



# INTERNATIONAL JOURNAL

— OF GOVERNMENT AUDITING —



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# INTERNATIONAL JOURNAL

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The editors invite submissions of articles, special reports, and news items, which should be sent to the editorial offices at:

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Given the Journal's use as a teaching tool, articles most likely to be accepted are those that deal with pragmatic aspects of public sector auditing. These include case studies, ideas on new audit methodologies, or details on audit training programs. Articles that deal primarily with theory would not be appropriate. Submission guidelines are located [here](#).

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**FEATURE ARTICLE THEME: GENDER EQUALITY**

# ACHIEVING GENDER EQUALITY REQUIRES CONTINUOUS COLLABORATION AND A HOLISTIC APPROACH



*by Marta Acosta, Auditor General of Costa Rica*

Despite progress in many countries, daunting challenges persist in the effort to achieve real equality between women and men. According to the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) [Strategic Plan for 2022-2025](#), there have been significant worldwide improvements in gender equality in the areas of education and health, as well as in legal protections.

However, UN Women identified other areas in which progress has been slower. For example, less than two-thirds of women between the ages of 25 and 54 are part of the formal labor force, compared with 90 percent of men; women still dedicate three times more time to unpaid domestic work than men; and 30 percent of young women are not in school or employed. While women's political participation has increased, women hold on average only a quarter of parliamentary positions; twenty-four countries have a female head of state; and one-fifth of government ministers are women.

Furthermore, as pointed out by UN Women, the ongoing COVID-19 pandemic has exacerbated gender inequalities and dismantled much of the progress made. An estimated 47 million women and girls were pushed into extreme poverty in 2021, and 11 million girls may never return to school. During the crisis, reported cases of violence against women have surged.

By providing independent oversight, Supreme Audit Institutions (SAIs) play a key role in confronting these challenges. This is why the UN has called on SAIs to help fulfill the 2030 Agenda

and achieve the Sustainable Development Goals (SDGs), including SDG 5 (Achieve gender equality and empower all women and girls)—a critical goal in and of itself and one that cuts across all of the SDGs.

This role is reflected in INTOSAI Development Initiative's (IDI) [Strategic Plan 2019-2023](#), which includes promoting and supporting gender equality and diversity in all forms as one of its core principles. According to IDI, "SAIs are key oversight bodies that can play an important role in enhancing gender equality through, among other things, auditing and reporting on the implementation of national gender laws, regulations, policies, and international conventions."

The Organization of Latin America and Caribbean SAIs (OLACEFS) has taken a leading role in working toward gender equality, including by organizing coordinated audits on this topic. The first such audit, conducted from 2014 to 2015 with the participation of the SAIs of Costa Rica, Chile, and Puerto Rico, evaluated the extent to which their governments had incorporated a gender perspective into strategies, programs, and projects, especially those that related to education, health, and employment. In the case of Costa Rica, the SAI recommended that government agencies define and implement specific actions related to gender equality in their internal and external processes.

From 2018 to 2019, eighteen SAIs from the OLACEFS region participated in a second coordinated audit, which examined governments' preparedness to make SDG 5 a reality. As part of this initiative, SAI Costa Rica identified the strengths and weaknesses of governmental actions, including planning and evaluation, related to achieving gender equality.

SAIs' efforts must advance gender equality not only externally, but internally as well, in their own organizations. This principle aligns with the [Beijing Declaration and Platform for Action](#), which calls on all UN member countries to tackle underlying structural barriers and discriminatory practices that hinder progress on gender equality.

Along these lines, SAI Costa Rica has had its own policy for Gender Equality Endorsement since 2011. This policy, which includes specific measures for implementation, has provided a pathway for the SAI to make concrete progress.

For example, SAI Costa Rica has implemented a sexual harassment policy; created a commission to raise awareness and educate employees about gender equality; enhanced work-life balance, particularly in the context of working from home; and applied a merit-based promotion system that encourages more women in leadership positions.

OLACEFS has also taken a significant step forward, by approving a Gender Equality and Non-Discrimination Policy in its December 2021 General Assembly.

This policy outlines how member SAIs can include a gender perspective in their institutional planning and processes; describes specific actions that can lead to change; and identifies opportunities to develop an organizational culture that promotes gender equality.

These initiatives have shown promising results, but there is still much more to be done. Achieving gender equality will require that members of the INTOSAI community face obstacles head on, continuously collaborate with one another, and engage in sustained efforts to build—starting at home, and working outwards—a more inclusive, equitable society.

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# JOURNAL ANNOUNCES NEW SPOTLIGHT ON DIVERSITY, EQUITY, AND INCLUSION



*"The Journal's new spotlight is consistent with principles and values articulated in the United Nations' Agenda for Sustainable Development, with its central promise to 'leave no one behind,' and in numerous ongoing efforts across our community."*

Greetings and Happy New Year to the INTOSAI community from the International Journal of Government Auditing. The Journal Board of Directors and staff look forward to continuing our constructive, collegial, and informative engagement with the INTOSAI community in 2022 and beyond.

I am very excited to announce that the winter edition of the Journal marks the launch of a deeper focus on diversity, equity, and inclusion. Moving forward, a recurring section will highlight innovative and productive efforts across the INTOSAI community to demonstrate the importance of a strong commitment to these issues, both within Supreme Audit Institutions (SAIs) and in broader society.

The Journal's new Spotlight on Diversity, Equity, and Inclusion is consistent with principles and values articulated in the United Nations' Agenda for Sustainable Development, with its central promise to "leave no one behind," and in numerous ongoing efforts across our community.

The feature articles in this edition of the Journal focus on gender equality and highlight a vast array of valuable experiences

and insights from work led by the African Organization of Supreme Audit Institutions (AFROSAI-E), the Canadian Audit and Accountability Foundation (CAAF), and the INTOSAI Development Initiative (IDI). I am grateful to the authors for their contributions and welcome additional contributions related to diversity, equity, and inclusion from all INTOSAI members for future editions.

I am confident that the new spotlight will inform efforts among SAIs to ensure that their staff are valued, respected, and treated fairly, while also providing real-life examples of ways that auditors can address diversity, equity, and inclusion in their audits of government programs.

In closing, I would like to wish all of you, your loved ones, and your colleagues all the very best for safety, health, and prosperity in the new year.

**Michael Hix**

*Director of International Relations, U.S. Government Accountability Office, and President of the International Journal of Government Auditing*

# NEWS FROM SAIS AROUND THE WORLD

## News from Nepal



### OAG NEPAL LAUNCHES AUDIT MANAGEMENT SYSTEM

The Office of the Auditor General (OAG) of Nepal has launched its much-anticipated Nepal Audit Management System (NAMS), as part of an effort to strengthen the OAG. NAMS is a software that streamlines the audit process in order to accurately identify and reduce risks, thereby saving time, space, and money. This new system marks the beginning of a digital audit regime in Nepal.

The OAG has issued a directive and formed a unit to manage NAMS, which leverages information and communications technology (ICT) and integrated government applications to automate the audit life cycle. The system supports all audit activities, including:

- Risk-based audit planning at federal, provincial, and local levels;
- Data migration from different government ICT systems;
- Online access to the audited entity;

- Audit execution, based on checklists and templates;
- Online audit quality control and assurance mechanism;
- Online transmission of system-generated audit reports; and
- Archiving of audit documents.

"Government auditors will have to move along with technologies, and must know how to audit in today's digital environment," said Mr. Tankamani Sharma Dangal, Honorable Auditor General of Nepal, at the inaugural ceremony for NAMS.

"As the globe is going digital, there is no alternative but for auditors to adopt software-based auditing practices. Having the right level of expertise in new technology allows auditors to provide the highest quality of audit."

At the ceremony, Deputy Auditor General Mr. Ramu Prasad Dotel emphasized that adopting digital technologies would improve audit quality and ensure greater transparency, shorter audit cycles, and fewer errors. "It will move the office in the direction of remote auditing," he added.

## News from Rwanda

### **ALEXIS KAMUHIRE APPOINTED AUDITOR GENERAL OF RWANDA**

Alexis Kamuhire was appointed Auditor General of Rwanda on October 13, 2021, and assumed the role in early November. He brings extensive experience in public financial management to the position.

As Chief Internal Auditor for seven years within the Ministry of Finance and Economic Planning, Mr. Kamuhire coordinated and oversaw the internal audit function across all government agencies. His portfolio included central and local government entities, public enterprises, and government programs and projects.

Prior to this role, Mr. Kamuhire served as a Financial Management Specialist for the Integrated Financial Management Information System Project (IFMIS) in the Ministry of Finance and Economic Planning, where he was in charge of change management strategies and capacity building.

Mr. Kamuhire is not new to the Office of the Auditor General of State Finances (OAG), Rwanda's Supreme Audit Institution (SAI). He started his career with OAG in 2003 and was promoted to the position of Senior Auditor, a post he held until 2007.

In addition, Mr. Kamuhire served as a member of the Advisory Committee of the East African Community's Audit and Risk Committee from 2015 to August 2021. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Rwanda (ICPAR).

OAG, which has operated since 1999, became Rwanda's SAI in June 2003, when its mandate was enshrined in the country's Constitution. The SAI is vested with legal personality, as well as with financial and administrative autonomy. Mr. Kamuhire is OAG's fourth Auditor General.



## News from Japan



(left to right) President of the Board of Audit, Mr. Yuji Morita, and Prime Minister of Japan, Mr. Fumio Kishida  
Source: Official Website of the Prime Minister of Japan and His Cabinet

### BOARD OF AUDIT OF JAPAN ISSUES FY 2020 AUDIT REPORT

Mr. Yuji Morita, President of the Board of Audit of Japan (the Board), submitted the annual Audit Report Fiscal Year (FY) 2020 to Prime Minister Fumio Kishida on November 5, 2021. The Cabinet then presented the report to the Diet (Japan's bicameral legislature), along with the final accounts of state expenditures and revenues.

The report contains the results of 210 audits the Board conducted from October 2020 to September 2021 on the final accounts of FY 2020 expenditures and revenues of the state and government-affiliated institutions. The Board found nearly \$1.95 billion USD in "improper amounts." (For the definition of "improper amounts," visit [www.jbaudit.go.jp/english/](http://www.jbaudit.go.jp/english/).)

The Board has been continuously conducting agile, flexible audits and responding to issues in a timely and appropriate manner. In the FY 2020 report, the Board noted issues on several matters, including:

- Expenses related to COVID-19 countermeasures;

- Securing the safety and wellbeing of citizens;
- Social security;
- Information technology;
- Effect of project operations;
- Assets, funds, and stocks; and
- Proper budget execution and appropriate public accounts management.

At any time throughout the year (even prior to the annual audit report), the Board may report to the Diet and the Cabinet on matters it deems necessary, in accordance with the Board of Audit Act. In 2021, the Board issued two special reports and provided them to the Diet and Cabinet prior to issuing the FY 2020 annual audit report. Likewise, under the Diet Act, the Board may conduct and report the results of audits of specific topics requested by the Diet. The Board reported five such cases to the Diet in 2021.

For additional information, please contact the Board at [liaison@jbaudit.go.jp](mailto:liaison@jbaudit.go.jp).

## News from Peru

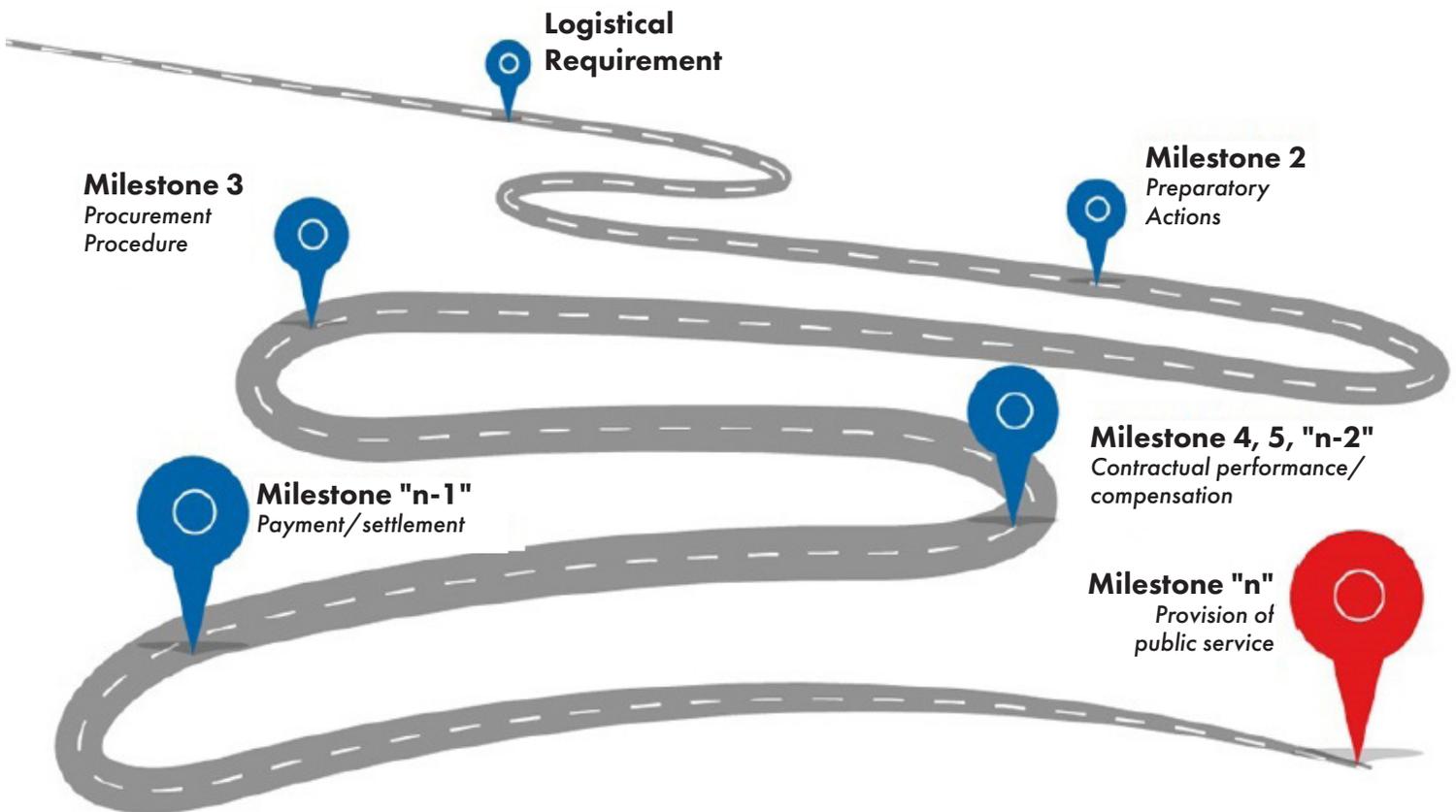
### SAI PERU EXPANDS CONCURRENT CONTROL

SAI Peru is expanding its concurrent control to all public procurement of goods, provision of services, and execution of public works over 10 million soles (approximately \$2.45 million USD), in accordance with a new law passed by the Congress of the Republic. Concurrent control's real-time, multidisciplinary oversight enables SAIs to identify and promptly communicate risks and adverse situations to public entities, so that they can quickly take corrective measures.

SAI Peru has already applied concurrent control to Reconstruction with Changes works (for infrastructure damaged by the El Niño Coastal Phenomenon in 2016 and 2017), mega-projects, and the COVID-19 immunization process, and found that this approach is highly effective.

A study carried out by SAI Peru has shown that concurrent control helps lower the costs of public works. In addition, for each sol invested in concurrent control in public works, the state saves six soles—a rate of return of 500 percent.

## Concurrent Control of Public Procurement of Goods and Services



### Characteristics of Concurrent Control

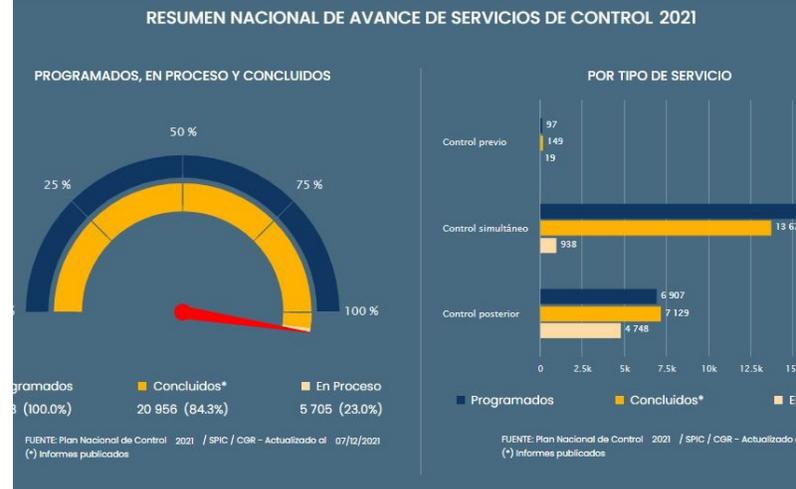
- 1 Multidisciplinary:** Increases the capacity to detect adverse situations, by having a multidisciplinary team with expertise in various areas related to the work or service.
- 2 Timely:** Takes place at the same time or close in time to when the activities subject to control occur.
- 3 Speedy:** Carried out in short timeframes, providing maximum responsiveness to achieve objectives.
- 4 Preventative:** Allows the entity to make corrections, to ensure continuity and achievement of objectives.
- 5 Synchronous:** Implementation of concurrent control and issuance of its results occur in an ongoing process.

## SAI PERU LAUNCHES CONTROL SPEEDOMETER

As part of its transparency and accountability policy, SAI Peru has launched a landing page, *Velocímetro del control* ("Control Speedometer"), which allows citizens to track the progress of the SAI's control services at the national, regional, and district levels. In addition, users can search for information on the types of oversight the SAI provides, the economic sectors in which the SAI intervenes, and other relevant data.

For example, members of the public can learn that as of December 7, 2021, SAI Peru had completed 20,956 control services (79 percent of those planned for the year), while another 5,705 were in progress. As a result of the SAI's ex-post control, 4,291 officials and public servants have been identified as having possible criminal, civil, or administrative liability.

This landing page joins SAI Peru's "Control Report Finder" page, where the complete reports issued by the SAI



are published, along with the "COVID-19 Control and Transparency Monitor," which shows statistical information on the use of public resources allocated to public entities as well as the SAI's control strategy. All of this information is presented in a visually appealing and user-friendly format.

More information can be found on [SAI Peru's website](#) and on the [Control Speedometer landing page](#).

## News from the Philippines

### SAI PHILIPPINES OFFICIAL REAPPOINTED TO IPSAS BOARD



Commission on Audit (COA) Assistant Commissioner Luzvi P. Chatto, head of SAI Philippines' Administration Sector, was reappointed as member of the International Public Sector Accounting Standards Board (IPSASB) for the period of 2022 to 2024.

Operating under the auspices of the International Federation of Accountants (IFAC), IPSASB works to strengthen public financial management globally by developing and maintaining accrual-based International Public Sector Accounting Standards (IPSAS) and other high-quality financial

reporting guidance for use by governments and other public sector entities.

Assistant Commissioner Chatto led COA's Government Accountancy Sector in continuously evaluating the applicability of new and updated IPSAS, and implementing them in the Philippine public sector. She is also a member of the Technical Working Group on Government ePayment and eReceipt Project, in which she reviews policies on electronic government payments and collections. She supervised the development, implementation, and enhancement of computerized systems for accounting and financial reporting, budgeting, and auditing, for use by government agencies.

IPSASB announced that, for the first time, it will have a majority female Board, with ten women and eight men beginning on January 1, 2022. IPSASB's geographic diversity will also increase, with new members from China and Saudi Arabia.

## News from Lithuania



### NAO LITHUANIA ASSESSES 2022 DRAFT BUDGET, IDENTIFIES TRENDS AND RISKS

During the COVID-19 pandemic, the National Audit Office (NAO) of Lithuania has continued to effectively perform the three functions delegated to it: external audit, fiscal institution, and EU investment audit. One of NAO's critical tasks was to assess the 2022 draft budget.

NAO's aim in doing so was not only to project the general government balance and debt trends, but also to analyze risk factors affecting the pension system and the impact of climate change on fiscal sustainability. NAO's assessment revealed challenges that the country's public finances could face in the long term.

#### No Sustainable Revenue for Long-Term Expenditure

The pandemic has necessitated significant unplanned, short-term public sector expenditures. In response, the European Union temporarily narrowed the application of fiscal discipline rules between 2020 and 2022 and activated the general escape clause of the Stability and Growth Pact, allowing member states to deviate from budgetary requirements. This clause also sets the condition that, for permanent non-COVID-19 expenditure measures, member states must provide permanent revenue that ensures a neutral impact on public finances in the medium term.

Upon review of Lithuania's financial indicators for 2022, NAO found that temporary government expenditures related to COVID-19 appear to have been replaced by growing long-term expenditures for which there are no sustainable sources of revenue. These long-term expenditures averaged 1 percent of the gross domestic product (GDP) annually over the period of 2017 to 2021. Prior to the pandemic, these expenditures were covered by unsustainable cyclical

revenues, due to Lithuania's economy growing more quickly than its potential GDP.

Some actual macroeconomic indicators—such as increased labor shortages in industry, trade, services, and construction; record-high use of industrial production capacity; and acceleration of core inflation—show the economy is exceeding its potential and likely to continue to do so.

In its function as a fiscal institution, NAO has observed that due to COVID-19 measures, the country's economy has experienced the largest positive fiscal impulse since 2007. However, if one excludes the impact of these measures, then Lithuania's fiscal policy tends toward pro-cyclicality. This poses the risks of even higher inflationary pressures and overheating of the economy.

#### Demographic Risks Affecting the Pension System

As part of its assessment of the draft budget, NAO analyzed risks to the sustainability of pensions. NAO found that in the long term, the country's aging population—with a projected decrease in employed persons and increase in people of retirement age—will pose challenges to its public finances.

NAO used [EUROPOP2019](#) (baseline scenario) for this analysis. According to projections, raising the retirement age by 2026 reduces risks. But in the long term, the large segment of the population aged 50-64 means that challenges will grow proportionally with increasing social security liabilities for pension benefits.

Conversely, the working-age population has been declining over the last two decades, but its employment has slightly evolved due to the increase in the labor force activity rate. Under the favorable [EUROPOP2019](#) scenario, which assumes zero net migration, the number of employed persons is projected to decrease. Moreover, as society ages, its productivity decreases, which affects budgetary indicators.

Another relevant trend is that working-age men in Lithuania have suffered the greatest total loss of life expectancy. This could also negatively impact potential funding of the pension system and pose challenges to the general government's financial indicators.

All of these socio-demographic factors point to the need for sustainable long-term sources of revenue. When adopting changes that may affect the sustainability of the pension system, it is important to take into account demographic challenges and the long-term forecasts of general government revenue and expenditures.

### Managing Climate Change Risks

In the near future, public finances will be exposed not only to

the pressures of an aging population, but also to the effects of climate change, which can include significant social and economic damages. Both adapting to and combating climate change will require public resources.

While the Organization for Economic Cooperation and Development (OECD) states that the consequences of climate change are not clear enough to be reflected in fiscal sustainability assessments, the most pressing risks can be identified. These include increased public expenditures due to extreme weather, which can damage infrastructure and impact economic activity. Costs can also increase due to the need to adapt more user-friendly infrastructure. The successful transition to a zero-emission economy would reduce fiscal risks in the long term.

## News from Azerbaijan



## SAI AZERBAIJAN HOSTS ECOSAI GOVERNING BOARD AND TRAINING COMMITTEE MEETINGS

The Chamber of Accounts of the Republic of Azerbaijan hosted the 25th Governing Board and 20th Training Committee meetings of the Economic Cooperation Organization of Supreme Audit Institutions (ECOSAI) on December 6, 2021, in Baku.

The Chamber has been a member of ECOSAI—a regional forum of the SAIs of South and Central Asia—since September

2002 and has repeatedly served as a member of the Governing Board and the Audit Committee.

At the Training Committee meeting, SAI Pakistan, representing the ECOSAI Secretariat, presented the Training Committee report. Participants also discussed issues related to publication of the ECOSAI newsletter, memoranda of understanding (MOUs) signed between member SAIs, and training activities.

At the Governing Board meeting, participants discussed the annual performance of ECOSAI, the report of the 20th ECOSAI Training Committee, and ways to further strengthen the activities of the organization.

## News from Egypt

### SAI EGYPT PARTICIPATES IN VARIOUS INTERNATIONAL EVENTS

#### SAI Egypt Attends COMESA Events

The Accountability State Authority (ASA) of Egypt, the country's Supreme Audit Institution (SAI), participated virtually in the 42nd meeting of the Council of Ministers of the Common Market for Eastern and Southern Africa (COMESA) on November 9, 2021. The meeting was chaired by SAI Madagascar, with ASA as Vice Chair and SAI Uganda as rapporteur. The meeting was followed on November 23 by the 21st COMESA Summit, on "Strengthening Resilience through Strategic Digital Economic Integration," at which the Arab Republic of Egypt assumed the Chairmanship of COMESA.

#### SAI Egypt Selected to Host 25th INCOSAI

At the 75th INTOSAI Governing Board (GB) meeting on November 23, 2021, the GB approved the nomination of ASA by the African Organization of SAIs (AFROSAI) to host the 25th INTOSAI Congress (INCOSAI) in 2025. H.E. Counsellor Hesham Badawy, ASA President and Chair of the INTOSAI Working Group on the Fight Against Corruption and Money Laundering (WGFACML), participated in the meeting, together with a delegation headed by ASA Vice President H.E. Counsellor Mohamed Al-Faisal Yousef.

#### SAI Egypt Holds Training on Audit Quality

From December 6-9, 2021, ASA held a virtual training on "Quality Control of Audit Work," in coordination with the Professional and Auditing Standards Committee of the Arab Organization of SAIs (ARABOSAI). The training included lectures by experts from ASA, case studies, practical exercises, and the opportunity for SAIs to share their experiences.

#### SAI Egypt Selected to Host 14th KSC Meeting

The INTOSAI WGFACML Secretariat, headed by ASA, participated in the 13th Steering Committee meeting of the INTOSAI Knowledge Sharing and Knowledge Services Committee (KSC), hosted virtually by SAI India on September 16, 2021. ASA will host the 14th KSC meeting in 2022.

#### SAI Egypt Participates in African Union Meeting

H.E. Counsellor Hesham Badawy participated in the Planning

and Strategy meeting of the African Union (AU) Board of External Auditors held virtually on November 18, 2021. At the meeting, led by SAI Nigeria, participants adopted a financial audit strategy for fiscal year (FY) 2021. ASA was assigned to participate in the FY 2021 financial audit of the AU and its institutions: AU Development Agency (South Africa); AU Commission (Ethiopia); and African Committee of Experts on the Rights and Welfare of the Child (Kingdom of Lesotho).

#### SAI Egypt Participates in Workshop on Voluntary National Reviews

ASA participated virtually in the 5th Regional Workshop on "Voluntary National Reviews in the Arab Region," organized by the United Nations Economic and Social Commission for Western Asia (ESCWA) in cooperation with the UN Department of Economic and Social Affairs (DESA) and the League of Arab States on October 20-21, 2021. This workshop was held in accordance with the Memorandum of Understanding signed between ARABOSAI and ESCWA. The workshop highlighted the importance of the role of SAIs in the voluntary national review process, as well as in auditing implementation of the commitments in the reports presented to the UN's High-Level Political Forum on Sustainable Development.

#### SAI Egypt Participates in Anti-Corruption Events

H.E. Counsellor Hesham Badawy and an accompanying delegation from ASA participated in the 9th Conference of the States Parties (COSP) to the UN Convention against Corruption (UNCAC) from December 13-17, 2021, in Sharm El-Sheikh, Egypt. The conference was preceded by a symposium on "The Role of SAIs in Preventing and Combating Corruption: The Way Forward" on December 12, organized by the UN Office on Drugs and Crime (UNODC).

#### SAI Egypt Participates in 38th ISAR Conference

ASA participated virtually in the 38th Conference of the Intergovernmental Working Group of Government Experts in the International Standards of Accounting and Reporting (ISAR), organized by the UN Conference on Trade and Development (UNCTAD) from November 9-12, 2021. Discussion topics included core indicators for reporting on contributions toward attainment of the UN's Sustainable Development Goals (SDGs), and climate-related financial disclosures in audit reports.



# AFROSAI-E SUPPORTS SAIS IN BECOMING GENDER-RESPONSIVE ORGANIZATIONS

by Marianna van Niekerk, Manager - HR, Organizational and Leadership Development, AFROSAI-E

In 2020, the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) embarked on a journey to support the region's SAIs in their efforts to strengthen gender equality. The two main objectives of this initiative were to help SAIs become gender-responsive organizations, and to build the capacity of SAIs to conduct audits that contribute to gender equality.

## Gender Video

The first step in this initiative was to create a [video](#) providing SAIs with useful information and resources related to gender equality. According to the United Nations, Sustainable Development Goal 5 (*Achieving gender equality and empowerment for all women and girls*) is "not only a fundamental human right, but a necessary foundation for a peaceful, prosperous, and sustainable world."

However, the [2019 Africa Gender Index](#) revealed an overall gender gap of 51.4 percent in the region (a score of 0 represents total inequality, while a score of 100 indicates

perfect equality between women and men). The video outlined ways in which AFROSAI-E members can narrow this gender gap by becoming gender-responsive organizations.

The video explains that gender-responsive SAIs afford equal opportunities, benefits, and outcomes for both women and men. To achieve this goal, SAIs need:

- A vision, values, strategy, and mandate that reflect a gender perspective.
- Infrastructure, resources, policies, regulations, and procedures that promote gender equality.
- Managers who take responsibility for gender equality.
- An organizational culture with space for women and men to bring their views to the fore.
- Human resources policies and processes that articulate gender equality.

Achieving gender diversity and inclusion can have many positive effects for SAIs, helping them to:

- Attract more qualified and skilled women, as well as

younger employees, who seek gender-responsive employers.

- Retain women more successfully.
- Boost the organization’s reputation and gain the confidence of development partners and donors.
- Enhance teams’ creative thinking.
- Improve wellbeing of staff and the organizational culture.

The video provides SAIs with specific steps and building blocks that can help them become more gender responsive. These include incorporating gender equality into human resources policies and processes aligned with the employee lifecycle, such as recruitment, benefits, compensation, performance assessment and recognition, training and professional development, and advancement.

### Gender Assessment

The second step in this initiative was to conduct a gender assessment of AFROSAI-E members in August 2021. The assessment examined SAIs’ political will, organizational culture, leadership commitment, staff awareness, and readiness, as well as the extent to which SAIs mainstream gender equality in human resources policies and collect gender statistics at all staff levels. Eighteen of the 26 SAIs in the region participated in this exercise.

The assessment found that overall, men comprised 66 percent, and women 34 percent, of the staff of respondents. The biggest challenges these SAIs faced in becoming more gender responsive were organizational strategies that did not define gender equality goals, as well as insufficient technical, financial, and human resources to implement a gender strategy.

The assessment, as well as the [AFROSAI-E Institutional Capacity Building Framework 2020 survey](#), also looked at the extent to which SAIs had developed and implemented a gender policy. Only five had implemented a gender policy to their full satisfaction. Eight SAIs had developed a gender policy but thought it needed improvement, and 13 SAIs did not have a gender policy.



*Marianna van Niekerk and Joshua Asiimwe (Performance Audit Manager, AFROSAI-E), hosting the AFROSAI-E Gender Equality Workshop.*

### Gender Equality Workshop

The third step in the initiative was to hold an online workshop on gender equality on September 21, 2021, with more than 130 participants from the AFROSAI-E, Arab Organization of SAIs (ARABOSAI), and Organization of Latin American and Caribbean SAIs (OLACEFS) regions. At the workshop, an impressive group of gender experts and program officers from the AFROSAI-E region, INTOSAI Development Initiative (IDI), and Canadian Audit and Accountability Foundation (CAAF) discussed the gender assessment’s findings and potential solutions. One of the highlights of the workshop was when SAI Eritrea shared its journey to develop a gender strategy (see next page).

The workshop, which aimed to raise awareness of gender equality and share AFROSAI-E’s commitment to support members in becoming gender-responsive organizations, was the first of many discussions on this exciting topic. In 2022, AFROSAI-E will focus on training human resources practitioners and strategy experts at the SAIs of Eritrea, The Gambia, and Rwanda to develop and implement a gender policy. AFROSAI-E would like to thank all the SAIs, sponsors, development partners, human resources practitioners, and specifically IDI and CAAF for their contributions to the success of the project. For more information about AFROSAI-E’s gender equality initiative, please email Marianna van Niekerk at [marianna@afrosai-e.org.za](mailto:marianna@afrosai-e.org.za).

# SAI ERITREA'S GENDER EQUALITY JOURNEY

Until the early 2000s, women comprised 20 percent of team leaders, and 33 percent of middle and senior managers, at the Office of the Auditor General (OAG) of Eritrea. By 2021, these figures had fallen to only 4 percent and 8 percent, respectively. Currently, women constitute 35 percent of the OAG's total workforce.

To close this gender gap, and to help implement SDG 5, the OAG decided to develop a gender strategy for the organization. The OAG's partners, including AFROSAI-E, IDI, and the United Nations Development Program (UNDP), have supported this effort.

The Auditor General assigned a technical committee to draft the gender strategy, and this committee delegated preparation of the document to a focal group with three members. As part of this effort, the focal group:

- Conducted a gender analysis within the organization.
- Gathered country-level gender documents, including the national gender policy and action plan, and referred to similar documents from other countries and various institutions.
- Interviewed officials at the National Union of Eritrean Women (NUEW).
- Prepared the first draft of the strategy and submitted it to the OAG's technical committee and NUEW for review.

- Shared the document with AFROSAI-E experts for technical advice.

The gender strategy's overall goal is to implement gender-mainstreaming initiatives in order to create a gender-sensitive environment in the OAG. The four objectives of the strategy are to:

1. Cultivate an enabling working environment for pregnant mothers and for parents.
2. Raise awareness of the gender strategy among staff members.
3. Foster greater gender equality in the OAG's human resources guidelines.
4. Empower female staff members.

The gender strategy has been approved by the Auditor General, and the OAG has incorporated gender issues into the organization's training, management, and other policies. The OAG is currently preparing for full implementation of the strategy.

Next steps will include conducting a session to increase awareness of gender equality among all staff, and establishing a gender focal group to manage the implementation of the gender strategy and report on its progress to the Auditor General.

*OAG Eritrea staff celebrate the opening of a crèche on the SAI's premises.*



# AUDITING GENDER EQUALITY

AN OPPORTUNITY FOR SAIS TO MAKE A DIFFERENCE AND LEAD BY EXAMPLE



by Jane Fuller, Associate, and Marie-Hélène Bérubé, Senior Program Officer, Canadian Audit & Accountability Foundation (CAAF)

## Audits of Gender Equality Are Gaining Momentum

When the Office of the Auditor General of Canada (OAG Canada) audited the Federal Plan on Gender Equality in 2009, it was one of the first Supreme Audit Institutions (SAIs) to undertake an audit of its government's commitment to achieve gender equality. Since then, members of the African Organization of SAIs (AFROSAI), European Organization of SAIs (EUROSAI), and Organization of Latin American and Caribbean SAIs (OLACEFS) have undertaken work on gender equality, both externally in their audits and internally through assessments of their own institutional commitments.

Today, there is growing recognition among SAIs, their regional organizations, the INTOSAI Development Initiative (IDI), and the Canadian Audit and Accountability Foundation (CAAF), of the importance of auditing gender equality, leading by example, and ensuring technical guidance is

available to support this work. Given this favorable context, there is a clear opportunity for SAIs to make a difference by integrating gender equality and gender mainstreaming considerations into their audits.

## Auditing Commitments to Gender Equality

National governments have made significant commitments to gender equality, notably in the United Nations' 2030

### Gender mainstreaming is...

...a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

UNECOSOC A/52/3, 18 September 1997

Agenda and its Sustainable Development Goals (SDGs). The SDGs include a goal focused on gender equality—SDG 5: *Achieve gender equality and empower all women and girls*—and consider gender equality a crosscutting priority that is essential to the achievement of the other goals.

The commitments to gender equality within the SDGs build on the original commitments UN member states made to gender equality and the advancement of women and girls at the 4th World Conference on Women in Beijing, China (1995). Following this conference, countries around the world reinforced their international commitments to gender equality and gender mainstreaming through the adoption of national and sub-national legislation, regulations, policies, plans, strategies, and budgets, and the establishment of roles and responsibilities within government institutions for their implementation.

By auditing how governments are implementing the SDGs, in particular SDG 5, and fulfilling other commitments to gender equality, SAIs can contribute to improving the lives of diverse groups of women, men, and marginalized people. These efforts align with International Standard of Supreme Audit Institutions (ISSAI) 12, on *The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens*. They are also consistent with INTOSAI’s 2017-2022 Strategic Plan, which includes as one of five strategic crosscutting priorities “contributing to the follow-up and review of the SDGs within the context of each nation’s specific sustainable development efforts and SAIs’ individual mandates.”

With many SAIs now auditing the SDGs, some have begun auditing progress towards the targets of SDG 5. In 2019, OLACEFS members conducted a coordinated audit of SDG 5, and SAI Uganda is currently undertaking a pilot audit of SDG 5.2 on “Elimination of Intimate Partner Violence Against Women.” OAG Canada published an audit on “Implementing the Sustainable Development Goals” in 2021 that examined SDG 5. These audits are generating important lessons for SAIs interested in auditing SDG 5 and gender equality issues of specific relevance to their country contexts.

## **Gender-Based Analysis Plus (GBA+) is...**

*...an analytical tool for the assessment of systemic inequalities, and how different groups of women, men, and gender-diverse people may experience policies, programs, and initiatives.*

*The “plus” acknowledges that GBA+ is not just about differences between biological sexes and sociocultural genders. GBA+ considers many intersectional identity factors, such as race, ethnicity, religion, age, and mental or physical disability, and how the interaction between these factors influences the way we might experience government policies and initiatives.*

<https://women-gender-equality.canada.ca/en/gender-based-analysis-plus/what-gender-based-analysis-plus.html>

## **The Impact SAIs Can Make: OAG Canada’s Audits on Gender-Based Analysis Plus**

OAG Canada’s 2009 audit of the government’s commitment to gender equality examined whether selected federal departments had adequately implemented Gender-Based Analysis (GBA), a tool used widely by governments since the 4th World Conference on Women in Beijing. OAG Canada conducted a [follow-up](#) audit on this topic in 2015.

The findings and recommendations of the two seminal OAG Canada audit reports have directly influenced how the Government of Canada has pursued gender mainstreaming and gender equality, particularly in the past six years. In 2018, Canada adapted the targets of SDG 5 into its own Gender Results Framework, passed the Gender Budgeting Act (2018), established a ministry dedicated to Women and Gender Equality that is supported by central government agencies, and reinforced requirements across government to conduct GBA+ for all departmental submissions for program

funding. This presents OAG Canada with a context rich in criteria conducive to auditing gender equality and gender mainstreaming.

A 2018 report by the Organization for Economic Cooperation and Development (OECD) titled “[Gender Equality in Canada](#)” acknowledged that OAG Canada “has shown itself to be a key driver of progress in relation to the application of gender-based analysis.” The report also stated that in order to strengthen accountability, OAG Canada and Parliament “should build on their successful interventions in the area of GBA+ through greater incorporation of a gender perspective in their own areas of work.”

As OAG Canada embarks upon its third audit of GBA+, it is also adopting a robust approach to considering GBA+ dimensions across its audit practice. Through this initiative, OAG Canada is poised to further the country’s progress on gender equality, diversity, and inclusion, and to become a global leader among SAIs working on these issues.

### Building Capacity for Auditing Gender Equality

CAAF believes SAIs can make an important difference by auditing gender equality and has made this a focus in its work since 2013. CAAF has developed guides and training to help auditors better understand the relevance of gender equality and gender mainstreaming, and to build their capacity to address these issues in their performance audits.

In its training, CAAF presents two broad types of audits of gender equality:

- Audits of **management practices at the institutional level**, which look at how the government is incorporating gender equality and/or GBA into processes and operations (i.e., gender mainstreaming), either across the entire government or within specific

departments. These audits have an inward focus, on the internal commitments and capacity of government institutions to make progress toward gender equality.

- Audits of how the government is incorporating gender equality issues and considerations into planning, delivering, and evaluating its **programs, initiatives, and services**. These audits have an outward focus, on how the government is advancing its commitments to gender equality within society.

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*“By auditing how governments are implementing the SDGs, in particular SDG 5, and fulfilling other commitments to gender equality, SAIs can contribute to improving the lives of diverse groups of women, men, and marginalized people.”*

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This second type of audit can be particularly challenging when gender considerations may not seem relevant to an audit topic. For example, an audit of a technical and vocational training program could have embedded gender equality risks. This can be determined if auditors assess the gender dimensions of the program by asking:

1. Was the program design informed by GBA to determine specific needs and interests of target beneficiaries (e.g., diverse groups of women, men, and marginalized groups)?
2. Did the GBA use gender-disaggregated data to identify existing disparities or inequalities among beneficiaries, to inform program planning and implementation?
3. Did the program’s design and implementation consider disparities in access, retention, and completion for all beneficiaries?
4. Does the program address negative gender stereotypes that impede equal access to opportunities and resources for graduates?

For this reason, CAAF developed a Gender Equality Audit Topic Selection Screening Tool that can assist auditors in identifying high-impact audit topics. The tool guides auditors through a process of assessing an audit topic’s gender-

equality dimensions against four “filters”: risk, potential interest, auditability, and value added.

For each of these four areas, the screening tool gives auditors questions to ask themselves to determine whether gender equality is an important consideration. For example, when considering risk, auditors can ask, “Could the program impact women and men differently?” And when considering value added, auditors can ask, “Will auditing the gender equality topic assist in improving government performance and closing gender equality gaps?”

### Conclusion

SAIs are uniquely positioned to advance commitments to gender equality and gender mainstreaming. Given the global importance of the SDGs, and specifically SDG 5, as well as pre-existing national commitments to gender equality and gender mainstreaming, INTOSAI and its members have important contributions to make by holding national governments to account.

It is encouraging to see the growing momentum surrounding this topic, including audits of gender equality as well as

initiatives to mainstream gender equality within SAIs, such as the work being done by the OLACEFS Working Group on Gender Equality and Non-Discrimination. Looking forward, an area that requires further attention is the integration of gender considerations into SAIs’ audit methodology and templates, and most importantly, into their strategic planning, audit topic selection, and audit planning.

### Authors

**Jane Fuller** is a freelance consultant who has been a CAAF Associate (Gender Equality) since 2013. She co-authored the CAAF Practice Guides on *Auditing Gender Equality* and *Auditing the SDGs: Gender Equality* and co-designed with CAAF their three-day course on *Auditing Gender Equality* and their one-day course on *Auditing GBA+*. She is currently providing technical guidance to OAG Canada on auditing GBA+.

**Marie-Hélène Bérubé** is the Senior Program Officer, Gender Equality and Ethics, for CAAF’s International Program. She co-designed the *Auditing Gender Equality* course and leads the training and mentoring on this subject in CAAF’s International Program.

## CAAF’s Resources on Auditing Gender Equality



*The Canadian Audit & Accountability Foundation (CAAF) is a not-for-profit organization dedicated to promoting and strengthening public sector performance audit, oversight, and accountability in Canada and abroad through research, education, and knowledge sharing. As part of its long-standing international program, CAAF has worked to integrate gender equality as a crosscutting theme in its capacity development work with partner SAIs from developing countries.*

*This work has resulted in the publishing of two guides, [Auditing Gender Equality Guide \(2016\)](#) and [Auditing the Sustainable Development Goals: SDG 5 \(2017\)](#), and in the development of training. CAAF has delivered its three-day course on *Auditing Gender Equality* in person and online, internationally and to Canadian auditors of federal and provincial governments. In October 2021, CAAF condensed this course to a one-day version adapted to the Canadian context, with a specific focus on GBA+.*



Knut/AdobeStock

## IDI CHAMPIONS GENDER EQUALITY WITH SAIS

by Camilla Fredriksen, Einar Gørrissen, Siri Hellevik, Alain R. Memvuh Lindouyou, Petra Schirnhofner, and Tonje Fremstad-Waldron, INTOSAI Development Initiative (IDI)

Gender equality is necessary for flourishing societies and growing economies, and its positive effect has been proven by research. For example, according to the [Norwegian Ministry of Finance](#), if women participated in the country's labor market at a lower rate—specifically, at the average rate for industrialized Organization for Economic Cooperation and Development (OECD) countries—then Norway would lose the equivalent of the value of the entire Government Pension Fund Global, [one of the world's largest funds](#).

It is therefore in the interest of all countries to ensure everyone has equal rights and opportunities. Gender equality and

women's empowerment is even a specific United Nations Sustainable Development Goal (SDG 5), one that cuts across all sustainable development. Yet, to date, no country in the world has achieved gender equality.

Furthermore, the COVID-19 pandemic has exacerbated the “shadow pandemic” of gender-based violence, economic crises, and care deficits, with disproportionate effects on women and girls. Inequalities have widened between different groups of women and men based on disability, race and ethnicity, income, age, and more.

In an effort to monitor the responses of governments worldwide to tackle the pandemic, the United Nations Development Program (UNDP) and UN Women initiated the [COVID-19 Global Gender Response Tracker](#). The tracker

shows that many governments have taken individual positive measures to support women, girls, and gender equality, but overall, responses are insufficient and uneven. To fight poverty, enable sustainable development, and ensure fair government responses to the pandemic, we cannot neglect gender equality.

Supreme Audit Institutions (SAIs) have an important stake in this effort, as organizations and through their audit work. SAIs can make a positive mark by actively contributing to greater equality in their countries, and by making gender visible in their organizations and their audit work. SAIs can also demonstrate the costs of gender inequality. For example, gender-based violence has enormous individual and economic costs.

However, the INTOSAI Development Initiative's (IDI) recent [2020 SAI Global Survey and Stocktaking Report](#), with a special [Gender Annex](#), shows that many SAIs do not see gender equality as an important issue. Globally, gender balance among SAI staff is tilted the higher one climbs up the career ladder. In 2020, only 29 percent of SAI leaders and 39 percent of senior management were female.

Moreover, less than a third of SAIs globally have strategic plans with objectives related to gender equality, and only 10

percent inform their planning by conducting gender analysis. Globally, there is slow take-up of audits that contribute to gender equality, with exceptions such as the Organization of Latin American and Caribbean SAIs (OLACEFS) region and a number of SAIs across the globe. Furthermore, very few SAIs have developed capacities in gender equality.

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*"We all have a responsibility to shape a better tomorrow for all of us, and this includes a more gender-equal world. I am exceptionally proud of our journey on gender equality and inclusiveness, and I hope many more SAIs will join these efforts."*

—Einar Gørrissen,  
IDI Director General

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Through its 2020 [Gender Strategy and updated Gender Policy](#), IDI aims to take its gender engagement a step further. Together with other stakeholders, such as UN Women, International Budget Partnership (IBP), Association of Chartered Certified Accountants (ACCA), and the Canadian Audit and Accountability Foundation (CAAF), IDI supports SAIs in becoming more gender-responsive organizations and conducting audits that contribute to gender equality.

At the same time, IDI wants to lead by example as an organization itself. A recent effort to build equality more firmly into the upcoming INTOSAI Strategic Plan is an encouraging step.

IDI has a dedicated gender team, consisting of an IDI Gender Focal Point and four internal Gender Champions aligned with the different organizational entities. Here's what they have to say about their work and IDI's support for gender equality:

## More Interesting Information on Gender Equality

- United Nations, [Global Issues: Gender Equality](#)
- European Institute for Gender Equality, 2014, ["Estimating the costs of gender-based violence in the European Union: Report"](#)
- International Labour Organization, 2019, ["Women in Business and Management: The business case for change"](#)
- McKinsey & Company, 2007, ["Women Matter: Gender diversity, a corporate performance driver"](#)
- Michael Kimmel, 2015, Ted Talk: ["Why gender equality is good for everyone—men included"](#)
- United Nations Economic and Social Commission for Western Asia (ESCWA), ["Estimating the Economic Cost of Domestic Violence"](#)



# SPOTLIGHT ON IDI'S GENDER TEAM

4zevar/AdobeStock

## **Petra Schirnhof, Gender Focal Point, Strategic Support Unit**



*“Privilege is often invisible to those who have it. If we want a just and sustainable world, we need to take a closer look at factors such as gender, age, ability, and ethnicity that contribute to power and privilege for some but not for others. In IDI, we have embarked on a gender journey with our current Strategic Plan, and we have learned a lot so far. This includes the need to be consistent and inclusive, share responsibilities, and have the necessary capacities, allies, and supportive leadership. It has been great to lead our work on a more robust gender framework, with a new Gender Strategy and Policy. I am thrilled to see initial successes in our own organization and in our support for SAIs and their audit work.”*

## **Siri Hellevik, Gender Champion, Professional & Relevant SAIs Department**



*“In order for SAIs to be relevant to all citizens and contribute to the SDG 2030 Agenda of “leaving no one behind,” it’s important to mainstream gender and inclusiveness in audits or embark upon audits that focus on gender and/or inclusiveness. As the country contexts vary among the SAIs we support, we are always seeking to find the appropriate practical angles to provide a focus on gender and inclusiveness in their specific audit work. As we move forward from our pilot activities, and as both IDI and SAIs gain more experience and lessons, we aim to expand our work on this with the Equal Futures Audit initiative, launching in 2022.”*

### **Alain R. Memvuh Lindouyou, Gender Champion, Well-Governed & Independent SAIs Workstreams and Bilateral Support Unit**



*“Supporting my colleagues on applying a gender and inclusiveness lens to their work is a new and exciting challenge, with valuable learning opportunities. You get to discover perspectives you wouldn’t have considered without a structured approach. Leading by example for SAIs also means being gender responsive and considering inclusiveness. A key lesson learned for me so far is that all three areas of institutional, organizational, and professional capacities provide interesting entry points for advancing on this journey with SAIs. Our new initiative on Human Resources, Ethics and Gender for SAIs (TOGETHER), to be rolled out next year, is part of this perspective.”*

### **Camilla Fredriksen, Gender Champion, Global Foundations Unit**



*“Working with the gender analysis in the Global Stocktaking Report really reminded me about the need to take gender equality seriously at the organizational level if you want to see change, especially by promoting women into leadership positions. The interesting thing about doing such an exercise is that it opens your eyes to what happens around you in your own organization and society. I’m very excited that the gender analysis has been presented as an annex to the report. In fact, it’s a small report in itself, showing INTOSAI and its partners the extent to which SAIs are working toward making their organization more gender equal and an inclusive workplace.”*

### **Tonje Fremstad-Waldron, Gender Champion, IDI Administration**



*“Upholding equality in the workplace means giving people equal opportunities, equal pay, and accepting and appreciating everyone for their differences. With the support of an external gender and human resources expert, we have started to critically review our internal processes, including recruitment, career progression, and pay. This external viewpoint can reveal flaws that those inside the organization may not be able to see. As a human resource professional, it feels extremely rewarding to be part of the gender champion team, and I would encourage other organizations to designate gender focal points and champions.”*



## IN MEMORIAM: PROFESSOR HARRY AZHAR AZIS

The Audit Board of Indonesia (BPK) is saddened to announce the passing of Professor Harry Azhar Azis, M.A., PhD, CSFA, a sitting Board Member and former Chairman of BPK, on December 18, 2021. BPK celebrates Professor Azis' accomplishments while recognizing the deep loss to his family, friends, and colleagues.

Professor Azis was born on April 25, 1956, in Tanjung Pinang, Riau, Indonesia. After earning a PhD in Economics at Oklahoma State University in the United States, he began leading research teams and lecturing at various universities throughout Indonesia.

Professor Azis was elected to the Indonesian Parliament in 2004, where he helped develop laws related to state financial management. He was a well-known author of essays on auditing and economics, which were widely distributed around the country.

Since his selection as a Board Member and the Chairman of BPK in 2014, Professor Azis made numerous contributions to the international community, especially as Chair of the INTOSAI Working Group on Environmental Audit (WGEA) from 2014 to 2017.

The global accountability community has lost a distinguished leader who fostered an ethical culture and empowered both employees and citizens to improve transparency and governance. He will be remembered most for promoting the accountability and strengthening the performance of public sector auditors.

# IDC APPOINTS HELEN CLARK AS GOODWILL AMBASSADOR FOR SAI INDEPENDENCE

INTOSAI-Donor Cooperation (IDC) has appointed the Right Hon. Helen Clark as IDC Goodwill Ambassador for Supreme Audit Institution (SAI) Independence. As a world leader who served three terms as New Zealand's Prime Minister and eight years as the first female head of the United Nations Development Program, and who is currently Chair of the Global Leadership Foundation, Ms. Clark brings vast experience and gravitas to this newly created role.

Sources such as INTOSAI Development Initiative's (IDI) [Global Stocktaking Report](#) and the World Bank's [SAI Independence Index](#) indicate the independence of SAIs around the world is declining. In her work as Goodwill Ambassador, Ms. Clark will raise awareness among governments and other stakeholders of SAIs' critical need for independence to effectively perform their role as accountability agents. She will also mobilize support to SAIs in their efforts to gain or maintain their independence. Working alongside Ms. Clark will be IDI, which helps SAIs build and strengthen their capacity, and IDC, which coordinates multilateral and bilateral development partner support for SAIs.

Helen Clark says, "In the current context of constitutional and democratic backsliding, combined with unprecedented emergency spending and economic disruptions during the COVID-19 pandemic, there's never been a greater need for SAIs to be able to carry out their jobs without interference." She states that if governments are to be transparent and accountable, as their citizens require them to be, this backsliding trend cannot be ignored.

"Recently the Auditor General of Sierra Leone and her deputy were suspended indefinitely by the President, very shortly before a damning audit report was about to be published. This



is not an isolated case, and it's time the world understood the extent of the problem," she adds.

Ms. Clark's comments on the importance of SAI independence are echoed by Mr. Ed Olowo-Okere, Director of the Governance Global Practice in the World Bank and IDC Donor Chair, who says: "It is critical for SAIs to be independent in order for them to operate effectively and to have sound public accountability in any country. Truly independent SAIs can help reduce waste and prevent misuse of public funds. This will in turn contribute to channeling savings to programs that fight poverty, a focus of the international development community and core mission of the World Bank Group."

Ms. Clark's appointment is effective from January 1, 2022, for an initial term of three years.

## INTOSAI GOVERNING BOARD HOLDS 75TH MEETING

On November 23, 2021, the 75th meeting of the INTOSAI Governing Board took place virtually, hosted by the Supreme Audit Institution (SAI) of Brazil, the Governing Board's First Vice-Chair.

In his opening remarks, Governing Board Chair Aleksei Kudrin commended SAIs' many innovations and achievements during the pandemic, including progress on the United Nations' Sustainable Development Goals (SDGs), expanded use of digital auditing, increased openness and transparency, and enhanced efficiency and knowledge-sharing.

The meeting featured oral reports from the Governing Board's Chair and First Vice-Chair; INTOSAI Secretary General Margit Kraker; Supervisory Committee on Emerging Issues (SCEI), chaired by SAI Russia; leaders of the four INTOSAI Goal Committees; and SAI United Arab Emirates, Chair of the INTOSAI Global Expert Group.

Written reports were also submitted by the seven INTOSAI regional organizations, INTOSAI Donor Cooperation, INTOSAI Development Initiative (IDI), and INTOSAI Journal.

The Governing Board approved numerous measures, including to:

- Create a task force within SCEI on Health and Social Care Audit, to improve SAI performance in auditing healthcare systems, social security, and social support.
- Hold a second International Scientific and Practical Conference in 2022, to be hosted by SAI Russia.
- Create a task force within the Policy, Finance and Administration Committee (PFAC) to update INTOSAI's communication strategy and provide guidance on the use of websites and the INTOSAI brand, to be co-led by the INTOSAI General Secretariat and SAI Brazil.
- Admit SAI Uzbekistan as a full member of INTOSAI, and



the SAI of the Northern Mariana Islands as an Affiliate Member.

- Present SAI Egypt to the Congress of INTOSAI (INCOSAI) XXIV as the Governing Board's candidate to host INCOSAI XXV in 2025.
- Change the Professional Standards Committee's (PSC) Terms of Reference to add the SAIs hosting the Forum for INTOSAI Professional Pronouncements (FIPP) Chair and Vice Chair, along with the PFAC and Capacity Building Committee (CBC) Chair and Vice Chair, to the PSC Steering Committee, with the aim of strengthening governance and awareness of the standard-setting process.
- Create an INTOSAI-wide award for excellence in capacity building in honor of Kimi Makwetu, former Auditor General of South Africa, to be awarded at the triennial Congress.

Participants also raised potential contingency plans for INCOSAI XXIV, currently scheduled to be held in November 2022 in Rio de Janeiro, given the ongoing pandemic. If COVID-19 continues to pose a risk to an in-person meeting, then the Congress could be postponed, or a shorter virtual Congress could be held at the scheduled time, with a longer in-person event planned for 2023. First Vice-Chair SAI Brazil will discuss options for hosting INCOSAI with the General Secretariat and make a decision in March 2022, in consultation with the Governing Board.

# INTOSAI International Scientific and Practical Conference

2 March 2022

REGISTER

ABOUT THE CONFERENCE



## INTOSAI CHAIR TO HOST 2ND INTERNATIONAL SCIENTIFIC AND PRACTICAL CONFERENCE

The Second International Scientific and Practical Conference will take place in virtual format on March 2, 2022, under the auspices of the INTOSAI Chair, held by the Accounts Chamber of the Russian Federation. The event, whose theme is "Education in the Modern Context: Nurturing Professionals of the Future," will provide a unique opportunity to exchange expertise and experience through round tables and open discussions.

Other topics will include Fostering Good Governance: Transparency and Ethics of Public Administration; the Role and Perspectives of Digital Platforms in Knowledge Management; and Green Economy and Environmental, Social, and (Corporate) Governance (ESG) as its Key Dimension.

In April 2021, the INTOSAI Chair organized the First Online International Scientific and Practical Conference. The two-day event attracted more than 700 members of 102 Supreme Audit Institutions (SAIs), together with representatives of the United Nations; Organization for Economic Cooperation and Development (OECD); World Bank; United Nations Educational, Scientific and Cultural Organization (UNESCO); Google; Sberbank; civil society organizations; and universities. Participants discussed best practices and specific areas of

audit, the role of SAIs and civil society in improving global governance, and new approaches to professional capacity development that make use of digital technologies.

The Plenary Session of the upcoming conference will be held in Arabic, English, French, German, Portuguese, Russian, and Spanish, and the round tables will be in English and Russian.

All members of the international accountability community are welcome to join. Registration and additional information can be found [here](#).

### Education in the Modern Context: Nurturing Professionals of the Future

Fostering Good Governance: Transparency & Ethics of Public Administration

The Role and Perspectives of Digital Platforms in Knowledge Management

Green Economy and ESG as its Key Dimension



## INTOSAI GRANT PROGRAM HELPS MORE THAN 50 SAIS DURING THE PANDEMIC

In a major show of support, INTOSAI provided funding to Supreme Audit Institutions (SAI) to help with continuity of operations during the pandemic. Under the leadership of Dr. Hussam Alangari, Auditor General of Saudi Arabia, and Mr. Gene Dodaro, Comptroller General of the United States, the “SAI Continuity during COVID-19” grant funded the purchase of information and communications technologies (ICT), such as laptops and internet connectivity, as well as personal protective equipment, to respond to needs caused by the pandemic.

The General Court of Audit of Saudi Arabia (GCA) and the U.S. Government Accountability Office (GAO) worked closely with the INTOSAI Development Initiative (IDI) and the INTOSAI General Secretariat to carry out the program.

In this unique effort, INTOSAI made a total of €700,000 available, starting in October 2020 and ending in November 2021. Each selected SAI was eligible to receive a maximum of €20,000. Over the course of the program, INTOSAI awarded

52 SAIs, or more than one-quarter of INTOSAI membership, a total of about €600,000. These SAIs represented all seven INTOSAI regions.

The INTOSAI continuity grant program received positive feedback from the community and made a significant impact at a number of SAIs, as illustrated by the SAIs of Nicaragua and Madagascar, whose use of the funds is discussed below.

“It was fantastic to be a part of this unique grant program,” states Mark Keenan, Program Manager on GAO’s International Relations team and a key partner in creating and running the program. “Knowing that tangible resources were provided to assist so many of our SAI colleagues during the pandemic has been a very rewarding experience.”

The GCA and the General Secretariat of the Asian Organization of SAIs (ASOSAI) also established separate but similar successful grant programs for ASOSAI members. The GCA made \$2 million USD available and awarded grants to 14 SAIs, and the ASOSAI General Secretariat made \$200,000 USD available through its program.

### SAI Nicaragua Shifts to Remote Work

During the pandemic, SAI Nicaragua approved a contingency

*SAI Nicaragua staff using equipment procured through the INTOSAI continuity grant.*





*SAI Madagascar staff using equipment procured through the INTOSAI continuity grant.*

plan that considerably affected how it operated, including shifting from face-to-face to remote interviews, meetings, and monitoring. However, the SAI needed additional technological capacity to effectively perform this work, and to fully comply with its mandate to provide internal control and government management training to the country's public servants.

SAI Nicaragua reported that funding from the INTOSAI grant program helped it enhance its technological infrastructure in order to continue to carry out its operations. Specifically, SAI Nicaragua procured wireless access points, facilitating connectivity from anywhere within the institution and enabling more physical distancing. The SAI also acquired a computer, monitors, and other audiovisual equipment such as speakers, video cameras, and microphones, which it used to hold video conferences, webinars, and virtual meetings.

Dr. María José Mejía García, Head of SAI Nicaragua, offered her thanks to INTOSAI for "promoting these initiatives to support SAIs that have had technological and budgetary limitations to continue their work during the pandemic."

### **SAI Madagascar Ensures Resilience of Operations**

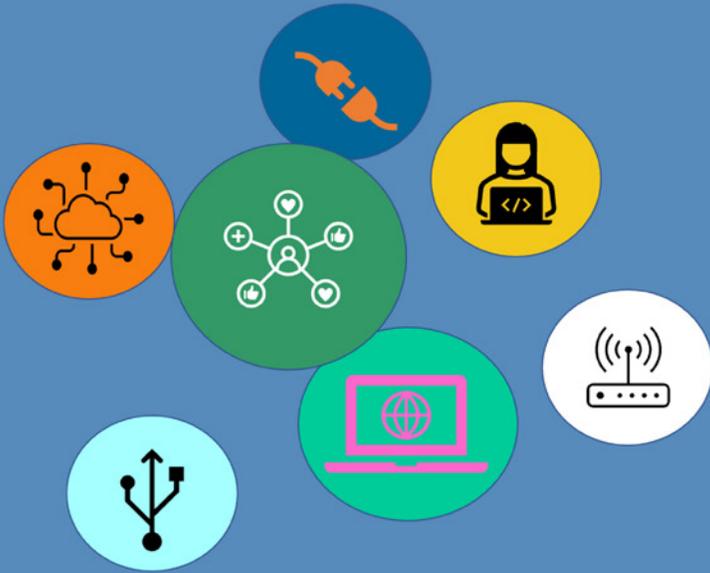
In its grant application, the Court of Accounts of Madagascar

said the pandemic had significantly disrupted the SAI's activities, with travel restrictions and compulsory social distancing posing major challenges to its ability to conduct audits. SAI Madagascar recognized that some changes resulting from the pandemic would have a lasting impact on its work culture, and that it needed to review its ICT strategy—including software applications, data networks, user devices, security, and support—to ensure resilience of operations.

With its grant, SAI Madagascar was able to acquire scanners, a camera, laptops, and videoconferencing equipment. The SAI reported that the funding would help it make progress toward fulfilling its strategic plan by supporting audits, jurisdictional activities, and internal management.

Mr. Jean de Dieu Rakotondramihamina, president of SAI Madagascar, stated: "Shifting to new working methods—remote working, online meetings, or webinars—is necessary. The INTOSAI grant has enabled the SAI to be more resilient through the investment in ICT equipment."

INTOSAI has appreciated the opportunity to successfully collaborate with individual SAIs and will continue to look for opportunities to assist the global SAI community.



# GETTING CONNECTED

How SAIs with limited internet access can get the most out of existing technologies

## NEW INFOGRAPHIC FROM INTOSAI'S ACCC SHOWCASES SAI RESILIENCE AND CREATIVITY

When the pandemic struck, some Supreme Audit Institutions (SAIs) were able to continue to function effectively because their information communication technology (ICT) infrastructure enabled auditors to send messages, hold virtual meetings, and access documents from the comfort of their homes. However, SAIs that do not have reliable internet connections or ICT networks have experienced more difficulty maintaining continuity of operations, especially if staff have not been able to travel to their main offices or to auditees during lockdowns.

Nevertheless, SAIs in difficult circumstances have often demonstrated considerable creativity and resilience during the pandemic. INTOSAI's Capacity Building Committee workstream on Auditing in Complex and Challenging Contexts (ACCC) has sought to capture some of this richness in its [new infographic on \*Getting Connected\*](#). The document is not a classic how-to manual, but rather a compendium of ideas gleaned from practitioners that aims to help SAIs think more widely about their options for improving connectivity.

The compendium seeks to remind SAIs why *Getting Connected* is important, help them assess where they currently are as an organization, and encourage them to explore the many tools

and options that can help them overcome the challenges they face. While implementing many of the suggested solutions requires help from an ICT specialist, the infographic should allow non-specialists to better understand what questions need to be asked, such as:

- Does the SAI have a clear, costed ICT strategy and plan?
- Does the SAI have in place the necessary policies and controls?
- Has the SAI identified the equipment and software it needs?
- Has the SAI identified the ICT skills it needs?

At the end of the document, readers can find a selection of case studies of some of the pathways that SAIs operating in complex and challenging contexts have pursued. ACCC hopes that the infographic will encourage others to document and share their own journeys. The infographic also includes practical tips on how to prepare for and lead effective webinars, based on ACCC's own experience.

With time, improved satellite coverage will make current barriers to communication less problematic, but in the meantime, the advice contained in *Getting Connected* will hopefully make communications within SAIs, and between SAIs and their auditees, a little easier.

## PEER REVIEW SEMINAR OFFERS VALUABLE KNOWLEDGE, INSIGHTS

by Vladimir Matus, Manager of International Relations, SAO Slovakia

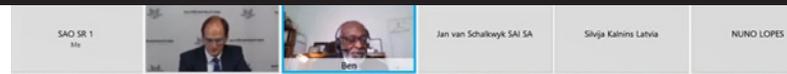
The Supreme Audit Office (SAO) of Slovakia, the Chair of the INTOSAI Capacity Building Committee's (CBC) Subcommittee on Peer Reviews, organized a virtual seminar on "Getting Ready for Peer Review" on November 10, 2021. Nine speakers from seven SAIs and the European Court of Auditors (ECA) shared their insights into peer review procedures, as well as concrete experiences from recent peer reviews of selected Supreme Audit Institutions (SAIs).

In accordance with best practices, the INTOSAI community applies the instrument of peer review to continually improve the operations of member SAIs. Through independent professional assessments by experienced teams from peer institutions, the SAIs under review gain valuable insights that help them adapt their operations to meet higher standards and achieve better results.

During the period of 2019 to 2020, 18 SAIs underwent peer reviews, many of which examined how the SAIs were coping with the COVID-19 pandemic. The peer reviews showed that remote work and the virtual environment were an efficient and appropriate alternative to in-person interactions and staff travel. Among the benefits of operating online were significant cost savings, the ability to involve more auditors in assignments, and increased flexibility in organizing meetings and interviews as well as in reviewing and translating required materials.

The seminar elicited a rich discussion among participants about operational challenges. It also strengthened their understanding of peer review as a long-term, ongoing process involving multiple stakeholders and analyses, and requiring organizational commitment and solid project management. The elements of peer review—including cooperation among peers, report preparation, and eventual adoption of recommendations—are of mutual benefit to both the reviewers and the reviewed SAIs.

The seminar was officially opened by SAO Slovakia Vice-President Mr. Lubomir Andrassy, who emphasized the



The road to peer review is paved with planning and preparation.



commitment of SAO Slovakia, as Subcommittee Chair, to encourage SAIs' participation in peer review and facilitate the exchange of knowledge and experiences.

In her keynote address, Ms. Tsakani Maluleke, CBC Chair and Auditor General of South Africa, underlined the role of peer review in building the capacity of SAIs and helping SAIs deliver audits with excellence. She highlighted the importance of looking for synergies in applying the methods and principles outlined in [GUID 1900 – Peer Review Guidelines](#) and in the [SAI Performance Measurement Framework](#), which may increase the value and impact of peer review.

The seminar's presenters shared valuable insights for SAIs that intend to undergo peer review, including some key ingredients for success: clearly defining the purpose and subject of the peer review, carefully selecting those they wish to be involved in the process, and timely communication. Several presenters focused on two recent peer reviews—of SAO Slovakia and SAI Romania—which were largely conducted remotely due to the pandemic.

The Subcommittee on Peer Reviews would like to express its sincere thanks to all presenters and participants for making the event a success. The seminar's agenda and all presentations are accessible on the [CBC's website](#), and a recording of the event can be found [here](#). In the next year, the Subcommittee plans to gauge the interest of SAIs in being trained on planning and undergoing peer review.

As mentioned during the seminar, the Subcommittee kindly invites colleagues interested in specific issues related to peer review, or in need of assistance with interpretation of GUID 1900 or other materials, to send questions to [peerreview@nku.gov.sk](mailto:peerreview@nku.gov.sk). The Subcommittee will publish answers in a Q&A section that will be created on the CBC website.



# Environmental and climate audits on the rise

- 10th INTOSAI WGEA survey on environmental auditing



by *Vivi Niemenmaa, Secretary General, INTOSAI WGEA*

Every three years, the INTOSAI Working Group on Environmental Auditing (WGEA) publishes a survey providing a state of play on environmental auditing globally. The survey gives an overview of the audits Supreme Audit Institutions (SAIs) have conducted and plan to undertake, the resources SAIs have dedicated to the work, the topics they have chosen, the ways in which they have conducted and communicated about their audits, and the main barriers to their work.

WGEA’s 10th survey, which 71 SAIs responded to, indicates a continued increase in both the volume of environmental audits and number of employees working on them, especially among respondents from the African Organization of SAIs (AFROSAI) and Pacific Association of SAIs (PASAI). Most often, respondents conducted environmental audits in the context of performance audits, and almost all said their environmental auditors had experience in performance auditing.

### Climate Topics, SDGs Receive Increasing Attention

While the most popular audit topic in 2018-2020 was the protection of nature, in 2021-2023 climate change adaptation has risen to first place. The fact that climate change adaptation

did not even make it to the top ten list in the previous survey could be an indication that SAIs are becoming increasingly alert to this issue.

Top ten audit topics in 2021-2023	Number of SAIs
Climate change adaptation	28
Protected areas and natural parks	24
Forestry and timber resources	23
Drinking water: quality and supply	23
Agriculture	21
Climate change mitigation	21
Municipal, solid and non-hazardous waste	19
Municipal hazardous waste	19
Environmental taxes, charges, fees, levies, deposit-refund systems	19
Circular economy	19

While the majority of respondent SAIs have not audited multilateral environmental agreements, there is growing interest in this area, especially in auditing the Paris Agreement on climate, followed by the United Nations (UN) Agenda 2030 and Sustainable Development Goals (SDGs). Furthermore, the Agenda 2030 has affected auditing in many ways, as over half of the SAIs use the SDGs to choose audit topics

and as audit criteria. Only 6 percent of respondents said the Agenda 2030 had not affected their audit activities at all.

Among the environmentally focused SDGs, in 2018-2020 SDG 6 (*Ensure availability and sustainable management of water and sanitation for all*) was the most audited. In 2021-2023, SDG 13 (*Take urgent action to combat climate change and its impacts*) will be the most popular topic. Regionally, SAIs in the Global South paid more attention to the SDGs than SAIs in the Global North.

**Data Issues Are the Greatest Barriers**

The survey found that the most common barriers to environmental auditing related to data—either the lack of it in the first place, or difficulties accessing reliable data. SAIs considered data issues to be greater obstacles than other issues, such as lack of expertise.

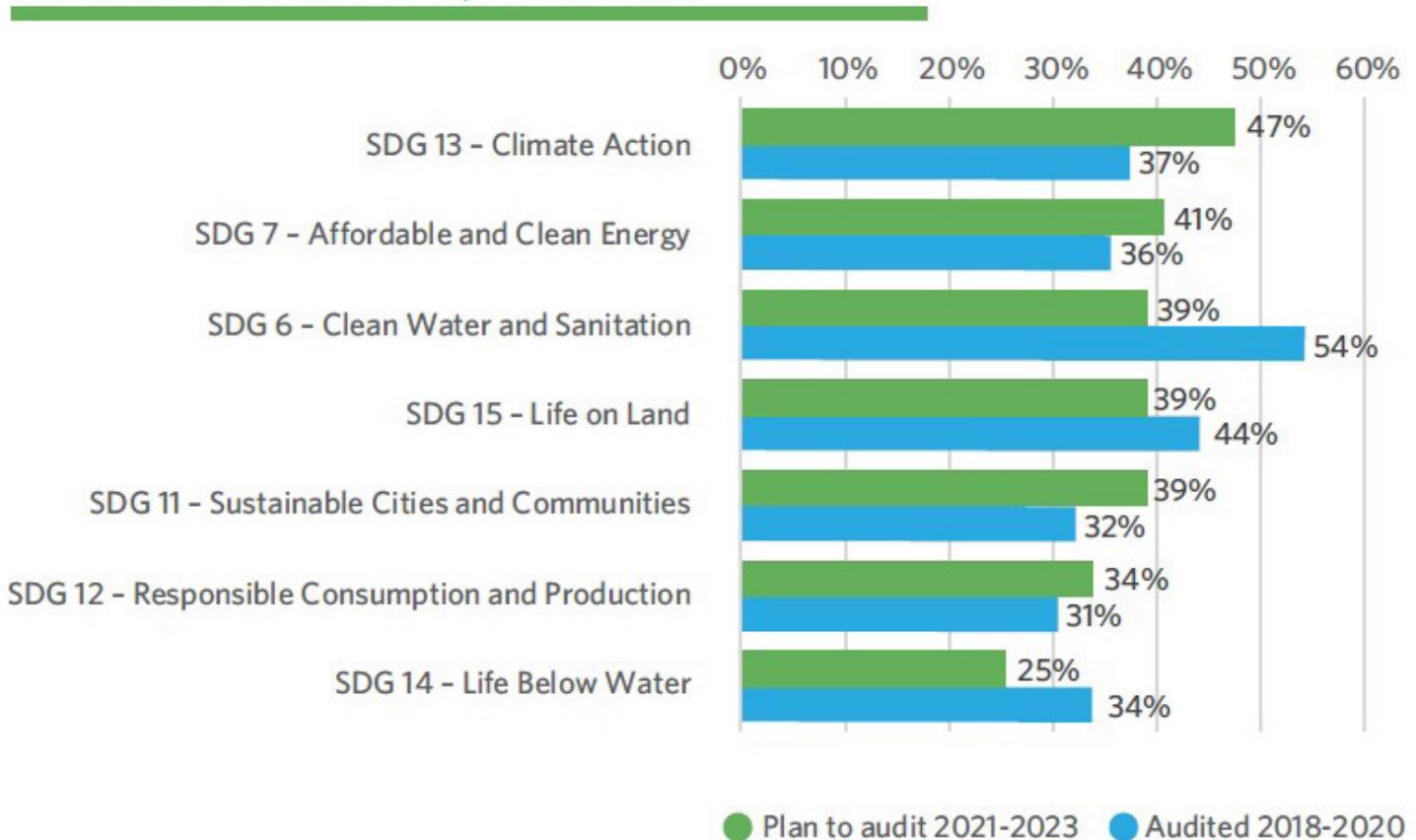
**Desk Work Has Replaced Field Visits**

The report also provides insights into the ways in which the pandemic has affected how SAIs conduct environmental audits. While the ability of many SAIs to continue their work remotely is reason to celebrate, there is also serious concern about the quality of audits conducted without site visits or field observations. The message from the environmental audit community is clear: physical observations cannot be replaced by desk work alone.

For the future, SAIs foresee more activities centered on the SDGs, increased training on environmental auditing and environmental issues, and further exchange of knowledge with other SAIs.

The [survey](#) and [infographic](#) are available on the [WGEA website](#).

**Which environment-related SDG SAIs have audited and plan to audit**



# GLOBAL STOCKTAKING SHOWS SLOW PROGRESS IN DIFFICULT WATERS

by Camilla Fredriksen, Manager, IDI Global Foundations Unit

## GLOBAL SAI STOCKTAKING REPORT 2020

In September 2021, the INTOSAI Development Initiative (IDI) released the [Global Supreme Audit Institution \(SAI\) Stocktaking Report 2020](#), the fourth triennial analysis of data from an INTOSAI Global Survey on SAI performance and capacities. The report, which covers the period of 2017 to 2019, marks the 10-year anniversary of the

Global Stocktaking, which has been an important source of information for INTOSAI and donors about the needs of SAIs.

Many SAIs operate in difficult environments, where mechanisms for accountability are under pressure. Despite these challenges, this year's Global Stocktaking, which 178 SAIs participated in, paints a picture of an SAI community in which performance and capacities are slowly improving. This article summarizes some of the main messages of the report.

### ISSAI-Compliant Practices Require Resources and Robust Quality Systems

Against a backdrop of democratic backsliding and increased levels of corruption, SAIs are making strides to adopt International Standards of SAIs (ISSAIs). These efforts appear to be leading to an improved understanding of what implementation of ISSAIs really entails, including what SAI independence should mean in practice.

ISSAI adoption has increased since 2017, with 86 percent of SAIs reporting they have implemented ISSAIs for their main audit streams. Nearly half of respondents have adopted the standards directly, while the other half have adopted national standards that are based on or consistent with ISSAIs.

More research is needed to fully understand the context of these responses. SAIs that adopt ISSAIs directly may do so because their countries do not have national audit standards.

For the other half, the extent to which national standards are consistent with all elements of the ISSAIs likely varies.

However, the adoption of standards is only the first step, and the Global Stocktaking indicates that for many SAIs, ISSAI-compliant audit practices are still a long way off. While 68 percent of SAIs reported they largely complied with ISSAIs, an analysis of a sample of 42 [SAI Performance Measurement Framework \(PMF\)](#) assessments suggests that this only extended to the quality of audit manuals, and not to audit practices.

In the Global Survey, 44 percent of SAIs said their main reason for not complying with ISSAIs was a lack of resources and limited capacities. Another factor was the lack of a proper quality management system to guide audit processes and address weaknesses in quality systematically. One-quarter of SAIs did not have in place any of the features that comprise a robust quality management system. Considering these challenges, it is encouraging that almost all SAIs were planning to build their capacity in key areas, such as audit planning, implementation, and reporting.

### Threats to SAI Independence Remain a Challenge

The report shows clearly that threats to SAI independence remain a serious challenge, with a drop in results for seven of the eight principles of the [Mexico Declaration](#). Unwelcome external interventions limited the ability of SAIs to deliver their mandates, posing serious risks to transparency and accountability. Nearly half of SAIs expressed interest in strengthening their legal framework and independence.

As previous Global Surveys have found, financial and operational autonomy were still the most challenging aspects of independence. Forty percent of SAIs reported they had experienced major interference in budget execution. While SAIs mostly reported a certain degree of autonomy in daily operations, only 63 percent fully controlled staff recruitment, and around 70 percent said their staff was inadequate in either numbers or competence.

SAIs also experienced direct interference from the executive in their audit operations. The most surprising finding was that only 44 percent of SAIs had full, timely access to information for their audits, a 26-percent drop from 2017.

Data also suggests that the selection of audit programs—an area in which most SAIs experienced more freedom—is linked

to levels of democracy. SAIs in countries with less democratic space experienced more interference when deciding on their annual audit programs. Reporting on findings was also a challenge, with 12 percent not publishing any reports at all.

### Greater Transparency and More Strategic Communication Are Needed

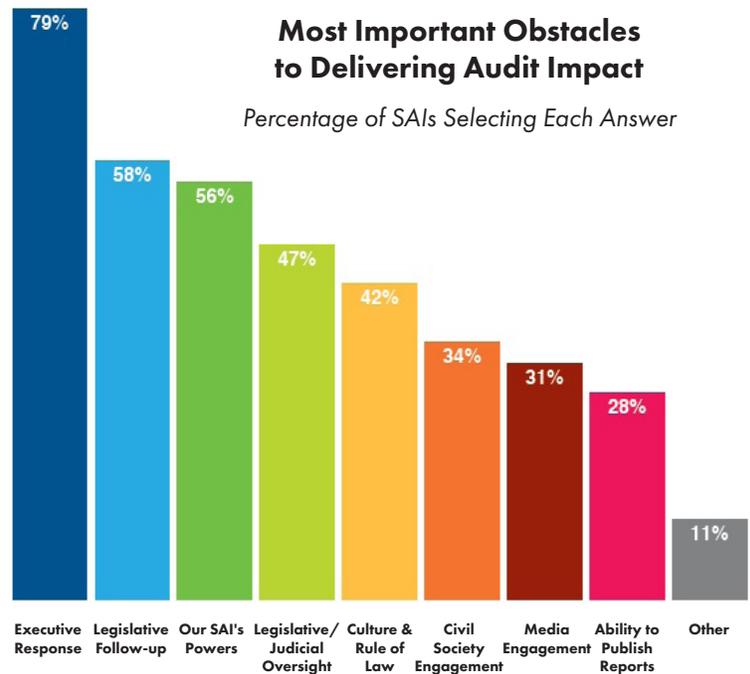
While strengthening SAI independence is critical for the oversight of public spending, the report suggests other important steps SAIs can take to promote transparency and accountability and to enhance their impact.

The report shows that SAIs could be more transparent regarding their own operations. While almost all SAIs had strategic plans, only 57 percent publicly reported the extent to which they met their objectives. Of the 72 percent of SAIs that produced financial statements, only 73 percent submitted them to an external audit, and fewer reported publicly on audit results. Similarly, while many SAIs had conducted SAI PMF assessments, very few had shared their strengths and challenges publicly.

A key indicator for the impact of SAIs is the extent to which audited entities implement their recommendations. SAIs reported that from 2017 to 2019, only half of their recommendations were implemented. The Global Stocktaking shows a sharp drop in the percentage of SAIs that had an internal system for following up on recommendations, which could have contributed to lower audit impact.

SAIs reported that a lack of response from the executive and of follow-up from the legislature were the greatest obstacles to achieving audit impact, a finding supported by [Open Budget Index](#) data. However, fewer than half of SAIs said they involved the executive and legislature when following up on the implementation of audit recommendations. Many SAIs communicated regularly with these stakeholders, but their manner of doing so was not always strategic.

While SAIs should be mindful of alliances that could affect the perception of their objectivity, they could make greater use of executive and legislative stakeholders to help governments better understand how to use audit findings. Moreover, some issues are more systemic in nature and therefore need to be communicated at a higher level than solely to the entities under scrutiny. The survey's findings reaffirm the importance



of approaching audits holistically and focusing on strategic communication with key stakeholders.

### INTOSAI Bodies and SAIs Provide Crucial Support

The report confirms the important role of INTOSAI regional bodies as frontline providers of guidance, tools, and support to SAIs. Survey results suggest that these organizations—with their unique understanding of regional context—were responsive to SAI needs and developed their initiatives with members' input. They most strongly supported audit capacity, but have the potential to do more to help SAIs enhance other areas as well. In addition, the Global Survey found widespread use of the standards, guidance, and resources developed by other INTOSAI bodies, such as the Goal Committees.

The Global Survey also provided an opportunity to assess how INTOSAI members work with one another. Cooperative audits continued to be a popular means of collaborating and sharing knowledge, with 75 percent of respondents, from all regions, having participated in these efforts.

Seventy-one SAIs reported they had provided peer-to-peer support to other SAIs, down from 87 in 2017; this drop may be due to the reported need for external financing for these efforts. While 67 SAIs said they were willing to lead or support these initiatives in the coming period, the demand for peer-to-peer support cannot be met without additional donor partners.

## IDI'S GENDER ANNEX INDICATES SAIS NEED TO BUILD CAPACITY TO BECOME MORE GENDER RESPONSIVE

by Camilla Fredriksen, Manager, IDI Global Foundations Unit

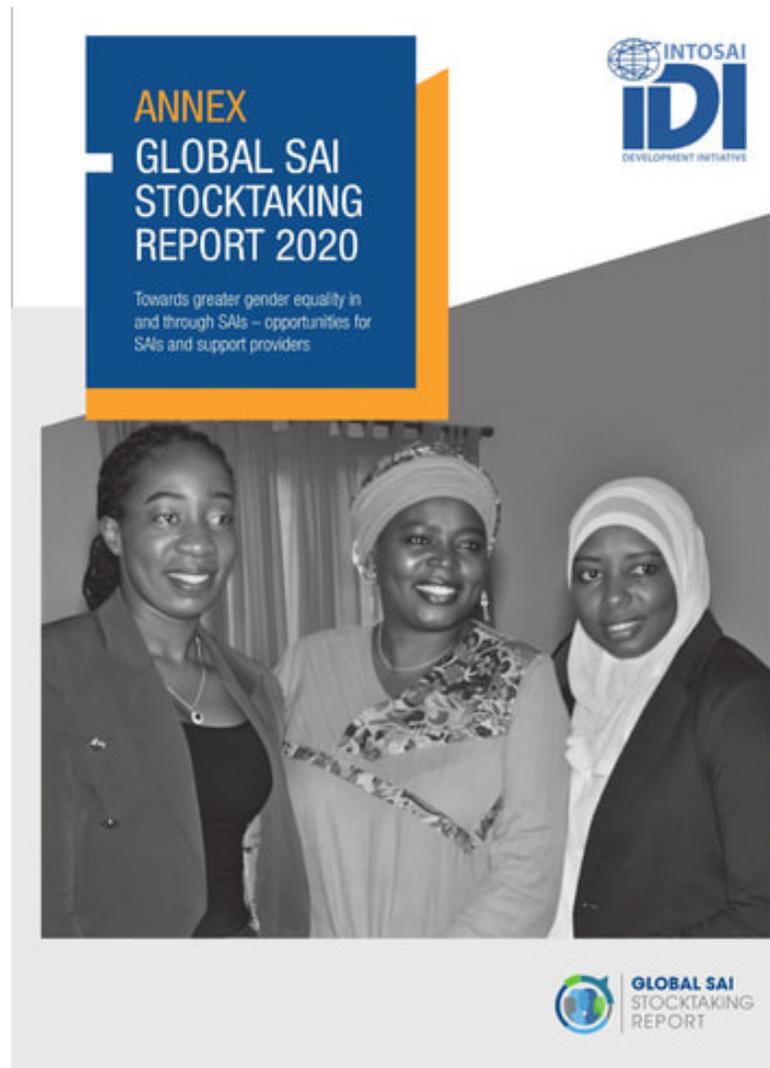
On December 10, 2021, the INTOSAI Development Initiative (IDI) launched a special [Gender Annex](#) to the Global Stocktaking Report 2020. The Annex—Towards Greater Gender Equality in and through SAIs – Opportunities for SAIs and Support Providers—examines the commitments Supreme Audit Institutions (SAIs) have made on gender, and how these commitments have translated into action.

The analysis of responses from 178 SAIs tells a story about an SAI community where the gender composition of staff is balanced, but where efforts are needed to promote women into leadership positions. Women comprise only 29 percent of Heads of SAIs, and 39 percent of senior management in SAIs.

This gap may be due to the fact that the strategic plans of fewer than one-third of SAIs include measures on gender equality. In fact, fewer than 10 percent of SAIs have undertaken a gender analysis to inform their strategic planning, which indicates that the knowledge base for identifying appropriate strategies is also lacking. The African Organization of English-speaking SAIs (AFROSAI-E) and Regional Council for the Training of SAIs of Sub-Saharan Francophone Africa (CREFIAC) regions are champions in promoting gender at the institutional level.

In terms of audits, only 21 percent of SAIs have committed in their strategic plans to integrating issues of gender into their work. Similarly, only 24 percent of SAIs undertook gender audits during the period of 2017 to 2019. The bulk of these were audits of United Nations' Sustainable Development Goal 5 on gender equality carried out by 70 percent of the SAIs in the Organization of Latin American and Caribbean SAIs (OLACEFS) region. A meager 14 percent of all SAIs globally have started mainstreaming gender in their audits.

These results suggest there is a need to build SAIs' capacity to improve gender equality. Yet, only 23 percent of SAIs have



committed to developing staff capacity on this issue, and fewer than 10 percent of SAIs have received capacity development support on gender in recent years.

Interestingly, many of the 25 percent of SAIs globally that plan to build capacity in gender in the coming period are from the AFROSAI-E, CREFIAC, and OLACEFS regions. This tells us that SAIs already doing work on gender more clearly appreciate that, if they are to become more gender responsive, they will need to systematically develop capacity across their institutions.

# Gender counts

So how can Supreme Audit Institutions contribute to accounting for gender equality?

## IDI RELEASES VIDEO ON GENDER EQUALITY

On November 25, 2021—the International Day for the Elimination of Violence against Women—the INTOSAI Development Initiative (IDI) released “[Gender counts: So how can Supreme Audit Institutions contribute to accounting for gender equality?](#)” The aim of this video is to raise awareness of how SAIs can contribute to gender equality through their audit functions and as organizations. The video’s release was part of an IDI social media initiative within the framework of the [Global 16 Days Campaign](#) to eliminate gender-based violence.

The video underscores that gender equality and an understanding of intersectionality—how people may be affected by multiple types of discrimination and disadvantages based on overlapping identities and experiences like gender, race, and class—are the necessary foundations of a peaceful, prosperous, and sustainable world.

According to the video, SAIs can play a vital role in tackling gender inequality by:

- Addressing gender inequalities and breaking glass ceilings within their own organizations.
- Applying a gender lens to their audit work. This includes auditing governments’ commitments to gender equality, such as the United Nations’ Sustainable Development Goals (SDGs)—especially SDG 5 (*Achieve gender equality and empower all women and girls*).
- Collaborating with other agencies and civil society organizations to hold governments to account, amplify the impact of audits, and communicate and advocate for gender equality.

A key issue related to SDG 5 that the video highlights is gender-based violence (GBV), which 1 in 3 women around the world experience. GBV comes with immense personal, social, and economic costs. SAIs can contribute to combating GBV by, for example, assessing how governments have addressed this issue in their resource planning and spending.

The video presents inspiring examples of SAIs that are contributing to gender equality—including from Costa Rica, Uganda, and Fiji—and emphasizes IDI’s commitment to supporting SAIs in these efforts.

## STRENGTHENING THE RELATIONSHIP BETWEEN SAIS AND THE IMF

by Martin Aldcroft, Senior Manager, IDI Strategic Support Unit

As an international lender of last resort, the International Monetary Fund (IMF) has been the largest provider of emergency financing for COVID-19, making available an unprecedented \$250 billion to over 85 member countries. These funds, which have largely been used as domestic budget support, have been critical in bolstering governments' responses to the pandemic.

However, the rapid dispersal of these vast sums has increased the risk of ineffective or improper use. Emergency measures, such as streamlined procurement of medical equipment and vaccines, have weakened the public finance systems of recipient countries. Further, the IMF has provided these funds in full and up front, without some of the organization's normal control mechanisms.

Recognizing these risks, the IMF has encouraged countries to "Do whatever it takes, but keep the receipts"—i.e., to act promptly, while also increasing efforts to ensure transparency and accountability of public spending. Supreme Audit Institutions (SAIs) have the mandate, capacity, and experience to play a critical role in this endeavor. However, for most effective oversight of the use of emergency funding, greater understanding, dialogue, and cooperation are needed between the IMF and SAIs.

This article summarizes some of the key messages from a [paper](#) the INTOSAI Development Initiative (IDI) recently published on strengthening the role of SAIs in auditing IMF emergency financing. While the paper focuses on the relationship between SAIs and the IMF, many of its concepts equally apply to emergency funding from other partners that is channeled through national systems.

### Importance of Including SAIs in Discussions about Conditions of Emergency Support

During the pandemic, SAIs have applied a variety of tools to enhance the transparency and accountability of the use



of emergency financing. Many SAIs have used real-time audits—focused compliance audits with short timeframes and streamlined processes—to examine high-risk areas and report rapidly. Other SAIs have audited the use of emergency funding as part of their annual financial audits of the state budget. SAIs have also carried out performance audits, such as on the institutional framework for receiving, distributing, and using donated pandemic supplies.

However, SAIs should not only apply ex-post controls, but also be invited to and play an active part in discussions with the IMF and other donor organizations about the audit commitments attached to support before the funds are dispersed.

To address vulnerabilities to fraud and corruption associated with emergency funding, the IMF includes specific safeguards—commitments from recipient countries to take certain actions—in the Letters of Intent (LOI) attached to funding agreements. Such commitments vary widely but often stipulate that the country's SAI audit the use of emergency funding.

To reach an agreement on these commitments, the IMF usually works with the recipient country's Finance Ministers and Central Bank Governors. However, this convention poses a risk to SAI independence and prevents SAIs from providing key input into the dialogue.

While SAI independence has many dimensions, Principle 3 of the [Mexico Declaration](#) is especially pertinent to the audit of emergency funding, as SAIs are to be free from direction or interference from the legislature or the executive in the selection of audit issues. Fortunately, it appears that while SAIs have largely been left out of discussions on audit commitments

in LOIs, in practice they have enjoyed the necessary freedom to interpret how those commitments are to be applied. An [IDI survey](#) examining the impact of the pandemic on SAI independence found that 94 percent of responding SAIs were free to decide on their audits, including of COVID-19 emergency spending.

Involving SAIs in the dialogue about audit commitments not only respects and safeguards SAI independence. It also offers the opportunity for SAIs to provide critical information about factors that impact whether and how they can audit the use of emergency funds, such as how such funds are channeled, accounted for, and reported in the country's public financial management system. This input can help determine the audit type and subject matter, audited entities, and audit timeframes called for by the commitments.

By engaging with a wider group of stakeholders, the IMF may have to deal with differences of opinion and challenging relationships between SAIs and the executive. However, the outcome of these discussions could be a set of commitments more closely tailored to the country's context and more carefully crafted to ensure transparency and accountability.

### **Taking Challenges into Account in Audit Commitments**

Another key factor that the IMF and SAIs should discuss is the ability of SAIs to implement the audit commitments in LOIs. Agreements that the SAI factor audits of the use of emergency funding into its audit plans may be futile unless the SAI has the appropriate independence and legal mandate; access to the necessary documents; sufficient resources; and the right to publish its findings in a timely manner. Commitments for auditing emergency funds may need to be accompanied by other measures that address these issues.

Sometimes the challenges may extend beyond the SAI's ability to audit the use of emergency funding, to questions over the functionality or impact of the SAI. Key principles for engagement in these circumstances include:

- Supporting rather than bypassing existing state institutions;
- Recognizing audit as a cyclical process that is part of the wider framework for good financial governance, not a one-time emergency effort; and

- Linking SAI challenges to sustained capacity development, policy dialogue, future conditionality, and international cooperation.

### **Policy Proposals for SAIs and the IMF**

The COVID-19 pandemic has underscored that SAIs and the IMF are natural partners with shared objectives, such as:

- Ensuring the effective and legal use of emergency funds for their intended purposes;
- Maintaining fiscal discipline and the ability of IMF member countries to repay loans;
- Promoting transparency and accountability in the use of emergency funds; and
- Reducing governance vulnerabilities and contributing to the fight against corruption.

Closer engagement would help the IMF and SAIs advance these objectives, as well as enhance their relationships with their respective stakeholders. To that end, the IMF, its member countries, and SAIs should consider the following measures, as relevant for each country:

**SAIs and the IMF.** Establish a dialogue to gain a deeper understanding of each other's roles, identify shared objectives, and determine how to address the challenges SAIs face in delivering on their audit mandate.

**SAIs.** Review, and if necessary, update their annual audit plans to reflect emerging risks and changing stakeholder expectations due to the pandemic, recognizing the IMF as a stakeholder with shared objectives.

**The IMF.** Recognize that SAIs are the primary bodies responsible for auditing the use of emergency funds. Ensure, where possible, that audit commitments are developed through dialogue with the SAI; respect SAI independence; reflect country circumstances; and include actions necessary to enable SAIs to deliver on audit commitments. Integrate the role of SAIs into its country-level monitoring work.

**IMF Members.** Respect SAI independence when discussing and agreeing upon SAI-related commitments in funding agreements.



## OLACEFS HOLDS XXX ORDINARY GENERAL ASSEMBLY

The XXX Ordinary General Assembly of the Organization of Latin American and Supreme Audit Institutions (OLACEFS) took place from December 1-3, 2021, in Cartagena de Indias, Colombia. The long-awaited meeting was held in a hybrid format, with the active participation of members and teams both in-person and virtually.

At the event, participants discussed how to improve management of public auditing; presented on the organization's progress at the regional and global levels; exchanged knowledge and experiences; and strengthened their collaborative ties. Specific topics discussed included "Preventive Control: Towards a Timely and Effective Approach of SAIs to Possible Irregularities in Public Management" and "Human Rights, a Challenge for SAIs."

The main agreements reached at the Administrative Session of the Assembly included the following:

- SAI Bolivia was re-elected as Financial Auditor of OLACEFS for 2022-2023.
- The OLACEFS Gender Equality and Non-Discrimination Policy was approved.

- SAI Mexico was confirmed as organizer of the XXXI Ordinary General Assembly in 2022, and SAI Peru as organizer of the XXXII Ordinary General Assembly in 2023.
- OLACEFS will request that INTOSAI declare an "International Government Auditor's Day."

The approval of the OLACEFS Gender Equality and Non-Discrimination Policy was the culmination of a long effort, as the SAIs of OLACEFS acknowledged the importance of incorporating a gender equality perspective into their work. As gender equality is one of the United Nations' Sustainable Development Goals (SDG 5), OLACEFS' Working Group on Gender Equality and Non-Discrimination developed a policy that reflected this principle.

The meeting's attendees included more than 20 of the region's SAIs, associate OLACEFS members, several SAIs from the broader INTOSAI community, and cooperating organizations. OLACEFS would like to thank the Office of the Comptroller General of the Republic of Colombia, the General Assembly's host, for its excellent organization of this successful event.

## OLACEFS ORGANIZES KEYNOTE LECTURES ON GOVERNMENTAL CONTROL

From October 1 to November 3, 2021, the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) held a successful series of Keynote Lectures on Governmental Control, to mark the 6th anniversary of the United Nations' (UN) Sustainable Development Goals. These 22 conference sessions attracted an online audience of more than 15,000.

The objective of the Keynote Lectures was to create a space for the exchange of knowledge and experiences at the regional level on issues related to governmental control, public management, innovation, technology, citizen participation, and the UN's 2030 Agenda, among others. Presenters included the SAIs of Argentina, Bolivia, Brazil, Colombia,



the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, and Puerto Rico.

The Presidency of OLACEFS is grateful for the participation of the Heads of SAI, speakers, and attendees from both the region and INTOSAI.

## OLACEFS CTIC HELPS SAIS STRENGTHEN IMPACT THROUGH TECHNOLOGY

by Auditor General of the Nation, Dr. Francisco J. Fernández

In 2021, the [Commission for Information and Communication Technologies \(CTIC\)](#) of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) undertook numerous efforts to help the region's SAIs enhance the impact of their work through communication technologies. CTIC is chaired by Auditor General Dr. Francisco Javier Fernández, on behalf of the National Audit Office of the Argentine Nation.

CTIC invited interested SAIs to join a Big Data and Artificial Intelligence Task Force to develop an open data portal for the region. The website—[datos.olacefs.com](#)—will be available in 2022 and enable SAIs, governments, and other stakeholders to access and share standardized data.

This initiative builds on the progress of governments in the region—many of which now share data on their websites—toward greater transparency and digitalization of information. As part of its work on Big Data, CTIC organized a webinar on



“Python for Auditors,” which provided information about tools SAIs can use to analyze large amounts of data in their audits.

CTIC collaborated with the Inter-American Development Bank (IDB) and other OLACEFS members to conduct and share the results of a “[digital mapping](#)” project. This initiative assessed the use of communication technologies by the region's SAIs and offered strategies for expanding their use.

CTIC continued to publicize the website [ods.olacefs.com](#), where SAIs, civil society, and the public can access information about progress toward implementing the United Nations' 2030 Agenda in the region. The website has more than 210 posts and has received about 4,700 visits a year.

The new reality of the pandemic underscores a principle that drives CTIC's work—that technology is an essential and strategic tool that enables SAIs to successfully face challenges in a globalized world.



**POBREZA Y**  
*Género*  
**AUDITANDO EL ODS 1**

**POVERTY AND GENDER:  
 AUDITING SDG 1 IN  
 LATIN AMERICAN COUNTRIES**

At the November 18, 2021, Annual Meeting of the Supreme Audit Institutions of the Mercosur and Associated Countries (EFSUR), a progress report was introduced on an effort to identify and assess policies that advance United Nations’ Sustainable Development Goal (SDG) 1 (*end poverty*) from a gender perspective. The SAIs of Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, and Peru, as well as the Comptroller of Bogota, have engaged in this important examination of the feminization of poverty in the region.

According to the UN Secretary-General’s policy brief, “[The Impact of COVID-19 on Women](#),” the pandemic has deepened gender inequalities—such as the time spent on caretaking and domestic chores—and could roll back even the limited gains made in the past decades. EFSUR is taking on the challenge of analyzing the impact of the pandemic on poverty levels and gender inequalities.

EFSUR will continue reviewing policies implemented to meet SDG 1 from a gender perspective in a new coordinated audit that will begin in 2022. This effort will build on substantial work previously conducted on this issue. Coordinated audits

of SDG 1 carried out in 2016 and 2019 addressed aspects of targets 1.2 (*multidimensional poverty*) and 1.4 (*basic services*) from a gender perspective.

In accordance with recommendations from INTOSAI and the INTOSAI Development Initiative (IDI), the EFSUR Technical Coordination Group defined indicators to measure countries’ preparedness to implement SDG 1. These indicators focused on three topics: adapting goals to a gender perspective, mechanisms to ensure compliance with targets 1.2 and 1.4, and monitoring and assessment of results.

The coordinated audits’ recommendations included:

- Implement mechanisms for citizen participation in the design, implementation, and monitoring of public policies;
- Incorporate a gender perspective from the initial planning to the final evaluation stages; and
- Assess and improve traditional measurement tools, and develop gender-specific indicators.

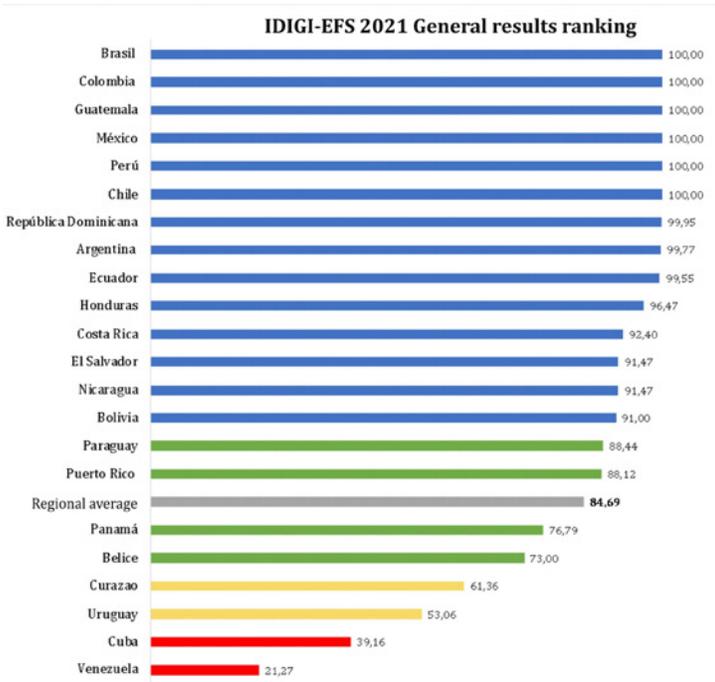
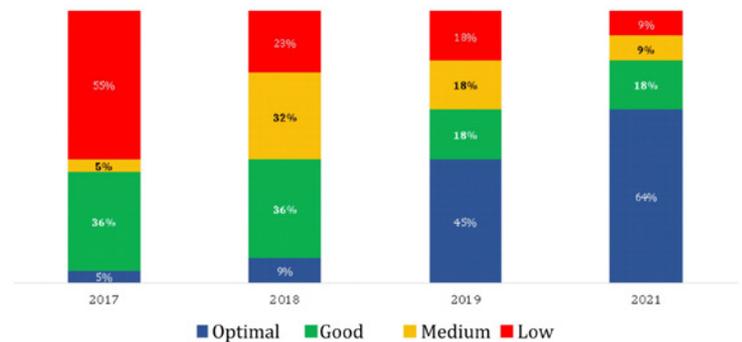
# OLACEFS ASSESSES AVAILABILITY OF SAIS' INFORMATION TO THE PUBLIC

The Technical Commission for Good Governance Practices of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), led by Lic. Jesús Rodríguez, President of the National Audit Office of the Argentine Nation, has produced the fourth Index of Availability of Information to Citizens about SAIs' Management (IDIGI-EFS 2021). The civil society organization Corporación Acción Ciudadana Colombia (AC-Colombia) contributed to this effort.

IDIGI-EFS measures the extent to which SAIs make information on a variety of topics—including institutional framework and controls, scope and results of audits, and accountability—available to the public on their websites. Availability of this type of information is key to citizens' ability to hold governments accountable. The 2021 index found that the SAIs of Brazil, Chile, Colombia, Guatemala, Mexico, and Peru were leaders in this field.

Five percent of OLACEFS SAIs had a high level of information availability in 2017, while in 2021, 64 percent did. Likewise, in 2017, 55 percent of the region's SAIs had a low level of information availability, while in 2021, only 9 percent did.

IDIGI-EFS  
Supreme Audit Institutions' information availability ranking variation per year



The regional average of SAIs' information availability was nearly 85 percent, an increase of approximately 33 percent over the regional average from the first index, in 2017.

The 2021 index also assessed the availability of information related to audits of government expenditures on the COVID-19 pandemic. The index found a regional average of nearly 65 percent for availability of this type of information—a medium score, which means available information provides basic inputs to facilitate citizens' oversight. Seven SAIs—from Argentina, Brazil, Chile, Colombia, Guatemala, Mexico, and Peru—provided ample COVID-19 information.

Regional SAIs have made progress in developing innovative strategies for communicating audit results to the public. However, more is needed to strengthen collaborative efforts of audited entities, citizens, and other stakeholders to enhance audit impact and improve the quality of government services.

IDIGI-EFS has proven an important tool for encouraging the region's SAIs to continue to expand public access to information. This effort, which may serve as a good practice for other members of the INTOSAI community, also provides valuable inputs into the [SAI Performance Measurement Framework](#). The full report on results of the 2021 index is available [here](#).

# EUROSAI TASK FORCE DISCUSSES MUNICIPAL REAL ESTATE MANAGEMENT

On November 3-4, 2021, members of the European Organization of Supreme Audit Institutions (EUROSAI) Task Force on Municipality Audit (TFMA) gathered in Budva, Montenegro, for its 5th Annual Meeting and Seminar on Municipal Real Estate Management. The event was attended by 80 participants, both in person and remotely, from 27 countries.

During the seminar, participants shared knowledge and experiences related to key issues affecting management of municipal real estate, which plays an important role in economic and workforce development. Expert speakers presented on a variety of topics, including the Audit Compendium prepared by the SAIs of Lithuania and Serbia. This compendium summarizes the results of audits carried out by ten members of the Task Force in the area of municipal real estate management in 2016-2021.

Of particular interest were the challenges posed by the COVID-19 pandemic, which has brought declining revenues from real estate, rising property costs, increased remote work, and distance services. In this difficult context, municipalities need to think creatively about how to refocus infrastructure priorities and use real estate in new ways to deliver public services.

The meeting also included discussions of Task Force activities and their results, the Task Force’s strategic action plan, and potential new initiatives. Key areas of focus in the Task Force’s work have been how municipalities have managed the pandemic and helped implement the United Nations’ Sustainable Development Goals.

The EUROSAI TFMA was established in 2016 at the initiative of the National Audit Office of Lithuania, which has served as Chair since that time. Twenty-seven European SAIs are full Task Force members, and two other institutions have been granted observer status. More information about the event can be found [here](#).





## EUROSAI TAKES PART IN UNITED NATIONS CLIMATE CHANGE CONFERENCE

On November 4, 2021, the European Organization of Supreme Audit Institutions (EUROSAI) and European Court of Auditors (ECA) held a panel discussion, “Translating Climate Ambition into Delivery,” as part of the United Nations Climate Change Conference COP26 in Glasgow. Around 200 representatives from governments, research and audit institutions, and civil society attended.

Upon the initiative of the Auditor General of Israel, Vice-President of EUROSAI, the event was organized at the European Union Pavilion by the State Audit Office of Latvia. A video of the panel discussion is available [here](#).

In her opening remarks, Ms. Eva Lindström, Member of ECA, underscored that “auditors should provide a reality check on what concrete actions will be taken on the way to a sustainable future.” Launching the discussion, Mr. Rolands Irklis, Auditor General of Latvia, stated, “As spending on climate change increases, so does the need for governments to improve their efforts in making this spending effective and productive for the benefit of our society.”

During the event, EUROSAI members, the SAIs of Israel and the United Kingdom, and ECA shared case studies from audits conducted on climate change. The aim of these audits was to help governments maximize the performance of public spending to reach climate change targets. The experiences of presenters highlighted the complexity and challenges, as well as the benefits, of these cross-sectoral audits.



Mr. Matanyahu Englman, State Comptroller of Israel, closed the session by emphasizing the important role of SAIs in holding governments to account. “We, as SAIs, are here at the UN Climate Change Conference for the first time, and we have a clear role to assess government plans, to provide our insight and encourage governments to make appropriate changes to maximize effectiveness.”

Building upon the EUROSAI-ECA panel, the INTOSAI Working Group on Environmental Auditing (WGEA) organized an event on November 8 in which INTOSAI and EUROSAI members further discussed strengthening capacities in environmental audits to support UN Sustainable Development Goal 13 (*Take urgent action to combat climate change and its impacts*).

# PEER REVIEW: A ROAD TO BUILDING TRUST, ACCOUNTABILITY, AND CREDIBILITY

AN INTERVIEW WITH BENJAMIN NELSON, GAO'S MANAGING DIRECTOR FOR AUDIT POLICY AND QUALITY ASSURANCE



*Mr. Nelson directs the U.S. Government Accountability Office's (GAO) preparations for external peer review and its annual internal inspection program, as well as quality assurance training and audit policy development and implementation. He consults domestically and internationally on audit quality assurance systems, peer review, and compliance issues, and has led international peer reviews. Prior to moving to his current position, Mr. Nelson was Director of GAO's International Relations and Trade group. He has received numerous awards and citations for his work and for mentoring other staff.*

## **Why is peer review important to Supreme Audit Institutions (SAIs)?**

Let me start with how peer review can help SAIs achieve their goals. Overall, SAIs want and need to have credibility. This includes being viewed as having achieved the capability and capacity to reliably assess government performance, as well as the ability to identify significant risks. Peer review can be very useful in this regard, as it provides an independent assessment of the reviewed SAI's state of readiness.

## **What are some specific benefits of peer review?**

Peer review can provide strategic benefits in the form of enhanced credibility, which can bolster the SAI's influence and ability to produce change in the government's effectiveness and efficiency. It can offer operational benefits as well, by helping assure the SAI's systems and processes align with its strategic goals and objectives, and that quality assurance systems are operating as intended.

Peer review also provides an opportunity for continuous learning and improvement as a result of insights gained from external parties, who may bring different perspectives to issues

the reviewed SAI is facing. Similarly, reviewers may identify good practices the reviewed SAI has adopted that could be beneficial at their own SAIs.

### **What are some key peer review challenges?**

Peer review requires considerable time and resources from the reviewed SAI, as well as from the reviewers. Thus, it is a significant investment and commitment. This can be a challenge for SAIs facing financial and staffing constraints. Another challenge that can arise during a peer review is a lack of clarity on the review's objectives.

In addition, instability in audit or quality assurance policies, procedures, or processes leading up to a peer review can create challenges for conducting the review. When there have been changes in these areas, the reviewed SAI should take steps to identify them, and the audits to which they applied, to facilitate the review process. Further, identifying the reasons for the changes and their intended effects on quality can enhance the review team's understanding of the implications for the review. Discussing with the peer review team new or planned initiatives that will occur during the peer review period helps ensure there are no surprises.

### **What are some of the keys to success in peer review?**

Let me outline a few specifics:

- Planning, preparation, and communication are the keys to success in a peer review. For example, the reviewed entity should gather reliable information and documentation relevant to the policies, procedures, systems, and audits that will be in the scope of the review.
- Electronic access to key policies and procedures, as well as statistics and other information about the audit office, facilitates peer reviews. Including an overall index or table of contents for this information, and keeping it updated throughout the review, is very helpful.
- Candid discussions about expectations for the peer review help all parties achieve a common understanding of the process, goals, and objectives of the review. This

open communication is essential for ensuring the benefits of peer review are fully realized and surprises avoided.

- Clearly defining for the peer reviewers key terms, abbreviations, and practices—especially those that are unique to the audit entity and not commonly used—facilitates understanding. It is helpful for the reviewed entity to consider terms or expressions that could be confusing because of language differences, or due to different meanings or uses.
- A collaborative approach to considering changes to the conduct of the peer review in light of shifting circumstances can help ensure all parties' perspectives and interests are considered in the final decision.

### **What do you see as a potential peer review risk?**

Great question, and one that highlights the importance of two-way communication between the reviewed entity and the review team throughout the peer review and during the development of the draft report.

One of the key challenges is to assure that the review team understands the reviewed SAI's operating environment from early on in the process. This can help the peer review team tailor its work to be most useful and constructive in view of the reviewed SAI's particular context. This question also highlights the need for a good feedback mechanism and regular exchanges between the reviewed SAI and the review team.

### **Who are the key stakeholders in a peer review?**

I would say the SAI and its staff, Parliament, and Government all have an interest in the peer review outcome. Obviously, positive results are a source of pride for the SAI's leadership and staff. Additionally, positive results can serve to enhance the reviewed SAI's credibility in Parliament and Government. As I said earlier, the goal is to be viewed as a trusted source of information and analyses on the government's performance.

### **Any parting comments?**

Peer review, like quality, doesn't cost, it pays—and in numerous ways!

# SAI UAE IMPLEMENTS AMBITIOUS DIGITAL TRANSFORMATION PROGRAM

by Sumaya Abdulla Al Marzooqi, Manager of Institutional Development and International Relations, SAI UAE



Anticipating that technology would transform the way governments conduct their business, the leadership of the United Arab Emirates (UAE) has aggressively promoted “e-government”—the use of information and communication technologies (ICT) to more effectively and efficiently deliver government services—for the past 20 years.

This steadfast commitment to leveraging technology to improve governance has resulted in the transition from a paper-based to a digitally powered government.

To stay relevant in the context of e-government, and to use technological advancements to improve the efficiency of its work, the Supreme Audit Institution (SAI) of the UAE has implemented its own digital transformation program that mirrors these changes.

## Digital Government that Leaves No One Behind

In 2001, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, launched e-government in the country. Since that time, the UAE has made quick progress, moving from 53rd position globally in the 2003 [United Nations e-Government Development Index](#) to 16th position today.

Efforts to improve the country’s digital government have accelerated under the [UAE Digital Government Strategy 2025](#), which builds on the gains already made. This eight-dimensional strategy provides a pathway to resilient, user-friendly, data-driven, open-by-default, digital-by-design government. The strategy calls for digital government that is open, inclusive, and leaves no one behind, with a special focus on those vulnerable to the digital divide, such as women, children, and people with special needs or disabilities.

## Harnessing the Potential of Emerging Technologies

UAE’s government is also aware of the potential of emerging technologies and is a leader in their adoption. For example, the government has committed to tracking 50 percent of its transactions using Blockchain, which provides immediate, transparent information on an immutable, decentralized public ledger.

In addition, the government has approved the [UAE National Strategy for Artificial Intelligence 2031](#). As perhaps the only government in the world with a [Ministry for Artificial Intelligence](#), the vision of UAE is to “become the world’s most prepared country for AI.” To fulfill this vision, the government has established the Mohamed Bin Zayed University of Artificial Intelligence, which will provide key human resource development support for an AI-powered government.

UAE’s government has also created an ambitious National Program for Coders, to develop and attract the world’s best software engineering talent. At the program's launch, His Highness the Prime Minister of UAE said, “The future has new tools... The future speaks in a different language... The future will function in a virtual ecosystem... And we want the UAE to be in the heart of this future.”

### SAI UAE’s Digital Transformation

To keep pace with these changes, SAI UAE launched an ambitious digital transformation program at about the same time that UAE’s government made a push for digital government. Through a multi-pronged strategy, the SAI has gradually shifted from a paper-based to a technology-powered environment.

To start with, SAI UAE focused on developing and acquiring human resources that were not only technologically literate, but also comfortable with data-driven audits. The SAI first used spreadsheet analytics, but with the increase in the quantity and diversity of data, it has moved to specialized audit analytics software. This shift has improved coverage of the SAI’s audit universe and facilitated more sophisticated analyses.

The UAE government’s speed of technology adoption has pushed SAI UAE to innovate in its audit work as well. About four years ago, SAI UAE determined it would need to create a single data repository for better data analytics using drill-down and drill-across procedures. The SAI started

to import data from different sources into its repository and run analytics procedures to flag transactions that were exceptional in nature. This has helped field auditors focus on verifying high-risk transactions and freed up time for more impactful work.

SAI UAE also realized that Robotic Process Automation (RPA)—software tools that partially or fully automate human activities that are manual, rule-based, and repetitive—would help address issues posed by big data. The SAI’s Information Systems Audit Team, in cooperation with the Financial Audit Team, has identified the most important and frequently used audit tests and built these into an analytics platform, where they are automatically run on the government’s entire data set.

SAI UAE has also implemented UiPath, in which software robots extract data from government sources and import it into the SAI’s repository. The SAI performs this exercise quarterly but intends to increase the frequency of extraction, to achieve more timely analytics results. The SAI aims to eventually shift to real-time audit and is currently studying the best way to accomplish this.

SAI UAE understands that in the near future, it may be required to audit AI-driven systems and Blockchain-based ledgers, and it is closely monitoring developments in these fields. The SAI is also exploring ways to improve audit efficiency by employing machine learning—the use of data and algorithms to imitate the way that humans learn—and other AI technologies in its audit methodology.

### Staying Relevant in a Shifting Landscape

Technology will continue to shape and reshape the ways in which SAI UAE and the broader accountability community provide oversight. As the shift to e-government and adoption of emerging technologies accelerate, only a proactive approach and receptive attitude to these changes will ensure the continued relevance of SAI’s work.

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*"As the shift to e-government and adoption of emerging technologies accelerate, only a proactive approach and receptive attitude to these changes will ensure the continued relevance of SAIs' work."*

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