



Mapping of SAIs' mandates on the audit of public debt, institutional capacities, and the regional organizations' support on public debt audit and its management

(A Research Paper)

Working Group on Public Debt
2023

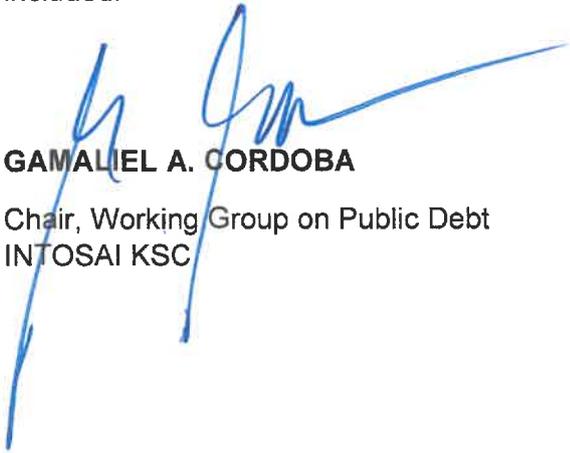
Quality Assurance Certificate of the Chair of the Working Group on Public Debt (WGPD)

This is to certify that *Mapping of SAIs' Mandates on the Audit of Public Debt, Institutional Capacities, and the Regional Organizations' Support on Public Debt Audit and its Management (A Research Paper)*, which is placed at level 2 of Quality Assurance as defined in the paper on "Quality Assurance on Public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017 has been developed by following the Quality Assurance processes as detailed below:

- (i) The project proposal was developed by the Project Team composed of WGPD member-SAIs namely Austria, China, Georgia, Fiji, Qatar, Indonesia, and led by North Macedonia; and was approved by the then-WGPD Chair Michael G. Aguinaldo in February 2021;
- (ii) The Project Team thereafter commenced preparations for the Exposure Draft, which included drafting and circulation of survey-questionnaire, collation of survey responses, and analysis of survey results;
- (iii) The Exposure Draft (ED) was approved by the WGPD Chair in July 2022 and was formally endorsed to the INTOSAI Knowledge Sharing Committee (KSC);
- (iv) Following the 45-day QA protocol for projects placed at QA level 2, the ED was posted at the INTOSAI KSC Community Portal for public exposure until September 30, 2022;
- (v) This Endorsement Version is the outcome of the revised ED in consideration of the comments received during the exposure period, analysis by the Project Team, and review by the WGPD-Technical Working Group.

The product developed is consistent with relevant INTOSAI Principles and Standards. The structure of the product is in line with the drafting convention of non-IFPP documents.

The product will be subject to review by the WGPD Steering Committee every three years, or as necessary. As this paper is not directly linked to a specific ISSAI, no expiry clause is included.



GAMALIEL A. CORDOBA

Chair, Working Group on Public Debt
INTOSAI KSC



INTOSAI

Goal Chairs
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**Quality Assurance Certificate of the Chair of the Knowledge Sharing and
Knowledge Services Committee**

Based on the assurance provided by the **INTOSAI Working Group on Public Debt (WGPD)** and the assessment by the Goal Chair, it is certified that the **Research Paper on “Mapping of SAIs’ Mandates on the Audit of Public Debt, Institutional Capacities, and the Regional Organizations’ Support on Public Debt Audit and its Management”** which is placed at level **2 (two)** of Quality Assurance as defined in the paper on "Quality Assurance on public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017, has been developed by following the Quality Assurance processes as detailed in the Quality Assurance Certificate given by the Working Group Chair.

The product will be subject to review by the WGPD Steering Committee every three years, or as necessary. As this paper is not directly linked to a specific ISSAI, no expiry clause is included.

Girish Chandra Murmu
Chair of Knowledge Sharing and
Knowledge Services Committee

Disclaimer: *It is important to note that this paper does not seek to provide a comprehensive examination of all the mandates, institutional capacities, and support provided by regional organizations in relation to public debt and its audit. Rather it has instead been framed to facilitate a discussion of the issues related to this topic within the audit community and/or the development/revision of related output by any member of the audit community.*

This Research Project was initiated and presented at the 2019 Working Group on Public Debt (WGPD) Annual Meeting and was included in the WGPD Work plan 2020-2022 under Strategic Goal 1 - Enhanced expertise of SAIs in the audit of public debt.

In 2020, the Project Team composed of SAIs' representatives from seven (7) countries: North Macedonia as project team leader, Austria, China, Fiji, Georgia, Indonesia, and Qatar, was formed. Two members of the WGPD-Technical Working Group from SAI Philippines acted as Focal Persons to the Team, providing initial review and technical assistance.

The Project aims to assist the WGPD members and other stakeholders in the conduct of efficient and effective audits of public debt vis-à-vis their official mandates. Also, the Project has the following objectives: (on SAIs' mandates) to ascertain differences and consequences of mandates of various SAIs as regards public debt management (PDM) audits and to produce a helpful reference for SAIs on the careful understanding of SAIs mandates in the conduct of audit of public debt; and (on institutional capacities and determination of support and resources from regional organization) to ascertain the SAIs' institutional capacities and regional organization's support and resources related to audit of public debt.

The Project covers issues related to SAIs' mandates, as well as their capacities for conducting PDM audits. It also ascertains the primary needs of SAIs for external assistance as well as the resources for obtaining support from other regional organizations.

To attain the abovementioned objectives, a questionnaire was prepared to which answers were received from 19 WGPD member SAIs: Argentina, Austria, Bulgaria, Chile, Ecuador, Egypt, Finland, Georgia, Indonesia, Kuwait, Lithuania, North Macedonia, the Philippines, Portugal, Qatar, Romania, Thailand, Turkey, and U.S. GAO.

This Project focuses on collecting, analyzing, and summarizing inputs from each participating INTOSAI member. To this end, this final paper documents the results of the survey and analysis of the comments received through the public exposure.

The Project follows the QA protocols prescribed under QA Level 2 for non-IFPP products.

The Project output will not serve as a guideline or standard; it will serve as a resource or reference material that will help WGPD members and stakeholders to have a better understanding of each SAI's mandates, institutional capacities, as well as support and resources needed from regional organizations.

SAI Mandates on Public Debt

A. SAIs and their Legal mandate for PDM audit

The fundamental principles of public-sector auditing, set forth in the International Organization of Supreme Audit Institutions (INTOSAI) International Standards of SAIs (ISSAIs)¹, World Bank's Debt Management Performance Audit (DeMPA) tool methodology,² and the United Nations Conference on Trade and Development (UNCTAD) *Debt Management and Audit Principle 13*³, define the mandate of the SAI to conduct all types of audits. In relation, the DeMPA⁴ supports ISSAI 100 as to the conduct of financial, compliance, and performance audits of public debt and its management.

This Part of the Paper seeks to ascertain the different mandates of SAIs in auditing public debt management (PDM) in relation to existing principles. Based on the mandates, the following discussion focuses on the conduct of PDM audits, particularly on the types of audits conducted, the timing and frequency thereof, as well as the required PDM reports that SAIs produce and publish.

According to the research conducted through the analysis of answered questionnaires, we have determined that all respondent-SAIs (19 out of 19) have a legal mandate for PDM audit.

1. Principles governing SAI's mandate to audit PDM

The ISSAI 100 on the *Fundamental Principles of Public-Sector Auditing* establishes the fundamental principles, which are applicable to all public-sector audit engagements, irrespective of their tasks and mandate. Meanwhile, ISSAI 200 - *Fundamental Principles of Financial Auditing*, ISSAI 300 - *Fundamental Principles of Performance Auditing*, and ISSAI 400 - *Fundamental Principles of Compliance Auditing* build on and further develop the principles to be applied in the context of financial, performance, and compliance auditing, respectively.

¹ INTOSAI standards ISSAI 100 (Fundamental Principles on Public Sector Auditing) and ISSAIs 200 (Fundamental Principles on Financial Auditing), ISSAI 400 (Fundamental Principles on Compliance Auditing) and ISSAI 300 (Fundamental Principles on Performance Auditing), respectively. In addition, ISSAI 5400-549911 (Guidelines on audit of public debt)

² DPI5 in Debt Management Performance Assessment – World Bank

³ Responsible Sovereign Lending And Borrowing: The View From Domestic Jurisdictions-A Comparative Survey Written for the United Nations Conference on Trade and Development

⁴ <https://documents1.worldbank.org/curated/en/526391628746190611/pdf/Debt-Management-Performance-Assessment-Methodology-2021-Edition.pdf>

These ISSAIs should be applied in conjunction with the principles set in ISSAI 100. Nonetheless, the principles, in no way, override national laws, regulations, or mandates nor prevent SAIs from carrying out investigations, reviews, or other engagements which are not specifically covered by the existing ISSAIs.

The DeMPA by the World Bank is a methodology for assessing the full range of government debt management functions through a comprehensive set of indicators. The *Debt performance indicator (DPI) 5 – Audit* discusses the frequency and comprehensiveness of financial audits, compliance audits, and performance audits on the effectiveness and efficiency of DeM operations, including the internal control system and its effectiveness, and the publication of external audit reports to ensure that the relevant government decision-makers are committed to address the outcomes from the audits.

The UNCTAD conceptualized the *Principles of Promoting Responsible Sovereign Lending and Borrowing*, with the aim to promote more responsible behavior and provide economic benefit to both sovereign borrowers and their lenders. Under its *Principle 13*, debtors should design and implement a debt sustainability and management strategy and ensure that their debt management is adequate. Also, debtor countries have a responsibility to put in place effective monitoring systems, including at the sub-national level, that also capture contingent liabilities. It also provides that an audit institution should conduct independent, objective, professional, timely, and periodic audits of their debt portfolios to assess quantitatively and qualitatively the recently incurred obligations, and that the findings of such audits must be publicized to ensure transparency and accountability in debt management.

2. SAIs and their mandate to audit PDM

SAIs play a central role in exercising independent external oversight on PDM in a country and in publicly reporting the results of their audit. SAIs carry out financial, performance, and compliance audits on the subject matter of PDM. The audits carried out depend on the legal mandate and reporting procedures established in the country.

All respondent-SAIs conduct periodic post-disbursement audits. Taking into account that it would be odd to consider rules contingent upon the existence of certain institutions as general principles of law, one can conclude that independent audits are a guiding principle.

According to the survey and analysis, all respondent-SAIs noted that there is a regulation mandating their respective SAIs to audit the public debt.

Table 1. Examples of SAIs with specific mandates/practices for conducting PDM audits

Qatar State Audit Bureau (QSAB) conducts public debt audits according to their clear mandate on the audit of public debt.

In the **U.S.A.**, the Government Accountability Office (GAO) commonly performs financial audits. GAO is required to audit the consolidated financial statements of the U.S. government. In connection with this requirement, GAO separately audits the federal debt. USA regulation provides additional authority for GAO to conduct additional public debt-related financial audits. For performance audit, GAO has authority to evaluate the results of programs or activities the federal government carries out under existing law (1) on GAO's own initiative, (2) when either House of Congress orders an evaluation, or (3) when a committee of Congress with jurisdiction over the program or activity requests the evaluation. In addition, GAO has authority to investigate all matters related to the receipt, disbursement, and use of public money.

According to the Law on National Audit Office, the SAI of **Lithuania** is obliged to submit a public auditor's report and a public audit report on the national set of financial statements to Parliament each year. In addition, the Government also provides information on public debt, which is a requirement laid down in the Law on the National Debt; therefore, the audit of the national set of financial statements annually assesses the correctness of debt information and the legality of borrowing.

Egypt Accountability State Authority (ASA) performs financial, performance, and compliance audits. ASA has a mandate to audit advances, loans, and credit facilities held by the state and the necessary repayment of the principal and interest of the advance to the State Treasury in the case of lending as well as state repayment in the case of borrowing (Article 2 and article 5-1-H of ASA governing law 144 year 1988)

In seven (7) out of 19 or 37% of the respondent-SAIs, the mandate for PDM audit is regulated by the constitution of the country.

Most of the respondent-SAIs, 15 out of 19 or 79%, do not have special regulations for auditing the public debt, i.e., it is done within the regulations related to performing state audit.

Table 2. Examples of SAIs without specific/special regulation to audit PDM

In **Indonesia**, there is no specific legal regulation for PDM audit. Therefore, the legal basis of public debt audit is attached to the provisions of other types of audits.

In the **Philippines**, there is no specific regulation on the audit of PDM. However, said audit is subsumed in the general jurisdiction of the Philippine Commission on Audit (COA) under the law (Section 26, Presidential Decree No. 1445, otherwise known as Government Auditing Code of the Philippines), which empowers it to examine, audit, and settle all debts and claims of any sort due from or owing to the Government or any of its subdivisions, agencies, and instrumentalities. To reinforce this authority, a resolution was issued by the COA creating a dedicated division, known as the PDM Audit Division, which shall be responsible for the audits of public debt, and a memorandum to operationalize the same. In the first quarter of 2022, the plantilla of positions for this Division is awaiting support and approval from the budget department.

In 18 out of 19 or 95% of the respondent-SAIs, the mandate for audits of the public debt is regulated as part of the overall audit mandate of the SAIs. For example, the overall audit mandate of the Austrian Court of Audit (SAI **Austria**), i.e. its tasks, functions, organization and standing, is being defined by Chapter VII of the Federal Constitutional Law. More detailed information on this can be found in Austria's provincial laws and the Court of Audit Act 1948. Therein, some regulations relate the public debt audit. All types of audits – financial, performance, and compliance – are possible.

B. Conduct of Public debt Audit

1. Public Debt as part of the audit of the state budget execution/final accounts

A large number, 15 out of 19 or 79% of the respondent-SAIs perform public debt audits as part of the audit of the state budget execution/final accounts. In the annual report of the execution of the budget/ final account, there is a chapter regarding information about public debt of the country.

Table 3. Example of SAI performing PDM audits as part of the audit of the state budget execution/final accounts

SAI **Romania** audits separately each year the general account of public debt execution, which is annexed to the general account of the state budget.

2. PDM audit as a separate financial or performance audit

SAIs play an accountability role in public debt reporting and management. Regular financial audits of public debt help to make public debt managers accountable for their public debt actions. Also, financial audit reports may enhance the transparency of public debt issues, depending on their ability to communicate key debt information clearly to legislators and informed citizens. Performance audits of public debt contribute to enhancing the effectiveness,

efficiency, and economy of debt management, as well as to strengthen internal control to prevent fraud in public debt activities.

Twelve (12) out of 19 or 63% of the respondent-SAIs perform PDM audits as a separate financial or performance audit; whereas seven (7) or 37% of the respondent-SAIs do not perform PDM audits as a separate audit.

Table 4. Examples of SAIs performing PDM audits as separate audits

The SAI of **Philippines** performs audits of public debt as part of the financial and compliance audits of the financial statements and operations of the Bureau of the Treasury (BTr). Special audits have been performed in 2012 and 2015 covering PDM audit topics on debt reporting and legal framework and organizational arrangements for PDM, which covers the PDM operations of the Department of Finance (DOF) and the BTr.

Since fiscal year 1997, **U.S.** GAO has annually performed a separate financial audit of the federal debt, in connection with the requirement to annually audit the U.S. government's consolidated financial statements.

The individual performance audits of debt management in the SAI of **Lithuania**, are planned and included in the National Audit Office Activity Plan, taking into account the results of the public sector environment analysis carried out in the institution.

SAI **Georgia** periodically conducts separate performance audits on debt management process.

3. On mandatory public debt management audits

The conduct of audits varies from one SAI to another. Some SAIs choose quarterly or semi-annual intervals, while others conduct annual examinations. PDM audits are mandatory in the following countries: Kuwait, Romania, Egypt, Qatar, Indonesia, Lithuania, Portugal, North Macedonia, Argentina, and Thailand. In 53% of the respondent-SAIs, annual PDM audits are not mandatory.

Table 5. Examples of non-mandatory PDM audits conducted by SAIs

According to the **Austrian** Court of Audit Act 1948 (par. 6), in the federal annual report, the Court of Audit shall submit to the National Council each year evidence of the amount of federal debt and the liabilities assumed by the Federation.

In the **U.S.A**, annual performance audits of the management of federal debt are not required. GAO performs this work periodically as appropriate based on changes to debt management policy.

Annual audit of PDM is not mandatory in the **Philippines**, however, as there is a growing concern from the public of the debts of the country, the need to conduct an annual PDM audit may be re-assessed to strengthen and support public debt auditing which includes capacity-building of the auditors and providing access to necessary auditing tools and resources. Although audits of ODA-funded programs and projects are already being conducted, these focus more on the utilization of foreign ODA grants and borrowings for project implementation and less on the overall public debt management.

C. Main characteristics of the mandate to audit public debt

1. On the level of government debt that shall be audited, and the institutions that are audited

Most of the respondent-SAIs (14 out of 19) audit all levels of government debt. Around 26% or five (5) out of 19 respondents answered that the level of government debt that they shall be auditing mainly refers to the central government level (SAIs Indonesia, Lithuania, Portugal, Argentina, and the U.S. GAO).

It is also important to consider institutions that are outside the central government, and that can generate pressure on public finances over debt management, especially those that exercise autonomy in their administration.

Additionally, in the countries, there is a risk of unregistered debt that can affect the stability of public finances. For this reason, it is important to be clear about the concept of public debt that is reported as part of the public finance statistics and that this is also compared with the requested international criteria.

2. On the underlying definition of public debt

Fifty-eight (58%) or 11 out of 19 respondents answered that the underlying definition of public debt included all public entities which contribute to public debt.

Table 6. Public debt definition including all public entities contributing to public debt

In SAI **Finland**, for example, the underlying definition of public debt varies depending on its purpose. A commonly used narrow definition of public debt covers the budgetary central government. A broader definition is the general government (budgetary central government, state and local government, extra budgetary units, and social security funds). The broadest definition of public sector debt combines general government with public non-financial corporations and public financial corporations, including the central bank. It also covers publicly guaranteed debt (debt the public sector does not hold but has an obligation to cover) and external public debt (debt

held by non-residents of the country). It depends on the audit what definition is used.

In **Kuwait**, all level of government debt is audited, local and abroad. All institutions are included in the debt calculation and are related.

In **Ecuador**, the Office of the Comptroller General of the State has the competence to carry out special examinations on all operations of internal and external public indebtedness of all entities, institutions, and organizations of the public sector, assumed by the Ecuadorian State through the Governing Body of Public Finances, which verifies, studies, and assesses compliance with the legal provisions, regulations and other applicable regulations.

In **Romania**, the MoF, the entities which are beneficiaries by the public debt, at the central and local level of the administration are auditees.

3. On the type of audit and its timing, frequency, conclusion, and reporting

About half (10 out of 19) of the respondent-SAls answered that all institutions that contribute to public debt are audited. First of all, this is the Ministry of Finance (MoF) and in several cases, it is an authorized agency.

The type of audit (financial, performance, or compliance audits) that shall be performed is not clearly regulated. Out of 19 respondent-SAls, 15 conduct financial audits mainly on an annual basis. This number does not mean that they only perform financial audits. Out of these 15 SAls, nine (9) conduct performance audits and eight, (8) compliance audits as well.

Nine (9) out of 19 or 47% of the respondent-SAls stated that they conduct performance audits mainly periodically. These nine (9) SAls answered that they also do financial audits while seven (7) perform compliance audits as well.

Two (2) SAls answered that it is not defined in the first stage, which type of audit shall be performed and when and how often the audits should be performed. In the case of **Ecuador**, it is according to the Annual Control Plan and in the case of **Bulgaria**, it is not exactly specified by legislation.

All SAls replied that they conclude their audits with a report. Thirteen (13) SAls issue annual or semi-annual reports: Kuwait, Egypt, Romania, Qatar, Indonesia, Lithuania, Philippines, Austria, Thailand, Portugal, Georgia, Finland, and Argentina.

Addressees of the audit reports are mainly the audited entities, MoF, Parliament, National Assembly, authorities-in-charge, President, Congress, and the public. Not all respondent-SAls report to the Parliament.

Table 7. Type of audit and its timing, frequency, and reporting

In their financial audits, the SAI of **Qatar** (QSAB) verifies that the subject entities have studied and evaluated the borrowing process in accordance with the approved policies and frameworks in relation to the management and governance of the borrowing process. Furthermore, it verifies that the records of the subject entity including all the loans payable and credit facilities in the lenders' records according to the confirmation letters received from the lenders and that they are duly recorded as liabilities in the books.

In **Kuwait**, all level of government debt is audited, local and abroad. All institutions are included in the debt calculation and are related.

In **Ecuador**, the government audit carried out by the Contraloría General del Estado describes findings, conclusions, and recommendations based on the deviations identified, which are communicated to the responsible officials throughout the audit process. The final report is also made known to the entities to whom the recommendations for their respective implementation are directed.

In **Romania**, the frequency in which the audit should be applied has not been defined, since this establishment of periodicity is defined in the CGE's Annual Control Plan. It is annually at the MoF and at the beneficiary entities (selected according to complexity, after a risk analysis). SAI Romania must conclude on the audit by drawing up a final report, at the MoF level where the local information is taken over. The final results of the audit are presented to the MoF, after which they are taken over in the annual public report, which is presented to the Parliament.

The SAI of **Indonesia** performs financial audits based on materiality to assess the fairness of the financial statements. The annual financial audit results in an opinion on the fairness of the Government's financial statement. Performance audits are based on the assessment of the impact of the audit findings to the audit objectives and special purpose audits are based on the assessment on the compliance aspects of the audit findings.

The GAO (**U.S.A.**) annually conducts financial audits on the consolidated financial statements of the U.S. government. In connection with this requirement, they separately audit the federal debt.

The SAI of **Lithuania** annually assesses the correctness of debt data (central government, local government, and social security funds). From the point of view of legality, borrowing on behalf of the State is also assessed (compliance with fixed limits, means of borrowing used, methods, etc.).

In the SAI of **Turkey**, financial audits consist of an evaluation and an opinion on the accuracy of public administrative bodies' financial reports and statements including public debt, and whether or not those bodies' financial decisions and transactions and any programs and activities are compliant with the law. The auditors also evaluate the auditees' financial management and internal control systems. Compliance audits take the form of an examination of whether auditees' revenue (including debt), expenditure (including debt), assets, and other accounts and transactions comply with the law and other legal arrangements.

The SAI of **Thailand** conducts financial audits scrutinizing the risk of material misstatement of public debt; compliance audits in order to know whether the disbursements of such entities are compliant with the law provisions, regulations, or cabinet resolutions; and performance audits concerning the economy, efficiency, and effectiveness of PDM.

The Opinion on the General State Account provided by the SAI of **Portugal** covers the public debt of the central administration (financial debt) represented by various types of financing and hedging instruments, such as loans, short, medium, and long-term bonds, margin accounts and financial derivatives. The SAI of Portugal stated that they give an opinion on the General State Account. It includes analysis on the compliance of the transactions carried out with the general budget law authorizations and with the financing program approved by the Government, debt stock's evolution, and derivatives stock's evolution based on the analysis of the transactions that justify it and the associated financial flows and a variety of other statistics.

The SAI of **Finland** annually audits the financial statements of the central government and its accounting units, i.e. ministries and other agencies and institutions. It conducts approximately 70 financial audits every year including the State Treasury and the MoF (government debt items). It also monitors compliance with the Fiscal Policy Act and the provisions issued under it and the setting and implementation of the rules steering the government's fiscal policy. The monitoring promotes transparent and intelligible fiscal policy regulation and stable and sustainable general government finances.

In **Chile**, the audit concludes on the control exercised by the different public entities over the public debt in the scope of their powers, the accounting financial control and the possible deviations that may exist in its registry, and that the result of the balance of the public debt is overvalued or undervalued.

D. Role of SAIs

1. Which institution or body is in charge of/authorized for PDM?

The executive branch for PDM may include:

- Ministry of Finance (MoF);
- Debt Management Offices (DMO);
- Treasurer and controller;
- Budget, planning, and economic ministries/departments;
- Resource mobilization units; and
- Program execution units.

In order to provide greater flexibility and effectiveness in PDM, legislatures frequently delegate or assign the power to borrow to a key ministry or agency in the executive branch, such as the MoF. Generally, organizational arrangements for PDM would require the officials in debt management units within the MoF who

perform important front-, middle- and back-office functions. In addition, central banks would be included if they act as fiscal agents of the MoF, making payments and receiving funds in local and foreign currencies. In many countries, it may also have to include the treasurer, who is responsible for cash management; the controller, who is responsible for public debt accounting; the officials in the budget, planning, and economic ministries, who are responsible for integrating debt information into a budget and macroeconomic plans; the resource mobilization units that take the lead in seeking specific funds for their investment projects; and the multiple programme execution units that are responsible for using borrowed funds.

In 17 out of 19 or 89% of the respondent-SAIs, generally, it is the MoF which is in charge of PDM, except the SAI of **Portugal** where the Portuguese Debt Management Agency is authorized for PDM and the **U.S.A.** where it is the Department of the Treasury.

Table 8. Institutional arrangements for PDM

In **Ecuador**, in accordance with the Organic Code of Planning and Public Finance, Articles 71, 74, 132, and 141 and Article 130 of its Regulations, the Ministry of Economy and Finance is the Governing Body of Public Finance in the Republic of Ecuador. Thus, it is in-charge of all the procedures for public debt operations state portfolio. On the other hand, the Central Bank of Ecuador, in accordance with the Organic Monetary and Financial Code, Article 36 numeral 30, is responsible for servicing the debt.

In **Bulgaria**, the main body for government debt management is the MoF (Article 12 from the Government Debt Law). The Council of Ministers may also assign other state bodies to participate in the negotiation of state-guaranteed loans together with the MoF (Article 19, paragraph 2 of the Government Debt Law). The Bulgarian National Bank acts as an agent for government and government-guaranteed debt under conditions agreed with the Minister of Finance (Article 34 from the Government Debt Law).

The Budget Code of **Georgia** imposes responsibility exclusively on MoF for the management process of public debt.

In **Finland**, the Parliament authorizes the government to borrow. As the relevant agent within the government, the MoF authorizes the State Treasury to decide and implement the required borrowing and debt management operations. The MoF prepares annual guidelines on borrowing and debt management and oversees the implementation. The State Treasury prepares annual reports on debt management to the MoF.

The Portuguese Debt Management Agency (SAI **Portugal**) has the responsibility to negotiate and to execute all financial transactions related to the issuance of sovereign debt and to the management of the portfolio in compliance with the guidelines approved by the Minister of Finance.

The Austrian Treasury is the DMO of the Republic of **Austria** and acts in the name and for the account of the sovereign (supervised by the MoF). Its responsibilities include issuing Austrian government debt and managing the federal government debt portfolio.

The PDM in **Turkey** constitutes three Directorate General (Debt Office, Public Finance, and Foreign Economic Relations) within the Ministry of Treasury and Finance.

The MoF of **Chile** and two of its services participate in the management of public debt: the Budget Office and the General Treasury of the Republic. The MoF is responsible for the direction of the financial policy of the State, as well as to intervene especially in the control of public credit. Regarding public debt, it is responsible for recommending a short and medium-term debt strategy, as well as preparing reports and statistics on public debt. The Budget Office has the specific function of informing the Minister of Finance regarding administrative acts related to public credit (processing and use of resources). Finally, the General Treasury of the Republic has the function of issuing bonds or other obligations that the laws provide; accept or endorse them; order their placement and distribute the values obtained from said issues in special income accounts or make them available to third parties, as appropriate.

In the **Philippines**, PDM functions are mainly performed by two government agencies, namely, the DOF and the BTr, which performs front-, middle-, and back-offices' functions, respectively. Other inter-agency bodies also come into play, contributing to the overall PDM structure, with functions including approval and evaluation of major capital projects, preparation of macroeconomic assumptions, approval of loan agreements, and review of legal aspects of agreements prior to approval.

The Ministry of Economics/Finance as part of the National Government of **Argentina** is authorized by National Congress for PDM, whose level of debt is limited by a Budget Law that is approved on a yearly basis.

2. The role of the SAIs in the borrowing process

Whereas all respondent-SAIs have a mandate to audit the public debt, some SAIs have also the obligation to confirm/control the concluded borrowing agreements (3 out of 19) namely, SAIs Romania, Chile, and Austria; while 16 other SAIs do not have such obligation.

Table 9. SAIs' obligation to confirm/control borrowing agreements

The SAI of **Chile** carries out a preventive control of legality regarding the public debt agreement. After that, through the acknowledgment process, the Comptroller's Office endorses the instrument to authorize the contract.

According to the **Austrian** Federal Constitutional Law, Article 121 (par. 3), all vouchers about financial debts of the Federation shall be countersigned by the President of the Court of Auditors or, should he be impeded, by his deputy. The countersignature guarantees the legality of the borrowing and the correct registration in the ledger of the national debt.

The SAI of **Romania** stated that external loans are approved by law. For the other types of loans, the MoF ensures the legality of the concluded agreements.

3. Concrete audit projects performed concerning public debt

The number of audits performed during the past five years differs quite significantly among the respondent-SAIs. Answers comprise regular financial audits, compliance audits, performance audits, and specific PDM audits. On average, four audits were conducted in each country during the past five years. Figure 1 shows the number of PDM audits performed in each respondent-SAI.

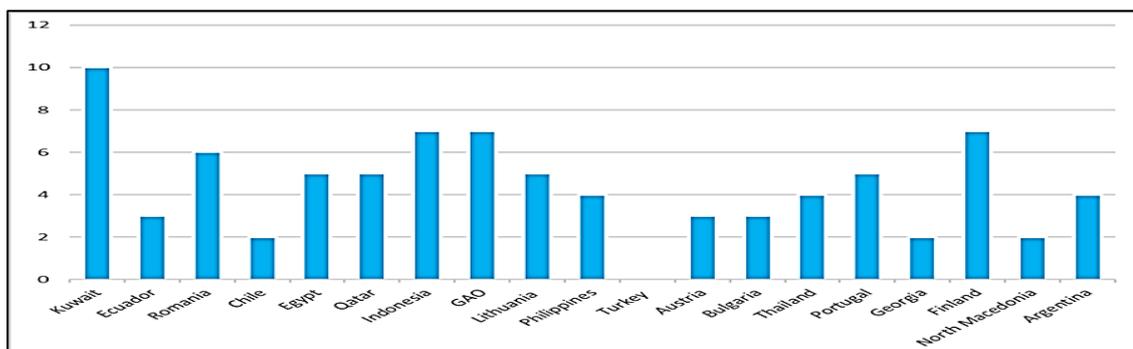


Figure 1. Number of concrete audit projects performed during the past 5 years

The following tables shows the type of audits conducted by respondent-SAIs on PDM:

Table 10. Types of audits conducted on PDM
Financial audits of PDM
In the case of SAI Kuwait , public debt reports are prepared periodically (two reports per year).
In SAI Philippines , financial audit reports on agencies in charge of PDM are prepared on an annual basis; special purpose reports are also rendered for projects funded by foreign loans and grants upon the request of the creditor, while performance audits are conducted as necessary, based on the SAI's priorities.
The SAI of Romania publishes annual financial audit reports for the general account of public debt execution.
In Indonesia , the annual financial audit results in an opinion on the fairness of the Government's financial statement with regard to 1) the conformity of the accounting standards, 2) the adequacy of disclosure of financial information, 3) the compliance of the regulations, and 4) the effectiveness of the internal control system.
In the U.S.A. , the GAO performs financial audits of the federal debt annually since the fiscal year 1997.
The SAI of Lithuania conducts financial audits of public debt on yearly basis.
The SAI of Portugal gives an Opinion on the General State Account which includes one chapter on public debt.
The SAI of Finland performs annual financial audits, specifically Financial Audit of the State Treasury and Financial Audit of the State.

The SAI of **Argentina** performed a financial audit on the loan for Native forests and community in the year 2020.

Compliance audits of PDM

The SAI of **Ecuador** examined the legality, sources, and uses of internal and external public debt in the Ministry of Economy and Finance, Central Bank of Ecuador, National Secretariat of Planning and Development, and other entities related to the contracting and use of public resources from internal and external debt, for the period between January 1, 2012, and May 24, 2017. The MoF and related entities examined the compliance with current regulations in public debt processes, their destination and use for the period between August 1, 2014 and December 31, 2015; as well as the use of resources from credit lines granted by the China Development Bank, for the period between January 1, 2010, and December 31, 2015. And it audited the compliance with current regulations in public debt processes, their destination, and use; for the period from January 2, 2009 to July 31, 2014.

The SAI of **Chile** audited the direct public debt, internal and external, of the Central Government, presented by the General Treasury of the Republic as of December 31, 2017, and 2019, in order to verify its proper recording and control, as established in the legal regulations governing the matter, determining whether there are items representing financial obligations not included or erroneously incorporated in the accounting of public debt. In addition, the purpose of the audit was to verify the concordance with the information contained in the Public Debt Statistics Report issued by the MoF.

The SAI of **Bulgaria** conducted a general compliance audit on the management of public funds and municipal activities in 11 municipalities. Also, it performed a compliance audit on the management of the administration of budget revenues and management of the municipal debt in seven municipalities.

The SAI of **Lithuania** conducts compliance audits of public debt on yearly basis.

Performance audits of PDM

The SAI of **Romania** conducted a performance audit report on the assessment of vulnerabilities and sustainability of public debt in 2014.

The SAI of **Indonesia** conducted performance audits on the effectiveness of public debt management (2019) and of the effectiveness of the government's planning and budgeting in the COVID-19 pandemic (2020).

The GAO (**U.S.A**) conducts periodic audits of Treasury debt management. For example, a 2019 report entitled *Treasury Should Strengthen Policies for Market Outreach and Analysis to Maintain Broad-Based Demand for Securities* examined how Treasury uses market outreach, auction and market metrics, and analytical models to inform its debt issuance strategy. It has also conducted performance audits related to the actions that Treasury takes to manage debt when it is at the statutory limit, such as a 2015 report entitled *Market Response to Recent Impasses Underscores Need to Consider Alternative Approaches*.

The audits of SAI **Qatar** aimed to verify that the main objective of borrowing has been achieved, whether to finance the deficit in the general budget or

to implement necessary major projects, in addition, to verify the adequacy of the regular control procedures on the borrowed funds, which include legal and accounting control procedures.

In 2020, the SAI of **Georgia** conducted a follow-up Performance Audit on PDM and a follow-up Performance Audit on the PDM Information (IT) System with an aim to assess the state of the implementation of recommendations issued in previous audit (2014) and also to assess the other issues arisen after 2014.

The SAI of **Austria** performed an audit of internal controls of the debt management IT system (SAP treasury) in 2020 and there was an ongoing audit of the Austrian Treasury in 2021.

The SAI of **Finland** audited PDM with the aim to assess central government debt management and conditions for operational performance.

There was an ongoing audit in SAI **North Macedonia** on PDM – borrowing activities and an audit on borrowing from public sector entities determining the degree of utilization of loans and credits paid and incurred expenses in 2021. The aim was to establish whether the compliance and performance audits were conducted as necessary, based on the SAI's priorities: system efficiently managed the public debt of the Republic of North Macedonia by providing funds for financing the State Budget with the lowest cost, in the medium and long term and with a sustainable level of risk and issuance of state guarantees to this way that corresponds to a sustainable level of risk and maintaining an efficient and liquid government securities market.

The SAI of **Argentina** conducted a special examination on the impact and performance of the “Century Bond” issue in order to verify the existence of an adequate legal framework and to analyze the impact of this indebtedness. Furthermore, it performed an audit on “Program 22 – Secretary of finance” with an aim to assess if there was a PDM strategy, and it audited loans for road infrastructure of the “Norte Grande” to verify the performance of different stages of the projects related with BID loans destined to roads construction.

Furthermore, respondent-SAIs mentioned specific audit projects or special reports on the subject matter. For example, SAI **Egypt** participated in a project about governmental guarantees in 2021. SAI **Austria** provided an opinion on the compliance with the Austrian Stability Pact, a fiscal rules framework, in 2018. Meanwhile, in **Thailand**, it is recommended for the Council of Ministers to suspend the disbursement of loans during COVID-19 pandemic in 2020 since the projects allocated to the loan were lagged behind or were ineffective in operation. In addition, SAI **Finland** audited contingent liabilities of the central government, capital management in state funds, financial liabilities of the government in international organizations and the total central government balance sheet thereby determining how reporting based on total or consolidated balance sheet had been developed and how Parliament had been taken up to date. It also provides annual reports on fiscal policy monitoring.

Conclusion

Generally, all participating SAIs have a legal mandate for PDM audits. In all countries, there is a regulation for the mandate of the SAI to audit the public debt, while in some countries, the mandate for public debt management (PDM) audits is also regulated in the Constitution of the country.

SAIs play a central role in exercising independent external oversight on PDM in a country and in publicly reporting on the results of their audit. SAIs carry out financial, performance, and compliance audits on the subject matter of PDM.

Majority of the respondent-SAIs perform public debt audits regularly as part of the audit of the state budget execution or final accounts. In the annual report on the execution of the budget/ final account, there is a chapter regarding information on public debt.

PDM Audit is not mandatory in all SAIs, the conduct of audits varies from one country to another.

PDM is organized by the officials in debt management units within the MoF which perform important front-, middle- and back-office functions. Also, central banks can be included if they act as fiscal agents of the MoF, making payments and receiving funds in local and foreign currencies. In some countries, the treasurer or authorized agencies are in-charge of PDM.

Few SAIs have an obligation to confirm/control the concluded borrowing agreements.

Most countries audit all levels of government debt. In most countries, the definition of public debt includes all public entities which contribute to public debt.

All SAIs conclude their audit with a report. Addressees of the audit reports are mainly the audited entities, MoF, Parliament, National assembly, Authorities in charge, President, Congress, and the Public.

On average, four audits were conducted in each country during the past five years. Most SAIs conduct performance audit projects which also subsume debt management audits. Several SAIs perform annual financial audits, as well as audits on compliance with borrowing regulations. Furthermore, there are SAIs that perform specific audit projects or special reports on the subject matter.

Institutional capacities of SAI

A. Capacity-building on PDM Audit

In order to fulfill their PDM audit mandates as effectively as possible even in light of drastic changes and challenges in the public debt environment, SAIs have to continually assess their development and identify steps to build their capacities. Building capacity means developing further the skills, knowledge, structures, and ways of working that make a SAI effective in delivering its PDM audit mandate.⁵

This part, "Institutional capacities of SAI", seeks to ascertain the SAIs' institutional capacities, collating information on how SAIs conduct PDM audits through qualified auditors, best practices on capacitating these auditors in view of the highly specialized and technical knowledge PD audit requires and how the institutional capacities of SAIs enable them to adapt with the huge impact of the COVID-19 pandemic in the audit of PDM.

One of the considerations in ascertaining the capacities of SAIs specifically public debt auditors is the presence of certified auditor/s to audit PDM. In this paper, "certified auditors" are those who have received trainings and certifications for PDM audits through course offerings from external stakeholders such as the INTOSAI Development Initiative (IDI) and the regional organizations, the World Bank, International Monetary Fund (IMF), and other relevant organizations, and internal stakeholders specifically the SAI itself.

The WGPD listed as its mandate, to support SAIs in developing their knowledge and skills in public debt audit through exchange of knowledge, experiences, and information and collaboration among WGPD members, partners, and stakeholders.⁶

1. Public debt auditors in different SAIs

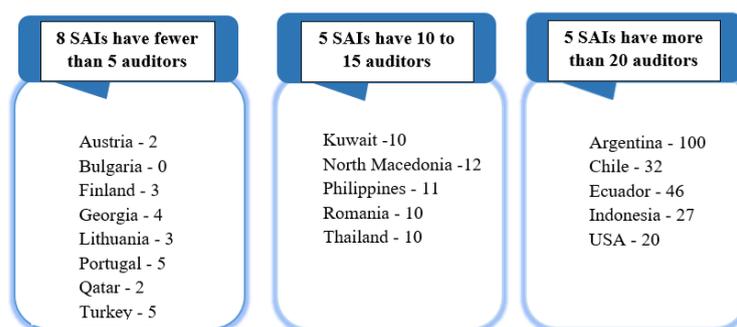


Figure 2. Number of PD auditors in different SAIs

The number of public debt auditors from among the 19 respondent-SAIs ranges from two to 100. SAI Argentina has the largest number of public debt auditors while on average, respondent-SAIs have 16-17 public debt auditors.

⁵ Building capacity in Supreme Audit Institutions (A Guide). 2007. INTOSAI Capacity Building Committee. DG Ref: 7509RB. National Audit Office. Accessed at <https://www.eurosai.org/handle404?exporturi=/export/sites/eurosai/.content/documents/Building-capacity-in-Supreme-Audit-Institutions.pdf>

⁶ WGPD Terms of Reference, Version 29 July 2020

2. Qualifications of public debt auditors

Eleven (11) out of 19 or 58% of the respondent-SAIs have auditors with training certifications relevant specifically for PDM and its audits while the other eight (8) SAIs have no such auditors. The survey shows that those auditors with relevant qualifications have passed certain tests or assessments.

Table 11. Qualifications of PD auditors in different SAIs

In SAI **Georgia**, auditors get their qualifications through different ways, such as participation in the Government Debt Management Performance Assessment Tool by World Bank, Financial Market Analysis and Debt Sustainability Analysis by the IMF and Chartered Financial Analyst (CFA) certification by the CFA Institute.

In SAI **Philippines**, auditors have participated and completed the INTOSAI Development Initiative's (IDI) Capacity Building Programmes on PDM Audits and Audit of Lending and Borrowing Frameworks.

In SAI **Portugal**, auditors have participated and completed the Debt Management Performance Assessment by World Bank.

In SAI **North Macedonia**, auditors get their qualifications and trainings through Transregional capacity building programs for public debt management audit organized by the IDI in 2008-2011 and 2014-2015 as well as the DeMPA Methodology program by the World Bank.

On the other hand, there are four (4) SAIs whose auditors are either program managers, resource persons, or mentors in the IDI Capacity Building Program on PDM.

The main providers of the training courses are WB, INTOSAI, and IMF. The DeMPA courses offered by the WB is the most popular training course among respondents.

There are also auditors in other SAIs who are Certified Public Accountants who perform financial audits of government transactions that include public debt.

3. How to choose/assign an auditor for public debt audit

With the complexity of public debt, SAIs must also take into account the qualifications for an auditor to be assigned in the audit of PDM. In assigning auditors for public debt audits, SAIs mostly rely on two criteria: the auditor's experience and knowledge in the field of public debt.

It is suggested to include particular criteria for auditors to qualify in the audit of public debt in line with the current qualifications provided by the SAIs. In addition, SAIs that do not offer courses/workshops for public debt auditors may also be encouraged to provide one. All these may also be included in a separate guideline on the audit of public debts.

Table 12. Criteria in assigning auditors for PDM audit

U.S. GAO takes staff preferences into account, as well as ensuring that the team assigned for public debt audit has the necessary skills, experience, and knowledge.

In SAI **Philippines**, the criteria currently used for assigning auditors in public debt audits include:

- Background/experience in audits of public debt;
- Current assignment (whether an auditor is assigned in agencies whose mandates relate to PDM DOF/BTr);
- CPA certification

Further, SAI Philippines had issued a resolution recognizing the need for the SAI to engage auditors with expertise in economics and financial analysis.

In SAI **Georgia**, there are three to four (3-4) employees who regularly work on public debt related issues, including performing individual performance audits as well as auditing public debt related issues within the Reports on the Government Report "On the Execution of the State Budget."

In SAI **North Macedonia**, the auditors for PDM are assigned according to the organizational department. As part of the compliance audit of the state budget, which is mandatory every year, analyses of borrowing, conditions and the trend of public debt are performed. For performance audit the team was chosen from the SAI's certified auditors in public debt management.

B. Courses/workshops for public debt auditors

Among the 19 respondent-SAIs, there are nine (9) which offer courses or workshops on public debt audit to build auditors' capacity.

SAI **Portugal** offered the following courses to capacitate its PD auditors:

1. Stability of the Financial System and the Bank Resolution Mechanism
2. New Sources of Public Sector Financing
3. Public Debt Management
4. Financial Markets and Products and Loan Trading
5. Public Debt Markets Challenges in a Deepening EMU Framework
6. Public Debt - Causes, consequences, and perspectives for evolution
7. Rating agencies and their role in the current crisis
8. Futures and Options in Portugal – Legal, Fiscal and Accounting Framework
9. New Public Financing Sources
10. Public Debt

SAI **Honduras** have offered courses and workshops for public debt audit with Fondo Argentino de Cooperación Internacional (FO.AR). i.e.: in 2015 & 2017, it offered a virtual workshop "Strengthening the High Court of Accounts."

C. Readiness for public debt audit in view of the pandemic

There are many challenges in conducting an audit during a pandemic, such as difficulties in communication with the audited entity for audit criteria in situations of crises, changes in borrowing conditions during pandemic, non-compliance with the legal framework and internal procedures, no guide for PDM audit in crisis, a significant increase of public debt in all countries, and limited electronic access of the data for public debt.

It seems that SAIs are optimistic when facing COVID-19 pandemic, as 15 out of 19 or 79% of respondent-SAIs state that they are ready to conduct public debt audits. For the other three (3) SAIs, pandemic caused inconveniences for their audits, such as delays in completing tasks. One (1) SAI answered that it lacks the readiness to conduct audits of public debt at the macro level.

Table 13. Conduct of PDM audits during COVID-19 pandemic
SAI Chile has the conditions to carry out such audits, given that it has access to the sources of information that support public debt operations, computer systems that allow remote processing of databases, and tools that facilitate coordination with state agencies involved in PDM.
SAI Indonesia conducts such audits virtually, whether for discussion among team member or interviews with the auditees. Data is provided digitally by the audited entities. When needed, the auditors work at the office in shifts with approximately 25 attendees but less than 50%. The COVID-19 health and safety protocols are strictly applied and swab tests for auditors are periodically conducted.
In SAI Austria , financial audits are conducted without any delays. IT systems are accessible, virtual meetings are possible and documents can be exchanged via a databox. The challenge has been the additional workload due to a higher number of debt certificates that had been issued and had to be reviewed before the countersignature by the President of the Court of Audit.
SAI Georgia finalized two performance audits of PDM at the beginning of 2020. Another individual audit scoping public debt is not planned yet and all aspects of the debt will be covered within the audit reports on the Government Report "On the Execution of the State Budget". SAI Georgia is ready in terms of capacity but there are some challenges due to governmental offices' teleworking.
U.S. GAO continued its annual financial audit of the federal debt without any delays in issuing the report. GAO also performed a review of Treasury's debt management response to COVID-19. The report entitled <i>Treasury Quickly Financed Historic Government Response to the Pandemic and Is Assessing Risks to Market Functioning</i> was issued in August 2021.

Conclusion

According to the survey results, most SAIs have quite strong capacity in terms of public debt audit and they have strong attitude towards capacity improvement. In some cases, SAIs have auditors who are specifically assigned the role of Public debt auditors. In other SAIs, auditing public debt is dispersed among many auditors, who have enough knowledge and/or experience in terms of auditing public debt.

It has been three years since the onslaught of COVID-19, and the pandemic seems not near to be over. Although there are many challenges in conducting public debt audits during the pandemic, according to the survey, most SAIs are ready, or are on their way to overcome those difficulties with their institutional capacities.

Obviously, institutional capacity is pivotal for conducting public debt audits during such difficult times. The better trained or qualified the auditors are, the more likely the SAI is able to conduct public debt audits despite the impact of the pandemic. Another key factor is IT capacity, which may affect data transmission or the feasibility of working from home.

Regional Organization's support and resources

This Part of the Paper elaborates the needs of the SAIs for external assistance, as well as the support and resources provided by the Regional Organizations for PDMA. In general, each respondent-SAI provided information about the need for additional support and resources for the implementation of the activities of the SAI for public debt audit, in accordance with the established competencies.

A. Membership of SAIs in various regional organizations

There are various regional organizations to which SAIs belong. Existing regional organizations include the Arab Organization of Supreme Audit Institutions (ARABOSAI), African Organization of Supreme Audit Institutions (AFROSAI), ASEAN Supreme Audit Institutions (ASEANSAI), Asian Organization of Supreme Audit Institutions (ASOSAI), European Organisation of Supreme Audit Institutions (EUROSAI), Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), Pacific Association of Supreme Audit Institutions (PASAI), and Caribbean Organisation of Supreme Audit Institutions (CAROSAI).

Of the 19 respondent-SAIs' answers, 11 answered that they are affiliated to one regional organization, seven (7) answered that they are a members of more than one regional organizations, and one (1) is not a part of any regional organization.

Table 14. Membership in various regional organizations	
11 SAIs belong to one regional organization	<ul style="list-style-type: none"> ▪ Lithuania, Romania, Austria, Bulgaria, Georgia, Finland, North Macedonia – EUROSAI ▪ Ecuador, Chile, Argentina – OLACEFS ▪ Egypt - AFROSAI
7 SAIs belong to more than one regional organization	<ul style="list-style-type: none"> ▪ Turkey – ASOSAI and EUROSAI ▪ Portugal – EUROSAI and OLACEFS ▪ Kuwait and Qatar – ARABOSAI and ASOSAI ▪ Philippines, Thailand, Indonesia – ASOSAI and ASEANSAI
Not a member of any regional organization	<ul style="list-style-type: none"> ▪ U.S. GAO

1. The Strategic Plan of Regional Organizations in the Field of PD Audit

The survey results show that seven (7) out of 19 SAIs explained that objectives and programs aimed at strengthening capacities in the field of public debt audit are included in the regional organizations' strategic plans. The responses came from the SAIs of **Kuwait** and **Qatar** (belonging to the ASOSAI and ARABOSAI regions), **Philippines** and **Indonesia** (ASOSAI and the ASEANSAI), **Egypt**

(AFROSAI region), **Georgia** (EUROSAI region), **Portugal** (EUROSAI and OLACEFS regions), and **Argentina** (OLACEFS region). The following are the details of ASOSAI and EUROSAI's strategic plans related to public debt:

a) ASOSAI

PDM topic is currently among the research subjects for consideration in the next ASOSAI Strategic Plan. Also, as the WGPD Chair, SAI Philippines plans to collaborate with the ASOSAI training committee, through the INTOSAI KSC, to include courses on PDM that would enhance auditors' capacity in the field of PD audits.

The ASOSAI Strategic Plan 2016-2021 (Strategic Goal 1: Support Capacity Development of Member SAIs; 1.2 Focus on ISSAIs, emerging audit areas and other areas based on members' needs) states that the "ASOSAI will continue to partner with the IDI to provide support for the implementation of the ISSAIs. ASOSAI will also focus on SAIs' needs for capacity development support in audit areas like performance audit, IT audit, the audit of public debt, public works projects, procurement, fraud, and corruption, etc." Meanwhile, in the ASOSAI Strategic Plan 2022-2027, there is no specific mention on PD.

b) EUROSAI

The Strategic goal 1 of EUROSAI Strategic Plan 2017-2023 includes "Supporting effective, innovative, and relevant audits by promoting and brokering professional cooperation" – which has the potential to deal with public debt issues. However, there are no specific tasks allocated to this issue. EUROSAI working groups include IT audit, audit of funds allocated to disasters and catastrophes, environmental auditing, ethics and audit of municipalities.

c) GAO

Not a member of any regional organization, U.S. GAO's strategic plan includes goals to (1) identify, attract, and retain a workforce with the skills necessary to achieve operational excellence; and (2) develop the workforce using learning organization principles that instill multidisciplinary thinking, collaboration, and responsiveness. These goals apply to all bodies of work, including the audit of PDM.

2. Activities or Program on PDM audits conducted by regional organizations

Based on the survey results, three (3) regional organizations have either organized or collaborated in PDM audit activities, as follows:

a) ASOSAI:

- IDI/Global Capacity Building Program on PDM (2008-2011), conducted by the IDI.
- IDI/ASOSAI Capacity Building Program on ALBF (2014), conducted by the IDI in cooperation with SAI Philippines.

b) AFROSAI: Webinar on resource mobilization in time of Covid-19 organized by AFROSAI (2020)

c) EUROSAI-OLACEFS: 7th Conference (2012) held in Tbilisi, Georgia

3. SAI Participation in WGPD or other regional organization's activities related to public debt

The survey results showed that all respondent-SAIs have participated in WGPD or other regional organizations' programmes or activities related to PD audit. Most of the respondents stated that they have been participating in the WGPD and other regional organizations' activities related to public debt, as follows:

a) WGPD: Ecuador, Chile, Philippines, Turkey, Bulgaria, Lithuania, Austria, Georgia, Finland, North Macedonia, and Argentina.

b) INTOSAI: Egypt and Qatar

c) IDI: Indonesia, Philippines

d) EUROSAI: Portugal

4. Forms of support provided by regional organizations in the field of PDM audit

On the question when the regional organizations began to provide support in the area of PD audit, only two (2) SAIs provide specific answers.

SAI **Indonesia** stated that, in 2008, they had support from regional organization in the form of IDI - ASOSAI *Trans-regional Program for Public Debt Management Audit*. SAI **Philippines** answered that the support provided by the ASOSAI is in the form of providing venue and hosting of events in coordination with the initiatives and programmes of the IDI, such as the capacity building programs on audit of PDM, where ASOSAI member countries had hosted face-to-face audit planning and review meetings.

The following table presents in more detail the forms of support provided to SAIs by the regional organizations in the field of PDMA:

Table 15. Forms of support provided to SAIs by regional organizations
Five (5) SAIs, namely the SAIs of Kuwait, Egypt, Indonesia, Thailand, and Argentina stated that they had received support from each SAI regional organization in the form of trainings/courses.
SAI Kuwait stated that it had received support from regional organizations in the form of implementation of cooperative audit missions.
Four (4) SAIs, namely the SAIs of Kuwait, Egypt, Turkey, and Thailand stated that they have received support in the form of guidelines and resource materials provided by each SAI regional organization.
The SAI regional organizations also provided support to its members in the form of organizing meeting forums. This was conveyed by four (4) SAIs, namely Egypt, Turkey, Thailand, and Portugal.
Three (3) SAIs stated that they received other support from the regional organizations. The SAI of Philippines stated that it proposed a PD audit topic as among the research projects to be undertaken by the ASOSAI and such is currently at the prioritization stages. The SAI of Austria received audit reports on debt management by other SAIs while the SAI of Portugal stated that in several joint conferences, this issue was tackled, for instance, in the 7th Conference EUROSAI/OLACEFS on Good Governance in the Public Sector.

On the other hand, the survey results also show that out of the remaining ten respondent-SAIs, five (5) stated that they did not receive any support, while the other five did not answer the question.

5. Forms of support provided by regional organizations in the field of PDM audit in view of the COVID-19 pandemic

In view of the COVID-19 pandemic, the survey results show that three (3) SAIs, namely **Portugal, Georgia,** and **North Macedonia,** clearly stated that they did not receive any support from regional organizations in the field of PDM, while nine (9) SAIs did not answer the question.

Seven (7) SAIs stated that they have received support from the regional organization in several forms, as follows:

Table 16. Forms of support provided to SAIs by regional organizations in view of the COVID-19 pandemic
Five (5) SAIs, which are Kuwait, Egypt, Turkey, Thailand, and Argentina answered “Organizing training/courses” and “Providing guides and resource materials.”
Four (4) SAIs, which are Egypt, Turkey, Thailand, and Finland answered “Organizing forums on sharing of practices.”

SAI **Philippines** answered “Organizing Research Competitions”. It also stated other support that ASOSAI has extended in the form of a grant (SAUDI FISP) to SAI Philippines with the goal of enhancing the resilience of SAIs through ICT Solutions. While this may not be directly related to PDM audits, this will allow SAI to perform audit activities such as monitoring and tracking the utilization of COVID-19 funds by the government, which comprised mostly from borrowings.

6. Products (Standards/Guidelines/Bulletins) related to PDM audits issued by the regional organizations

Most SAI (15 out of 18) said that there are no products (standards/guidelines/bulletins) related to PDM audits that are issued by the regional organizations.

7. Evaluation of the level of support generally provided by the regional organization in the field of PDM audit

Eleven (11) out of 18 SAIs stated that the level of support generally provided to the SAIs by the regional organization is limited.

SAI **Turkey** noted that the WGPD is much more active in providing support to public debt auditors. It added that regional organizations may contribute more to the professional improvement of public debt auditors by organizing trainings or seminars for the member SAIs in collaboration with the INTOSAI-WGPD and other stakeholders. Meanwhile, SAI **Portugal** stated that they take advantage being a member of the INTOSAI WGPD since EUROSAI is not engaged in this field.

B. Need for support: Benchmarking, Training, Knowledge-Sharing

On the needs of the SAIs for specific support and resources from the regional organizations for PDM audit, the survey results show:

1. Support in facilitating/holding a discussion or benchmarking with other SAIs and/or debt-related organizations

Several SAIs stated their needs in the form of discussions/benchmarking. For one, SAI **Philippines** sees the need to collaborate closely with the regional organizations, e.g. ASOSAI, to facilitate the conduct of discussions or hosting of public-debt related activities and involvement of experts to capacitate the member-SAIs on current/best practices. Meanwhile, SAIs **Turkey** and **Thailand** stated that the regional organization should hold a virtual conference or a seminar on public debt management audit, to share best practices, approaches and problems encountered related to public management audit. SAI **Georgia** believes that regular sharing experience between SAIs is

essential for getting knowledge in best practices. SAIs **Kuwait** and **Indonesia** both answered that they need benchmarking with other SAIs on debt audit, while SAI **North Macedonia** responded that they need cooperative and joint audits, sharing the information and knowledge in the field of PDMA, trainings, and workshops.

2. Support on knowledge/training on PDM audit and on dissemination of WGPD and/or regional organization products

The survey results show that some SAIs expressed need for support in terms of knowledge-sharing, such as trainings and dissemination of products.

SAI **Chile** stated that it is necessary to hold a virtual training on public debt audit, with the main tools in the matter. SAIs **Egypt** and **Indonesia** expressed the need for any webinar, workshops, or video conference for knowledge sharing on the audit of public debt. SAI **Philippines** finds it necessary to hold virtual training on PD audits, using the GUIDs and Handbook that the WGPD developed, as part of the capacity building initiatives of the WGPD, as well as support for translation of products for dissemination. SAI **Turkey** stated that the audits need to be carried out within the framework of the determination of the contingent liabilities that will affect the public debt and the risks that may arise due to these liabilities. SAI **Bulgaria** needs dissemination of the materials of the WGPD. SAI **Thailand** stated that the objective of the regional organization is to promote understanding and cooperation among member institutions through the exchange of ideas and experiences in the field of Public Audit. Hence, the regional organization should design the training course, including the dissemination of products on PDMA, e.g. bulletin, journal, podcast, and infographics.

3. Support in building the knowledge and capacity related to public debt

SAI **Turkey** always see the experiences and knowledge of other SAIs in this field as valuable. Meanwhile, SAI **Thailand** stated that SAIs may apply the INTOSAI Framework of Professional Pronouncements, as well as the principles of the World Bank and the IMF, to ensure high quality PDMA. Thus, the regional organization should support the knowledge related to the guidelines and resource materials. SAI **Portugal** added that they are comfortable with the support provided by the INTOSAI-WGPD.

4. SAI participation in future activities or programs related to public debt

Most of the respondent-SAIs (14 out of 18) indicated that in the future, they will participate in activities or programs related to public debt to be conducted by regional organizations.

Conclusion

The majority of respondent-SAls is a member of one or more regional organizations. While one of the regional organizations has incorporated PD audits in its Strategic Plan, the survey results show that the level of support generally provided to SAls in the field of public debt is still limited.

Respondent-SAls felt the need for more support in the field of PD audit from the regional organizations. The support can be in the form of (1) facilitating/holding a discussion or benchmarking with other SAls and/or debt-related organizations; (2) knowledge/training on PDM audits and the dissemination of WGPD and/or regional organization products; and (3) support in building the knowledge and capacity related to PD audit.

Regional organizations can provide support to the WGPD in its ongoing plans to conduct capacity-building activities in the field of PDM audits.