



**STATEMENT BY THE INTOSAI DEVELOPMENT INITIATIVE
FOLLOWING THE POTENTIAL INDEPENDENCE CHALLENGES
FACED BY THE AUDIT OFFICE OF THE REPUBLIC OF CYPRUS**

The INTOSAI (International Organization of Supreme Audit Institutions) Development Initiative, hereby represented by the Director General, hereafter states its position regarding potential independence challenges of the Audit Office of the Republic of Cyprus.

RECALLING:

- The Lima Declaration of Guidelines on Auditing Precepts (INTOSAI-P 1).
- The Mexico Declaration on Supreme Audit Institutions Independence (INTOSAI-P 10).
- United Nations Resolution A/66/209 of 22 December 2011 promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions.
- United Nations Resolution A/69/228 of 19th December 2014 promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration.

CONSIDERING THAT:

- Supreme Audit Institutions (SAIs) can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence, as stipulated in the Lima Declaration of Guidelines on Auditing Precepts and the Mexico Declaration on Supreme Audit Institutions Independence.
- SAIs have an important role to play in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Sustainable Development Goals.

- The International Organization of Supreme Audit Institutions (INTOSAI), since its establishment in 1953, has played an increasing role in the creation of an international framework for sharing and disseminating knowledge, standards and good practices to strengthen external control of public finances, and to sustainably improve the independence, professional competence, credibility and influence of SAIs for the benefit of citizens in the respective countries, supported by its autonomous, independent and apolitical character, as well as its special status in the United Nations Economic and Social Council (ECOSOC).
- The INTOSAI Development Initiative has developed a dedicated mechanism called SAI Independence Rapid Advocacy Mechanism (SIRAM) to provide advocacy support to SAIs when they perceive their independence is challenged.
- The Audit Office of the Republic of Cyprus is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and the European Organization of Supreme Audit Institutions (EUROSAI).

ACKNOWLEDGING:

- The challenges faced by the Audit Office of the Republic of Cyprus in the timely access to requested information when carrying out their audit work of the Cyprus Investment Program (CIP).
- The different opinions expressed by the legislative and executive branches, as well as political parties, constitutional and independent bodies, as part of the communications submitted during the SIRAM process, including the perspectives that consider as temporary the limitations to access to information experienced by the Audit Office.
- That the appropriate authorities, in accordance with the Laws of the Republic of Cyprus, will determine the legality of limitations of access to information.

THE INTOSAI DEVELOPMENT INITIATIVE HAS DECIDED TO BRING TO THE ATTENTION OF THE GOVERNMENT, LEGISLATURE AND STAKEHOLDERS THAT IT:

1. Stresses that this Statement does not constitute any view or judgment on the legality of the denial of timely access to information as per the laws of the Republic of Cyprus.
2. Expresses concern following the limitations of the Audit Office to obtain timely, direct and free access to all the necessary documents and information, for the proper discharge of its responsibilities.
3. Considers these limitations, although regarded as temporary, as contrary to the spirit of Principle 4 of the Mexico Declaration on “Unrestricted Access to Information”. This in turn affects other principles of the Mexico Declaration, such as Principle 5 on “The Right

and Obligation to Report on their Work” and Principle 6 on “The Freedom to Decide the Content and Timing of Audit Reports and to Publish and Disseminate them”.

4. Emphasizes that these limitations can undermine the ability of the Audit Office to play its role in properly ensuring accountability for the benefit of citizens.
5. Encourages all parties involved to establish a constructive dialogue to solve this issue and create a conducive environment through cooperation among institutions contributing to accountability and transparency for the betterment of the lives of citizens.
6. Reaffirms its strong commitment to initiate and to support all possible actions aimed at advocating for the independence of SAIs as supported by the principles recorded in the Lima and Mexico Declarations.

This is a voluntary and non-binding statement, whose content is sole responsibility of the INTOSAI Development Initiative, without legal status under international laws.

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