Annex 2: Contributions

1. Dr Heinz Fischer, Federal President of the Republic of Austria
2. Dr Josef Moser, President of the Austrian Court of Audit, Secretary General of INTOSAI, Austria
3. Wu Hongbo, United Nations Under-Secretary-General for Economic and Social Affairs (UN DESA)
4. What Lessons Learned and Advice SAIs Can Share from Reviewing the Implementation of the MDGs for the SDGs
   • Carman L. Lapointe, United Nations Under-Secretary-General for Internal Oversight Services (UN OIOS)
5. UN Post-2015 Development Agenda: Means of Implementation and the Role of SAIs
   • Dr Martin Sajdik, President of United Nations Economic and Social Council (UN ECOSOC)
6. Remarks by the INTOSAI Chair
   • Zhang Tong, Deputy Auditor General and Representative of the INTOSAI Chair
7. Expectations of Parliaments in SAIs
   • Norah Babic, Inter-Parliamentary Union (IPU)
8. Expectations of Governments in SAIs
   • Michael Linhart, Secretary General, Federal Ministry of Foreign Affairs of Austria
   • Margaret Saner, United Nations, Chair of the Committee of Experts in Public Administration (UN CEPA)
10. Development Partners: Expectations in SAIs by the Donor Cooperation
    • Jennifer Thomson, World Bank
11. Development Partners: Expectations in SAIs in the Framework of Bilateral Cooperation
    • Robert Zeiner, Austrian Development Agency (ADA)
12. Challenges and Opportunities for SAIs in Capacity Building
    • Einar Gørrissen, INTOSAI Development Initiative (IDI)
13. Expectation of the Citizens in SAIs
    • Amitabh Mukhopadhyay
14. Independence of SAIs and Sustainable Development
    • Marisela Márquez-Uribe, Mexico
15. Necessary Capacity of SAIs for Auditing of Development Goals
    • Kimi Makwetu, South Africa
16. Necessary Mandate of SAIs to Promote Fiscal Sustainability: Performance Audit of Government Activities
    • Aroldo Cedraz de Oliveira, Brazil
<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.</td>
<td>Necessary Mandate of SAIs to Promote Fiscal Sustainability: Financial Audit</td>
<td>Dr. Harib Saeed Al Amimi, UAE</td>
</tr>
<tr>
<td>18.</td>
<td>True and Fair View of State Budgets for Enhanced Accountability through Better Financial Management</td>
<td>Dr. Gerhard Steger, Austria</td>
</tr>
<tr>
<td>19.</td>
<td>Citizen Engagement in Auditing for Sustainable Development</td>
<td>Heidi L. Mendoza, Philippines</td>
</tr>
<tr>
<td>20.</td>
<td>Safeguarding Sustainable Development by Auditing Non-Economy Issues</td>
<td>Tomaž Vesel, Slovenia</td>
</tr>
<tr>
<td>22.</td>
<td>Growth Friendly Audit: How the Work of SAIs can Contribute to Economic Growth</td>
<td>Peter Gray, United Kingdom</td>
</tr>
</tbody>
</table>
23rd UN/INTOSAI Symposium 2 – 4 March 2015, Vienna, Austria
23e Symposium ONU/INTOSAI 2 – 5 mars 2015, Vienne, Autriche
23° Simposio NU/INTOSAI 2 al 4 de marzo de 2015, Viena, Austria

الموضوع

UN Post-2015 Development Agenda:
The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

ال роли الأجهزة العليا للرقابة المالية العامة والمحاسبية ووسائل تحقيق التنمية المستدامة

The Role of SAIs and Means of Implementation for Sustainable Development

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

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

SECRETARY GENERAL OF INTOSAI
The theme of the symposium “The Role of SAIs and Means of Implementation for Sustainable Development in the Framework of the UN Post-2015 Development Agenda” is of particular importance, as public resources are becoming increasingly scarce in all areas.

It is therefore our task to do everything possible to safeguard sustainable development. In doing so, we are committing to this objective not only for our benefit and for the functioning of the state as a whole, but mainly to create a sustainable environment for our children, which will allow them to take decisions unencumbered by the burdens of the past.

Objective of the symposium

The symposium aims at elaborating answers to the following questions in the form of conclusions and recommendations:

- What specific expectations do different stakeholders, such as Parliaments, citizens, governments, development aid organisations and, in particular, also the United Nations, have towards SAIs with regard to sustainable development?

- What kind of prerequisites must SAIs have in order to participate effectively in safeguarding sustainable development? And:

- Which concrete possibilities and what kind of first-hand experiences do SAIs have regarding the effective participation in the Post-2015 Development Agenda?

It is necessary to find answers to these questions, especially as a series of UN documents and decisions explicitly outline expectations in SAIs, prerequisites for SAIs and possibilities for SAIs in the framework of the Post-2015 Development Agenda. Examples of the above-mentioned documents are

- the UN General Assembly Resolution A 66/209 from December 2011,
- the Beijing Declaration of INCOSAI 2013,
- the ECOSOC Ministerial Declaration and the ECOSOC Resolution from 2014,
- the Synthesis Report of the UN Secretary-General on the Post-2014 Agenda from December 2014,
- the current draft SDGs as well as
- the UN General Assembly Resolution A 69/228 from December 2014.
These documents explicitly highlight the importance of SAIs in promoting the effectiveness, accountability and transparency of public administration and the contribution of SAIs to achieving the national and international development goals and the Post-2015 Development Agenda.

Expectations in SAIs

Against this backdrop, citizens, Parliaments, governments, development partners and the United Nations have numerous expectations in SAIs, which we have to address. All of these expectations have in common that ensuring transparency, accountability and the true and fair view of state budgets constitute a central topic in the implementation of the Sustainable Development Goals.

Prerequisites for meeting the expectations

In order to meet these expectations,
- SAIs must be financially, organisationally and materially independent and they must be independent of the audited entities,
- SAIs must have the necessary capacities required for their work, and
- the necessary accounting systems must be in place to ensure the true and fair view of the financial situation of the state.

These prerequisites are not always in place. Deficiencies have been identified with regard to independence, audit mandates and capacities of SAIs, as well as the plausibility of public accounting systems.

In order to effectively safeguard sustainable development, SAIs have to overcome these deficiencies. For this purpose, it is essential that the states commit to this objective in the framework of the Post-2015 Development Agenda and include
- the independence of SAIs,
- capacity building for SAIs and
- the improvement of the public accounting systems as central elements.

This will give us the opportunity to tangibly implement these elements by 2030 and to ensure that the implementation is subject to monitoring and review mechanisms.
Opportunities for SAIs

This would also enable SAIs to conduct, in addition to financial and compliance audits, performance audits in particular. Only then will SAIs be able to provide decision makers with answers to key questions with regard to all areas addressed in the SDGs, such as the fight against poverty, healthcare or education. These questions concern, among others, the following:

- Are public funds used economically, efficiently, effectively and in compliance with legal requirements?
- Which errors were made?
- How can these errors be prevented in future?

Furthermore, SAIs can provide a transparent, true and fair view of the financial situation of the state by performing audits of the financial statements based on adequate public accounting systems. Accrual accounting, for example, provides a comprehensive picture of public finances, depicting the

- perspective on liquidity
- use and inflow of resources and
- assets and liabilities.

The notion that SAIs mutually strengthen one another in the framework of adequate peer reviews on independence constitutes another precondition. The peer-review project on independence by the Austrian Court of Audit and the Austrian Development Agency, which is in its start-up phase and planned to be conducted in all INTOSAI Regions, could be a starting point.
UN Post-2015 Development Agenda: The Role of SAIs and Means of Implementation for Sustainable Development

Vienna, 2 March 2015

[INTRODUCTION]
Secretary-General of INTOSAI Mr. Josef Moser,
Ambassador Martin Sajdik and President of the UN Economic and Social Council,
Ms. Carman Lapointe, my colleague and Under-Secretary-General for the United Nations Office of Internal Oversight Services,
Mr. Martin Chungong, Secretary General of Inter-Parliamentary Union,
Mr. Zhang Tong, Deputy Auditor General of China, and Representative of the INTOSAI Chair,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is a pleasure to be back here in this beautiful city of Vienna for the 23rd UN/INTOSAI Symposium.

I thank INTOSAI for collaborating with the United Nations in organizing this important event.

The 23rd UN/INTOSAI Symposium is timely.

Its overall theme “the role of Supreme Audit Institutions and means of implementation for the sustainable development” reflects the importance the United Nations and our INTOSAI partners attach to supreme audit institutions in advancing sustainable development.

[SDGS AND POST-2015 DEVELOPMENT AGENDA]
In September this year, world leaders will convene in New York the United Nations Summit to adopt the post-2015 development agenda. This universal agenda, for implementation by developed as well as developing countries, will aspire to bring about
transformative change - to how we grow our economies, advance social development, fight climate change and protect our planet.

With 17 sustainable development goals (SDGs for short) and 169 related targets proposed for further elaboration and likely inclusion, the post-2015 development agenda will be an ambitious, visionary and historic one.

Secretary-General Ban Ki-moon, in his Synthesis Report submitted to the Member States last December, captured this agenda through an integrated set of six essential elements:

(i) ensuring dignity - by ending poverty and fighting equality;
(ii) focusing on people – in order to ensure healthy lives and inclusion of women and children;
(iii) achieving prosperity – by growing a strong and inclusive economy;
(iv) protecting our planet and ecosystems for all societies and our children;
(v) advancing justice by promoting safe and peaceful societies and strong institutions; and
(vi) strengthening partnerships to catalyse global solidarity for sustainable development.

Driving this ambitious and transformative agenda is our shared desire for a better and more sustainable future.

The final document of the post-2015 development is being elaborated through an intensive consultation and negotiation process, starting from January and continuing every month through September. My department has been coordinating UN system technical inputs to this intergovernmental process.

[IMPLEMENTATION]

Importantly, much of the ongoing deliberation is focused on monitoring, review and implementation, including means of implementation.

There is growing expectation that the 17 goals and 169 targets are likely to be the core of the post-2015 development agenda.

However, successful implementation of this agenda will, by no means, be an easy undertaking.

It will require an enabling environment, including accountable institutions and the rule of law.

It is worth noting that an honest and responsive government was identified among the top priorities by the 7 million people who participated in the online survey titled “Million Voices”.

Indeed, Member States have heard this voice Goal 16 of the proposed SDG aims to “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”
Member States and the public at large have both underscored the critical role of effective and accountable institutions in implementing the post-2015 development agenda.

The Secretary-General further emphasized the critical role of monitoring frameworks, drawing attention to oversight mechanisms such as supreme audit institutions and oversight functions by legislature.

[ROLE OF SAI]

Supreme audit institutions (SAI) are at the core of effective, accountable and inclusive institutions.

In this regard, the lessons learned during the last fifteen years of the Millennium Development Goals (MDGs) will serve us all, as we contemplate the challenges ahead.

We look forward to hearing more about those lessons from my colleague, Under-Secretary-General Lapointe.

Looking ahead, I believe supreme audit institutions will play an even more important role in supporting the implementation of SDGs.

The SDGs are broader in scope, ranging from hunger, poverty, health, education, gender equality, to water and sanitation, to energy, economic growth, infrastructure, industrialisation, and to urbanisation, consumption, climate change, oceans and seas, our ecosystems, as well as means of implementation and global partnership.

As I just mentioned, SDG 16 addresses inclusive and accountable institutions,

As far as supreme audit institutions are concerned, I see three aspects relating to implementation of such a broad agenda.

First, given the competing demands for resources to implement SDGs and related targets, financial resources dedicated to SDGs must be utilized efficiently.

In this regard, supreme audit institutions will need to continue strengthening their traditional financial and compliance auditing functions to help ensure that public resources are allocated and spent efficiently and effectively for advancing the implementation of the SDGs.

Second, integration will be a critical challenge in the implementation of the post-2015 development agenda. This is by no means a new problem. We must learn from the past and avoid silo mind-set and approach to implementation.

To this end, supreme audit institutions will need to devote more resources to performance audits, ensuring that public institutions perform their functions in a coherent and integrated manner, with accountability, efficiency, effectiveness, and economy.

Third, we anticipate that developing countries will require scaled-up support, including capacity building support.
The international community must therefore help developing countries enhance capacity to develop and strengthen the independence of supreme audit institutions for fostering public accountability.

**[GA RESOLUTION]**

As you may be aware, the General Assembly already issued a call to action when it adopted in December 2014 a resolution on *Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions*.

By that resolution, the General Assembly calls upon Member States to “give due consideration to independence and capacity-building in respect of supreme audit institutions, and to the improvement of public accounting systems in the post-2015 development agenda.”

The Department of Economic and Social Affairs, working closely with key partners, including INTOSAI, is committed to supporting national efforts, particularly in developing countries, to foster efficient, transparent and accountable public governance and administration.

This joint Symposium is one such effort. I consider this Symposium a good opportunity for broad discussions and fruitful exchanges on what lessons learned and advice national supreme audit institutions can give.

In the field of audit and inclusive and accountable governance, the international community will look upon organisations such as INTOSAI and its strong membership to help disseminate successful country experiences on what works and what is needed to change the course.

**[CONCLUSION]**

Excellencies,
Ladies and Gentlemen,

I would like to conclude my remark, as I did last month in New York at a panel discussion on supreme audit institutions, with one more quote from the Secretary-General’s Synthesis Report.

I quote:

“We must now embrace a culture of shared responsibility … The new paradigm of accountability that we seek is … one of all actors…Governments, international institutions, private sector actors and organizations of civil society — and in all countries, the people themselves. This is the real test of people-centred, planet-sensitive development”

End of quote.

I thank you for your attention.
Evaluation results for MDGs

- Goals and targets established for MDGs
- Measurement mechanisms not foreseen; capacity gaps not resourced
- Monitoring and evaluation framework evolved over time, varied considerably
- No provision for rigorous evaluation
- Inter-agency Expert Group on MDGs played an important consolidating role
Key Lessons Learned

- Need for clear monitoring and evaluation objectives, role/responsibility definitions, and coordination mechanisms
- Strategy for multilateral and bilateral support for national capacity development, including mobilization of sufficient resources
- Provision for formal evaluative inquiry
Using Program/Thematic Impact Pathways (PIPs/TIPs)

What are they and how do we use them in OIOS?

Logical pathways to manage risks and measure success

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources we have, develop or adopt to do our work</td>
<td>Things we do day to day</td>
<td>Products we produce</td>
<td>Changes we influence</td>
<td>Long-term changes</td>
</tr>
<tr>
<td>Examples: Staff, $$$, procedures, systems, standards</td>
<td>Planning, recruiting, coordinating, consulting, supervising, QA reviews</td>
<td>Reports, results, advice, updates, summaries, recommendations</td>
<td>Assurance, informed decision-making, awareness</td>
<td>Stronger, more effective delivery of all programs, improved lives</td>
</tr>
</tbody>
</table>

Performance targets set and monitored for each element; Used in OIOS divisions and for programs evaluated.

MDG M&E thematic framework

Figure V: Thematic Impact Pathway (TIP): Monitoring and Evaluation of MDG Programs
### Complexity of MDGs vs SDGs

<table>
<thead>
<tr>
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<th>MDGs</th>
<th>SDGs</th>
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<tbody>
<tr>
<td>Number of Goals</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Number of Targets</td>
<td>20</td>
<td>126</td>
</tr>
</tbody>
</table>

*At multiple levels: national, regional and global*

### Accountability: not a bad word!

- Often perceived as one stakeholder’s exercise of control over another
- Perceptions vary at local, national, regional and global levels
- Interpretation of the concept of *mutual accountability* remains inconsistent
Evaluation: a bridge between Monitoring & Accountability?

Figure III: Evaluation as a Bridge

UN System MDG Framework

Figure IV: Map of UN System Framework for Monitoring and Evaluation of MDG Progress - Overview
Critical Role of SAIs for SDGs

- SAIs’ independence permits ‘honest broker’ assessments. SAIs are best placed to:
  - Promote consistency and discipline in measurement
  - Understand national priorities, context, identify gaps
  - Enhance national, regional and global data reliability
  - Signal course change requirements to stakeholders

Opportunities also exist to strengthen collective results by collaborating with UN System oversight bodies to share methodologies, identify challenges
Post-2015 Entwicklungsagenda der VN: Möglichkeiten zur Umsetzung und die Rolle von ORKB

Martin Sajdik, Präsident des ECOSOC

Es gilt das gesprochene Wort

Sehr geehrter Herr Bundespräsident,
sehr geehrter Herr Generalsekretär Moser,
sehr geehrter Herr Untergeneralsekretär Wu,
sehr geehrte Frau Untergeneralsekretärin Lapointe,
meine sehr verehrten Damen und Herren,

Ich möchte mich sehr herzlich für die Einladung zu dieser so außerordentlich wichtigen Veranstaltung bedanken.


Vor diesem Hintergrund beschlossen die Staats- und Regierungschefs 2012 im Rahmen der Konferenz der Vereinten Nationen über nachhaltige Entwicklung in Rio de Janeiro, ein Hochrangiges Politisches Forum zu Nachhaltiger Entwicklung (High-level Political Forum on Sustainable Development, HLPF) einzurichten. Das in weiterer Folge in einer

Meine Damen und Herren,


Auf der regionalen Ebene könnten die vorhandenen regionalen Kommissionen der VN bei der Sammlung und Zusammenstellung von Beiträgen aus den einzelnen Ländern behilflich sein und, so die Mitgliedstaaten das wollen, regionale Reviews durchführen. Gerade bei vergleichbaren Ländern, die in den regionalen Kommissionen zusammengefasst sind, kann der Austausch von nationalen Erfahrungen und „best practice“ bedeutenden Mehrwert erzeugen.

Auf der – wie erwähnt besonders wichtigen – nationalen Ebene stehen als Akteure, neben den Regierungen, Zivilgesellschaft, Privatwirtschaft, Parlamente und nicht zuletzt die Obersten Rechnungskontrollbehörden als
Instrumente der Überwachung und Überprüfung der Nachhaltigkeitsziele bereit. Dabei wird es darauf ankommen, dass die Beiträge all dieser Akteure auf allen Ebenen – national, regional und auf Ebene der Vereinten Nationen – entsprechend berücksichtigt werden.

Meine Damen und Herren,


Die Obersten Rechnungskontrollbehörden können sich in ihrem länderübergreifenden Netzwerk der Internationalen Organisation der Obersten Rechnungskontrollbehörden (INTOSAI) über Erfahrungen institutioneller oder inhaltlicher Natur austauschen. Die INTOSAI hat sich bereits als entsprechende Plattform etabliert, wovon die soeben erwähnte Resolution – übrigens eine österreichische Initiative – ebenfalls mit Anerkennung Kenntnis nimmt. Wie gut dieser Erfahrungsaustausch funktioniert, davon legt gerade die heutige Veranstaltung in beeindruckender Weise Zeugnis ab. Es ist auch dieser
internationale Erfahrungsaustausch, der dazu beitragen kann, die globalen Ziele in Zukunft zuverlässiger umzusetzen.

Meine Damen und Herren,


UN Post-2015 Development Agenda: The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

Opening Remarks by the INTOSAI Chair

CHINA
Summary of the Remarks at the 23rd UN/INTOSAI Symposium by Mr. Zhang Tong, Representative of the Chairman of INTOSAI Governing Board

The promotion of sustainable development is a common goal of all countries and SAIs. In years, INTOSAI has been making great efforts in supporting SAIs in promoting sustainable development. Under the objective of improving national governance, CNAO has effectively promoted the sustainable economic and social development in China.

I. “New normal” of China’s economic growth

Despite the grim international economic situation and the downward pressures caused by domestic economic restructuring, China’s gross domestic products grew by 7.4% in 2014. The growth embodies positive changes in the economic structural adjustment, major achievements in deepening reforms, and significant improvement of people’s livelihood. China’s economic development has entered a “new normal”, which means after 30 years of rapid growth, the Chinese economy is shifting to a stage with more advanced forms, more complicated division of work and more reasonable structure.

II. Positive role played by SAIs in promoting sustainable economic development

In 2014, audit institutions in China stepped up their efforts in auditing, and carried out audits of up to 130,000 entities across the nation. After the audits, more than 400 billion yuan (65 billion U.S. dollars) was saved or recovered, more than 3,800 cases were transferred to competent authorities, and more than 3,400 items of regulations were improved.

The following major audit projects were carried out by CNAO in 2014: 1. Real-time audit of the steadiness and healthiness of economic development; 2. Audit of public finance management and budget execution; 3. Disclosure of risks in economy and society; 4. Audit of key public funds and projects related to people’s livelihood; 5. Audit of resources and environment; 6. Accountability audit.
III. United Nations Post-2015 Development Agenda

The independence and capacity-building of SAIs, as well as the improvement of public accounting systems, should be added to the UN Post-2015 Development Agenda. It is much needed for sustainable development. We also recommend to take into account the Beijing Declaration, along with the Lima and Mexico Declarations in the United Nations Post-2015 Development Agenda.

To fully play SAIs’ role in promoting sustainable development, we need collective wisdom and joint efforts. We shall make full use of the INTOSAI platform for more exchanges, dialogues and cooperation among all parties, and contribute our wisdom and efforts to further promoting good governance and sustainable development.
UN Post-2015 Development Agenda: The Role of SAIs and Means of Implementation for Sustainable Development

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prepared by | préparé par | verfasst von | elaborado por

FEDERAL MINISTRY FOR EUROPE, INTEGRATION AND FOREIGN AFFAIRS
In his Synthesis Report, UN Secretary-General Ban Ki-moon defines the promotion of safe and peaceful societies and strong institutions as one of the six essential elements of the Post-2015 Agenda.

He explicitly calls for strengthening Supreme Audit Institutions (SAIs), which are to provide oversight of whether investments are actually used to safeguard the sustainable development of a country.

- Currently, the above-mentioned Post-2015 Agenda constitutes the most important global subject of discussion in the area of development and sustainability.

It paves the way for an ambitious strategy in order to render the world more equitable, sustainable and safe in the forthcoming 15 years.

- Austria is actively engaging in the negotiation process for drafting the Post-2015 Agenda.

At the national level, the relevant decision makers prepared a policy paper, which delineates the Austrian focal points in the form of a ten-point agenda.

In parallel with the on-going negotiations in Brussels and New York, the Austrian ministries, public bodies and the civil society are coordinating their activities and organising briefings.

- Austria welcomes in particular the universal approach of the Post-2015 Agenda, which envisages that all states assume responsibility and that all relevant players, among them also the civil society, are included.

We commit ourselves to a human rights-based approach to the definition of all goals, among them also gender equality and non-discrimination, taking into account marginalised groups, such as children and people with disabilities.

Furthermore, Austria subscribes to the equality of the three pillars of sustainable development – namely the social, economic and environmental pillar.

- In autumn this year, all states of the world will confirm their readiness to implement the Post-2015 Agenda at the national level by signing the final document at the New York summit.
• Various institutions will deal with the national monitoring of the Post-2015 Agenda. They will be tasked with several responsibilities:

At the political level, governments, Parliaments and other bodies will have to assume control functions. Supreme Audit Institutions as bodies of government audit will be tasked with auditing the financial management of public administration in this area.

• The on-going monitoring of whether the public administration uses the funds at hand in an efficient, economic, goal-oriented and transparent way in order to achieve the given goals is a substantial and important contribution by Supreme Audit Institutions worldwide.

• Clear objectives and measurable indicators are a prerequisite in order to ensure that Supreme Audit Institutions can fulfil their tasks in the framework of the implementation of the Post-2015 Agenda.

• The corresponding negotiations to define the list of goals for the Post-2015 Agenda are currently underway in New York. The goals are to be adopted at the Post-2015 summit in September.

By then, an outline of the set of indicators shall also be completed.

• In goals 16 and 17, the negotiated list of goals refers generally to effective, accountable and inclusive institutions.

Furthermore, the Synthesis Report of the UN Secretary-General highlights explicitly the need for strengthening Supreme Audit Institutions as national oversight mechanisms.

• Supreme Audit Institutions will also be required to report on their audits, thus contributing to informing the general public about the current state of implementation of the Post-2015 Agenda.

• In order to fulfil their tasks, Supreme Audit Institutions must be able to audit all relevant areas of national public administration and to make their results available to the public at large.

This competence of Supreme Audit Institutions is not in place in every state.

• In order to ensure that Supreme Audit Institutions can act as globally relevant control mechanisms, which achieve comparable results, we have to undertake efforts in order to guarantee a uniform level of all Supreme Audit Institutions.

• In this spirit, global players will have to consider how the independence of Supreme Audit Institutions can be promoted and how their capacities can be developed.
As to this issue, a UN Resolution entitled “Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions” was adopted on the initiative of Austria.

- Austria will further commit to ensuring that Supreme Audit Institutions play their part in safeguarding good governance in the framework of the Post-2015 Agenda and that they are provided with sufficient capacities.
UNCEPA: Expectations of the International Community

Margaret Saner CBE
Chair, UNCEPA

23rd UN/INTOSAI Symposium
Vienna 2015

INTRODUCTION

UN Committee of Experts in Public Administration (UNCEPA)

- 24 Members, elected on a personal basis
- Provide advice and support to ECOSOC
- SDGs very welcome but a step change.
- Successful implementation requires a realistic assessment of the risks & appropriate response.
A Quick Look Back to April 2014
Three Themes identified when we looked at the effectiveness of the implementation of the MDGS

- Strengthening national and local capacities for sustainable development management;
- Promoting leadership, innovation and risk management for sustainable development;
- Invigorating the professionalism and morale of the public service.

Strengthening National and Local capacities for sustainable development management

- Goals (SDGs) capable of translation and adaptation at national and local levels in accordance with the conditions and priorities of each country
- Success in this complex process will require capable institutions responsible for analysing, coordinating, regulating and implementing public policy responses to economic, social and environmental issues at national and local levels and at the same time capable of identifying and mitigating risks to governance and therefore to implementation.
Potential Challenges

- The difficulties encountered in implementing the MDGs have not necessarily gone away or been overcome.
- In some countries capability may have worsened in the last few years.
- The nature of the SDGs, the ‘people centred’, localised approach presents new challenges.
- The number of Goals and Targets could diffuse focus and resources, making achievement more difficult.

Promoting Leadership, Innovation and Risk Management for Sustainable Development

- Given the dynamism and complexity of ever more challenging demands on public administrations, institutions should be enhanced to create innovative environments, agile approaches, experimentation and a collaborative culture, both sharing and creating knowledge.

- Skilful use of scientific, technological and analytical tools supports decision making and reduces risks.
Invigorating Professionalism and Morale

- Citizen engagement makes new demands on public servants and requires *particular attitudes, skills and behaviour* which may need to be developed.
- **Knowing when and how to engage stakeholders in policymaking processes** and the ability to use a range of engagement approaches, including e-participation is essential.
- Civil society actors and technical experts, independent and effective journalists, amongst others, can enhance public debate and decision making when effectively involved.

CEPA 2015 AGENDA

- **Building trust in government in pursuit of sustainable development goals, what will it take?**
  - Redefining relationships to support participatory governance and responsive public service delivery, including through e-solutions
  - Strengthening innovation, prioritisation, informed decision-making and integration of policy development processes for enhanced impact
  - Promoting accountable institutions, ethical leadership and integrity to enhance confidence in efforts to deliver sustainable development
The Network of Effective Governance

• Effective governance is achieved through a complex network of mechanisms which establish rights, standards, transparency and redress.
• Public Servants operate inside this Network and rely on the existence of legislation, standards, codes of conduct etc to play their part in establishing and following the principles of effective governance.
• SAIs are one of the ‘anchor points’ of this network and both public servants and citizens rely on SAIs for integrity and impartiality.
This is why CEPA called for continued cooperation with SAIs

‘Risks to Governance and Therefore to Implementation’

• Obvious risks eg corruption, fraud, theft ....
• Less obvious; misuse of power, negligence, apathy, Mismanagement of resources, poor decision making, fragile systems, inadequately trained staff, oversight, omission...........
Arguably many of these can in part be prevented by robust evidence gathering and as a result of professional and effective guidance and auditing.
Meaningful implementation of the SDGS will require informed decision making based on evidence and on appreciation of effectiveness of systems and methodologies.
Expectations Of SAIs

- Integral Element of the Enabling Framework that will enable the Implementation of the SDGs.

- Through your role and expertise a vital contribution towards;
  - Design and Scoping
  - Identifying and Managing Risks
  - Challenge and Option Generation through Evidence
  - Audit – of Processes, Systems and Methodologies

Expectations Of SAIs - 2

- An element of the network of Governance and one, perhaps the one, that must draw strength from its own;
  - Professional Standards and Code of Conduct
  - Independence
  - Deep knowledge and skills and yet also the ability to work collaboratively and across systems and themes.

Now is the time to invest in preparation – in order to be ready to assist as Countries begin to wrestle with the process of implementing the SDGs.
Expectations Of SAIs - 3

• Focussed and Resourceful
  • Intervene where it will have greatest impact
  • Deploy staff effectively, consider alternative organisational responses and designs
  • Challenge what is not present as well as audit/evaluate what has been done
  • Rebuild confidence and trust in government through effective governance.

Clearly others also bear responsibility but SAIs have a unique position and capability with huge potential to make a difference for Citizens.

Thank You

http://www.unpan.org/cepa.asp
23rd UN/INTOSAI Symposium

Donor Cooperation Expectations from SAIs

Jennifer Thomson
Chief Financial Management Officer, The World Bank
Chair (Donor) of the INTOSAI-Donor Cooperation Steering Committee

INTOSAI-Donor Cooperation MOU

• Signed in Brussels - October 2009 – INTOSAI and 22 donors

• Aim of the MOU - To have a common approach to providing development support to SAIs around the globe for accelerating strengthening of audit capacity in fragile, least developed countries so that there is sustained improvement in accountability

• A INTOSAI-Donor Steering Committee (SC) guides the program of development supported by the MOU and is co-chaired by SAI and donor representatives
MOU Guiding Principles

SAI Community will endeavor to develop country-led comprehensive, realistic, and prioritized Strategic Plans and Development Action Plans.

INTOSAI will endeavor to achieve the strategic goals set out in the INTOSAI Strategic Plans.

Donor Community commits to respect SAI country leadership, independence in developing and implementing Strategic Plans and Development Action Plans of SAI's.

Donor Community will endeavor to mobilize additional resources for development and implementation of SAI's Strategic Plans and Development Action Plans, and deliver support in a manner consistent with the principles of this MoU.

Donor Community commits to deliver support for audit capacity building programs in a harmonized, coordinated manner.

INTOSAI-Donor Cooperation MOU

Major Achievements to-date

- Significant increase in donor support for strengthening capacity of SAI's since the signing of the MOU—an from $54 million in 2012 to $62 million in 2014
- A dedicated multi-donor Trust Fund established to provide support on a sustained basis
- Global Call for Proposals – SAI Capacity Development Database set up
- Training of Donor Agency Staff on Working with SAI's
- SAI Performance Measurement Framework being developed
Fundamental Drivers of the Donor Cooperation

- Role of the SAIs in enhancing management of public funds, and reducing waste of public resources to improve service delivery and to reduce poverty
- Weak Capacity - Different diagnostics have consistently revealed the need for strengthening SAIs in many countries

Donor Cooperation Expectations from SAIs

- Leadership - Develop country-led comprehensive, realistic Strategic Development Plans
- Commitment – To building sound institutional capacity and implementing their Strategic Development Plans
- Collaboration – continual learning amongst SAIs and their key stakeholders
- Model of Integrity and Transparency – setting the standard
Donor Cooperation Expectations from SAIs

**SAIs should perform their duties independently**
- INTOSAI – Lima Declaration and Mexico Declaration SAI Independence (2007)
- UN General Assembly Resolution A/66/209 (December 2011)

**Carry out quality comprehensive audits of public funds and service delivery**

**Deliver timely reports accessible to the public**

**Promote effectiveness, accountability and transparency for sustainable development**

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2 – 5 mars 2015, Vienne, Autriche
2. – 4. März 2015, Wien, Österreich
2 al 4 de marzo de 2015, Viena, Austria
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UN Post-2015 Development Agenda:
The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

Development Partners:
Expectations in SAIs in the Framework of Bilateral Cooperation

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AUSTRIAN DEVELOPMENT AGENCY
It is my pleasure and honor to speak to you today about development partners’ expectations in and experiences with SAIs in the framework of bilateral cooperation.

I think we all agree that accountability is a crucial element in development co-operation. It is non-negotiable, and when I say accountability I mean mutual accountability: Accountability between states, but also the shared accountability between civil society, governments and the private sector.

In the framework of development effectiveness, accountability and transparency were declared as central principles during the High Level Forum on Aid Effectiveness in Busan at the end of 2011. In Busan, it was agreed that open, comprehensive and forward-looking information on resources provided through development cooperation should be publicly provided. That means greater transparency in public financial management, including public disclosure of revenues, budgets and expenditures. Partners of development cooperation agreed to jointly assess progress in implementing these commitments through mutual assessment reviews.

At the level of the United Nations, the General Assembly also recognized the crucial role of SAIs in promoting the efficiency, accountability, effectiveness and transparency of public administration, which in turn is conducive to the achievement of national and international development objectives. In a resolution in December 2014, the Assembly acknowledged the role of SAIs in fostering governmental accountability for the use of resources and their performance in achieving development goals. The Permanent Mission of Austria together with the Kingdom of Morocco, the Republic of Korea and the United Nations Department of Economic and Social Affairs also co-organized a panel discussion on this topic on 21 January 2015 at UN Headquarters in New York to put more emphasis on this topic.

In consideration of these international commitments, Austria has been supporting – together with other donors – INTOSAI since 2010 with a total amount of 600,000 EUR. This is done to strengthen public sector auditing in partner countries. We are convinced that this is a key capacity-building activity which complements the provision of a higher proportion of financial support going directly to partner countries e.g. through budget support. Through global calls for proposals, increased knowledge and exchange of information among stakeholders on capacity development needs of SAIs in partner countries are made available to ensure that capacity development initiatives are coordinated and complementary - not only at international, but also at regional and national level.
Independent control and oversight rank high among Austrian priorities in the field of good governance. Thus, Austria has supported the SAI of Bhutan since 2012 in its endeavor to enhance professionalism in the delivery of audit services. To date, 22 new Audit Manuals were produced to ensure the consistency in audit methodologies. Currently, 163 Auditors are receiving on-the-job training on the newly developed manuals.

In addition, Austria is also engaged in supporting anti-corruption capacity development in cooperation with the International Anti-Corruption Academy in Laxenburg. Further, together with UNODC the watchdog function of civil society organizations in Africa is strengthened. Complementary to enhancing financial oversight, Austria is supporting the effective functioning of parliamentary capacities and oversight through cooperation between the Parliaments of Austria and Mozambique.

To sum up, effective control by SAIs is a crucial prerequisite of support for development partners, especially when budget and sector budget support are the chosen channels.

In this context, we firmly believe that issues such as combating corruption, money laundering and tax evasion as well as curbing illicit financial flows also need urgent attention. Effective implementation of the UN Convention against Corruption, as well as measures to overcome impediments to the return of stolen assets need to become priority topics in development cooperation. Public financial management systems need to be professional and reliable to ensure effective service delivery to citizens and to create a trustworthy environment for investment.

Considering that the private sector is playing a more and more important role in development cooperation and that it will be crucial to mobilize the transformative power of private resources and long-term investments, responsible and accountable investment of private finance needs to be ensured and supported in appropriate ways.

In this regard, the Synthesis Report of the Secretary-General for the post 2015 framework also recognizes that SAIs need to play an important role in ensuring that governments use resources efficiently and effectively in the interest of their citizens. This report also highlights the critical role of review and monitoring frameworks, drawing more attention to national oversight mechanisms, such as audit institutions and legislative oversight.

Without doubt, SAIs will continue to play a crucial role in development cooperation, and we are firmly committed to continue our support.
23rd UN/INTOSAI Symposium 2 – 4 March 2015, Vienna, Austria
23e Symposium ONU/INTOSAI 2 – 5 mars 2015, Vienne, Autriche
23° Simposio NU/INTOSAI al 4 de marzo de 2015, Viena, Austria

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The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

Challenges and Opportunities for SAIs in Capacity Building

INTOSAI DEVELOPMENT INITIATIVE
It is increasingly recognized that an effective and independent SAI is an essential element of any Public Financial Management system. It helps ensure the just, effective and equitable mobilization and use of public resources. However, to discharge its responsibilities effectively, the SAI must have the necessary mandate and remit; its independence must be guaranteed; and it must have the resources and capacity necessary to fulfil its mandate and meet appropriate professional standards.

Data from both the 2014 IDI Global Stocktaking and PEFA indicate that SAI performance is improving, on most indicators and in most country income groups over the last years. Despite this positive trend, much work remains to support SAIs in reaching their potential in serving citizens in line with the principles set out in ISSAI 12 on the Value and benefits of SAIs.

The INTOSAI Development Initiative has worked to support and facilitate the more than 140 developing country INTOSAI members in enhancing their capacity and performance. Drawing on the experience of the IDI and feedback from the SAIs, this paper puts forward seven important factors that are likely to shape the SAI capacity development landscape going forward:

- **Increased recognition of the role of SAIs and support for SAI capacity development**

  There is increased understanding among stakeholders about the key role that SAIs can, and should play in promoting development, poverty alleviation and service delivery and underpinning the principles of good governance, accountability and transparency. This reflects improved awareness of the importance of effective and independent SAIs as key components in: 1) public financial management, b) strengthening state-society relations and c) managing donors’ fiduciary and development effectiveness risks. The increased involvement of INTOSAI in the global development architecture and the partnership with more than 20 development partners under the INTOSAI – Donor Cooperation have contributed to the strengthened focus on supporting SAI capacity development. As a result, data shows that there has been an increase in the levels of financing made available for SAI capacity development support, that an increasing number of SAIs are providing bilateral support, that the INTOSAI regions are being strengthened and that an increasing number of development partners are moving towards supporting SAI capacity development efforts.

- **The importance of sustainability and needs based support**

  Both the 2010 and 2014 IDI Global Stocktaking reports underscore the importance that SAIs attach to the principles of needs based and sustainable support for successful SAI capacity development. This echoes the experiences of the IDI in that support should adhere to the following principles:

  - Based on the needs of the SAI, and be rooted in the SAIs Strategic Plans.

  - Be owned and driven by the SAI (with the provider being a facilitator)
- Management commitment to the initiative (before, during and beyond the programme)
- Due consideration for political economy analysis
- Support being long term and predictable
- Efforts that focus on professional, organizational and institutional capacity
- Developing critical masses of SAI staff
- Efforts that focus on practical implementation of skills and follow up
- Coordination of support from donors and capacity development providers and Use of evaluations for learning

• Importance of SAI leadership

Strong and committed leadership is a critical success factor for the development of any organization. It is the senior management of an SAI which sets the tone from the top which is pivotal for effective capacity development and delivering results. The importance of working with SAI leadership is increasingly on the agenda in the SAI community. AFROSAI-E is working on an executive leadership programme, and the IDI is initiating a young leadership initiative. Exploring ways and means of strengthening SAIs’ current and future leadership, hereunder their ability to deal effectively with stakeholders in enhancing the impact of the SAIs’ work is thus likely to be an area that receives considerable attention going forward.

• ISSAIs and UN Declarations as platforms for SAI capacity development

The introduction of the comprehensive set of ISSAIs coupled with recent UN resolutions on SAI independence represents major milestones in the development of INTOSAI. They are tools that have the potential to substantially enhance the uniformity, credibility and quality of public sector auditing. They also present the scope for organizing the profession of public sector auditing through a mechanism of certification of public sector auditors under the auspices of INTOSAI. The standards will however only have the desired impacts if applied at the SAI level. Implementing the standards, hereunder ISSAIs 1 and 10 on SAI independence, which at least in the short run are largely outside the direct control of the SAI, is however a challenging and long term endeavor. Support for ISSAI implementation and for strengthening SAI independence is in high demand by the SAI community as evidenced by the 2014 Global Stocktaking. While these are areas that are challenging, which will take time and will require considerable resources, they are critical to enhancing the long term performance of the SAI community in delivering value to citizens.
• **SAIs demonstrating relevance**

SAIs “demonstrating ongoing relevance to citizens, Parliaments and other stakeholders” constitutes one of the pillars of ISSAI 12 on the Value and Benefits of SAIs”. Staying relevant entails ensuring effective communication with key stakeholders and being responsive to changing environments and emerging risks among others. The results of the 2014 IDI Global Stocktaking illustrates that SAIs increasingly are involved in, and express a demand for capacity development support in, dealing with key stakeholders as well as strengthening their capacity in specialized audit areas like IT, public debt, extractive industries to meet the challenges facing their respective countries and to meet expectations of stakeholders. SAI capacity development efforts must respond to this to tailor the support to the emerging needs of SAIs.

• **SAIs leading by example**

SAIs being model organizations in the public sector constitute another pillar of ISSAI 12. This is essential in terms of securing the trust and credibility of SAIs as key components of public sector oversight. SAIs are increasingly, and rightly so, expected by stakeholders to be accountable institutions with sound governance arrangements that transparently report on their performance. Fostering the use of tools for SAI performance measurement and reporting (hereunder the SAI PMF and peer reviews) and development of strong SAI governance structures is another area that is increasingly demanded and which is likely to receive more attention in the years to come.

• **Utilizing new technology in SAI capacity development**

The technical advances of the last decades are providing new opportunities for cost efficient and effective capacity development. This is particularly so in terms of e-learning which now has become an integral part of most IDI programmes and is used with considerable success in a number of the regions such as OLACEFS. To support SAIs in embracing e-learning the IDI is launching a dedicated e-learning platform which can be used by INTOSAI regions and SAIs and will in 2015 launch a programme on developing SAI capacity to use e-learning.
UN Post-2015 Development Agenda:
The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

خطة الأمم المتحدة لما بعد 2015:
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Expectations of Citizens from Supreme Audit Institutions

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

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AMITABH MUKHOPADHYAY
Expectations of Citizens from Supreme Audit Institutions

Citizens expect SAIs to appreciate their vulnerabilities in the 21st Century and help them to hold governments to account.

1. Democracy refers to a status of society where citizens enjoy the agency to make claims for a less vulnerable, more just and egalitarian common world. Historic developments since 1990 have shown that citizens are no longer mere 'subjects' or supplicants of governments. In the 21st Century, they are assertive about their human rights and anxious about their duty to pass on a better world to their children. They expect SAIs, as constitutional offices, to recognize their responsibility to promote the agency of citizens for good governance.

2. The adoption of ISSAI 12 on the Value and Benefits of Supreme Audit Institutions Making a Difference to the Lives of Citizens at INCOSAI, 2013 heralds a change in paradigm by encouraging all SAIs to demonstrate their relevance to citizens, not only to parliaments.

3. The Beijing Accord at INCOSAI 2013, among other things, aptly underlines the role of SAIs in: (i) fighting corruption and money laundering; (ii) reporting not only on the economic, efficient, and effective use of public funds but also reporting on the use of public resources (use of land, water, fossil fuels); (iii) safeguarding the long-term sustainability of public finances. Citizens depend on governments and on SAIs to address these aspects of their vulnerabilities.

4. Fighting corruption is not just about bringing business tycoons, errant officials or Ministers to book, but is equally, about saving lives. In developing countries, widespread corruption in primary service delivery mechanisms has eroded people's trust in governments. Citizens expect SAIs to hear their complaints at the delivery point in local situations to gain insights into faults in delivery systems. This is best done by involving civil society organizations to arrive at a better appreciation of the integrity of initial books of accounts or internal control systems for service delivery before certifying final accounts.

5. Budget transparency is important for citizens. Speeding up the switch-over to accrual accounting would empower citizens to query accounts on websites to find out about, say, funds received or the award and progress in implementation of contracts for services in their own limited locality, where it touches them most.

6. Increasing the transparency of corporate vehicles/trusts to prevent their misuse for criminal purposes such as money laundering, drug trafficking or tax frauds is essential. While the precise role of each national/international agency in the common cause of fighting corruption and money laundering is determined by various procedures which can be strengthened, the intensity of effort by SAIs in discharging their own role in detecting and preventing corruption makes a big difference to the outcomes of the overall efforts of
different agencies. SAIs must show a greater sense of urgency and ally with investigative journalists to forge a more exemplary role for SAIs in detecting fraud and corruption.

7. SAIs in several countries have started connecting with civil society organizations to plan and execute compliance oriented performance audits (ie. Are things being done right ?) in the social sector. For research-oriented (Are the right things being done ?) performance audits, looking at the life-worlds of people and not just government systems is necessary. For instance, in the context of health, women's studies in Mexico and China have shown that globalization has worsened the plight of women who are caught in a dilemma in choosing between paid work in the wider economy and attending to unpaid health care work at home. Looking at long-term policies for public finance from the point of view of citizens -- in this case gender-responsive budgeting (why are out-of-pocket expenses so high in countries where government budgets promise free health care ? what are the costs of unpaid care at home which budgets fail to take into account ?) -- requires joint efforts by SAIs working with civil society organizations, in regional groups, to produce performance audit reports that can contribute to the public discourse.

8. The patterns of use of public resources like land, water or fossil fuels affect the livelihoods of citizens and the precise nature of technologies used for farming or irrigation/power-generation often have disastrous environmental impacts. Citizens expect governments to regulate the associated contentious concerns with a long-term perspective at local, national and beyond sovereign-territorial boundaries. While a technocratic view of regulation places the emphasis on the regulatory solution, a stakeholder view of regulation emphasises the regulatory process. Citizens expect SAIs to scrutinise the process.

9. What is 'data' and how facts are framed can vary significantly between government, civil society and different sets of citizens. SAIs need to improve their oversight capacities for sustainable development by accessing certain types of information that social organizations are better positioned to obtain. Moreover, auditing sustainable development is challenging because the problems cut across administrative or territorial boundaries. Joint or parallel by SAIs with their counterparts in a region to critically weigh and consider government systems/decisions can play an important role in sustainable resource use.

10. Boundaries between public and private sectors in harnessing public resources are also blurring. Shared accountability of both in cases of public-private partnerships is essential. Citizens expect SAIs to play a sentinel function in holding government to account if either the use of public funds or of natural resources threatens to compromise inter-generational equality, irrespective of the instrumentalities of State involved.

11. In coping with vulnerabilities, recognizing the importance of our relatedness with significant others is as important as building our own internal strengths.
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UN Post-2015 Development Agenda:
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Agenda de développement de l’après-2015 des Nations Unies :
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دور الأجهزة العليا للرقابة المالية العامة والمحاسبة ووسائل تحقيق التنمية المستدامة

SAI INDEPENDENCE AND SUSTAINABLE DEVELOPMENT

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MEXICO
This paper will address the tasks governments have to accomplish to reach the Millennium Goals and the post-2015 Development Agenda. In order to attain these objectives, the effectiveness of government operations must be enhanced by promoting governance methods which enable sustainable development, access to justice must be created for everyone, and accountable institutions which are open to public scrutiny must be established.

Supreme Audit Institutions (SAIs) can contribute to the consolidation of a sustainable development process which allows reaching the Millennium Goals and other aims which governments have set through leadership in accountability, in government audit, and in government processes which are open to the societies on which they are based.

SAIs can become solid pillars of sustainable development by applying stringent methods for evaluating the outcomes of public policies. The work to be done can be concentrated in the public policy process: good institutional design; effective programming using strategic indicators; a budgeting process which accounts for the pressing problems to be solved; accountability not only in terms of the probity of public spending, but also in terms of the results which have been achieved employing those funds (“value for money”); results-based auditing; and reviews which allow course corrections, overcoming deficiencies and enhancing institutional effectiveness and accountability of public-sector officials. If SAIs manage taking the lead, this will help build a sustainable development process because a government that is open to society will have come into being.

Development will be sustainable, if public policies are formulated through argumentative dialogue involving all stakeholders, i.e. authorities as well as the citizens as users or
beneficiaries; once having taken shape, these policies will be implemented with a view to costs and benefits as well as economy, efficiency and effectiveness.

SAIs should strengthen their evaluating function by explaining through their audit work why a distinct approach was chosen, what actually has been put in place, which benefits were achieved for the citizens, and also address the alternatives which have been discarded; this evaluation-based audit approach should allow to reformulate, where appropriate, public policies based on the goals that have been achieved.

In a process of sustainable development, accountability reflects the relation of government and society, the ultimate aim being that public policies are not exclusively seen as results and impacts, but also as political participation and social communication. In a process of sustainable development, government audit does not consider citizens solely as consumers of goods or services provided by the state, but as entities who influence public values and institutions, as “co-producers” and not as passive objects at the end of an implementation process.

Sustainable development in order to attain the Millennium Goals and the post-2015 Development Agenda implies building an open and participatory society, one which asks for information and stands as critical voice in the argumentative dialogue between those who implement public policies and potential beneficiaries. This rationality of dialogue should lead to continuous improvement, better government operations, and thereby to sustainable development.

What is needed in this open and participatory society in which the political contest becomes open to the largest possible number of citizens is a neutral and objective voice on the true state of public matters. By necessity, this voice must be the voice of SAIs. By their independence and latitude in establishing more stringent methodologies for auditing, evaluation and gathering sufficient, pertinent, relevant and expert evidence about the outcomes of public policies, SAIs can contribute to the democratic dialogue in that they shed light on how public policies actually contribute to solving problems.

An independent voice is necessary in the commotion of the political contest in order to avoid demagogy, to identify the requirements actually needed for sustainable development in which the debate is held in a critical and rational fashion, on topics of public interest, by institutions
wishing that any well-founded public opinion is formed on the strength of arguments rather than by assignation of status or political positions.

It is important to underline that the political contest breeds doctrines and ideologies which mostly contain half-truths, which express beliefs rather than facts, where false generalisations are made and where certain concepts about reality and certain values governing a given social structure are presented as universally valid. Political doctrines are opinions, not knowledge.

SAIs, however, are to conduct their audits based on results in order to form rational and reasonable citizens, as well as public spaces where sound and correct reasoning prevails, which enable a viable sustainable development framework and where, ultimately, the objectives defined by public policies are being attained.

It is important that governments take up SAI recommendations, which identify the challenges of sustainable development and allow for the attainment of the post-2015 goals and objectives, in a professional manner in order to keep the promise they made when entering into commitments. Very often, commitments are entered simply to follow the general current of public opinion, without measures then being taken to live up to such commitments. Through their findings, SAIs must give permanent testimony as to the state of public affairs.

Mexico City, 29 January 2015.
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UN Post-2015 Development Agenda:
The Role of SAIs and Means of Implementation for Sustainable Development

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

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

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

Chapter 1

Necessary Capacity of SAIs for Auditing of Development Goals

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SOUTH AFRICA
Kimi Makwetu, Chair of INTOSAI Capacity Building Committee and Auditor-General of South Africa

At its last symposium in March 2013, INTOSAI and the United Nations concluded that it is indispensable for Supreme Audit Institutions (SAIs), through their audit and advisory activities, to promote social and economic development and thereby contribute to the achievement of the UN’s millennium development goals and the post-2015 development agenda. The International Standards of Supreme Audit Institutions also makes it clear that public sector auditing is an important factor in making a difference to the lives of citizens through its positive impact on trust in society, in strengthening accountability and in promoting efficient, effective, economic and transparent use of public resources, thereby enabling the correction of inadequate governance processes.

In order to best support the effective management of economic resources globally and at country level, however, SAIs have to ensure that they have the necessary capacity to audit and report on development goals and support the development agenda beyond 2015. Such necessary capacity has to exist within the SAI at both an institutional level and at the level of the individual auditor.

Institutional capacity requirements

In order to ensure the necessary institutional capacity, it is proposed that SAIs strive for the following essential elements:

- **Government support** for the SAI to undertake audits of development goals. Although there are different models of SAIs operating under different mandates and systems, all SAIs should always strive for the strongest possible mandate enabling the SAI to fulfil a value-adding role, in this instance also in regard to the audit of development goal.

- Implementation of appropriate **audit standards and methodology** that include:
  - Overall audit planning and audit quality management
  - Financial and compliance audits as the foundation of good financial governance
  - A methodology for employing (i) performance audits to report on the value for money derived from development goal programmes, and (ii) audit of performance information on the achievement of development goals.

- An annual **audit strategy** that includes the auditing of development goals as a key objective, including a focus on providing assurance on integrated reporting and other elements of government-wide programme implementation. The SAI’s responsiveness to environmental changes, supported by innovation forums, will enable the SAI to deal with pressing new developments and keep its strategy relevant.
• Adequate **professional development and training mechanisms** to enable and sustain a professional workforce capable of carrying out effective auditing of development goals.

• A **reporting strategy** aimed at packaging the SAI’s insights in a simple, clear and relevant manner to various end-users.

• A **communication/stakeholder engagement strategy** aimed at conveying SAI insight to the relevant authorities and other stakeholders at the right time and in a manner that will enable appropriate corrective action and inform accountability processes.

• The facilitation of sustained improvements through **follow-up audits and closing the loop** on corrective actions committed to by the agencies implementing the development goal programmes and services.

**Individual auditor capacity**

The following key professional competencies and elements of professional judgement are recommended for individual public auditors to add optimum value when auditing development goals:

• A **relevant professional qualification** as the foundation for providing independent assurance as called upon by the system\(^1\) under which the SAI operates. This should be supplemented by **analytical and diagnostic skills** that will enable the auditor to carry out root cause analyses of obstacles to effective service delivery. Essential is the auditor’s ability to apply international standards that are particularly relevant to development goal achievement, e.g. ISAE 3000 relating to the audit of predetermined objectives, and the ability to combine methodologies to provide the necessary assurance on the proper and effective application of public resources, and the sustainability of service delivery decisions.

• **Skills and expertise** across different audit disciplines to gain insight into how the various elements of the development goals and service delivery programmes are linked. Ability to **consolidate insights** from various audits into integrated or stand-alone reports that will provide ‘one-stop’ insight to government leadership and other users.

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\(^1\) The INTOSAI Capacity Building Committee fully recognises the need to cater for all SAI models, whether a Court of Accounts; from the Westminster system; or an Audit Board. ISSAI 12 caters for all SAI models, but it is also incumbent on SAIs from the various models to make their unique needs known to INTOSAI, and also to share the strengths of their systems in the interest of the capacity development of all SAIs.
• Deep knowledge and understanding of public sector/government ‘business’ and the value chains relating to service delivery programmes. This should include the individual auditor’s understanding of government strategy and the need for alignment of national development goals and programmes with international development goals, but also an overall understanding of the key principles of good governance and accountability in the public sector.

• Other skills required for the auditor of the future to remain responsive to changes in their audit environment and enable systems thinking.

The critical role of SAIs in the achievement of development goals and the post-2015 development agenda cannot be underestimated. The UN during its 69th session of the General Assembly in December 2014 recognised that capacity building of SAIs should be given due consideration by all. The Capacity Building Committee (CBC) is committed to supporting SAI capacity development, especially in developing countries, and look forward to playing its part in facilitating international cooperation in support of such capacity development.

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

Necessary Mandate of SAIs to Promote Fiscal Sustainability:
Performance Audit of Government Activities
SUPREME AUDIT INSTITUTIONS AND FISCAL SUSTAINABILITY:

The TCU’s Experience with the Control of the Public Finance Management in Brazil

The financial and economic crises, which strongly affected the world as of 2008, have highlighted the need for supreme audit institutions (SAI) with institutional conditions, in terms of mandate and capabilities, to evaluate the existence of procedures and safeguards to provide a planned and transparent management of government finances; ensure the reliability of financial information for the citizens and the legislative branch; and assess the integrity and the quality of processes, rules and systems to ensure long-term fiscal sustainability.

In short, supreme audit institutions must be able to contribute to the management of public finances, contemplating the current needs of citizens, without losing sight of a forward-looking approach, to anticipate and properly manage risks in order to ensure the rights of future generations. Thus, the mandates of the SAI must achieve more than the strict monitoring of compliance with financial rules, including the evaluation of the performance of fiscal management and its ability to deal with the related risks, emphasizing aspects such as the collection of revenues, tax expenditures, allocation of resources and public debt.

In the Brazilian legal system, the so-called Fiscal Responsibility Law (FRL), enacted in 2000, provides general rules of public finance for a planned and transparent fiscal management. While regulating the activities of entities of the Brazilian federation, the Law establishes a set of assignments for the Federal Court of Accounts (TCU), specifying the constitutional jurisdiction of the court to supervise the management of federal public finances.

Owing to the LRF, the Federal Court of Accounts has explicit competences for auditing compliance with the annual targets for fiscal results, the limits for credit transactions and limits for personnel expenses, among others. In addition, the law establishes that the TCU will issue alerts in situations of risks for the fiscal sustainability of the federation, for instance, if it has been found that the amounts of consolidated and securities debt, credit operations and guarantees are above 90% of their legal limits.

Following the LRF’s enactment into law, the Federal Court of Accounts (TCU) has developed a systematic work routine of monitoring public finance management, including audits to identify both immediate and direct breaches of the legislation as risk scenarios for long-term fiscal balance, by providing accurate and timely information to Congress and society.

It is worth noting that, in accordance with the provisions of the first item of UN Resolution ("Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions of Control"), the Federal Court of Accounts (TCU) has a constitutionally guaranteed structure and powers, to ensure
the necessary independence for its operations in the external control of public finance, with objectiveness and effectiveness.

In fact, this kind of action has proved crucial to the country's development, because it ensures a technical and independent perspective on the management of public finances, focusing on their transparency, regularity and predictability – factors necessary to maintain the confidence of citizens and markets in the country, and therefore for the increase of investment, economic growth and quality of democratic institutions.

It is a view also adopted in the international study conducted by the TCU in partnership with the Organization for Economic Cooperation and Development (OECD) and twelve other supreme audit institutions, in support of the strengthening of institutions and public governance. The analytical framework produced by the study elects fiscal sustainability as one of the pillars for the government's ability to ensure delivery of better outcomes for citizens, combining efficiency in the allocation of resources to the various public policies with long-term financial balance.

In a similar sense, the TCU has developed over the past years a project in partnership with the World Bank to strengthen its ability to carry out financial audits, given the need to ensure transparency and reliability to the figures that demonstrate the management of the federal government’s resources. In the coming years, the TCU must intensify work in this area, with the expansion of institutional capacities and the increased application of audit efforts with this focus.

Another standout, in the scope of international cooperation, is the Federal Audit Court’s (TCU) participation in INTOSAI technical groups, related directly or indirectly to fiscal sustainability, in topics such as management of sovereign debt, financial audit and financial systems regulation – areas whose importance is growing, especially due to their connection with the recent crises that have affected public confidence in several countries.

Finally, the mentioned actions became feasible, first, by the TCU’s mandate, the characteristics of which provide a comprehensive nature and explicit provisions for the oversight of public financial management, through compliance, performance and financial audits. This model offers a real paradigm on the potential and the relevance of the work of supreme audit institutions, to monitor the fiscal sustainability of national states, particularly ensuring effective processes of democratic accountability in the management of public resources.
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 Necessary Mandate of SAIs to promote fiscal sustainability: Financial audit

UNITED ARAB EMIRATES
Necessary Mandate of SAIs to promote fiscal sustainability: Financial audit

Proposition

SAIs need to conduct audits and report in a manner that will inform stakeholders on the fiscal sustainability of the public financial management practices of the government

Introduction

The implementation of effective financial audit requires a system involving the whole government process. The key drivers to make the process effective in the public sector are:

- an acceptable financial reporting framework
- acceptable audit standards
- appropriately public sector qualified accountants and auditors to fulfill the accounting, auditing and reporting responsibilities required
- appropriate accountability mechanism to ensure appropriate evaluation, monitoring, scrutiny, correction and oversight of the national public finances

Acceptable Financial Reporting Framework for financial sustainability

Reasons it is necessary:

- To provide a full picture of the finances including, provisions and current values of key assets. In simple terms this will include the future pension liabilities and other social welfare commitments. The cost of replacing and updating current infrastructure and any other liabilities expected to be met in future, for example environmental liabilities.
- An assessment of the future revenue from taxation sources and their sustainability may be required. This would involve assessment of future economic activity levels

Challenge – Financial statements are traditionally prepared on the basis of historical financial information, however for fiscal sustainability this may need to be adapted to include key statistical estimates of, for example, future revenue streams.

At this stage the current IPSAS framework provides a clear reflection of the current financial position of the whole of government but may not be able to address the question of fiscal sustainability. Given many countries are finding difficulties in preparing reports on an IPSAS basis the ambition of the proposition is very high.
Acceptable audit standards

To match the professional requirements of the financial reporting framework the audits conducted by the SAIs must be equally well managed. This means a fundamental capacity of auditors who not only understand the accounting frameworks and standards, but also, are fully conversant with the financial audit ISSAIs. There are currently over 500 requirements within these ISSAIs many of which are onerous and require significant professional judgment to be applied effectively. To translate the standards into working practices SAIs need to develop methodologies in accordance with their national mandates which can be independently assessed to ensure their credibility. Furthermore, a culture of quality assurance is required within a SAI to promote these best practices.

Peer reviews can be excellent tools to facilitate such a process.

Appropriately qualified accountants and auditors to fulfill the accounting, auditing and reporting responsibilities required

A clear indication from the accounting framework and auditing standards is a more robust exercise in professionalization of SAI staff. The IDI have embarked upon the 3i program to promote SAI awareness of the ISSAI framework including the financial auditing standards. Through this work we can see there is still a long way to go for all SAIs to achieve the value proposition or at least full compliance with financial audit ISSAIs.

Discussions around certification of auditors and enhancement to our standard setting process must be included within the INTOSAI strategic direction if we are to achieve the proposition. Attracting and retaining suitably able and qualified auditors also lies at the heart of our challenges (due to factors such as financial limitations faced by the SAIs).

Appropriate accountability mechanism to ensure appropriate evaluation, monitoring, scrutiny, corrective action and oversight of the national public finances

How do we report on the financial statements and how the reports are received and used is crucial. Best practices of using public account committees or encourage broader citizen engagement through, amongst others; social media are currently being practiced. It may be incumbent upon INTOSAI to evaluate such practices and provide feedback to supranational bodies such as the G20 and OECD on such practices to increase the expectations on governments.
This also has the added benefit of demonstrating the value of SAIs and further enhancing our call for independence and capacity building (UN Resolution A/69/228). At this stage understanding the results of financial statement audits is also an area where INTOSAI could assist SAIs through the advocacy of the need for ensuring government put in place the appropriate financial reporting frameworks and accountability mechanisms to support the achievement of fiscal sustainability.
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True and Fair View of State Budgets for Enhanced Accountability Through Better Financial Management

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AUSTRIAN COURT OF AUDIT
True and Fair View of State Budgets for Enhanced Accountability Through Better Financial Management

Gerhard Steger, SAI Austria

True and fair view of public finances is key to provide transparency for citizens, sustainability of budgets and support accountability of decision makers. Core tasks of SAI’s include drawing a realistic picture of public finances and recommending respective improvements. Thus, SAI’s have excellent reasons to foster true and fair view. At the same time progress towards true and fair view supports the work of SAI’s.

Very recently the 69th UN General Assembly highlighted the importance of improving public accounting systems. To deliver a comprehensive picture of public finances the following three tools are crucial:

- Cash flow statement which provides the perspective on liquidity.
- Operating statement which shows the use and inflow of resources.
- Balance sheet which compares assets and liabilities.

In Austria true and fair view is a constitutional principle as of 2013 at the central government level. Therefore, Austria’s annual budgets contain a cash flow and an operating statement. The annual financial statements comprise all three tools. As international standards foster comparability of public finances Austria in most cases applies International Public Sector Accounting Standards (IPSASs), although deviations from some standards take place. To extend the Austrian reforms of 2013 to regional and local governments, harmonized accounting standards might be approved in spring 2015 and applied as of 2018.

The practical merits of true and fair view

While the central government deficit in the operating statement amounts to 7,2 bn €, the deficit in the cash flow statement (4,2 bn €) is considerably lower. This indicates that important aspects of public finances are not disclosed in the cash flow statement.

Contingent liabilities, for instance, are not reflected in the cash flow statement, while in the operating statement provisions are required in case the probability of the event triggering the obligation is above 50%. The Austrian balance sheet includes 4,1 bn € of provisions, providing a clear warning signal aligned to financial risks which could materialize.
Doubtful receivables indicate losses of revenue which are not shown in the cash flow statement, while in an accrual accounting system write downs and adjustments of value clearly flag the respective problems. The Austrian financial statement comprises relevant numbers for these phenomenons.

If a public entity orders now but pays in a later year the respective budget burden is not timely depicted in the cash flow statement. The operating statement has to include this financial bow wave. In Austria the switch to accruals disclosed such future budget burdens particularly in the area of railway infrastructure.

A cash flow statement allots the costs of an investment entirely to the year of payment, while an operating statement uses the tool of depreciation to allocate the costs according to a reasonable period of useful economic life.

If government sells a public asset, the cash flow statement shows the respective revenue but does not reflect that the asset is not available any longer. This creates the fiscal illusion that selling an asset would improve the financial position of the respective public entity. A cash flow statement cannot answer the very relevant question, if a country is richer or poorer than a year ago. Accruals can. At the Austrian central government level liabilities by far exceed the value of assets (net assets: -140.6 bn € at the end of 2013). The figure got worse throughout the prior year which indicates a trend that needs urgent counteraction.

In Austria the implementation of an operating statement and a balance sheet was crucial to foster true and fair view. Although the technical implementation of accruals in Austria still has some weaknesses which SAI Austria clearly addressed throughout the auditing of the financial statement 2013, it is obvious that the new tools fostered financial transparency to a substantial extent.

The respective change of perspective and culture is crucial to face financial risks squarely and avoid fiscal illusions. Thus, the new tools have to be used by all relevant stakeholders to contribute to fiscal sustainability. The role of SAI’s is crucial in that respect. Thus, the INTOSAI Subcommittee on Accounting and Reporting should identify key elements and guidelines to improve public accounting systems in order to foster true and fair view in public budgets.
Citizen Engagement in Auditing for Sustainable Development

Heidi L. Mendoza
Commissioner
Commission on Audit
The public audit process is an important part of the compact between citizens and the state to ensure government programs are effectively and efficiently implemented and corruption and misuse are minimized.
Knowing When

- Aquino administration’s Open Government Partnership 2012 Action Plan
- Adoption of the Participatory Approach in COA
- Increasing demand towards citizen participation

And How to Engage

- Citizens’ buy in and consultation meetings
- Joint capacity building
- Shared agenda towards constructive engagement
Citizen Participatory Audit

Citizen Participation in the Philippine Constitution

The State shall encourage non-governmental, community-based or sectoral organizations that promote the welfare of the nation.

Article II, Section 23, Declaration of Principles and State Policies
Citizen Participatory Audit

What is CPA?

Conducting audits where citizen representatives are included in the team to make government more effective, transparent, and accountable.

Always under the direct supervision and control of COA.
PROGRAM Goal and Objectives

**GOAL**
To improve the efficiency and effectiveness of the use of public resources

**OUTCOME**
To facilitate the engagement between COA staff and civil society organizations interested in developing partnerships on PA

**OBJECTIVES**
- To develop the capacity of COA staff and civil society groups to design and implement participatory audit approaches
- To test various models of participatory audit that, based on experience, can be rolled out across selected government programs and agencies

**COMPONENTS**
- Citizen Partnership Unit
- Citizen-government partnerships piloted for PA
Citizen Participatory Audit

Roadmap

Institutionalization
- Policy adoption

Conceptualization
- Framework development
- Exploratory meetings with agencies

Experimentation
- Implementation of pilot audits
- Framework enhancement and assessment
- Policy proposals
Citizen Participatory Audit

CPA Process

1. COA identifies subject of audit
2. COA Planning: Determination of the nature & scope of citizen participation
3. COA-CSO buy-in meetings
4. MOA signing
5. Capacity Building
6. Audit Planning
7. Initial Conference with Auditee
8. Data Gathering
9. Audit Reporting
10. Audit Monitoring
11. Assessment
Citizen Participatory Audit
CAMANAVA Flood Control Project

- The audit covered the efficiency and effectiveness of the project.
- It verified and validated if the project was implemented in accordance with the project objectives.
Citizen Participatory Audit

CAMANAVA Flood Control Project

Capacity Building → Audit Planning → Execution/Fieldwork

→ Report Writing ← Community Assessment ← Audit Planning
Citizen Participatory Audit
CCT and Barangay Health Centers

- The audit covered four barangay health centers in CCT identified areas in Marikina City.
- The respondents were current CCT beneficiaries.
Citizen Participatory Audit
CCT and Barangay Health Centers

Audit Planning

Execution/Fieldwork
Citizen Participatory Audit
Solid Waste Management Implementation

The audit focused on how Quezon City implemented its **Solid Waste Management** program.
Citizen Participatory Audit
Solid Waste Management Implementation

Audit Planning

Document Review

Tool Development

Execution/Fieldwork
Early 2013 - SAI conducted an environmental audit using Citizen Participatory Audit on the implementation of environmental laws by Local Government Units (LGUs), the frontline agencies in carrying out environmental laws.

LGUs PROGRAMS AND PROJECTS:

- Air
- Water
- Greening
- Solid Waste
- Climate Change
ASSESSMENT OF EXTENT OF COMPLIANCE ON ENVIRONMENT LAWS BY NCR LGUs

- Climate Change: 25%
- Clean Water Act: 40%
- Clean Air Act: 66%
- National Greening Program: 0%
- Solid Waste Management Act: 100%
- Local Government Code: 83%
CPA: Disaster Relief

Inspection of Bunk Houses
CPA: Disaster Relief
Survey and Interview of Bunkhouse Recipients
Citizen Participation in COA

"This is a priority program, founded on the premise that public accountability can prosper only with a vigilant citizenry."

Maria Gracia M. Pulido Tan, Retired COA Chairperson
Citizen Participatory Audit
Public Information System (PIS)

The number of complaints have steadily increased since 2011.

2013 figures reflect complaints received between January and August 2013.

Pilot implementation until December 2013.
Citizen Participatory Audit
Public Information System (PIS)

• We’re working on:
  – Shortening issue resolution and action process within COA
  – Aiming at a relatively shorter response time to citizen feedback received
  – Integrating feedback received to COA audit agenda (e.g., for CPA)
Citizen Participatory Audit

www.i-kwenta.com

Citizen website designed to generate interest and feedback from citizens by uploading easy to understand articles and infographics. Launched in November 2012.
Citizen Participatory Audit

www.i-kwent.a.com

• Citizens’ website
• Repository of audit information
  – Audit 101
  – Info graphics, videos for public
  – CPA updates and reports
• Portal for citizen feedback
  – Easier way for all citizens to send us feedback (e.g., info request, questions, comments) publicly
  – Integrated with PIS
  – Updated information on results of CPA pilot audits
Moving Forward
January 2015 to May 2016

• Providing support to CSOs
• Policies for CPA institutionalization
• Roll out of a nationwide audit on Farm to Market Roads and the Solid Waste Management for Metro Manila
• Pilot of 2 more audits (Inspection and Validation of Tourism Roads and Sanitation in Public Schools)
PH wins award in London for anti-corruption project
If you want people to trust government, you must trust the people to help in the most basic of pursuits - ensuring that tax money is spent wisely for the common good.
Safeguarding Sustainable Development by Auditing Non-Economy Issues
SAFEGUARDING SUSTAINABLE DEVELOPMENT BY AUDITING NON-ECONOMY ISSUES
Court of Audit of the Republic of Slovenia
Tomaž Vesel, President and Auditor General, Miroslav Kranjc, Supreme State Auditor

As a relatively small Central European country member of EU and OECD, Slovenia can contribute to achieving Millennium Development Goals (MDG) and Sustainable Development Goals (SDG) most by developing knowledge, learning by doing and sharing the experience gained. In keeping with INTOSAI’s motto “mutual experience benefits all” we wish to illustrate how the efforts of the Court of Audit of the Republic of Slovenia in the form of auditing non-economy issues have helped our nation spend money more wisely.

Putting safeguarding of sustainable development at the core of SAI’s focus significantly changes the notion of watching over public money. This has sometimes left the general public and even policy makers startled. When our Court of Audit has been tackling the problem of public debt, sustainability of our public finances and issuing warnings about inevitable financial problems ahead the majority of our stakeholders accepted it as our duty to report and warn of the possible consequences. However when we addressed quality of preschool education, care for the elderly, preservation of wildlife, equal treatment of pensioners, fight against draught and similar, a few eyebrows were raised. Not only responsible governmental bodies, also the general public and the media were surprised that Court of Audit was tackling the issues that until then were not perceived as obvious subjects of audit. But this has changed significantly. We are now recognized and sometimes even welcomed partner in discussion on the future of delivery of vital government and local self-government services.

It must be emphasized that, in order to maintain our objectivity and to ensure credibility, we do not openly question the policies adopted by the government but rather limit ourselves to assessing how those policies were implemented and what were the consequences of their implementation or the lack of it. This has ensured us the position of someone who understands that sociological and environmental consequences are an integral part of government activities and influence the pace and level of sustainable development.

Our performance audits of the past decade have been covering all major areas relevant for the future delivery of government services such as social security (health, youth and pension) systems, environmental sustainability of public utilities, transport, sport, justice, food safety, rural development, culture to name a few. We have been tackling efficiency of tax and revenue information systems, fighting tax evasion, inequality in school and health systems. We know that a data revolution is unfolding, allowing us to see more clearly
where we are and where we need to go, and to ensure that everyone is counted. We use IT performance audits as tools to better measure efficiency of the implementation of IT projects and their contribution to meeting the needs of the recipients of those public services. Findings from these audits often lead us to be vocal about growing structural deficit, fiscal gap, looming spiral of public debt and the need to consolidate our public finance also. The good view of the other side of the coin gives us an even more realistic picture of the effects of the public monies spent. This leads us to believe that without serious consideration of activities in the context of sustainable development the ability of our society to achieve important long term goals will be significantly hampered.

Experience shows that, unfortunately, public sector still needs significant amount of review and monitoring in order to improve its efficiency, effectiveness and overall performance. National oversight mechanisms such supreme audit institutions are becoming more and more sought after. Our performance audit reports are becoming an important point of discussion in the parliament and public and we are even invited to audit certain areas, not only by non-governmental organizations and general public but also government itself. As welcome as this may seem, such expectations may significantly burden the SAI if unguarded, hamper SAI’s ability to independently, objectively and timely perform its duty of safeguarding public finance, public interest and also sustainable development of our nations. This said, it may be concluded that SAI can considerably contribute to safeguarding sustainable development as long as its independent and professional position is guaranteed.
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Experiences of the Engagement of the SAI Ghana in Audit of National Sustainable Development

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

prepared by | préparé par | verfasst von | elaborado por | GHANA
A summary of audits conducted by the Auditor-General of Ghana into some of the sustainable development programmes of the country are as follows:

a) **Potable water to rural communities**

In 2006 an audit was conducted into the provision of potable water to rural communities through the drilling of boreholes. This was aimed at eradication of guinea worm disease and to meet the millennium development goal of providing potable water to 76% of the population by 2015.

The audit identified difficulties faced by the project including unplanned acquisition of water treatment plant the cost of which the affected communities were required to contribute 5% which they could not afford, thus stalling the project.

As a result of the audit report, the World Bank intervened financially towards the completion of the project and in 2013 guinea worm disease was officially eradicated. Rural potable water coverage increased from 46.6% in 2006 to 61% in 2011.

b) **Protection of the ecosystem**

In 2009 a performance audit carried out into the management of Wetlands in Ghana. The wetlands are habitats to various bird species and form part of the ecosystem of the coastal areas of Ghana. In winter they become the home of migratory birds from Europe and have been designated RAMSAR sites.

The audit disclosed that human activities by way of settlements and dumping of solid waste were posing and increasing the risk of extinction and destruction of the ecosystem.

Parliament acted on the report and this had led to the clearance of settlements and waste from the sites. Though post audit assessment is yet to be carried out bird watchers have reported increase in the bird population and that flooding within the surrounding settlements has reduced during the past rainy season.

c) **Increased food projection**

In 2012 an audit was conducted into programmes of Government to assist farmers to increase food production. The audit findings and recommendations informed policy makers and the Development Partners to introduce measures and mechanisms to enhance food production and the establishment of buffer stock.
d) **Effect of mining activities**

The effect of gold mining activities on the local communities was subjected to audit. This focused on royalties paid to communities to mitigate the harmful effects of the mining activities in the communities. The findings and recommendations identified the need for the Environmental Protection Agency to be strengthened to carry out a comprehensive Environmental Impact Assessment for further action.

e) **Forest conservation**

Ghana Government National Plantation Management programme to restore the forest cover of the country which had dwindled from 7.5 million hectares in 1990 to 4.9 million in 2010 was subjected to performance audit with the objective of assessing the adequacy and effectiveness of the programme.

f) **Physical infrastructure**

Under an Agreement between the Governments of Ghana and Canada, budgetary support was provided by the Canadian International Development Agency towards the implementation of District Development Plans of selected District Assemblies (Local Councils) in the Northern part of the country where poverty levels were high. The project led to increase in market centres, and establishment of health posts and primary schools among others. Audits were conducted under the Agreement by the Office of the Auditor-General to provide assurance on use of funds released by CIDA.
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Topic | Thème | Thema | Tema | الموضوع
UN Post-2015 Development Agenda:
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Growth Friendly Audit: How the Work of SAIs can contribute to Economic Growth

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prepared by | préparé par | verfasst von | elaborado por | من إعداد
UNITED KINGDOM
SAIs have a very tangible contribution to make in helping our countries pursue sustainable economic growth, and therefore the post-2015 UN Development goals. Both financial audit of financial statements and performance audit have a contribution to make.

The contribution to be made by performance audit

Economic growth is one of a number of themes influencing our performance audit strategy and choice of audit topics in the UK. Of course, many public services are provided for reasons other than just stimulating economic growth, but nevertheless growth is often an important component.

In general, businesses want to operate in countries where there are sound public finances and where serious attempts are made to reduce fraud and corruption. Strong, effective SAIs can provide assurance that public finances are managed well and that the fight against fraud and corruption is being taken seriously. In addition, well targeted studies of, for example, the costs of setting up new businesses or the cost of ensuring merchandise transits ports and airports quickly and without loss, can reduce unnecessary costs on business and also help SAIs being seen as partners for growth and not another layer of bureaucracy.

In the UK there is broad agreement on the key factors that can drive sustainable growth. These range, for example, from the state of the national infrastructure (transport, energy, communications), and the education and skills of the working population, through to an effective regulatory environment and good access to investment finance.

Our performance audit has included work in these areas, amongst others:

- On improving the national infrastructure – we have published a series of reports looking at how well public bodies have considered the business cases put together to support large transport projects. This has included close scrutiny of how they have sought to estimate the potential economic benefits, the robustness of the assumptions, and the sensitivity of the outcome to the input assumptions.

- On raising the skill level of the population – we have conducted economic analysis on the relative costs and benefits to the economy derived from people completing different types of apprenticeships. Our analysis suggested, for example that the economic impact derived varied significantly between different types of apprenticeship, with implications for how these programmes are targeted.

- On having an effective regulatory regime – businesses will often cite the importance of having a predictable and efficient regulatory regime as part of creating a stable environment in which to take investment decisions. On the other hand, regulation is vital to protecting the environment, consumers, employees and society at large. We have reported on:
• the efficiency and effectiveness of individual regulatory regimes\(^2\);  
• the perceptions of businesses\(^3\); and  
• the quality of assessments underpinning proposals for new regulation\(^4\).

The contribution to be made by the external audit of financial statements

At first sight it might, perhaps, be more difficult to see a link between the independent external audit of financial statements and economic growth. But reliable financial reporting plays an important part in shedding light on the state of public assets and liabilities.

Our work has increasingly shed light on the extent to which we are creating liabilities to be paid by our children, and even our children’s children. Our interest has focused on the robustness of estimates of these liabilities. Examples include the cost of decommissioning nuclear power stations; and valuation of state loans to students attending higher education.

In conclusion

Both performance audit and the external audit of financial statements can add significantly to a better informed public debate on the performance of our public services in contributing to economic well-being. In so doing, we believe SAIs have a clear role in helping our nations work towards the aspirations set out in the post-2015 UN Development goals.