



INTERNATIONAL ORGANIZATION  
OF SUPREME AUDIT INSTITUTIONS

# MIDTERM PERFORMANCE AND ACCOUNTABILITY REPORT 2017—2019

# Acronyms

AFROSAI	African Organization of Supreme Audit Institutions
AFROSAI-E	A subgroup of AFROSAI for English-speaking Supreme Audit Institutions
AFROSAI-F	A subgroup of AFROSAI for French-speaking Supreme Audit Institutions (also known as CREFIAF)
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASOSAI	Asian Organization of Supreme Audit Institutions
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CBC	Capacity Building Committee
EUROSAI	European Organization of Supreme Audit Institutions
FIPP	Forum on INTOSAI Professional Pronouncements
IDB	Inter-American Development Bank
IDC	INTOSAI-Donor Cooperation
IDI	INTOSAI Development Initiative
IFPP	INTOSAI Framework for Professional Pronouncements
IJGA	International Journal of Government Auditing
INCOSAI	International Congress of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
IntoSAINT	INTOSAI Integrity Tool
IRCP	INTOSAI-Regions Coordination Platform
ISSAI	International Standards of Supreme Audit Institutions
KSC	Knowledge Sharing and Knowledge Services Committee
MOOC	Massive Online Open Course
OECD	Organisation for Economic Co-operation and Development
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions
PASAI	Pacific Association of Supreme Audit Institutions
PFAC	Policy, Finance, and Administration Committee
PSC	Professional Standards Committee
SAI	Supreme Audit Institution
SAI PMF	SAI Performance Measurement Framework
SDG	Sustainable Development Goals
SDP	Strategic Development Plan
TFIAP	Task Force on INTOSAI Auditor Professionalization
3i	ISSAI Implementation Initiative
UN	United Nations
WGEA	Working Group on Environmental Auditing

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# Executive Summary



The International Organization of Supreme Audit Institutions (INTOSAI) has made progress toward the goals, objectives, and crosscutting priorities of its 2017-2022 Strategic Plan and is on schedule in the vast majority of initiatives and projects. This progress demonstrates INTOSAI's contributions, continued importance, and relevance in the international accountability and auditing community as it enhances governance on a global scale. While INTOSAI and individual Supreme Audit Institutions (SAI) face challenges, the mutual support provided within INTOSAI and across its membership and subsidiary bodies continues to strengthen the ability of SAIs to fulfill their mandates and enhance governance.

This 2019 Performance and Accountability Report (PAR) documents midterm progress in implementing the INTOSAI 2017-2022 Strategic Plan and updates the 2018 PAR that was approved by the Governing Board (GB) and published on the INTOSAI website in Arabic, English, French, German, and Spanish.

A critical component of INTOSAI's success stems from the guidance provided by the GB. Last year's PAR identified seven key issues for consideration by the GB, including:

- Continued emphasis on fostering SAI independence and raising awareness of legislatures on the importance of independence;
- Continued INTOSAI and SAI efforts on monitoring the implementation of Sustainable Development Goals (SDGs) and UN 2030 Agenda;
- Continued focus on the use of INTOSAI Standards by SAIs, including the need for reliable data on the extent to which SAIs use these standards;
- Support for the INTOSAI Framework of Professional Pronouncements (IFPP) and Forum for INTOSAI Professional Pronouncements (FIPP), as well as awareness-raising among SAIs about the process and the importance of developing and revising international auditing standards;
- Recognition of the accomplishments, importance, and needs of INTOSAI Regional Organizations, especially regarding communication, resources, and technology; and

# Executive Summary



- Continued focus on use of key tools and initiatives, including ISSAI Implementation Initiative (3i), INTOSAI Integrity Tool (IntoSAINT), and the SAI Performance Measurement Framework (SAI PMF); and
- Use of accumulated surplus INTOSAI funds to facilitate progress in achievement of INTOSAI's mission and strategic plan.

While the GB, INTOSAI global bodies, and Regional Organizations have made progress on these issues through a variety of initiatives since the 2018 GB meeting, they remain relevant for continued attention by the GB. The Policy, Finance, and Administration Committee (PFAC) leadership and General Secretariat (GS) propose removing the item on the use of the accumulated surplus as the proposed triennial budget and related proposed changes to the INTOSAI Statutes would facilitate the release of EUR 400,000 in surplus funds to the four Goal Chairs during the period 2020-2022.

This report also includes five new issues for consideration by the GB based on information provided by the Goal Chairs and Regional Organizations:

- Enhancing communication across INTOSAI and its Regional Organizations;
- Focusing on the needs of the SAIs working in the most complex and challenging contexts;
- Raising awareness among SAIs that, in ISSAI 12, “leading by example” means adhering to the highest possible auditing standards and putting in place quality control and quality assurance mechanisms;
- Providing sufficient information to SAIs on the implementation of professional pronouncements; and
- Focusing on capacity development programs at the regional level.

# Leadership Message



## A MESSAGE FROM THE INTOSAI GS AND PFAC

On behalf of the INTOSAI General Secretariat and PFAC, we are pleased to present this report identifying midterm progress in implementing the 2017-2022 Strategic Plan. Overall, INTOSAI has demonstrated strong progress toward its goals and strategic objectives, and this report describes numerous key accomplishments. At the same time, this report also describes several key challenges and proposed mitigating actions.

One set of challenges relates to findings in the INTOSAI Development Initiative (IDI) 2017 Global Survey that showed concerning trends among some SAIs, including threats to independence, public reporting, and transparency. We have actively sought to address these issues through engagement with donors, IDI, INTOSAI, the United Nations, and other stakeholders.

In February 2019, we met with the Acting President of the World Bank to discuss SAI independence. This meeting resulted in actions by the Bank to promote SAI independence as part of the global development agenda as well as enhanced coordination on independence across donors, IDI, and INTOSAI.

In addition, we will address these issues through the INTOSAI Donor Cooperation (IDC) and implementation of its new strategy for 2020-2030 that was approved at the IDC Steering Committee meeting in Tokyo in July 2019.

We would like to extend our gratitude to all of the INTOSAI bodies that contributed to this report, including the INTOSAI Chairman, Dr. Harib Saeed Al Amimi (United Arab Emirates); the INTOSAI First Vice Chairman and incoming INTOSAI Chairman, Alexey Kudrin (Russian Federation);

the Professional Standards (Brazil and European Court of Auditors), Capacity Building (South Africa and Sweden), and Knowledge Sharing (India) Committees; the Supervisory Committee on Emerging Issues (United Arab Emirates); the seven INTOSAI Regional Organizations (AFROSAI, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS, and PASAI); the INTOSAI Development Initiative; the International Journal of Government Auditing; and members of the INTOSAI Governing Board.

Signed,

—Dr. Hussam Alangari, PFAC Chair

—Mr. Gene L. Dodaro, PFAC Vice Chair

—Dr. Margit Kraker, INTOSAI Secretary General

September 2019

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## INTOSAI—BACKGROUND & MISSION

INTOSAI is an autonomous, independent, professional, and nonpolitical organization established to provide mutual support; foster the exchange of ideas, knowledge, and experiences; act as a recognized voice of Supreme Audit Institutions (SAIs); provide high-quality auditing standards for the public sector; promote good governance; and foster SAI capacity development and continuous improvement.

The organization's mission is to promote good governance by enabling SAIs to help their governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of citizens.

The 2017-2022 INTOSAI Strategic Plan is organized around four key goals and five crosscutting priorities that provide the overall strategic direction for INTOSAI; guide its efforts to provide mutual support to

SAIs; and foster the exchange of ideas, knowledge, and experience among the international accountability community.

Recognizing the importance of performance assessment, the Strategic Plan calls for the General Secretariat and PFAC—in coordination with other key INTOSAI bodies—to gather and review information on progress toward the Plan's goals and crosscutting priorities, develop a list of action items for consideration by the Governing Board, and present that information in a performance assessment report. In accordance with the Strategic Plan, this report will be provided to INTOSAI members and external stakeholders, publicized in the International Journal of Government Auditing, and made publicly available on the INTOSAI website.

The report follows the structure of the Strategic Plan, highlighting progress, key accomplishments, and challenges relative to its four strategic goals and five crosscutting priorities.

# Goal 1 Professional Standards



Promote strong, independent, and multidisciplinary SAIs and encourage good governance by: 1) advocating for, providing, and maintaining International Standards of Supreme Audit Institutions (ISSAI); and 2) contributing to the development and adoption of appropriate and effective professional standards.



Under the leadership of SAI Brazil (Chair) and the European Court of Auditors (Vice Chair), the Professional Standards Committee (PSC) has made substantial progress toward the strategic objectives of Goal 1. Key accomplishments to date include:

- Launching the INTOSAI Framework of Professional Pronouncements (IFPP) after migrating from the ISSAI Framework. The framework is available on the new and improved [issai.org](https://issai.org) website.
- Consolidation of new structures and processes approved at INCOSAI 2016, including the Forum for INTOSAI Professional Pronouncements (FIPP), the revised due process application, and the implementation of the Strategic Development Plan (SDP) 2017-2019.
- Creation of an independent advisory function for INTOSAI standard setting with renewed commitment of external stakeholders as advisory partners and inclusion of new consultative bodies.
- Launching a proof-of-concept for a Technical Support Function for standard setting mainly based on in-kind contributions, which will be comprised of skilled and experienced full-time auditors who will work alongside project groups and the FIPP to improve the quality of INTOSAI pronouncements.
- Advancements in identifying needs of the INTOSAI community that can inform the standard setting process and the proposal to establish a network of officers to provide feedback into the use of standards.
- Advancements in the quality and reach of translations with a new arrangement for translating pronouncements and adding links to SAI-

owned translations of pronouncements in non-official languages in the [issai.org](https://issai.org) website.

- Improved planning and use of resources with the SDP for the IFPP 2020-2022.
- Contributions to the IDI ISSAI Implementation Initiative (3i) Program according to the Terms of Reference signed by the IDI, the PSC, and its Subcommittees.

While the PSC has made substantial progress, it is closely monitoring several areas where progress is behind schedule and is taking appropriate mitigating actions. Specifically:

- Effective communication to ensure that all actors are familiar with the processes and structures in standard setting and that all projects are developed within a reasonable timeframe.
- Availability of reliable monitoring data on ISSAI implementation and the use of standards by SAIs. To address this challenge, the PSC is enhancing communication with SAIs and liaising with other INTOSAI bodies and Regional Organizations to identify potential solutions.

# Goal 2 Capacity Building



Support SAIs in developing capacity to maximize value and benefits to society by: 1) promoting the development of capabilities and professional capacities of independent SAIs and regional organizations; 2) informing INTOSAI decision-making on SAI capacity development matters; and 3) cooperating with donors, relevant partners, and stakeholders.



Under the leadership of SAI South Africa (Chair) and SAI Sweden (Vice Chair), the Capacity Building Committee (CBC) has made substantial progress toward Goal 2. Key accomplishments to date include:

- Ensuring appropriate focus on, and coordination with respect to, issues of strategic relevance in developing capacity to include collaborating with other goal chairs and IDI and spearheading the INTOSAI-Regions Coordination Platform, CBC Regional Forum, and annual CBC meetings.
- Completing the work mandated by the 68th Governing Board meeting by finalizing research on enabling mechanisms required to structure professional development in INTOSAI; finalizing a guide on Pathways for Auditor Professionalization in SAIs; and revising the INTOSAI Competency Framework for Public Sector Audit Professionals at SAIs so that work can commence between 2020 and 2022 on a framework for professional pronouncements on auditor competence as provided for in IFPP.
- Providing governance oversight for global SAI PMF implementation in accordance with the 2017-2019 implementation strategy and concomitant annual global implementation plans; continuing to promote the PMF tool among regional INTOSAI bodies and other key stakeholders; and, with IDI, developing a revised SAI PMF strategy to guide implementation in the period 2020-2022.
- Assisting SAIs operating in complex and challenging contexts through advocacy materials, forums, lessons learned, sharing of experiences, and webinars.
- Organizing meetings of the INTOSAI-Regions Coordination Platform (IRCP) in June 2018 and May 2019 focused on improving cooperation and aligning efforts in INTOSAI to better support leadership development; ISSAI quality and implementation; quality control and quality assurance systems; performance monitoring, measurement and reporting; internal and external communication, and SDG audits.
- Providing continued support to strengthening regional organizations as they become more and more focused on their own professionalism and create value for their members.
- Continuing to share expertise, knowledge, and guidance through our work streams on Peer Reviews and Cooperative Audits to enhance capacity building efforts by (1) carrying out the 2019 Global Peer Review Survey, the results of which were presented on CBC and IJGA web sites, and developing content for a peer-review training seminar planned for 2020; and (2) maintaining a virtual catalogue with over 100 cooperative audit experiences, and developing a training course in the application of ISSAI 5800 in English and Spanish.
- Training 57 IntoSAINT moderators in four regions and facilitating the use of the IntoSAINT integrity tool by CAROSAI, EUROSAI, and PASAI to strengthen SAI integrity and credibility. The IntoSAINT guidance has been enriched to include the latest developments in the INTOSAI Regional Organizations.
- Providing regular blogs on capacity development experiences through the CBC website while serving as a rich source of reference material on capacity development, and updating the flagship CBC Guide on Strengthening SAIs: A Guide for Improving Performance and made it available in Arabic, English, French, and Spanish.
- Establishing a new workstream to support peer-to-peer cooperation, a preferable form of capacity development among SAIs.
- Continuing to use the annual CBC meetings to identify capacity development challenges and opportunities that facilitate access to solutions. This year, the CBC identified leadership development, audit quality control and quality assurance systems, and SAI peer-to-peer capacity-building support as issues that will receive attention.

# Goal 3 Knowledge Sharing



Encourage SAI cooperation, collaboration, and continuous improvement through knowledge development, knowledge sharing, and knowledge services, including: 1) producing and revising INTOSAI products; 2) providing benchmarks and operating a community portal; and 3) conducting best practice studies and performing research on issues of mutual interest and concern.



Under the leadership of SAI India (Chair), the Knowledge Sharing and Knowledge Services Committee (KSC) has made substantial progress toward Goal 3. Key accomplishments to date include:

- Consolidating various subject-matter related ISSAIs to guidance documents in the IFPP and developing new pronouncements. Additionally, seven working groups are developing new guidance, research, or audit toolkits on various topics.
- Revamping the Community Portal to incorporate the websites of all KSC Working Groups and serve as INTOSAI's central repository of information. The portal focuses on helping field level auditors in SAIs and offers support in all of the INTOSAI languages. It also includes facilities like a community of practice (a group for discussions and sharing of documents), polls, registration, surveys, video-conferencing, and webinars.
- Conducting crosscutting research projects on auditing emergency preparedness and citizen participation in public audit, led by SAI Guatemala and SAI Indonesia, respectively.
- Generating and disseminating knowledge and experiences through country paper presentations, databases of key audits and good practices, journals, seminars, social media, training programs, and workshops.
- Enhancing stakeholder engagement with the IDI, INTOSAI regions, the United Nations, and various international bodies such as the

Basel Committee, the Organisation for Economic Co-operation and Development, and the World Bank.

While the KSC has made substantial progress toward Goal 3 and is on track to achieve its strategic objectives, it identified areas where progress is behind schedule and is taking appropriate mitigating actions. Specifically, KSC reports delays in the development of pronouncements on public procurement; consolidating and aligning guidance for audits on privatization, public debt, and disaster-related aid; and a research project on "Citizen Participation in Public Audit."

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Key accomplishments include revamping the Community Portal to serve as INTOSAI's central repository of information.

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# Goal 4 Maximize Value



Organize and govern INTOSAI in ways that promote economical, efficient, and effective working practices; timely decision-making; and effective governance practices, while maintaining due regard for regional autonomy, balance, and the different models and approaches of member SAIs.



Under the leadership of SAI Saudi Arabia (Chair) and SAI USA (Vice Chair), the Policy, Finance, and Administration Committee (PFAC) is actively fulfilling its responsibilities under Goal 4. Key accomplishments to date include:

- Monitoring implementation of the INTOSAI Strategic Plan and, in November 2018, obtaining GB approval of the first ever INTOSAI Performance and Accountability Report (PAR) that identified key issues for consideration by the GB. The report was translated into Arabic, French, German, and Spanish and posted on the INTOSAI website.
- Working closely with the General Secretariat to maintain a sound financial position. INTOSAI received a clean audit opinion on its 2018 financial statement, which included external review from the Auditors General of Ghana and Lithuania. Economically, 2018 was another very successful year for INTOSAI—its net assets/equity increased by more than EUR 60,000 up to EUR 1 million. We anticipate the same positive financial position in 2019.
- Coordinating across INTOSAI to make changes to the Financial Rules and Regulations and obtain GB approval of criteria for evaluating proposed uses of accumulated surplus funds to the INTOSAI Goal Chairs. Pending GB approval of the triennial budget (2020-2022) and proposed changes to the INTOSAI statutes describing the process for spending surplus funds, the PFAC will evaluate proposals by the Goal Chairs for using up to EUR 400,000 of surplus funds.
- Enhancing the success of the INTOSAI-Donor Cooperation. Between 2012 and 2018, total annual support from donors to SAIs increased from \$54 million to \$83 million. A portion of this funding has gone through the cooperation, and the cooperation has raised awareness of the capacity development needs of SAIs among donors and facilitated the flow of funds from donors to SAIs through various funding modalities.
- Implementing a new governance arrangement for the INTOSAI Donor Cooperation. Among other things, the new arrangement (1) integrates the Secretariat into IDI's Global Foundations Unit, (2) enhances efficiency, and (3) enables the SAI and donor leadership to enhance their focus on increasing the flow of funds from donors to SAIs and conduct outreach and advocacy on key issues such as SAI independence.
- Participating in the first annual strategic dialogue with the IDI Board in March 2019 to exchange information on key issues affecting SAIs. During this dialogue, participants exchanged ideas and perspectives on SAI independence, assistance for SAIs in challenging contexts, and the cooperation's long-term strategy. These discussions served as key inputs to the development of a new strategy for the cooperation that was approved in July 2019 at the Steering Committee meeting in Tokyo and will cover the period 2020-2030.
- Enhancing communication across INTOSAI, including through the INTOSAI Journal and facilitating discussion on communication at the 2019 IRCP meeting. At this meeting, representatives of the INTOSAI Regional Organizations identified opportunities for further enhancing communication, including ensuring easy access to information; harmonizing the INTOSAI website and Community Portal and clarifying their intended purposes; and translating and updating key documents. The PFAC will continue to lead on this issue and has added ensuring effective communication to this document as an area for consideration by the GB.

# Crosscutting Priorities

## **CROSSCUTTING PRIORITY 1**

### *Advocating for and supporting the independence of SAIs*

INTOSAI strongly advocates for and supports constitutional and legal frameworks that provide comprehensive audit mandates, access to needed information, and unrestricted publication of SAI reports. INTOSAI supports organizational and financial independence in accordance with the Lima (ISSAI 1) and Mexico (ISSAI 10) declarations and their underlying principles of independence.

In 2017, IDI reported the results of its most recent global survey and analysis of related data at the PFAC and Governing Board Meetings. The survey identified troubling findings related to SAI independence and transparency.

Subsequently, the INTOSAI Secretary General summarized these findings in a letter to the United Nations (UN) to raise awareness among the UN Member States regarding the important role of providing SAIs with adequate independence to conduct their work. As a result of a Governing Board decision in 2018, the Secretary General contacted all INTOSAI members to ask them to write to their Permanent Missions at the United Nations requesting their support in raising awareness of the importance of SAI independence to the UN.

In February 2019, the INTOSAI Secretary General and the SAI Chair and Vice-Chair of the IDC met with the Acting President of the World Bank to raise awareness of SAI independence. The World Bank showed strong interest in the work and achievements of SAIs and expressed its support to foster independent SAIs in the international development agenda of the donor community, while also engaging its regional and country directorates on this topic. In addition, SAI independence plays a prominent role in the new IDC strategy for 2020-2030.

## **CROSSCUTTING PRIORITY 2**

### *Contributing to the follow-up and review of the Sustainable Development Goals*

SAIs play an important role in the implementation of the SDGs. Therefore, INTOSAI has launched numerous initiatives to support SAIs in contributing to the success of the UN 2030 Agenda and the SDGs.

The role of SAIs in reviewing and monitoring the implementation of the SDGs was one of the two focal themes taking center stage at INCOSAI XXII in Abu Dhabi in 2016. The Congress confirmed the avid interest of SAIs in carrying out audits and reviews with regard to the SDGs.

Since INCOSAI XXII, more than 100 SAIs have completed or are conducting SDG-related audits, taking into account the need for a comprehensive audit approach and the inclusion of external stakeholders.

In addition, INTOSAI plays an active role in the follow-up and review of the UN 2030 Agenda for Sustainable Development and the UN High-Level Political Forum (HLPF) on Sustainable Development. On 18 July 2018, the INTOSAI General Secretariat, in cooperation with the UN and the Permanent Representations of Austria and Canada to the UN, organized an event at the HLPF. The discussion focused on the results achieved in the framework of auditing the preparedness of national governments to implement the SDGs. Representatives of SAIs that conducted performance audits presented their experiences, confirming that SAIs can assume an important advisory function. In July 2019, INTOSAI again presented its SDG-related initiatives at the HLPF.

Finally, helping to ensure achievement of the UN 2030 Agenda and the SDGs plays a prominent role in the new INTOSAI-Donor Cooperation strategy adopted in July 2019.

## **CROSSCUTTING PRIORITY 3**

### *Ensuring effective development and coordination across Goals 1-3*

Representatives of the Goal Chairs meet annually to discuss such issues of mutual interest and joint responsibilities, with the purpose of improving communication and coordination and avoiding overlaps. This cooperation results in better quality and efficiency in processes, to the benefit of INTOSAI's members.

Representatives of the leadership of INTOSAI's Goal Committees met in March 2019 under the leadership of SAI India as KSC Chair. In addition to the PSC Chair and Vice Chair and the CBC Chair and Vice Chair, the Chair of the FIPP attended the first day of the meeting. The

Goal Chair representatives received feedback from the recent FIPP meeting; discussed roles and responsibilities in the standard setting process; deliberated the next steps in the preparation of INTOSAI's new strategic development plan for standard setting; considered the way forward in the creation of a technical support function; and discussed the recruitment of new members of FIPP.

Other issues that were discussed included (1) the INTOSAI Community Portal and how it can be further enhanced to meet the needs of auditors around the world, (2) how Goal Chairs might work together in INTOSAI to better address the needs of the SAIs working in the most complex and challenging contexts, and (3) how the Goal Chairs can ensure and communicate a high quality of INTOSAI products that fall outside the IFPP. The Goal Chairs also discussed plans for the successful May 2019 IRCP meeting and INCOSAI.

## CROSSCUTTING PRIORITY 4

*Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks*

The Supervisory Committee on Emerging Issues reported in 2018 on the findings of its expert group, highlighting emerging issues for consideration by the GB. A key finding focused on the importance of changes in science and technology that will affect governments and their auditors in the future. Specifically, the SCEI identified key developments in areas such as artificial intelligence, blockchain technology, cybersecurity, data analytics, 5G cellular network technology, machine learning, and quantum computing, among others, that it anticipated would have an increasing impact on governments and their auditors.

Subsequently, the GB in 2018 adopted a motion by the SCEI Chair and Vice Chair to establish an interim task force that has developed Terms of Reference (TOR) and a proposed leadership arrangement for a new INTOSAI Working Group on the Impact of Science and Technology on Auditing (WGISTA) for submission to the GB at the 2019 INCOSAI. The task force has welcomed and benefitted from the participation of INTOSAI members, other public and private sector auditing standards organizations, the donor community, international governmental bodies, and international non-governmental organizations.

## CROSSCUTTING PRIORITY 5

*Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI*

INTOSAI's seven regional organizations provide an essential means of accomplishing INTOSAI's goals across diverse cultural and geographic contexts. In turn, the experiences of the regional organizations provide a mutually beneficial perspective that informs and guides INTOSAI's efforts.

2017 marked an important milestone for cooperation across INTOSAI, with the creation of an INTOSAI-Regions Coordination Platform that included all INTOSAI bodies and regional organizations. The subsequent IRCP meetings in 2018 and 2019 focused on auditor professionalization, capacity development, communication, quality assurance, risks and emerging issues, and SDGs.

The following summarizes key accomplishments and challenges across the INTOSAI regions.

## INTOSAI REGIONAL ORGANIZATIONS

### AFROSAI

#### *Key Accomplishments*

- The 2019-2024 strategic plan of CREFIAF was adopted by the General Assembly in December 2018. It focuses on SAI capacity and independence.
- AFROSAI assisted Gabon with elaborating its organic law that could enable it to enhance autonomy and independence.
- The INTOSAI-Donor Cooperation Tier 2 program has created SAI-led capacity building efforts in nine African nations.
- Two pilot audits have been carried out by SAI Gabon and SAI Kenya to assess illicit financial flows. The overall objective is to mobilize resources needed to carry audits on the implementation of the SDGs.

# Crosscutting Priorities

- A group of Francophone SAIs developed and adopted audit tools for use in the extractive industries sector and trained 30 auditors on how to use the tool.
- The audit of extractive industries guidelines were extensively expanded and now include oil, gas, and solid minerals content; the latest information on global initiatives in the sector; and more Afrocentric examples to illustrate sector principles. It also includes considerations of the SDGs and the African Agenda 2063 to enable auditors to understand and respond to audit risks along the value chain.
- Held a meeting focused on fighting illicit financial flows as part of the Revision of the National Processes of Transparency, Risk Management, and Fraud Protection and in partnership with the African Good Financial Governance Network, African Organization of Public Accounts Committee, African Tax Administration Forum, and the Collaborative Africa Budget Reform Initiative.
- Professionalizing public sector auditors and accountants in Africa is one of the strategic imperatives of AFROSAI-E's corporate plan. This initiative has evolved from a regional goal to a continental priority. Under the new banner of the African Professionalization Initiative, AFROSAI-E operates in a collaborative partnership with CREFIAF, the East and Southern African Association of Accountants General, and the Pan African Federation of Accountants to further drive this initiative. Members of this initiative deliberated and agreed that an Academic Advisory Committee should be established to initiate the development and quality assurance of generic learning resources, and advise accounting educators on the teaching of public sector content.
- The PMF tool was officially adopted at the 2018 AFROSAI-E Governing Board meeting. AFROSAI anticipates that this tool, which has been translated into Portuguese and introduced to Lusophone countries, will allow SAIs to better cover country commitments towards SDGs and to evaluate the entire PMF system holistically. In total, 12 SAIs from Africa, Europe and South America have used the tool to perform audits.
- AFROSAI-E's external communication toolkit was developed to help SAIs implement strategies to engage stakeholders. The toolkit

is available in English (also available as an e-learning program) and French.

- AFROSAI-E has begun rolling out report writing training for member SAIs with a focus on simple language.
- With the support of IDI, a workshop on SAI PMF was held for several member SAIs to inform participants of INTOSAI standards related to PMF, its methodology, and application in audit institutions.

## ARABOSAI

### *Key Accomplishments*

- Developing a state of the region report on the capability of SAIs to respond to the UN 2030 Agenda that was approved by the Governing Board in March 2019.
- Carrying out a self-evaluation in collaboration with AFROSAI-E and IDI that will be completed in 2019, with a final report to follow.
- Engaging with ASOSAI to cooperate on activities of common interest including through a Memorandum of Understanding that will be signed by the end of 2019.
- Holding two joint workshops with AFROSAI-E on audit of risk-based control and measuring SAI performance during the fourth quarter of 2019.
- Joining the INTOSAI Working Group on the Audit of Extractive Industries (WGEA) and starting work on translating its materials to Arabic.
- Developing a new communication policy which includes an English newsletter, an INTOSAI technical report, and an upgraded website.

### *Challenges*

ARABOSAI identified challenges related to resource constraints and logistics, including human resources to address technical issues and financial resources. ARABOSAI also reported challenges in maintaining full attendance at regional meetings due to a lack of financial resources among some SAIs.

## ASOSAI

### *Key Accomplishments*

- Signing the Terms of Reference for the Organization of EUROSAL-ASOSAI Joint Conferences, and hosting the 3rd EUROSAL-ASOSAI Joint Conference in March 2019 in Israel.
- Developing a memorandum of understanding between ARABOSAI and ASOSAI to expand knowledge sharing across regions.
- Providing member SAIs with opportunities for capacity development and knowledge sharing, and organizing capacity development programs including 3i and SAI PMF.
- Incorporating SDG-related projects into the ASOSAI Strategic Plan and carrying out relevant activities, e.g. the 12th ASOSAI Research Project with the theme “Audit of Implementation of SDGs (including leveraging digital or big data to achieve the SDGs).”
- Hosting the 14th ASOSAI Assembly in Hanoi, Vietnam and adopting the Hanoi Declaration highlighting the SDGs and environmental auditing.
- Carrying out an ASOSAI WGEA parallel audit of water environmental protection, and launching research projects on “Audit of Poverty Alleviation and Living Environment Improvement in Rural Areas” and “Application of Big Data Analytics in Environmental Auditing.”

### *Challenges*

ASOSAI identified challenges related to innovation and the need to improve its governance structure. ASOSAI intends to explore new ways to enhance the capacity of its members through cooperative and parallel audits in addition to traditional training programs.

## CAROSAI

### *Key Accomplishments*

- As of May 2019, SAI Suriname completed the first stage in securing a legislative agreement to foster SAI independence. This effort was supported by IDI’s SAI Independence Program and IDI’s Strategic Engagement of Stakeholders Program.

- SAI Jamaica completed and presented its report on monitoring SDGs at a July 2018 meeting with IDI, the UN Department of Social and Economic Affairs, and other SAI leadership and stakeholders.
- SAI St. Lucia has completed an audit on implementation and monitoring of SDGs.
- The Collaborative Procurement Audit Program, which began in May 2017, remains an ongoing project. Of the 13 SAIs who started the program, 8 SAIs have completed and proposed their reports for parliamentary consideration.
- Five SAIs have completed a SAI PMF and participated in the IDI Strategic Performance Reporting and Evaluation Program in the Cayman Islands in 2018. SAI Monserrat is scheduled to complete its SAI PMF assessment in late 2019.
- Twenty-two SAIs have completed the IntoSAINT Moderator Training. Four SAIs have used the tool and the remaining SAIs will complete their assessments in the next 12–14 months.

### *Challenges*

Competing demands and limited human resources continue to be a constraint for the SAIs within the region. While the SAIs would like to participate in programs on SDGs, SAI PMF, and SAIs fighting corruption, the limited number of auditors available restricts their participation. Cost of travel within the region has forced it to find alternative means of maintaining communication and collaboration consistent with the region’s Strategic Business Plan.

## EUROSAL

### *Key Accomplishments*

- Approval of the EUROSAL Strategic Plan 2017-2023, its operational plan, and general procedures (March 2018).
- Identification of topics of mutual interest for inter-regional cooperation at the 2017 Oslo Regions Platform meeting; the TOR for future Joint Conferences with ARABOSAI, ASOSAI, and OLACEFS were signed.

# Crosscutting Priorities

- Implementation of the first steps of the AFROSAI and EUROSAL cooperation framework (mutual exchange of training events of both regions and SAI Egypt, with the support of EUROSAL, hosted training in June 2019 on quality control and quality assurance).
- Organization of the III EUROSAL-ASOSAL Joint Conference on Emerging Issues and Emergency Situations in March 2019, hosted by the SAI of Israel.
- Participation in the INTOSAL Regions Coordination Platform chaired by OLACEFS in May 2019 in South Africa.
- Cooperation with INTOSAL Committees, including contributing to various CBC and PSC initiatives.
- Promotion of SDG audits among EUROSAL members by providing information about SDG audits, presenting on SDG audits during the joint EUROSAL-ASOSAL conference, writing articles in the EUROSAL magazine and planning cooperative audits in this field.
- Achievements in the field of IT audits, including development of the Active IT Audit Manual that will provide an automated solution to support IT audits at the planning and implementation stages. In addition, an international report of the EUROSAL parallel audit on data protection was finalized and training seminars on IT Self-assessment and IT Audit Self-assessment were organized.
- Achievements in the field of environmental audits, including participation of the EUROSAL WGEA in a new high-level expert group on Environmental Compliance and Governance established by the European Commission. EUROSAL has also participated in three cooperative audits under WGEA, as well as numerous training events.
- Achievements in auditing funds allocated to disasters and catastrophes, including launching three coordinated audits related to flooding, earthquakes, and waste management under a EUROSAL Working Group; promoting the implementation of relevant ISSALs; developing a new structure for good practice recommendations related to flood management; contributing to relevant SDGs, such as making cities inclusive, safe, resilient, and sustainable; and developing indicators for the SDGs as well as ideas for new topics on auditing implementation of relevant SDGs.
- Achievements in the field of audit ethics, including finalizing two guidelines, approving a guideline for conducting IntoSAINT self-assessments, cooperating with OECD, participating in relevant conferences such as the Auditors Alliance, and assisting SAls in building ethics control systems.
- Completed a parallel audit on e-commerce carried out by the Czech Republic and Germany, as well as published Innovation Newsletters, and updated EUROSAL databases of audits and products.
- Launched an e-course in performance audit in which more than 100 participants have registered, and promoted a new communication platform for EUROSAL virtual meetings.
- Provided a guidebook on social utilization and transparency of public sector audits now available for the EUROSAL community; a new EUROSAL Operational Plan website is available; the EUROSAL communication framework has been updated; and an emerging issues workshop was organized at the end of 2018.

## *Challenges*

- Improving communication, given the high number of different languages spoken by EUROSAL members,
- Member SAls' different stages of development,
- EUROSAL members representing two SAI models—courts of accounts and national audit offices,
- Competing demands on resources to participate in international activities,
- Implementing and adapting to the new version of ISSAL 30 on auditing ethics, and
- Managing political developments in the European Union.

## OLACEFS

### *Key Accomplishments*

- Achieving numerous results related to engagement with regional entities of INTOSAI and international organizations, including the adoption of the Terms of Reference for the Joint Conferences with EUROSAI, reaching an agreement with AFROSAI to carry out a coordinated audit on biodiversity and protected areas, the development of a coordinated audit on gender equity and SDG 5 with IDI, and the training of mentors and the adaptation of materials for the online course for SDG audits, as well as for the SAI program in the fight against corruption.
- Facilitating cooperation through coordinated audits on road works, governance of border areas, and compliance with the SDGs. Additionally, OLACEFS is developing a web portal and a smartphone application to consolidate the results of the coordinated audits, and other initiatives, in relation to SDGs.
- Establishing a Task Force within its Capacity Building Committee to develop a postgraduate program in external control within the framework of professional certification. Other efforts in capacity development include the implementation of the Educational Management System, a 2019-2021 training plan based on the cycle of educational actions of the ISO 10015 standard, and the execution of 31 virtual courses, 4 face-to-face courses, and the development of 2 massive open online courses (MOOCs).
- Adopting IntoSAINT through various mechanisms, including organizing a regional course for moderators and promoting its use among SAIs on the basis of experiences and lessons learned, which implies that 17 of 22 OLACEFS members have already implemented the tool, and several SAIs have promoted the implementation of the IntoSAINT version in their countries' public institutions.
- Presenting the index of availability of information to the public on the institutional management of the SAIs in October 2017, the development of pilots for the improvement of the index during 2018 and the execution of a project, financed by the IDB, to improve access to information and the use of governmental audit products in Latin America and the Caribbean. OLACEFS has also developed the third edition of the Internal Control Index Project.
- Supporting the use of ISSAIs through an online training course, updating the Strategy for Awareness of Professional Standards of Auditing, developing regional diagnostics to identify the progress of the implementation of the ISSAIs, publishing the report "Challenges and good practices of the SAIs of OLACEFS in the institutional implementation of the ISSAIs," developing a series of monitoring webinars carried out in collaboration with the IDI, and creating the "ISSAI" microsite at [www.olacefs.com](http://www.olacefs.com).
- Implementing the SAI PMF in 14 SAIs and developing courses on the methodology and dissemination of the tool to promote its implementation in other SAIs.
- Updating the communication policy of OLACEFS, preparing a social network manual for OLACEFS, and disseminating information bulletins and technical magazines.
- Strengthening the role of citizen participation in audits, including a pilot experience in SAI Bolivia to involve citizens in the follow-up of recommendations, developing a virtual guide on citizen participation in audits, and executing a project to develop and implement a communication strategy focused on OLACEFS' external stakeholders to enhance the use and dissemination of the instruments and products of the Coordinated Environmental Audits and strengthen their promotion and positioning in the global and regional agendas.
- Developing two MOOCs on the role of SAIs and SDGs and performance auditing. Both will be available in English, Portuguese, and Spanish, and will be made available to the entire INTOSAI community. The first one is finished and the second is in the process of development.
- Developing various webinars on renewable energies, in-kind cooperation at OLACEFS, implementation of the SAI PMF, implementation of ISSAIs, the role of SAIs in the UN 2030 Agenda, and on citizen participation in SAIs.

# Crosscutting Priorities

- Promoting the use of information and communication technology via the OLACEFS portal and social networks, executing a large number of virtual courses and prioritizing virtual meetings that have completely replaced face-to-face meetings on administrative topics. The use of big data in audits was also included as a technical topic in the 2017 General Assembly.
- Creating two working groups within OLACEFS focused on the fight against transnational corruption and control over the management of natural disasters.
- Actively participating in various international forums to present the results of the initiatives related to the UN 2030 Agenda and the SDGs, such as participation in the Latin American and Caribbean countries forum on sustainable development in the UN High-Level Political Forum (HLPF) on Sustainable Development, in the 6th meeting of Partners for Review and in the international congress of the Latin American Center for Development Administration.

## *Challenges*

- Participating in INTOSAI-Donor Cooperation could be enhanced by developing a better understanding of the application process,
- Communicating key decisions of the organization to INTOSAI, and
- Format of meetings to ensure focus on decision-making and the highest-priority topics.

## **PASAI**

### *Key Accomplishments*

- Providing support and advice to SAIs, and using the independence resource kit to strengthen independence through legislative reform, conducting advocacy and engagement programs for SAI stakeholders and Public Accounts Committees, and providing specific technical support to update and improve the timeliness and quality of audits.
- Guiding the 10 member SAIs in their reports on performance audits of preparedness for implementation of the SDGs; encouraging

intra-regional cooperation, south-south cooperation through secondment and twinning projects among SAIs; promoting use of the SAI PMF by additional five SAIs and supporting 11 member SAIs to complete their SAI PMF assessment reports; supporting SAI strategic management to enhance strategic planning, operational planning and monitoring and evaluation process; and providing training and workshops on ISSAI implementation, public financial management, quality assurance, communication, and other topics.

- Implementing a communication strategy involving the PASAI website and social media networks to share PASAI programs and activities in real time.
- Implementing the PASAI funding strategy and establishing collaborative relationships with development partners.
- Reviewing the Monitoring, Evaluation, and Reporting framework to monitor and report performance relative to the strategic plan.

## *Challenges*

PASAI still identifies funding as its greatest challenge and has suggested a special funding scheme for small island states. PASAI suggests INTOSAI advocate for SAIs at the international, multilateral, and regional level so that these institutions and donors recognize SAIs as a key contributor to improving good governance, accountability and transparency and fighting against fraud and corruption. PASAI proposed INTOSAI consider providing technical support on implementing a framework to track progress.



The INTOSAI Development Initiative (IDI) is a part of INTOSAI and works together with INTOSAI Goal Committees, Regional Organizations, SAIs and other partners for independent, well-governed, professional and relevant SAIs.

IDI has played a critical role in advancing INTOSAI's Strategic Plan implementation. IDI is an essential INTOSAI mechanism that supports SAIs in developing countries in sustainably enhancing their performance and capacities.

IDI's work is geared towards contributing to the strategic goals and cross-cutting priorities of the INTOSAI Strategic Plan. In 2018, IDI's portfolio included 11 programs that were delivered at the SAI, INTOSAI regional, sub-regional, and global levels. All were based on SAI needs and developed from extensive dialogue with SAIs and INTOSAI regions.

The programs, delivered in cooperation with numerous INTOSAI bodies, regional organizations and other partners, included a variety of support structures—global public goods, cooperative audits, e-learning and flexible blended digital education solutions, regional resource person pools, bilateral support, and support for SAI leadership/young leadership.

IDI reports annually on its performance in the IDI Performance and Accountability Report. The 2018 report can be found at <http://www.idi.no/en/about-idi/reports>.

In 2018, IDI exceeded its global outreach targets by providing support to 153 unique SAIs across all INTOSAI regions, among them 121 SAIs in developing countries and 32 SAIs in challenging situations.

IDI supported ARABOSAI, CAROSAI & CREFIAF in their regional strategic planning. It also started a new partnership with CREFIAF and AFROSAI-E in its strategic bilateral support for nine SAIs in challenged and fragile situations through the Accelerated Peer Partnership program (PAP-APP).

Other performance highlights in 2018 include the launch of the support to ISSAI-based financial audit development in eight South East Asian countries, the development of the strategic framework for the Professional Education for SAI Auditors (PESA) pilot and the Strategy, Performance Measurement and Reporting (SPMR) pilot phase in PASAI and CAROSAI for 18 SAIs. More than 50 SAIs had completed SAI PMF assessments at the end of 2018.

IDI continued to host the Secretariat for the INTOSAI-Donor Cooperation. One of its key achievements was the launch of the Global Call Proposal Tier 2 with the objective of mobilizing more and better coordinated support to challenged SAIs. This resulted in the PAP-APP mentioned above.

At the end of 2018, IDI published the new IDI Strategic Plan 2019-2023 including two major strategic shifts: IDI will move from time bound programs to permanent work streams on professional, relevant, independent and well-governed SAIs and fully integrate a gender perspective throughout its Strategic Plan period.

The Office of the Auditor General of Norway has offered to continue to host the IDI for the period until 2025. A motion to that effect will be put to the next INCOSAI by the Secretary General of INTOSAI.

To learn more about IDI's work, results and successes achieved, innovations and lessons learned, visit [www.idi.no](http://www.idi.no).



## INTERNATIONAL JOURNAL OF GOVERNMENT AUDITING

The Journal maintains a sound financial position and has received a clean audit opinion from its external auditors for the year 2018. In addition, the Journal continues to maintain adequate financial reserves and will continue exercising a level of budgetary oversight and diligence to ensure innovative and efficient operations.

The Journal's mandate is to share information about public sector auditing through traditional and social media. A key aspect of this mandate is to lead the Journal's transformation toward a more dynamic online presence. The new Journal website has received nearly 15,000 site visits since its launch in April 2018. The website features relevant and timely content, imagery, and video from INTOSAI bodies and events.

The Journal continues to have an active presence on social media, has increased coverage at INTOSAI Goal Chair and Regional Organization meetings, and has expanded real-time audience engagement through live reporting. Twitter, the Journal's primary live news-sharing platform, currently has more than 1,600 followers as of August 2019, and the Journal's Instagram channel, launched at the 2016 Policy, Finance, and Administration (PFAC) meeting, is growing at a steady pace. The Journal also increasingly shares social media coverage by delegates participating in INTOSAI events, including Working Group meetings. Journal leadership has found that the Journal engages the INTOSAI community more effectively via Twitter and Instagram and is prioritizing engagement through these platforms.

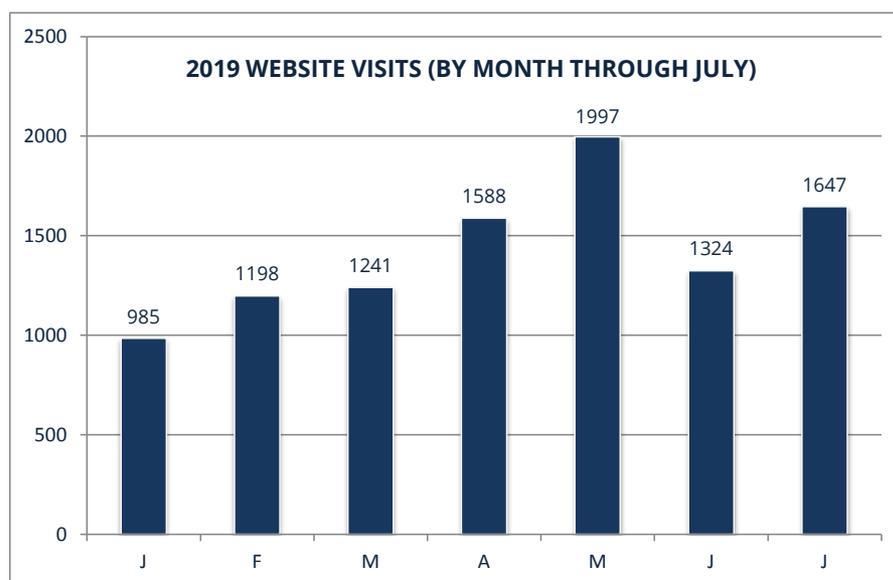
The Journal continues to explore options to create thematically based editions with feature stories that highlight important topics applicable

to the INTOSAI community and remains steadfast in its endeavors to collaborate with other INTOSAI bodies (including regional leadership) to find ways to facilitate, enhance, and streamline communications, knowledge sharing, and outreach.

The Journal is also exploring ways to further improve cooperative efforts, such as researching mechanisms to highlight public audit reports and connect auditors to share information and best practices on audits as they happen.

As the publisher of the INTOSAI Journal, the U.S. Comptroller General will present the 2019 Elmer B. Staats Award at the INCOSAI in Moscow, recognizing the best article written for the Journal during the period 2016 to 2018.

The Journal would like to thank all SAIs and authors who have submitted articles for publication over this period, as well as the Board of Editors and Associate Editors for their assistance with judging articles for the Staats Award and for their ongoing assistance with publication and translation of the Journal.





INTERNATIONAL ORGANIZATION  
OF SUPREME AUDIT INSTITUTIONS