New York in order to promote this aim at UN level.

I am convinced that INTOSAI will succeed in accomplishing the adoption of a resolution of the UN General Assembly to strengthen SAIs worldwide, especially against the backdrop of the current financial, economic and budget crisis.

This financial, economic and budget crisis has also shown that we have to make our work more visible to the citizens emphasizing the benefits and value of our work for sustainable public spending.

### A.3 UN-INTOSAI symposium on cooperation between SAIs and citizens

Against this background, the topic chosen for the 21<sup>st</sup> UN/INTOSAI symposium, which was held from 13–15 July 2011 in Vienna, was ‘Effective practices of cooperation between SAIs

and citizens to enhance public accountability'. It was the purpose of the symposium to make best practices visible and to lend support in optimising our work in cooperation with the citizens.

The audits of SAIs help ensure public accountability and transparency in public governance. In their reports, SAIs supply independent, unbiased and reliable information to national parliaments, and by exercising their audit function on behalf of the citizens, they report whether the money entrusted to those in government has been spent economically, efficiently, effectively, and in compliance with applicable laws and regulations.

In carrying out their audit functions, SAIs not only act as the institutional partners of their national parliaments, but above all as partners and agents of the citizens.

To be effective in their role as partners and agents of the citizens SAIs need to

- heed citizens' concerns in their work and communicate this accordingly,
- communicate audits and audit findings to the public, and
- empower citizens to demand the implementation of audit findings.

The principal aim of the symposium was to identify successful practices of cooperation between SAIs and citizens and to highlight innovative new approaches to such cooperation, in order to strengthen government audit so that it can commit itself more strongly to the benefit of the citizens.

About 140 representatives of 66 Supreme Audit Institutions (more than one third of INTOSAI's entire membership) and representatives of various international organisations, especially

the United Nations (UN), the Interparliamentary Union (IPU), the International Budget Partnership (IBP) and the German Society for International Cooperation (GIZ), participated in the symposium.

26 representatives of Supreme Audit Institutions as well as representatives of the UN Department of Economic and Social Affairs (UNDESA), the UN Committee of Experts on Public Administration (UNCEPA) and the UN Office on Drugs and Crime (UNODC) delivered presentations. For the first time an UN Under-Secretary General, Mr. Sha Zukang, the head of the United Nations Office for Economic and Social Affairs, participated in the symposium. Under-Secretary General Carman Lapointe, head of the UN Office of the Internal Oversight Service (OIOS), was also present at the symposium.

The large number of participants and their extremely lively deliberations on the theme ‘Effective Practices of Cooperation between SAIs and Citizens to Enhance Public Accountability’ has clearly demonstrated the tremendous interest in an exchange of information on citizen participation and cooperation in external public auditing.

Many interesting examples of effective cooperation between SAIs and citizens in terms of mutual communication in general and, more specifically, in relation to specific audit activities of SAIs were presented at the symposium.

A large number of SAIs publish various kinds of information material to raise awareness among citizens about the work they accomplish, or make available learning materials and presentations on their tasks and activities to schools and universities. Some use social networks like Facebook, Twitter or Youtube, to present their work and the value and benefits of their SAIs to the citizens.

Many SAIs use their websites to communicate their audit findings and audit-specific information to the public. They pursue an active media policy and cooperate closely with the media to inform the public about their audit findings and recommendations.

Some SAIs have set up complaints mechanisms to promote citizen involvement in government audit, or have institutionalised focus groups or expert talks to gain relevant information and know-how from third parties before an audit and take it up in their work.

As the outcome of their deliberations the symposium participants unanimously adopted recommendations and conclusions. These contain specific practical proposals in the form of operating guidelines to ensure an effective cooperation between SAIs and citizens and underline the importance of embodying the Lima and Mexico Declarations in a UN General Assembly resolution to ensure SAI independence.

With its choice of topic and the outcome achieved, the 21st UN/INTOSAI symposium successfully contributed to the following five out of six strategic priorities, as defined in the INTOSAI Strategic Plan 2011–2016:

- Help ensure independence of SAIs
- Strengthen capacity building of SAIs
- Demonstrate the value and benefit of SAIs
- Further the fight against corruption and
- Enhance communication of SAIs.

Furthermore, the symposium has intensified the partnership between INTOSAI and the UN. Representatives of INTOSAI and the UN agreed to elaborate a common work plan and timeframe by end 2011. In the context of strengthening SAIs, INTOSAI will have the possibility to contribute to the Rio+ 20 United Nations Conference on Sustainable Development.

Moreover, the symposium succeeded in strengthening cooperation between INTOSAI and the IPU, by expressing a clear commitment to support the IPU's efforts to build greater capacity in parliaments to exercise oversight and carry out their budgetary and audit functions.

#### A.4 Fight against corruption

International cooperation is equally useful when it comes to fighting corruption, not only for individual SAIs, but for INTOSAI as a whole, since corruption can be fought effectively only in a concerted approach. This also applies to SAIs.

The activities which INTOSAI has been deploying in this area in the past and also in the present show that INTOSAI has been fully dedicating itself to this task.

As early as in 1996, INTOSAI addressed the subject of 'The role of SAIs in the fight against corruption and mismanagement' at an UN/INTOSAI seminar.

In the seminar conclusions and recommendations it was, inter alia, recommended, to adopt measures which strengthen the efficiency and transparency of SAIs and to encourage citizen involvement, as well as to heed citizens' concerns.

The INTOSAI congress in Montevideo in 1998, which dealt with corruption, identified the following areas of government as particularly susceptible to corruption:

- the collection of levies (above all customs duties) and taxes,
- procurement processes,
- privatisation processes,
- the award of subsidies, and the
- recruitment of public-sector employees.

The SAIs agreed that comprehensive accountability and a reliable system of government accounting ensure the greatest possible transparency of government operations and prevent corruption.

The recommendations also emphasised the need to make audit reports public and for media access of SAIs.

The final accords of the Montevideo congress passed recommendations and raised concerns which are still topical today, namely how SAIs can make an effective contribution to fighting corruption through e.g.

- financial, functional and operational independence,
- an audit mandate that is as comprehensive as possible,
- playing an active role in evaluating the efficiency and effectiveness of financial and internal control systems (in particular of internal audit),
- SAI audit strategies which focus on areas and transactions that are particularly prone to corruption,
- the publication of audit reports and establishing effective contacts with the media,
- cooperation of SAIs with national and international organisations involved in the fight against corruption, and
- the promotion of a code of ethics for the public sector.

Until this very day, these postulates have formed the base for the daily audit work of individual SAIs and for the work of INTOSAI, so that it can carry out its inherent tasks in the fight against corruption.

INTOSAI's working group on 'International Money Laundering and Corruption' was set up at the INTOSAI congress in Mexico City in 2007 as a successor body to a similar task force. This working group is closely focusing its efforts on the development of guidelines, an exchange of experiences on prevention, and on defining criteria and instruments for a globally integrated approach to anti-corruption activities.

In 2009, the Austrian SAI - as General Secretariat of the International Organization of Supreme Audit Institutions (INTOSAI) - hosted the 20<sup>th</sup> symposium on 'INTOSAI –Active partner in the international anti-corruption network: Ensuring transparency to promote social security and poverty reduction' together with the United Nations (UN).

This symposium once again addressed the challenges arising in the fight against corruption, emphasised the contribution which INTOSAI and its member SAIs are making to the fight against corruption, and made the various task of the partners involved in the international anti-corruption network transparent; it examined mutual expectations, and defined the required prerequisites in more concrete terms.

At the national level, the following issues were identified as audit priorities: expanding audit mandates, closing audit gaps, the relevance of national audit standards, and a stronger focus on areas that are particularly prone to corruption (procurement, internal control).

Some SAIs presented national case studies that can serve as benchmarks, such as the development of a corruption audit methodology and of a corruption matrix.

At the international level, the importance of strengthening international cooperation, better knowledge and experience sharing, and the development of joint guidelines in fighting corruption were underlined.

As an outcome of the symposium, the delegates unanimously adopted conclusions and recommendations on forward-looking strategies and desirable measures to fight corruption. They particularly agreed that SAI independence and their capacities need to be strengthened for SAIs to make an effective and credible contribution to the fight against corruption.

Let me finish this part of my presentation by referring to the website of INTOSAI – [www.intosai.org](http://www.intosai.org) - where you have access to all the summaries and results of the symposia and working groups of INTOSAI.

Having outlined the experiences at the international level, I now turn to the second part of my presentation:

## B) NATIONAL ACTIVITIES OF THE AUSTRIAN COURT OF AUDIT (ACA)

As I mentioned earlier it is not only at the international level where we have to shape the future of audit. It is especially the national level where we have to do our utmost to ensure efficiency and effectiveness in audit activities.

### B.1 General information on the Austrian Court of Audit

As independent supreme audit institution, the Austrian Court of Audit (ACA) is mandated under the Austrian Constitution to audit all financial operations of the state. In doing so, it enjoys organisational independence, it is not bound to any instructions, enjoys independence as regards its own staff and its budget, and is also free to adopt its audit programme and to select audit themes, methods as well as in reporting.

As an independent body of the Austrian National Council and the laender Parliaments, the Austrian Court of Audit is responsible for evaluating public financial management. Its remit covers public administration and public enterprises.

In its audits the ACA evaluates the economy, efficiency and effectiveness of operations, as well as their compliance with rules and regulations and their proper accounting. As supreme audit institution with overarching audit competence over the financial management of federal, laender and municipal ('municipal associations') bodies, the ACA is in the position to compare overall compliance by conducting horizontal audits. Horizontal audits give a complete picture of all territorial bodies and entities and such generate added value.

The ACA's reports are published once they have been presented to the respective legislative assembly (National Council, laender parliaments, municipal councils).

The ACA strives to ensure the best possible use of public funds. This objective is being pursued through our core task, i.e. auditing and advising territorial entities, public-sector agencies, foundations, funds, institutions and companies in which the public sector has a share of more than 50% or which are being controlled by the public sector. Statutory interest representations are also subject to the ACA's audit competence.

The values which the ACA promotes are derived from the Constitution and include the rule of law, independence, unbiasedness, sustainability, equal opportunities, as well as credibility and effectiveness.

In keeping with its mission statement, staff members are the most valuable asset of the ACA. 72.5% of all staff members are university graduates (of which 40.8% law school graduates, 40.8% business school graduates and 12.1 % engineers). The

share of women at the ACA is 42.9%. 32.6% of all executive positions are held by women.

In our audit work, we focus on our strategic audit priorities to ensure added value for

- auditees
  - by identifying potential earnings and savings, improvements in quality, avoidable disadvantages and achievable advantages,
- the general representative bodies (parliaments)
  - by providing thoroughly analysed facts and sound recommendations in order to establish valuable decision-making bases and courses of action,
- the public at large
  - by providing information on how revenues are being collected and spent.

Through our audit work, in particular through performance auditing, we ensure a holistic view, furnish benchmarks, allow for performance and cost comparisons, make decision-making processes transparent, document responsibilities for quality and the use of resources, identify efficiency and cost-saving potentials, and hence ensure good governance.

Based on our audit work, we exercise our advisory function by

- offering suggestions in the course of on-site audits,
- delivering reports on general issues of government audit,

- publishing general recommendations and position papers,
- commenting on draft laws,
- participating in reforms and working groups e.g. through government reform initiatives,
- publishing core findings, or
- submitting the federal financial statements.

## B.2 Reform projects since 2004

In 2004, the ACA started to implement far-reaching reforms in order to be able to meet the challenges mentioned. These reforms were to equip the ACA for the demands and necessities of the future.

The fundamental bases of these reforms were developed in projects together with our staff.

The ACA defined its self-concept and its strategic orientation in a Mission Statement, a Strategy Concept and a Code of Ethics.

We developed relevant core data which quantify our performance and our impact to control our strategic objectives. These core data form the basis of our Annual Performance Report in which we inform the public at large about our work and our causes.

By introducing a cost accounting system we plan to strengthen our own cost transparency.

Apart from our strategic policies, we have defined relevant goals for the areas of ‘audit and advisory services’ and ‘organisation and communication’ in a mid-range plan for the period 2010-2016.

We have introduced and conducted follow-up audits, sample tests and an enquiry procedure to enhance the effectiveness of our audit and advisory services.

In this process, we attach particular importance to verifying our own impact. This involves two stages:

In a first stage, we ask auditees directly about the state of implementation of the recommendations published in the preceding year (enquiry procedure). In a second stage, we conduct follow-up audits: these are brief, targeted audits with the purpose of verifying whether the pledged measures have actually been adopted; follow-up audits are then conducted on the basis of the enquiry procedure.

The all-important success criterion and a major indicator for the impact of the ACA is the degree to which recommendations have been implemented. In 2009, some 83.9% of all recommendations were complied with (54.3% were implemented, with 29.6% implementation was pledged).

We attach particular importance to the quality and publication of our reports and to a public debate.

The ACA recently launched a qualification and quality initiative. For this purpose, we have redesigned our initial and in-service training system for staff members and have transformed our IT sector from a hardware department to a software and service-oriented unit.

As part of these reforms, we introduced an MBA training programme on government audit in cooperation with the Vienna University of Economics. This MBA on Public Auditing is a four-term post-graduate course run by the Executive Academy of the Vienna University of Economics. It is designed to link scientific

findings with practical audit experience and thus to integrate auditing with science and business.

The objectives and curriculum were set by professional cooperation between the Vienna University of Economics Executive Academy and the Austrian Court of Audit. Such collaboration secures the best possible interlinking of state-of-the-art academic expertise and practical audit requirements.

An important aspect of the programme is the thorough discussion of the international auditing and accounting standards of INTOSAI, the Institute of Internal Auditors (IIA), the European Union and the International Federation of Accountants (IFAC).

In the course of an 18-month in-service training programme, auditors receive in-depth training in fundamental subjects such as management, data analysis, controlling, management and ethics, before covering specialized modules on finance and accounting, public sector economy, law and auditing process. The MBA programme ends with a master thesis on a selected topic and earns graduates the degree of a 'Master of Business Administration'.

Moreover, we have set up communities of practice and a new trainee programme.

To be able to deliver our tasks even more effectively, we want to continuously become better: We are currently in the process of refining the risk-based approach in our audit planning by integrating key auditee parameters in the audit planning IT tool.

Having described our experiences at the national level, I now turn to the third part of my presentation:

## C) LESSONS LEARNED FROM INTERNATIONAL AND NATIONAL DEVELOPMENTS

International and national developments clearly illustrate which requirements SAIs must meet in order to live up to the challenges surrounding them:

- We must do our utmost to safeguard and strengthen SAI independence so that we can deliver our tasks objectively and in a manner that is respected and accepted by auditees as well as by the citizens;
- We must make the value and benefits of our work visible and present them in a comprehensible manner so as to be perceived as an effective partner of the citizens;
- Through their work, SAIs must contribute to transparency and, as a consequence, to the fight against corruption; and
- SAIs must never rest on their laurels but remain abreast of the times and adapt to given requirements.

To be able to deliver these tasks, SAIs need highly trained auditors who can assert themselves in the face of competition, who think holistically and are able to analyse and assess contexts in an interconnected approach.

This can only be achieved if auditor training lives up to existing challenges.

When it comes to training, the Nanjing Audit University is leading by example and its training programme is a best-practice example worldwide.

With its MBA programme and the training cooperation with the Vienna University of Economics, the ACA has embraced a path

of excellence in auditor training. For excellent training is a *sine qua non* for SAIs to deliver excellence.

Auditor training is vital to strengthening government audit and to improving performance, enhancing transparency, ensuring accountability, maintaining credibility, fighting corruption, promoting public trust, and fostering the efficient and effective receipt and use of public resources for the benefit of their citizens.

Without control, there is

- no trust in government,
- no efficient use of public funds,
- no well-founded facts for reforms,
- no overview over public finances and debts,
- no transparency and little accountability, and
- no trust in the financial markets.

Therefore I again compliment the CNAO, the Jiangsu Provincial Government, and the People's Bank of China for the partnership in this Nanjing Audit University, which has fostered the humanistic spirit of "always earnestly working for the pursuit of truth and diligently studying for the devotion of public duty".

Let me finish with a quote by Confucius, one of the greatest thinkers this planet has ever seen, urging already some 2.500 years ago for something which nowadays is known as "good governance": "In a country well governed, poverty is something to be ashamed of. In a country badly governed, wealth is something to be ashamed of."

Having said this I am proud and grateful for having had this opportunity to talk to all of you here at this noble University, which sustainably contributes with all its academic programmes, courses and with all its staff as well as with every single student here, to the fight against poverty, the fight against corruption and thus for the efficient and effective use of public resources.

Let us all – in the spirit of Konfuzius – take our responsibilities as members of external government auditing and help to enhance transparency, accountability and thus to promote good governance for the benefit of the people.

Thank you very much for your attention.