



Minutes of XXII Commonwealth Auditors General Conference held in Malta on 24-27 March 2014

25 March 2014

Opening Session

Welcome address by Mr Anthony C. Mifsud, Auditor General of Malta

The Auditor General of Malta, Mr Anthony C. Mifsud welcomed the Conference delegates and gave a brief history of state auditing in Malta. He referred to the challenges faced by Supreme Audit Institutions in delivering public auditing in small states, with particular reference to the situation in the Maltese SAI.

Mr Mifsud also alluded to the profound changes experienced by Supreme Audit Institutions around the world and pointed to the relevance of technology in increasing the relevance of Supreme Audit Institutions.

The Auditor General of Malta emphasised the importance of SAI independence, and observed that only a limited number of SAIs around the world benefit from the full extent of the principles set out in the Mexico Declaration. He also highlighted the significance of maintaining good relationships with the various audiences of SAI reports.

Mr Mifsud praised the co-operation shown by most Commonwealth SAIs with regard to the two Declarations included in the final Communiqué issued at the CHOGM held in Sri Lanka last November.

Address by His Excellency, Dr George Abela, President of Malta

The President of Malta also greeted Conference participants and referred to the State Audit Institution as a key pillar of a healthy democracy in any country. His Excellency praised the work of NAO Malta and noted that several shortcomings in public operations and in the utilisation of public funds would not have come to the fore had it not been for the work and reporting of NAO Malta.

The President informed participants that state auditing in Malta is undergoing a process of legislative reform with the primary objective of strengthening the powers of the Auditor General in performing his duties. He highlighted the importance of supporting legislative reform with proper structures and resources that would ensure full implementation of the revised legislation.

Session 2: Perspectives and Developments: Reflections on Experience

Address by Hon. Prof. Edward Scicluna, MP, Minister for Finance (Malta) on “Relations between NAO and the Executive”

The Hon. Prof. Edward Scicluna, MP, Minister for Finance (Malta) gave an overview of Malta’s economic scenario – its strong points such as its success in achieving a healthy growth rate; and challenges faced such as attaining fiscal consolidation and addressing a high public debt level. He stated that the role of the Auditor General is critical since inefficiencies, extravagancy and waste have no place in a country which is practising fiscal consolidation.

The Hon. Scicluna noted that a Fiscal Council is in the process of being set up with the objective of reviewing the model on which budgetary forecasts are made. Until such process is finalised, the Ministry for Finance gave the responsibility to the Auditor General to review such forecasts for the past year.

The Minister asserted that the Ministry for Finance consistently aims to allocate due importance to NAO reports since they assist him in controlling public expenditure. He also stated that whilst acknowledging the Auditor General’s prerogative to determine NAO Malta’s audit programme, the Finance Ministry would appreciate independent appraisals aimed at determining the extent to which Government strategic performance indicators are being attained. To this end, the National Audit Institution would be acting as an early warning system by identifying problems which if not addressed in time could potentially derail the attainment of Government social and economic targets.

Hon. Prof. Scicluna identified the opportunity for the National Audit Office and the Ministry for Finance to step up efforts to address corporate governance challenges faced by some parastatal

entities. The implementation of corporate governance principles should minimise the incidence of losses in public organisations through inefficiencies and poor management. The possibility of entering into public-private partnerships to achieve better value for money is to be explored.

The Minister concluded by affirming that independence and effective communication of audit findings are indispensable to ensure that Supreme Audit Institutions function effectively and deliver added value to citizens.

Keynote address by Hon. Dr Anglu Farrugia, Speaker of the House (Malta) on “Relations between Parliament and the NAO”

The Speaker of the House of Representatives, the honourable Dr Anglu Farrugia, underlined the importance of promoting good governance as a key factor in the continued economic and political development of our countries. He also lauded Conference participants for managing to ensure the inclusion of two paragraphs in the Communiqué adopted during the Commonwealth Heads of Government Meeting held in Colombo, Sri Lanka in November 2013.

Since his appointment as Speaker of the House of Representatives, the Hon. Farrugia actively supported, even in a public manner, the work and assignments undertaken by the National Audit Office of Malta. He stated that his active support to the Office was always reciprocated by ongoing collaboration on the part of the Auditor General, his Deputy and other senior officials. This explains the excellent working relationship between the NAO and Parliament.

The Hon. Speaker stated that he is regularly presented with various reports issued by the National Audit Office of Malta. These Reports, which all deal with issues which in one way or another affect the lives of our citizens, are then laid on the Table of the House of Representatives during the first sitting. Each and every Report is also automatically referred to the Chairman Public Accounts Committee, so that it may be discussed during the Committee’s regular hearings, hence enabling Parliamentary scrutiny. The workings of the PAC has resulted in a better follow-up by the Executive to NAO audit report findings and recommendations.

Hon. Farrugia affirmed the importance of the National Audit Office Accounts Committee whose role is essentially to review NAO Malta’s previous year’s audited accounts and to approve or otherwise its budgetary estimates in respect of the following year. These decisions are then referred to the House of Representatives through the Leader of the House.

The Hon. Speaker noted that the Conference’s selected theme encapsulates the most critical requisites that need to be present for any Supreme Audit Institution to perform its challenging mandate in a satisfactory manner. He opined that the need for total independence of Supreme Audit Institutions from Government is particularly important to duly safeguard the credibility of its work and findings. He cited local legislation that was enacted to safeguard the independence of the Auditor General, Deputy Auditor General, and the National Audit Office of Malta.

Address by Hon. Tonio Fenech, MP, Chairman, PAC (Malta) on “The PAC’S Relationship with NAO”

The PAC Chairman, the Hon. Tonio Fenech, affirmed that the effectiveness of a PAC charged with the oversight of government spending is dependent not only upon features of the Committee itself, but also on the political, economic, social and cultural contexts in which it operates. Within this context, the themes being discussed in the Conference are rendered all the more relevant since independent and objective reporting by Supreme Audit Institutions is a prerequisite for PAC success.

He asserted that PACs consider themselves successful when they act as a catalyst to improve public governance – that is they are acting as a technical instrument to enhance administrative efficiency. Attaining such success would be problematic without the support and input of a robust state audit institution.

The Hon. PAC Chairman outlined the main functions and procedures of the PAC in Malta. He asserted that the PAC has allocated the vast majority of its meetings to discussing the reports tabled in Parliament by the Auditor General of Malta.

He also delved into the PAC-NAO Malta relationship. He stated that, while each institution strives to uphold its own independence and characteristics, the strength of the interdependence between both institutions evolves over time, necessitates democratic maturity and an appreciation of the prevailing socio-political context.

The Hon. Tonio Fenech referred to PAC’s expectations of NAO Malta. He pointed to the critical importance of the NAO’s role in furnishing the PAC with factual and technically sound reports to support the Committee’s work in improving public governance. Moreover, he asserted that the topics chosen for NAO’s audits should also give due consideration to Parliamentary concerns.

The Hon. PAC Chairman outlined the successes and challenges facing the Committee. Direct successes relate to tangible improvements in public governance following PAC debates. Indirect contributions relate to the ‘preventative factor’ which aims to instil a greater respect to the handling of public funds by accounting officers. Challenges relate to the potential conflicts of interests of Ministers and shadow-Ministers as members. Moreover, the Committee lacks the appropriate administrative and technical support to facilitate the execution of the Committee’s mandate. The latter is the main limiting factor, which so far prohibited the PAC from formalising its conclusions and outlining its recommendations following proceedings.

The Hon. Tonio Fenech then referred to the way forward for PAC-NAO Malta relationship. He stated that as much as possible, all members of the PAC should strive to establish unanimity in decisions, even where this is not a formal requirement. Moreover, he highlighted the importance

of SAIs conducting follow-ups of their audits since reports only have practical value if the Government addresses the issues raised therein, and implements the recommendations put forward by the Committee.

Session 3: Sub-Theme 1: Ensuring Independence of SAIs for Effective SAI Reports

Keynote address by Mr Amyas Morse, Comptroller and Auditor General (UK) on “Independence Beyond Legal Frameworks”

Mr Amyas Morse, the Comptroller and Auditor General of the United Kingdom, asserted that the legal and structural elements of independence are important, however, SAIs need the intellectual, emotional and ethical strength to use that independence. This means that SAIs need to push at the boundaries and redefine independence. This may involve, as in the case of UK NAO, issuing a clearer value for money statement in performance audits, and being involved in the early stages of major projects to assess the robustness of the planning process of such projects.

The United Kingdom Comptroller and Auditor General stated that when Governments and Parliaments gave SAIs their independence, audit offices were given a powerful vantage point. Few persons have access to the information and knowledge which SAIs gain by auditing the breadth and depth of Government activity. This SAI power has to be utilised to better inform Government, Parliament and citizens on how Governments can better manage their business and deliver better services to citizens.

Mr Amyas Morse affirmed that if SAIs deliver balanced and fair audit reports to Government which can help them do their work better, they will be listened to. This assertion is evident in the case of UK NAO in that the Government has requested the UK SAI to be auditors of the Bank of England and of the new Financial Standards Authority.

Mr Morse recommended that Commonwealth SAIs are to keep campaigning for improvements to the legal independence of Commonwealth Audit Offices. They are also to keep trying to improve the internal quality of their work, strive to produce useful audit reports, and be unafraid of working in partnership with key audiences.

“Securing Independence of SAIs to Improve the Effectiveness of Reporting and Communication of Audit Findings” by Mr Brian Vella, Assistant Auditor General (Malta)

Mr Brian Vella, Assistant Auditor General, Performance Audit Section, NAO Malta introduced the conference theme “Securing Independence of SAIs to Improve the Effectiveness of Reporting and Communication of Audit Findings.” He referred to the importance of SAI independence and outlined the principal provisions of international pronouncements on SAI independence. These include: the Lima and Mexico Declarations, ISSAI 11 on Guidelines and Good Practice on SAI Independence, EU Contact Committee Declaration on Ensuring Independence of Functioning of SAIs, EUROSAI Statement on SAI Independence, UN General Assembly Resolution on Essential Nature of SAI Independence, and CHOGM 2013 Communiqué on SAIs and PACs.

Mr Vella affirmed that during the Conference, in relation to the first sub-theme “Ensuring Independence of SAIs for Effective SAI Reports”, participants will be discussing constraints, challenges and threats relating to SAIs’ independence and how these are being addressed through the institution of the appropriate safeguards. They would also delve into the opportunities and new ways of enhancing SAIs’ independence, new recent developments affecting their independence, innovative solutions to address challenges experienced by SAIs and lessons learnt in maintaining independence.

With regard to the second sub-theme: “Effective Communication of Audit Findings to Key Audiences”, Mr Vella explained that Conference participants would also be referring to constraints, challenges, threats, opportunities, recent developments, innovative solutions and lessons learnt in relation to this sub-theme.

Introduction to Conference Sub-Theme 1: Ensuring Independence of SAIs for Effective SAI Reports

Mr Kimi Makwetu, Auditor General of South Africa, introduced the first Sub-Theme: “Ensuring Independence of SAIs for effective SAI Reports.”

Presentations of Country Papers

New Zealand

Ms Philippa Smith, Deputy Controller and Auditor General of New Zealand stated that the New Zealand SAI meets nearly all of the principles of the Mexico Declaration. However, she asserted that in practice, the New Zealand SAI faces challenges in maintaining its independence. Such challenges include: challenges to “independence in appearance”, fragmented public sector, potential conflicts of interest, a small number of accountability agencies, and challenges arising as a result of the size and structure of the New Zealand Parliament.

Ms Smith stated that the public sector in New Zealand is fragmented: there are around 4,000 public entities. These are all audited by the Auditor General using either her own staff or private sector audit firms. She observed that many people in the public sector have a range of interests, and potential conflicts of interest are common. Moreover, accountability agencies are few and small. The New Zealand Parliament is uni-cameral with a three-year election cycle and has no Public Accounts Committee.

The New Zealand SAI has a strong system of declaring conflicts of interest. The Auditor General’s Auditing Standards regulate the approach to be adopted in conflict of interest situations and cover personal involvement with an audited entity; financial involvement and providing other services. Best practice is also followed when engaging private sector audit firms to audit public entities.

The Deputy Controller and Auditor General of New Zealand affirmed that conflicts of interest arise in the political sphere. She referred to a number of instances where the Auditor General of New Zealand was drawn into political disputes.

Ms Smith referred to challenges to independence in working with New Zealand’s public sector. She noted that there are issues of capability and capacity in all 4,000 entities. The Auditor General has “an improver role” when auditing such entities, i.e. improving public entities’ reporting of non-financial performance information. She added that all Supreme Audit Institutions struggle with the audit expectation gap.

The Deputy Controller and Auditor General of New Zealand stated that in her country there is a small number of “accountability agencies.” She affirmed that perhaps the New Zealand SAI may be the only agency who can respond to a problem.

Ms Smith outlined the challenges to independence in working with Parliament. These include:

- Timing of audit reports
- “Political” nature of select committees; and
- Holding the Auditor General to account rather than the relevant public entity.

The Deputy Controller and Auditor General of New Zealand stated that the price of independence is accountability. She concluded that transparency and openness in SAI operations are crucial to ensuring independence.

Lesotho

Mrs Lucy L. Liphafa, Auditor General of SAI Lesotho identified the areas of SAI Lesotho independence. She stated that in exercise of his/her functions according to law, the Auditor General shall not be subject to the direction or control of any other person or authority. The Office of the Auditor General plans and decides on the issues to audit, conducts, reports and follows up on the audits undertaken without any interference. Occasionally, the Office of the Auditor General receives specific requests from Cabinet and the Public Accounts Committee to undertake certain audits, but the final decision on whether to carry on with the request rests with the Auditor General.

The Auditor General of SAI Lesotho then outlined the challenges to independence faced by the Office of the Auditor General. She observed that the ability of the Office of the Auditor General of Lesotho to efficiently and effectively implement its operational plan is limited due to the lack of organisational and financial independence. The Constitution of Lesotho stipulates that the Auditor General is to submit a report to the Minister of Finance requesting the funds required to finance SAI operations. The Minister is to submit such report to Parliament within seven days of receipt of the report. Mrs Lesotho stated that there have been instances of delays by the Minister in tabling the report.

Mrs Liphafa affirmed that the Lesotho SAI depends on the Ministry of Public Service for determining the overall establishment of positions and remuneration of Office of the Auditor General staff. She also depends on the Public Service Commission for recruitment and selection of staff to work at the Office of the Auditor General. Due to poor civil service salary packages and lack of incentives and other benefits, there is high staff turnover.

The Auditor General of SAI Lesotho affirmed that the lack of financial independence has contributed towards low coverage of audit work as outlined in the operational plan and inadequate resources such as insufficient equipment. The training budget is also limited making it difficult to train staff members on IT auditing and other audit areas. Inadequate funds also preclude the SAI of Lesotho from organising stakeholder workshops to market the Office of the Auditor General as well as discuss tabled Reports.

Mrs Liphafa affirmed that public audit legislation is in the process of being enacted. Such new legislation would regulate the Lesotho SAI autonomy, including the right to hire and fire staff and to be independent from the civil service. The new law will establish a considerable term of service for the Auditor General. In addition, it will stipulate that the Office of the Auditor General's budget would be a direct charge from the Consolidated Fund.

The Auditor General of SAI Lesotho stated that the accountability of the Office of the Auditor General will be enhanced through the new legislation. The SAI will continue to operate a time recording and costing system efficiently and effectively to ensure maximum utilisation of resources for quality audit work and effective audit reports. It will also ensure that auditors are well trained and execute strategic and operational plans efficiently and effectively.

Session 4: Sub-Theme 1: Ensuring Independence of SAIs for Effective SAI Reports (cont.)

Canada

Mr Clyde MacLellan, Assistant Auditor General, Office of the Auditor General of Canada stated that the objective of his presentation was to share personal experience on how SAIs can potentially enhance independence to ensure effective reporting. He observed that the Mexico Declaration established the principles of independence. However, he stated that not all SAIs benefit from the full range of the principles in the Mexico declaration. He noted that not all matters are within the control of the SAI, but it can organise itself in a way that builds upon its independence.

Mr MacLellan affirmed that the Canadian SAI suffers from few constraints to independence. However, some challenges exist including: occasional difficulty to access information; the right to audit Parliament; and funding of SAI operations. He also identified a number of opportunities to enhance SAI independence including enhancing internal processes around independence; strengthening the partnership with the PAC; and promoting the role and work of the SAI.

Mr MacLellan outlined a number of lessons for Commonwealth SAIs. He affirmed that if a SAI effectively communicates its findings through clear, easy-to-understand, balanced reports to a wide audience including Parliamentarians, the Public Accounts Committee and the media, its independence can be enhanced. Mr MacLellan added that SAI reports, backed by rigorous methodology and robust internal quality control mechanisms, can help solidify the SAI's independence.

Zambia

Ms Anna O. Chifungula, Auditor General of Zambia outlined the principles of the Mexico Declaration and the extent of their implementation by the Zambian SAI. She stated that the Zambian SAI has the freedom to audit all public resources and has access to information for audit purposes, however, it lacks administrative independence. The SAI's budget and the

approval process is the same as for other Ministries. The Zambian SAI does not have direct appeal to the Legislature when the resources provided are insufficient to allow for the fulfilment of its mandate except through the Ministry of Finance. The Zambian SAI is a public office like other Ministries of Government and therefore, is guided by the Public Service Conditions of Service.

The Auditor General of Zambia observed that the Constitution is in the process of being reviewed to strengthen Zambian SAI independence. However, the approval of the proposals in the draft Constitution is dependent on the Technical Committee. Therefore, failure to approve the proposals will mean the SAI not attaining the independence it requires.

Ms Chifungula delved into the issue of how Zambian SAI independence can be achieved. She affirmed that the Zambian SAI is to ensure that the laws governing its mandate are reviewed in order to incorporate the UN Resolution on SAI independence. Moreover, the Legislature and the Executive are to be continuously engaged on the issue of independence. The Zambian SAI is also to demonstrate its values and benefits to the Government and other stakeholders.

The Auditor General of Zambia referred to recent developments affecting the Zambian SAI. The Zambian Audit Institution is promoting the review of the Constitution and public sector audit legislation to incorporate matters relating to independence and other new auditing developments. It is also taking measures to engage the Ministry for Finance to improve its financial independence and the Public Service Management Division to establish autonomy in human resource matters.

Panel Discussion on First Sub-Theme: Ensuring Independence of SAIs for Effective SAI Reports

A discussion was then held on some of the issues mentioned by speakers when presenting their country papers. The Auditor General of Australia raised the point of the possible difficulty encountered by SAIs when they face a situation of a poorly designed policy when normally Audit Offices are unable to comment on policy. The Comptroller and Auditor General of the United Kingdom recommended that SAIs are to perform an impacts assessment of a policy and determine whether its implementation has been undertaken well or badly. They also need to understand the policy purpose, otherwise they would be unable to pass judgement on its implementation.

The Auditor General of Kenya emphasised the importance of extending our boundaries in the fight against fraud and corruption to become more preventive, proactive and deterring in our audit work. He affirmed that in order to reach this objective, it was crucial to undertake

preventive auditing. He also referred to the challenges of auditing private companies involved in resource extraction.

Mr Clyde MacLellan, Assistant Auditor General, Office of the Auditor General of Canada affirmed that SAIs need to preserve their reputation. In order to achieve such objective, SAIs need to consistently review their audit methodology and reporting so that they are focused on the right types of risks, such as fraud and corruption. In doing this, the risk of being irrelevant, since the SAI has failed to detect important audit issues, is minimised.

Mr Amyas Morse, the Comptroller and Auditor General of the United Kingdom referred to the importance of Government having the right to examine detailed contractors' records, and not just those relating to a particular contract. He also affirmed that Governments should be encouraged to negotiate contracts with fair terms and conditions for both the Government and the contractor.

Ms Philippa Smith, Deputy Controller and Auditor General of New Zealand, explained that in a particular case, the New Zealand SAI decided to review the arrangement entered into between the Government and a number of private contractors to undertake a major project. The private contractors, who had been the subject of public criticism, requested the SAI to audit them as well to safeguard their reputation. However, the New Zealand SAI could not carry out such an audit.

Mr Brian Vella, Assistant Auditor General at the National Audit Office of Malta affirmed that in Malta a Special Audits and Investigations Section has been set up to audit requests made mainly by the Public Accounts Committee. One reason for the setting up of this Section was so that other Audit Sections are not inundated with work requested by the Public Accounts Committee. However, if not too many requests are made by the Public Accounts Committee, the Special Audits and Investigations Section also carries out special audits or investigations on its own accord.

Ms Anna O. Chifungula, Auditor General of Zambia, commented on the Memorandum of Understanding entered into between the Office of the Auditor General of Zambia and the Anti-Corruption Commission. She asserted that whenever, during the course of an audit, the Zambian SAI comes across any issues of fraud or corruption, these are immediately passed over to the Anti-Corruption Commission for prosecution. Moreover, the Forensic Audit and Investigations Division within the SAI examines the books of any corrupt activity as requested by the Anti-Corruption Commission. Such Division, in fact, works hand-in-hand with the Anti-Corruption Commission and the police.

Ms Chifungula then explained the situation in Zambia regarding the extractive industries. The Audit Office of Zambia, the Zambia revenue authorities, and other Government institutions have embarked on the "Extractive Industries Transparency Initiative." The objective is to have access to the books of account of companies managing the extractive industries and to ensure that what these people are declaring as income is in fact true and correct, and that all taxes are being paid. They also would like to review the manner in which contracts regulating such industries are

being drawn up. The Auditor General of Zambia then compared the situation in her country with that in Ghana where the latter is obtaining more benefits from the extractive industries.

The Auditor General of Nigeria, Mr Samuel Ukura, stated that in Nigeria reports are submitted to Parliament, discussed at Public Accounts Committee level, but are not passed to the auditee to achieve responsibility for implementation of recommendations.

Mr Clyde MacLellan, Assistant Auditor General, Office of the Auditor General of Canada, affirmed that before a report is tabled in Parliament, it would have been already discussed with the audited entity to ensure that the Canadian SAI would have a clear understanding of the facts. Therefore when a report is tabled in Parliament, it would include the audit observations, conclusions and recommendations, as well as a response from the audited entity on how they will take steps to implement those recommendations.

By the time, the report is discussed in the Public Accounts Committee, the audited entity is expected to report on the extent of implementation of recommendations in relation to what was promised by the entity's response to the recommendations of the report. If the Office of the Auditor General of Canada feels that progress is insufficient, and based on an assessment of risks, the Canadian SAI undertakes a follow-up audit.

Mr Amyas Morse, Comptroller and Auditor General of the United Kingdom asserted that the system in the United Kingdom with respect to auditee commitment to implement recommendations is different to that applicable in Canada. During Public Accounts Committee meetings, the Committee makes recommendations to the Treasury, and the latter has to accept or otherwise such recommendations. If accepted, such recommendations have to be implemented. He stated that the important issue is to bind auditees to take action since it is useless producing really great reports all reporting the same matters, and then these are not followed up.

Ms Lucy L. Liphafa, Auditor General of Lesotho, affirmed that the SAI of Lesotho in the past, had been experiencing a backlog in the audit of accounts. In addition, the same recommendations were being proposed year after year, with nobody taking action. It was evident that auditees were taking advantage of the situation. Now, the Public Accounts Committee in Lesotho has a backlog of reports to review. In order to improve the situation, the SAI of Lesotho intends to assist the Committee in following-up past audit recommendations.

The Auditor General of Namibia, Mr Junias Etuna Kandjeke, enquired whether a SAI can be independent of the public service, yet still obtain the benefits applicable to employees of the public service.

Ms Philippa Smith, Deputy Controller and Auditor General of New Zealand stated that currently in New Zealand, very few benefits accrue from being a public servant. In 2001, the New Zealand Parliament decided that the Auditor General could not be independent if he or she could

not employ his or her own staff and on terms and conditions that the Auditor General determined.

Mr Brian Vella, Assistant Auditor General at the National Audit Office of Malta, explained the changes that took place in recruitment after 1997, the year when audit legislation was enacted. Prior to 1997, the National Audit Office was a Government Department and recruitment was centrally made within the so called Public Service Commission within the public service.

In 1997, following the change in legislation, all employees were entitled to become employees of the National Audit Office. Now there was the issue that Government employees had better service and pension conditions than new employees. So those employees who were of a certain age and were public servants and wanted to become employees of the National Audit Office, retained their public service rights.

Following the Act, the National Audit Office of Malta recruits directly its officers, which can come from the public or private sector. The Auditor General is empowered to recruit staff members he/she needs to assist him in discharging his audit mandate. There is a transparent interviewing board to recruit from the open market. Nowadays, if civil servants come to work with the National Audit Office of Malta, they would have to renounce their employment with the civil service. The conditions of employment are better nowadays than in the civil service.

After 1997, the National Audit Office of Malta started recruiting qualified employees. The Office found little difficulty to recruit qualified persons in the performance auditing and special audits and investigations Sections. However, there are some problems recruiting accountants because usually accountants receive better remuneration with the private sector.

Mr Vella concluded that the current situation at the National Audit Office of Malta is definitely better than prior to 1997.

Mr Amyas Morse, Comptroller and Auditor General of the United Kingdom, stated that the Office has to pay a bit differently from the public service since the large majority of staff are accountants. The Office has slightly more flexibility and the ability to pay higher rates than if the United Kingdom National Audit Office staff were employed as civil servants.

Summary of Key Issues by Prof. Edward Warrington, Conference Rapporteur

Prof. Edward Warrington, Conference Rapporteur, summed up the issues on the first sub-theme. He referred to the multiple metaphors that were used to describe a SAI such as “Guardian of the Public Purse”, “Guardian of the Taxpayer”, “watchdog”, “improver” and “backbone of the Public Accounts Committee.”

Prof. Warrington affirmed that a SAI is a dignified institution of Government, since it is necessarily detached from political controversy and a model of integrity. A SAI is also an efficient governing Institution. The Office is necessarily engaged with public administration and policy making. It seeks to be relevant to the modern problems of governance, is technically accomplished and ready to respond to scandal, controversy and failure.

The Rapporteur observed that whilst in many countries, legal and Constitutional theory provide for matters of independence, in practice, the Auditors General of many jurisdictions encounter practical limits to their independence. Moreover, it seems that, particularly within the Commonwealth, while Constitutional and legal safeguards focus on the Office of the Auditor General, perhaps including a Deputy Auditor General, and the protection of the Office holder from undue influence, the degree of protection afforded the SAI, its financial and other resources and the staff, is restricted.

Prof. Warrington asserted that the way Governments deal with policy problems is changing. Increasingly, Governments work hand-in-hand with civil society associations, and with commercial organisations to deliver public services. The arrangements for governance in this scenario are necessarily diffuse and complex. In order to deal with this problem, a SAI is to engage in interdependence.

The Rapporteur affirmed that interdependence involves managing and cultivating working relationships and boundaries. Supreme Audit Institutions must cultivate political relationships, the most critical of which is the relationship with the Public Accounts Committee, but also with Ministers and the Opposition. SAIs must also cultivate relationships with other oversight bodies, such as with an Anti-Corruption Commission or Internal Audit Unit. They must cultivate administrative relationships such as with the auditees. Audit Institutions are also to cultivate relationships with the news media, the press, and the social media.

Dr Warrington affirmed that interdependence brings accountability. In managing working relationships, the Auditor General and the staff of the Audit Office will find much scope for cordiality, courtesy, dialogue as well as determination, technical competence, sure legal foundations, and rigorous professional standards and standards of personal conduct.

The Conference Rapporteur referred to the various ways in which SAIs can affirm their independence. They may insist on the tabling of a Report, may refuse to accept delays on the part of an auditee, may claim and demonstrate their relevance to some of the new challenges of contemporary governance.

Dr Warrington asserted that all of the above entails risks, most notably that of becoming embroiled in damaging public controversy.

The Rapporteur concluded by stating that a SAI must be as sober as a judge, as visible as a celebrity, as astute as a politician, as resourceful as a civil servant or a manager, as tenacious as a police detective, as prudent as an insurer, and as meticulous as an auditor.

Discussion of Country Papers Facilitated by Chair (South Africa)

Following the summary of key issues by Prof. Warrington, the discussion on the issues raised in country papers resumed. As an aid to the discussion, the following five questions were distributed to conference participants:

1. In a democracy, what could threaten an SAI's independence? Are the threats visible and obvious, or do they tend to be more subtle?
2. Can I recall any events or developments in which the independence or integrity of my Office appeared threatened or compromised? What alerted me/my Office to the risk? How, if at all, was the problem resolved? What, if any, were the longer-term consequences of this episode or development?
3. Does my SAI make effective use of its independence? How does it affirm, maintain or cultivate its independence?
4. Which recent developments in the audit, political, public finance, administrative and business fields appear to be enhancing or threatening the Auditor General's independence in my homeland? How is the Auditor General responding to these developments?
5. If I were to choose a metaphor or an image of the Auditor General's role in my homeland, what would that be?

The Auditor General of Malta, Mr Anthony C. Mifsud, referred to the fourth question and noted that when the National Audit Office of Malta presented its last Annual Audit Report in December 2013, the new Government administration stepped up its efforts to take action on such report. In a Cabinet meeting held in January 2014, the Cabinet Office drew the attention of Ministers that each was going to receive the particular chapter in the Annual Audit Report of 2013 that concerned their Ministry. By the end of February 2014, the Permanent Secretary responsible for that particular Ministry had to respond and give details of how audit recommendations would be implemented and the implementation stages of such recommendations.

Mr Masud Ahmed, Comptroller and Auditor General of Bangladesh affirmed that under the pre-audit system, the Bangladesh SAI was in a better position to fight corruption and other financial irregularities and anomalies. However, due to allocation of more resources in a growing economy, it is intrinsically becoming difficult for the SAI of Bangladesh to fulfil its role of containing corruption and containing financial irregularities and anomalies. On the other hand, various pressure groups including civil society, the press and opposition Members of Parliament expect the SAI to fight corruption more effectively.

The Auditor General of Kenya, Mr Edward Ouko, shared some reflections on questions 1 and 3. He stated that he has been Auditor General for the past two years, and was appointed after a rigorous vetting process. He affirmed that although the legal instruments to safeguard his SAI's independence are in place, he had to struggle to persuade Parliament to allocate the necessary funds and resources for the Auditor General to discharge his functions, as previously the role of the SAI was not well understood by Parliament, and the allocation of funds to the SAI was effected following a decision by Treasury. The Auditor General has held breakfast meetings with members of the Public Accounts Committee and explained to them the SAI's mandate and strategy, and requesting them to intervene so that the Office would be allocated more resources. Therefore, during the Auditor General's second year of tenure, the SAI has received slightly more resources.

Mr Ouko asserted that when a SAI produces more timely and proactive reports, its profile is enhanced. However, due to increased communication, some auditees might feel threatened. Therefore, although the SAI receives accolade from the public due to better reporting, auditees may tend to fight back in a subtle way through the media by attempting to bring other issues that divert public attention.

Mr Louis Mwansa, Director – Planning and Information, Office of the Auditor General of Zambia, observed that Zambian SAI reports are mostly used by the Opposition for the purposes of criticising the Government that is in power. However, the Zambian SAI is engaged in communicating effectively, to ensure that its reports are not abused in that way.

Mr Mwansa commented on the current situation in the country whereby the Auditor General is mandatorily appointed through the Constitution. However, the Deputy Auditors General and other SAI staff are actually recruited by the public service. He stated that elections are held every five years, and if a new Government is appointed after an election, he may opt to change the Deputy Auditors General in the same way that they are able to change other controlling officers in other Government Ministries. In that way, the work of the Auditor General (who cannot be removed from office because he/she is protected by the Constitution) may perhaps be undermined.

Mr David Goldsworthy, International Technical Co-operation Manager, United Kingdom National Audit Office, affirmed that the United Kingdom National Audit Office has been quite conscious that in recent years, in spite of the regular release of financial audit reports pointing out problems in audited organisations, the latter keep repeating the same mistakes. To overcome the situation, the United Kingdom National Audit Office is working with the Treasury and the Ministry of Finance to establish what are the core skills needed by financial management staff within the line Ministries, and trying to do more to build the skills within audited institutions.

Mr Goldsworthy, in response to comments made by the Auditor General of Bangladesh, asserted that if strong internal controls do not exist within line Ministries and there is not an effective Internal Audit, then you have a real risk of increases in corruption, fraud and other errors.

Mr Goldsworthy emphasised the importance of regularly auditing Internal Audit. The United Kingdom National Audit Office has undertaken a performance audit that examined Internal Audit across Government and identified lessons of best practice. Such practices would be used to drive up the quality of the work of internal auditors so that more reliance would be placed on their work.

The question of obtaining sufficient resources was also discussed by Mr Goldsworthy. He stated that there should be a strong basis underpinning requests for further resourcing. SAIs need to compare their own level of resourcing and determine how much they need to undertake audits that they are charged to do. In the case of insufficient resources, the SAI must be able to state to Parliament and Ministries that it may not have at its disposal adequate resources to do the job.

Mr Ian McPhee, Auditor General of Australia, affirmed that having an independent Office is a rare privilege in Commonwealth countries which also entails assuming related responsibilities. He stated that the primary responsibilities of any SAI are to discharge its mandate efficiently and effectively to meet the standards of integrity and objectivity, to manage relationships, to further its objectives consistent with its statutory mandates and to speak up when required. He asserted that the standing of any SAI depends on the quality of work it produces. If the quality of a SAI's work improves, its standing in the perspective of audited entities will be enhanced and systems of Government will improve.

Mr Mcphee also referred to the importance of being able to report to the Parliament directly. This important measure is in place not only for SAIs to report on the Executive Government and their administration, but also to draw attention to any constraints which any Auditor General sees as being very significant in impairing the independence and effectiveness of his Office. He therefore re-iterated that SAI mandates and statutory legislation are there not only to protect SAIs but to give them a voice and the opportunity to draw attention to problems.

Mr Junias Etuna Kandjeke, Auditor General of Namibia underlined the importance of the SAI affirming, maintaining and making effective use of its independence. He emphasised the need for SAIs to inform related stakeholders, who are often busy with discharging their duties, of what being an independent Audit Institution means. He also stated that independence must be earned just like earning respect. Independence is earned through the work a SAI undertakes – how topics are chosen, how these audit topics impact society, and the integrity of the SAI and its staff. Therefore, he affirmed that if a SAI is a model of competence and integrity, its independence will grow and more support will be received from stakeholders. However, if controversy weakens a SAI, then it will have problems with independence.

The Auditor General of South Africa, Mr Thembekile Makwetu, referred to the issue of financial independence. He stated that the South African SAI does not rely on an appropriation from central Government or on obtaining funds from the Finance Ministry. Rather the SAI operates like a typical private audit firm, where invoices are issued to auditees after engaging them on the scope of work to be undertaken by the South African SAI. However, in cases of economic downturn, or difficulties relating to the amount of budgets allocated to them as State Institutions, state auditors are last in the line when it comes to the priority for payment of their creditors. However, the SAI is statutorily mandated to audit these institutions every year whether or not they had been paid for the previous year's audit. Thus the SAI ends up with a growing debtors' book and a massive provision for doubtful debts, thus encroaching on its financial independence.

The Auditor General of the Bahamas, Mr Terrance Bastian, agreed that the arrangement for the SAI of South Africa impairs its independence. It may possibly affect the payment of salaries, the achievement of a particular standard of staff, and may reduce the quality of the engagement.

Mr Bastian opined that independence in auditing hinges on three areas: the quality of the SAI's staff, SAI's relationship with civil society, and SAI relationship with the media. He affirmed that all three elements affect the quality of the audit engagement.

The Auditor General of Kenya, Mr Edward Ouko, asserted that the state should allocate funds directly to State Audit Institutions. He added that the model of charging clients is a bit dangerous since auditees will claim that they have no funds to finance an audit. And that would render state auditing for the benefit of the public interest more challenging.

Mr Thembekile Makwetu, Auditor General of South Africa, stated that the option to appropriate directly from Parliament exists in the law. However, the South African SAI has never availed itself of this provision. The Public Audit Act provides for the option to appropriate or to bill directly.

Mr Makwetu affirmed that both options were discussed with the Standing Committee on the Auditor General in Parliament. This Standing Committee, made up of multi-party membership, oversees the South African SAI activities. The Auditor General of South Africa stated that the reply of the Committee was that the budgeting process involves prioritising programmes that are to be funded. Since the Audit Office has no sponsoring member of the Executive, the SAI might end up last in the queue when issues of priority allocations are considered.

The Auditor General of South Africa also stated that municipalities in deep rural areas which do not have an income generating capacity are unable to pay for audit fees. This is another issue affecting the South African SAI.

The Auditor General of Nigeria, Mr Samuel Ukura, requested feedback from participants regarding the issue of whether the Auditor General is free to discuss his reports with the press,

following submission of reports to Parliament, but before the reports are discussed by Parliament.

Mr Richard Quartey Quartey, Auditor General of Ghana, stated that his contribution was in reply to item 4 of the questions distributed. He affirmed that the SAI of Ghana is promulgating the setting up of Audit Report Implementation Committees in all public sector institutions. The mandate of such Committees is to ensure the implementation of all audit recommendations emanating from the Auditor General's reports by the audited entities. The Auditor General of Ghana asserted that in this way, public sector institutions would be compelled to take action on the Auditor General's reports before they get to the stage of consideration by the Public Accounts Committee.

Mr Quartey observed that Annual Accountability Lectures have been established that are a forum where the SAI meets all stakeholders, including the media, with the objective of sharing knowledge on how the SAI of Ghana can improve on its work.

The Auditor General of Ghana explained that the greatest challenge for his SAI is low budgetary allocation, where his SAI's appropriated amount is subject to annual cuts. He stated that this is aggravated by the annual establishment of new public sector institutions.

The Auditor General of the Cayman Islands, Mr Alastair Swarbrick, provided his views on the issues raised by the Auditor General of Nigeria on the publication of reports. In the Cayman Islands, the SAI had significant issues for a number of years with reports submitted to the Legislature without being made public since they had not been considered by the Public Accounts Committee or the Legislature. A change to the Standing Orders of the Legislature enabled the Auditor General of the Cayman Islands to make reports public before they were considered by the Legislature or the Public Accounts Committee. The Auditor General passes the reports to the Legislature and allow a minimum of 48 hours before making them public.

Mr Swarbrick affirmed that there are still tensions related to the above procedures emanating from occasions where the Government of the day did not like the content of the report and challenged the issues, and instances where the Public Accounts Committee was not functioning effectively and therefore the report would not be discussed by the Committee.

The Auditor General of Kenya, Mr Edward Ouko asserted that it is a challenge for him to reconcile the relevance and timeliness of reporting and the need to report always to the public with the fact that the Public Accounts Committee has got an accumulation of reports which have not been discussed. The new Constitution is very clear that the Auditor General is to publish and publicise the report.

Mr Ouko observed that for many years the reports of the Auditor General went through the Treasury, eventually were tabled in Parliament, and then transferred to the Public Accounts

Committee. In the present case, reports are published once completed, and presented directly to Parliament.

Mr Phestecia Themba Nxumalo, Auditor General of Swaziland, responded to the fourth question. He referred to a significant threat to the independence of the Office of the Auditor General of Swaziland. The SAI audited Parliament and found that some members of Parliament embezzled funds. One such Parliamentarian was appointed Chairman of the Portfolio Committee for the Ministry of Finance to deliberate on the proceedings and budget issues of the Ministry of Finance and the Audit Office. This is posing a threat to the independence of the Auditor General of Swaziland. In fact, the Auditor General intends to recommend to the Head of Government to establish a separate Portfolio Committee that will deliberate the issues of the Auditor General.

The Auditor General of Sierra Leone, Ms Lara Taylor-Pearce, spoke about the challenges faced with regards to the publication of audit reports in her country. Previously, the report of the Auditor General's Office could not become public until the Public Accounts Committee had deliberated on it. Now, the reports are being laid and immediately they are made public.

Ms Taylor-Pearce explained that when the Public Accounts Committee finished deliberating on the 2011 audit report, it passed the audit report to the Attorney General's Office for the latter to request defaulting officers to refund amounts misappropriated. In the 2011 audit report, positive audit findings were also commented upon.

The Auditor General of Sierra Leone recommended that it is important to maintain positive working relationships with the civil society and the press (as the Auditor General of the Bahamas has also stated). Thus both groups will try to put pressure on all stakeholders to achieve the desired changes in public management.

A senior representative from the SAI of Nigeria commented that there is always a delay in the deliberation of SAI's reports by the National Assembly. As a result, this becomes a constraint, a threat to the SAI's independence in the sense that, at the end of the day, the auditees are not even taking our reports very seriously because they believe that after all, no action will be taken. And eventually, by the time that there will be a public hearing at the National Assembly, you would discover that those people that would be invited would be new and would have nothing to do with those observations from our Office. Instead of inviting those people that are actually involved, the Assembly invites those people presently working in that particular Institution. The speaker concluded that the current situation should improve.

Conclusion of Sub-Theme 1 by Chair (South Africa)

The Auditor General of South Africa, Mr Thembekile Makwetu, thanked all Conference delegates for their active participation and contribution. He stated that the matters raised during

the first day of the Conference encompassed the substance of the issues relating to the first sub-theme “Ensuring Independence of SAIs for Effective SAI Reports” and would flow into the discussion on the second sub-theme “Effective Communication of Audit Findings to Key Audiences.”

26 March 2014

Session 5: Effective Communication of Audit Findings to Key Audiences

Introduction to Sub-Theme 2: Effective Communication of Audit Findings to Key Audiences

The Comptroller and Auditor General of India, Mr Shashi Kant Sharma, introduced the second sub-theme: “Effective Communication of Audit Findings to Key Audiences.” He stated that communication skills play a critical role in the dissemination of audit findings to all stakeholders and the public at large. Thus, it has a direct impact on the effectiveness of audit. He affirmed that our audit reports are to be professional and interesting for stakeholders and SAIs are to continuously improve in this area.

The Comptroller and Auditor General of India referred to the key audiences for SAIs which include Parliament and State Legislatures, Government, Executive, international donors and financial bodies, professional associations and academic institutes, civil societies and NGOs, audit committees, and private auditors, the media and the public. These broad groups are expected to read the SAI’s reports and use the audit findings for their purposes.

Mr Shashi Kant Sharma affirmed that SAIs have established procedures to maintain SAI communication with key audiences. These include: formal communication of audit findings in the form of reports; hosting of audit reports on SAI website; holding press conferences, distributing press releases after presentation of the audit report in Parliament; holding seminars wherein the participation of the Executive, elected representatives, representatives of civil organisations, and interested professionals is ensured; and conducting training and capacity building programmes for the Executive personnel.

The Comptroller and Auditor General of India referred to the importance of the social media in today’s world. He observed that social media have unlimited boundaries, countless users, and can have totally unpredictable responses to pertinent social and political issues. He requested participants to consider how, when, and in what manner the social media can be used for communication of audit findings and obtaining feedback on them from the general public.

Mr Shashi Kant Sharma made reference to the overreach of the media. He stated that SAIs are to be careful that the counterforce of media does not imbalance the objective and purpose of the SAI’s communication. He informed participants that in India, under the Right to Information Act, certain pressure groups may even request the draft observations of the audit. He observed

that the tendency to sensationalise half truths and even preliminary audit findings has to be watched and controlled as this may threaten the very credibility of the Audit Institution.

Presentations: Country Papers

Australia

Mr Ian McPhee, Auditor General of Australia introduced his presentation by referring to ANAO's primary objective: that of improving public sector performance and accountability. This objective is achieved through:

- an independent assessment of public sector entities' administration;
- effectively communicating with key audiences;
- ensuring reporting is effective, timely, topical;
- finding innovative solutions for communicating audit findings.

He outlined the types of reports undertaken by his Office namely, performance audit, financial statement audit, assurance review, "real time" advice on sensitive aspects of government administration; and guides on better practice.

Mr McPhee delved into the approaches employed for the effective reporting of audit findings to key audiences. These include managing a structured and well documented processes for the planning, drafting, review, and reporting of audits; ensuring adherence to auditing standards; promoting the professional development of staff; and holding meetings with Auditor-General and key executives at key milestones. He affirmed that a SAI cannot produce a high-quality report if it has not undertaken a professional audit. Moreover, ANAO engages with senior executives by presenting audit conclusions based on audit findings and request the latter's perspective before finalising the conclusion.

The Auditor General of Australia outlined the objectives achieved by audit reporting in his Office. He referred to the importance of conveying a worldly understanding of topics and issues and focusing on the more significant issues. He affirmed that auditors are not to come across as bean counters but as professional managers who promote the principles of sound financial management.

He also outlined the significance of preparing concise reports with a clear conclusion that responds to the audit objectives and with outcome oriented recommendations. He affirmed that it is also critical to convey and extract generic messages from audit reports that could be applied by other organisations in the public sector.

Mr McPhee presented the challenges faced by the Office when communicating audit findings to key audiences. These include: being responsive to the growing demands of Parliament and the general public, and taking advantage of modern communication methods and technologies. For instance, some Members of Parliament may prefer electronic versions of the report instead of hard copies. Moreover, he observed that assessing value-for-money in public administration may at times be time consuming since sensitive issues may be involved. He affirmed that reports should convey the main issues, thus improving readability.

The Auditor General of Australia affirmed that the tabling of audit reports in Parliament is the primary means to promulgating audit findings. ANAO reports aim to clearly present an opinion about the overall standard of public administration and the extent to which legislative and policy requirements have been met; propose recommendations on significant issues that facilitate meaningful improvement; and leverage key audit messages which can be applied by other public sector entities.

Cyprus

Mr Kyriacos Kyriacou, Deputy Auditor General, Audit Office of the Republic of Cyprus, affirmed that the work of SAIs results in reports with findings and recommendations all of which ideally need to be well implemented, in the public interest, for the benefit of citizens. He pointed out that SAIs do not have executive power, or power to concretely punish or reward auditees for right or wrong behaviour depending on the implementation of the recommendations made in SAI reports. He thus stressed the importance of effective communication to key audiences who when convinced exercise the pressure and introduce the factors of fear or reward for management to act on a timely basis.

Mr Kyriacou stated that the Audit Office of the Republic of Cyprus performs financial and statutory audits and performance audits. Central Government, public organisations, local authorities, political parties and other recently established public entities fall within the remit of the Auditor General. The latter submits the Annual Report to the President of the Republic who causes it to be laid before Parliament.

The Deputy Auditor General affirmed that the Audit Office of the Republic of Cyprus does not limit itself to the retrospective identification of shortcomings and deficiencies. It undertakes “preventive auditing” to ensure, as far as possible, value for money and compliance with legislation especially where the expenditure is quite high. He stated that in big projects with complicated public tendering procedures, the Audit Office of the Republic of Cyprus follows the project as an observer from beginning to end, expressing its opinion as appropriate at the different project stages.

Mr Kyriacou referred to the key audiences of Audit Office of the Republic of Cyprus reports. These include the auditees, Government, Parliament, citizens, mass media, overseas lenders and European Institutions. He observed that legal provisions are being introduced in Cyprus, for the various annual budgets submitted to Parliament for discussion/approval, initially before the Parliamentary Finance and Budget Committee, to be accompanied by the comments of management on the findings and recommendations of the Auditor General and their implementation in each case. Moreover, the Deputy Auditor General of the Audit Office of the Republic of Cyprus affirmed that the media report frequently on audit reports issued by the Audit Office.

Mr Kyriacou asserted that when the work of the Audit Office is of a high standard and also communicated effectively, this results in:

- improvements in performance and in the auditee's internal control systems;
- effectiveness and efficiency of the financial management of public funds;
- saving of considerable public funds for the public interest;
- promoting and cultivating a better prohibitive environment against corruption; and
- raising standards and increasing trust towards the state, thus contributing in the further development of the country, for the benefit of its citizens.

He concluded that the credibility of the State Audit Institution is built on the quality of its work, as well as on its professional competence and objectivity. He noted that from credibility emanates trust, thus rendering communication easy, instant and effective.

United Republic of Tanzania - Zanzibar

Mr Saleh Haji Abass, Director of Audit, National Audit Office of Tanzania - Zanzibar, spoke about the role, mandate, duties and independence of the Controller and Auditor General, and the mission, vision and core values of the Supreme Audit Institution of Zanzibar.

The Director of Audit affirmed that audit reports prepared by the Controller and Auditor General of Zanzibar are delivered to the President of Zanzibar. The Public Accounts Committee then reviews the reports. At the end of this exercise, the chairperson of the Public Accounts Committee prepares and submits a report to the House of Representatives (Parliament) and gives out the Committee recommendations for corrective measures which require appropriate actions to be taken by the Executive or Government.

Mr Abass observed that various reports are prepared by the National Audit Office of Zanzibar namely: financial audits, regularity audits, value for money audits, IT audits, environmental audits and forensic audits. Upon publication, these reports are presented to various audiences.

The Director of Audit referred to the various challenges relating to effective communication faced by the National Audit Office of Zanzibar. These include:

- rapid changes in technology;
- rapid changes of audit methodologies and standards;
- retention of skilled staff due to inadequate remuneration and conditions of service;
- political will in relation to Supreme Audit Institution independence;
- inadequate resources in terms of finance and technical aid; and
- HIV/AIDS Epidemic in the workforce.

Mr Abass affirmed that in order to overcome the above challenges, government shall enforce transparency and accountability for better utilisation of public resources and ensure that economy, efficiency and effectiveness of the government operations are maintained for the sustainable development of the country.

United Republic of Tanzania

Mr Francis Mwakapailila, Deputy Auditor General, National Audit Office, United Republic of Tanzania, delved into the independence and mandate of the Controller and Auditor General. The Controller and Auditor General submits audit reports to the President who will cause the report to be tabled in Parliament. The Controller and Auditor General is also mandated to submit the report to the Speaker where the President fails to submit such report within seven days.

The Deputy Auditor General affirmed that in order to process the budget for the National Audit Office, a consultative meeting is held between the Public Accounts Committee (representing the Parliament), the Minister of Finance and the Controller and Auditor General in order to approve the budget for the National Audit Office of Tanzania. Once approved, no amendment to the budget is allowed by the Ministry of Finance.

Mr Mwakapailila noted the types of audits conducted by the Supreme Audit Institution of Tanzania: regularity audits (financial and compliance audits); performance audits; forensic audits, environmental audits, and special audits. He stated that the selection of audit areas is based on risk assessment as required by the relevant ISSAIs. In the case of special audits, selection is based on the strategic plans of the Controller and Auditor General and stakeholders requests. In the case of performance audits, selection of audit areas depends on the social and economic impact of the audit; outcry from society; and the annual strategic plan.

The Deputy Auditor General of the National Audit Office of the United Republic of Tanzania referred to the key audiences of the reports of the Controller and Auditor General. These include: Parliament, management of the audited entity, oversight bodies, development partners,

the general public and the media. Upon tabling of the reports, press releases are prepared and a press meeting is held where the Controller and Auditor General briefs the media on the outcome of the audit. All media houses are invited for this press meeting. Mr Mwakapailila affirmed that a citizen report is prepared and made available to the common people. Reports are written in English and translated into the national language of Kiswahili for wider circulation.

The Deputy Auditor General of the National Audit Office of United Republic of Tanzania identified other techniques for the effective communication of audit findings to key audiences. These include: organising stakeholders forums to provide room for discussion and mobilising stakeholders' comments; involving the auditee through the participatory audit approach; issuing guidelines and audit templates to auditors; conducting training to Parliamentary Oversight Committees; preparing briefs and attending Parliamentary Committee meetings to clarify audit findings; and issuing audit themes for each audit year.

Mr Mwakapailila referred to a number of challenges to the effective reporting of audit findings to key audiences. These include: distortion of audit findings, expectation gap of stakeholders on the audit report, complexity of words used in the reports, understanding of new emerging audits such as performance, forensic and environmental audits; delayed implementation of the audit recommendations by the audited entities and ensuring effective cooperation with civil society organisations.

The Deputy Auditor General of the National Audit Office of the United Republic of Tanzania made reference to a number of innovative solutions to address the above challenges. These include:

- building capacity of auditors, auditees and stakeholders through organising forums and workshops;
- the formation of a communications unit at the National Audit Office of Tanzania which is responsible to ensure the Office complies with its communication policy;
- the use of various communication media to disseminate information emanating from audit reports;
- involvement of civil society organisations in the communication process; and
- to encourage Government to implement the audit recommendations.

Malaysia

The Auditor General of Malaysia, Mr Tan Sri Dato' Setia Ambrin Buang, outlined the types of reports issued by the National Audit Department of Malaysia: attestation, compliance and performance audits. The key audiences such reports include the King and Rulers, Cabinet, Parliament and State Legislatures, Public Accounts Committees, auditees, the media and the general public.

Mr Buang referred to the major issues raised in performance audit reports. These include: improper payment; works/supplies/services not in accordance to specifications, low quality and unsuitability; unreasonable delays; unreasonable pricing; wastage; weak procurement and contract management; poor revenue management; poor management and maintenance of Government assets; non-compliance with environmental laws; poor performance of local councils; and managing perception in the planning, implementation and monitoring of Government projects.

The Auditor General of Malaysia outlined the four initiatives included under the Government Transformation Programme (GTP) 2.0 as described in the following paragraphs.

1. He stated that he tables separate reports on performance and financial audits. These reports were previously tabled once a year. Commencing 2013, Performance Audit Reports are tabled at every Parliamentary sitting or at least three times a year.
2. An Action Committee chaired by the Auditor General is established once the report is tabled to focus on corruption-related concerns from the report. The committee comprises the Auditor General's Office and the respective related enforcement agencies.
3. An Auditor General Online Dashboard is to be developed to update the public on outstanding issues in the audit report, promote transparency, induce pressure to expedite resolution of issue and to improve public perception that actions are not taken on wrongdoers. A Follow-up Division is established to manage the Dashboard and related matters on follow-ups.
4. A Putraya Inquisition chaired by the Prime Minister will be carried out to put closure to unresolved issues raised in the audit reports.

Session 6: Effective Communication of Audit Findings to Key Audiences (cont.)

Presentations: Country Papers (cont.)

Namibia

Mr Junias Etuna Kandjeke, Auditor General of Namibia, stated that the Office of the Auditor General produces regularity audit reports (financial and compliance audit reports), performance audit reports and special reports.

Mr Kandjeke observed that the SAI of Namibia has two main key audiences: audited entities and Parliament, where reports are tabled at the Parliamentary Standing Committee on Public Accounts. Audit findings are communicated to audited entities before reports are finalised. He

asserted that other audiences such as the general public, NGOs and Civil Society Organisations have access to SAI Namibia reports that are published on the website of the SAI of Namibia.

The Auditor General of Namibia referred to the techniques employed by the SAI of Namibia to ensure effective, timely and topical reporting which is addressed by the relevant partners. These include:

- embarking on customer satisfaction surveys and customer education sessions;
- the appointment of Liaison Officers to ease communication with stakeholders;
- the establishment of an internal Communications Committee that streamlines the sharing of information with its clients;
- the release of press briefings;
- the compilation and approval of communication and risk management policies;
- the option to propose topical issues for audits, especially performance audits on the website of SAI Namibia;
- the undertaking of general surveys to monitor current issues affecting the public sector;
- the inclusion of performance audit topics proposed by the Public Accounts Committee; and
- the inclusion of “interest from relevant stakeholders” as a criterion for selecting audit issues.

The Auditor General of Namibia outlined the challenges related to the communication of reporting and the follow-up of audit findings. Some of these challenges include:

- Audited entities do not always provide input when they are given the opportunity to provide comments on the report;
- Deadline given by SAI Namibia not adhered to;
- Requests by audit entities for extension of deadline to submit replies to audit findings in the report;
- Recommendations not implemented;
- Review process, quality control and analysis of information takes long;
- Difficulties encountered in obtaining relevant, reliable and sufficient information from audited entities;
- Findings in report become irrelevant as they are taken over by events; and
- Due to PAC workload, reports become outdated.

Mr Kandjeke identified innovative solutions to address reporting challenges experienced by the SAI of Namibia by undertaking a Business Process Re-Engineering exercise for the entire SAI. The results of this exercise are outlined in the conference Power Point Presentation and country paper.

Bangladesh

Mr Masud Ahmed, Comptroller and Auditor General of Bangladesh, outlined the types of audits undertaken by SAI Bangladesh. The Office of the Comptroller and Auditor General is responsible for carrying out financial and compliance audits and performance audits. Audit reports relating to the public accounts of the Republic are submitted to the President, who causes them to be laid before Parliament.

The Comptroller and Auditor General of Bangladesh stated that audit observations involving serious financial irregularities are initially developed into Advance Paragraphs and subsequently Draft Paragraphs, after taking into consideration replies received from the audited organisation concerned and the Principal Accounting Officer (Secretary of the Ministry/Division). The Draft Paragraphs are incorporated in the audit reports after approval of the Comptroller and Auditor General.

Mr Ahmed referred to the techniques employed by SAI Bangladesh for effective audit reporting. He stated that audit reports prepared by SAI Bangladesh attract significant attention by the Public Accounts Committee and Parliament. He affirmed that an audit report to be effective, needs to be timely and topical. In Bangladesh, revenue earning sectors, commercial enterprises, foreign aided projects, railway, power sector and infrastructure are the main addressable issues of audit. Parliament, development partners, civil society and the media vibrantly set the tone for the focus of audits on different issues. The SAI Bangladesh keeps updated with new topics besides its yearly routine audit planning.

The Comptroller and Auditor General of Bangladesh outlined key audiences of its audit reports. These include: the Public Accounts Committee, audited organisations, Anti-Corruption Commission, Information Commission, the media, development partners, and multilateral organisations. He identified the challenges to the effective communications of audit findings to key audiences. He referred to the time gap occurring between the carrying out of audit fieldwork and final reporting; the slow pace of receiving responses from the auditee; and difficulties in carrying out follow-up activities from the offices involved.

Mr Ahmed delineated the measures taken to address the above challenges. SAI Bangladesh has been redefined as proactive by demonstrating professionalism, reliability, objectivity, accountability, credibility, transparency, integrity, viability and ethics. It incorporates within its audit strategy the expectations of the Public Accounts Committee and consideration of significant issues. Constant communication is held with the Public Accounts Committee, the Anti Corruption Commission, Information Commission (through the Right to Information Act) and the media.

Maldives

Mr Ibrahim Niyaz, Auditor General of Maldives spoke about the essential features of SAI Maldives independence and the related challenges. He then outlined the types of reports issued by the SAI Maldives. These include financial statements audit reports, compliance audit reports, special audit reports and performance audit reports.

The Auditor General of Maldives stated that the Constitution, the Audit Act and the Public Finance Act provide formal reporting lines for the communication of audit findings. Key audiences include: Parliament, the President, audited entities, Ministry of Finance, the Public Accounts Committee, the media and the public, Maldives Police Services, and the Anti Corruption Commission. Mr Niyaz also referred to the key stages involved for processing audit findings by the SAI of Maldives.

The Auditor General of Maldives referred to the critical importance of issuing timely audit reports on topical audit areas. To ensure these qualities, the Auditor General of Maldives has established a mechanism where individuals can file complaints and report incidences of fraud, corruption, misappropriation and wastage in the public sector. During the selection of audit areas, consideration is given to the political sensitivity of the issues, the level of public interest and the media coverage of the issues. Besides, the Auditor General of Maldives also receives requests for special audit assignments which are taken into account when selecting audit topics. Moreover, SAI Maldives sets aside resources to respond to requests made by the PAC and other stakeholders.

The Auditor General of Maldives referred to the challenges for Effective Communication of Reporting. These include:

- Delays in issuing of Audit Reports
- Delays in obtaining auditee feedback in response to audit findings
- Limited media coverage of audit findings
- Politicisation of Audit Reports
- Demand to remove or re-phrase audit findings
- Lack of implementation of audit recommendations

Mr Niyaz outlined innovative solutions to address reporting challenges. These include:

- bringing life to audit reports by including visual aids;
- establishment of a Media Unit to handle relations with the media;
- issuance of press release along with audit reports; and
- recommendations implementation tracking.

Summary of Key Issues by Rapporteur

Prof. Edward Warrington summed up the issues of the second day. He stated that Commonwealth countries live in Constitutional democracies. He affirmed that democracies are noisy places where an unlimited number of interest groups sound their voice. The Auditor General is one voice in the cacophony.

Prof. Warrington also asserted that the Auditor General's work epitomises Constitutionalism because audits deal with legality, due process, equity, fairness and accountability.

Within the noisy but rule bound Constitutional democracies, the mandate of the Supreme Audit Institution is to oversee public finance and administration and to propose recommendations to rectify shortcomings. In performing this task, the Auditor General's voice must be distinctive, so that it is recognisably the Auditor General's voice and resonant with the concerns of managers, public servants, political leaders, political organisations, civil society, taxpayers and the voting public. It must also be credible, demonstrating knowledge of the subject matter, and persuasive. stimulating remedial action and improvement. The Auditor General's voice must also be reassuring and reasonable, providing assurance to the voting public on the health of public administration, the possibility of improvement, and the value and virtues of democracy.

Prof. Warrington referred to the four elements of communication which were commented on in the country papers and presentations. These incorporate:

1. the content of the Auditor General's communications;
2. the medium of communication;
3. audience being addressed; and
4. image projected by SAI communications.

Regarding the first element, the basis of the content of the Auditor General's communication is a good audit. Moreover, the Auditor General must be clear in communicating his/her messages in audit reports.

The medium of communication, i.e. the language used, must be easy to understand and accessible. The Auditor General's communications must be interesting and engaging. The most common medium of communication is the written report. In addition, there are other media such as the public hearing before the Public Accounts Committee, the conduct of an exit conference, and informal meetings in the course of an audit. Sensitive choices are also to be made regarding the use of the electronic media.

Dr Warrington gave some examples of the audience being addressed. These include the Public Accounts Committee, legislators, the President or the Cabinet, public service managers, specific constituencies within the general public, disabled groups, business sector, the news media, donors and other oversight bodies.

With respect to the fourth element, the Auditor General's communications must seek to convey an image which first of all makes the Auditor General visible, credible, knowledgeable, integral or honest, impartial, and at the same time, sensitive, to the legitimate interests of those delivering public services and spending and collecting public monies.

Dr Warrington proposed that there could be useful exchanges of good practice and lessons between the way Ombudsmen (they are another Parliamentary oversight body) handle their communications and Supreme Audit Institutions.

The speaker affirmed that it is necessary to strike a balance between the effort that goes into investigations, and the effort which is put into reporting. It may be tempting for a professional auditor to think of an investigation as exciting, professionally challenging, worth undertaking, and perhaps to overlook the vital importance of reporting. Therefore, striking the balance between both stages of the audit is necessary.

Dr Warrington asserted that the process of audit is somewhat like an ongoing dialogue – not simply an investigation – with auditees, legislators, the purpose of which is to find the truth. The result of this is a formal report as well as less formal communications. He cited the example of the effectiveness of the citizen's report as presented by the Auditor General of Tanzania. The formal report and the informal communications are intended to stimulate remedial action and public discussion and to instill public confidence in the effectiveness of public administration and in the virtues of Constitutional democracy.

Discussion of Country Papers Facilitated by Chair (India)

There followed a discussion on the second sub-theme "Effective Communication of Audit Findings to Key Audiences."

The Auditor General of South Africa addressed a concern to the Deputy Auditor General of Cyprus about the level of assurance provided by the Cyprus SAI's opinion on the different stages of a particular project. The Deputy Auditor General of Cyprus asserted that Cyprus SAI auditors participate as observers during projects, but at the same time they avoid being part of the decision making process. This would result in adding value through the auditors' suggestions, although auditees are not obliged to follow the auditor's opinion. He admitted that this procedure makes it more difficult for Cyprus SAI auditors to act as independent auditors.

The Auditor General of Nigeria stated that in his country most audit reports focus on organisations rather than individuals. However, if individuals are called to come and answer for their past actions in front of the Public Accounts Committee, fraud and corruption will be curtailed. He requested feedback from other SAIs on whether their reports focus on organisations or individuals.

An officer from Samoa referred a question to the Deputy Auditor General of Cyprus on how the Cyprus SAI ensures that recommendations are followed up given that the Auditor General has no power to impose the implementation of recommendations from the Audit Office and that the same issues in the same entities come up every year.

The Deputy Auditor General of Cyprus stated that the Cyprus SAI auditors follow up on whether recommendations have been implemented in subsequent audits. In those cases where it is found that recommendations have not been implemented, the Cyprus SAI keeps proposing them. In such case, the auditees are in the difficult position of explaining to the Public Accounts Committee why they have not followed the SAI's recommendations.

Another question was directed to the Auditor General of Malaysia. He referred to the presentation given by the Auditor General of Malaysia wherein he stated that his SAI produces a substantial amount of reports per year and enquired as to how this level of activity is maintained. He also asked whether the Constitution imposes any reporting deadlines. The Auditor General of Malaysia affirmed that the Malaysian SAI has Offices in the various states who undertake auditing work based on a plan. Performance audits are presented three times a year. There is no provision in the Constitution setting a deadline when reports should be tabled in Parliament. Once a report is ready, and Parliament is in session, the Malaysian SAI may table the report.

Mr David Goldsworthy, International Technical Co-operation Manager, United Kingdom National Audit Office, stated that the minute an election is declared, the United Kingdom National Audit Office freezes any further release of reports to avoid their being misused during electoral campaigns. Once the Public Accounts Committee is re-formed after the elections, the SAI will table the reports at that stage.

Mr Goldsworthy then spoke of the importance of training journalists so that they can better understand SAI reports.

The Auditor General of Malaysia affirmed that once an audit report becomes public, the SAI would not be in a position to control how it would be used. Moreover, he opined that the fact that the Auditor General's report is being used for politicking is a recent phenomenon arising from the growing popularity of the social media.

The Auditor General of Malaysia stated that SAI Malaysia does not provide formal training for journalists. However, interviews by journalists are entertained. In such cases, the SAI takes the opportunity to explain in more depth the methodology of the SAI. The SAI of Bangladesh has also taken the opportunity to explain to journalists how an audit plan is formulated. The Comptroller and Auditor General of India pointed to the fact that there is pressure on the media to report negative news.

Mr Clyde MacLellan, Assistant Auditor General, Office of the Auditor General of Canada asserted that the Canadian SAI makes extensive use of the mainstream media rather than the

social media. The Canadian SAI issues press releases, holds press hearings upon release of SAI reports, and communicates regularly either by email or interviews with the press on a daily basis.

The Assistant Auditor General of Canada affirmed that users of reports spend very little time going over audit reports. This has been determined from studies with users such as Parliamentarians and the media. The situation is that a traditional type of report which is a written document published in a pdf format online is being rarely referred to. The Canadian SAI ensures that it presents its message in an attractive way to embrace modern technology.

Mr Rashid Simai Msaraka, senior auditor from Tanzania, Zanzibar, requested more clarification regarding the immunity of the Auditor General from being sued before a court of law in the proper exercise of his mandate. He also demanded more information regarding who would represent the Auditor General before a court of law in case it happens that he is sued. Mr Msaraka also wished to gain further knowledge about the methodologies used by SAIs when auditing legal documents such as contracts.

The Comptroller and Auditor General of India stated that there is no immunity to any auditor for doing anything wrong under the law. He affirmed that reports are to be backed by hard evidence. The Indian Courts have taken a judicial interpretation that Auditor General reports are not final documents. They are presented to the President who causes them to be placed before Parliament and the Parliament will forward them to the Public Accounts Committee. So audit reports are not a final indictment. They have to be examined by the Public Accounts Committee and Parliament. And the view will finally be taken by Parliament on the action to be taken on the report, whether to refer the matters raised in the report to the police or other investigating agency.

Mr Abdul Aziz, Deputy Auditor General from SAI Sierra Leone stated that in his country, SAI legislation provides for a timeline for auditees to respond to the Auditor General's report. If this provision is not abided by, there are punitive measures. Moreover, if auditees fail to respond within the 30 days deadline, the Auditor General is also empowered to request the Accountant General to stop the salary of the officer until s/he responds to the Auditor General's queries.

The Deputy Auditor General from SAI Sierra Leone then raised the point about freezing the reports during election year. He referred to instances where there are statutory deadlines for reporting and submitting reports to Parliament, and therefore report publication cannot be delayed.

Mr Abdul Aziz stated that in SAI Sierra Leone, management letters and audit reports are directed towards an addressee, which normally is the Head of the Organisation. Furthermore, responsibility is also pinpointed with regard to each recommendation.

The Deputy Auditor General from SAI Sierra Leone affirmed that when Parliament is deliberating on the SAI reports, the officers of the Ministry, Department or Agency concerned are summoned to come and answer to the Auditor General's report or queries.

Mr Dean Evanson, Director of Audit, Antigua and Barbuda, stated that a new law in his country has given immunity to the Director of Audit from being sued in the effective discharge of his mandate.

Mr Rinniah Situmbeko Director – Revenue, Office of the Auditor General of Zambia wanted to know at which stage within the audit process was the Auditor General demanded to remove or replace the audit finding. She asked whether removing or replacing audit finding was done after the report has been published or whether it was during the normal process of auditing?

The Auditor General of Maldives affirmed that before audit reports are published, the audit findings are discussed with management of the audited entity so that the latter are informed of the content of the SAI reports before they are published. Therefore, in most cases, the demand to remove or rephrase audit findings occurs during the audit process itself, just before reports are finalised. These demands are not entertained by the SAI Maldives.

The Comptroller and Auditor General of India addressed a question to the SAI of Maldives. He requested at what stage audit reports are sent to police as well as anti-corruption investigative agencies, whether before or after the reports have been presented in Parliament. SAI Maldives asserted that the SAI communicates the findings to the police and anti-corruption agencies before reports are presented to Parliament, i.e. as soon as cases of fraud and corruption are discovered. The Public Accounts Committee expects the SAI to inform the police and anti-corruption agencies of illegalities identified during the audit process. In fact, a Memorandum of Understanding has been signed between the SAI Maldives and the Anti-Corruption Commission to share audit evidence with them and to assist them in their investigations.

A conference participant observed that if SAIs effectively communicate their findings which in turn are based on facts and evidence, this would safeguard Audit Offices from litigation. He also recommended that if SAIs are more focused on reporting on the organisation rather than the individual, the chances of litigation would be reduced. He also expressed a concern about auditing political organisations.

Mr Robby Bahakae Sebopeng, Auditor General of Botswana addressed a question to the SAI of Malaysia requesting more information regarding the factors that are taken into account when rating a particular organisation in accordance with the accountability index. He also enquired as to whether a report is still presented in Parliament in case the King does not give his consent.

The Auditor General of Botswana asked the Auditor General of Australia what happens in case best practice guides are not implemented by auditees. He also referred to the possibility of audit errors not being discovered during an audit.

Mr Sebopeng also addressed a question to the Deputy Auditor General of Cyprus on whether private auditors audit political parties.

The Auditor General of Malaysia affirmed that if the King does not give his consent, then the report of the Malaysian SAI could not be presented to Parliament. But in practice, the King has never withheld his consent.

He also explained that when rating an Organisation in accordance with the star rating system, various aspects of financial management, such as budgets, revenues, investment and assets are evaluated. Moreover, an analysis is made of how far auditees have complied with the applicable rules and regulations. The Government has adopted the Accountability Index as a Key Performance Indicator to put pressure on Government Ministries and Departments to improve their financial management.

Mr Ian McPhee, Auditor General of Australia opined that an audit is a critical analysis and that best practice guides are an important tool in encouraging audited entities to improve their administration. They also serve as a normative model, assisting the Australian SAI productivity and guiding their audit approach.

The Auditor General of Australia also acknowledged the fact that all SAIs, when undertaking financial and compliance audits, face the risk of issuing the wrong opinion on financial statements, providing an unqualified opinion when a set of financial statements are misstated. In the case of performance audit, there is the risk that SAIs report that the performance of an entity is improving when there is the risk that a material factor has been overlooked resulting in a wrong conclusion. He reiterated the importance of undertaking a good audit. He also opined that Australian SAI reports should preferably be shorter.

The Auditor General of Namibia, Mr Junias Etuna Kandjeke, stated that in Namibia, an audit is the review of the work of the Institution. However, when audit is being reviewed by the Public Accounts Committee, the individuals responsible are summoned to answer questions before the Public Accounts Committee, even if they are new in their post.

Mr Kandjeke then affirmed that in the case of investigations, the focus of the assignment would be on the individuals concerned.

Conclusion of Sub-theme 2 by Chair (India)

In conclusion, the Comptroller and Auditor General of India stated that in order to make audit reports relevant and purposeful, it is essential for SAIs to communicate the audit findings to all the stakeholders. Moreover, he affirmed that an effective communication strategy creates the pressure on stakeholders to act upon the findings of the audit report. He also observed that the contents of audit findings are to be credible and conveyed in a convincing manner.

Thursday 27 March 2014

Session 7: State Audit and Good Governance

Keynote Address by Dr Louis Galea, European Court of Auditors Member on “Relations between the European Court of Auditors and EU Member States in Public Sector Audit Reporting: Lessons from Experience”

Dr Louis Galea initially focused on three main points:

- some basic principles underlying the notion of good governance;
- SAI role and contribution to good governance; and
- to share some information on the work of the European Court of Auditors, which serves to improve the governance of the European Union.

Dr Galea affirmed that good governance incorporates a number of criteria including: participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, respecting the rule of law, minimising opportunities for corruption, and the EU principles of proportionality and subsidiarity.

Dr Galea emphasised the importance of ISSAI 12 as a good illustration of how SAIs best serve good governance and make a difference to the lives of citizens. He affirmed that the standard has 12 principles grouped under three building blocks for SAIs to make a difference, by mainly:

- strengthening the accountability, transparency and integrity of government through independent, professional audit work and reporting;
- demonstrating ongoing relevance to stakeholders responding to change and emerging risks, effective communication, and independent advice; and
- being a model organisation through leading by example.

Dr Galea then referred to the role of the European Court of Auditors in ensuring good governance. Its core functions include:

- providing assurance on the reliability of the accounts of the European Union;
- assessing the legality and regularity of the underlying income and expenditure of the Union’s budget;
- providing assurance on sound financial management of EU funds in terms of economy, efficiency and effectiveness; and
- providing recommendations and advice on questions raised by the Court or by any other EU institution.

He also affirmed that the European Court of Auditors publishes its Annual Report and over 20 Special Reports annually related to sound financial management audits. Moreover, he added that the European Court of Auditors and Member State SAIs discuss and collaborate within the Contact Committee of EU SAIs.

Dr Galea also spoke about the relations between the ECA and the Member States. The European Court of Auditors has a relation with Member States at two different levels. Since the Lisbon Treaty, the Court has the responsibility to present its Annual Report to the European Parliament but also to Parliaments in Member States.

Dr Galea referred to the recent global financial crisis which shook the economies of EU Member States, reducing the level of trust and confidence of citizens in the Union. He outlined the EU response to the financial crisis such as the creation of the Banking Union, financial support mechanisms, the Economic and Monetary Union, and the Euro 2020 growth strategy. He affirmed that the European Court of Auditors has published a series of papers and opinions, and is currently preparing two “landscape reviews” to take stock of risks and accountability and audit gaps/overlaps that may have emerged from the numerous developments that happened in the last few years in response to the financial crisis.

Address by Mr Martin Aldcroft, Deputy Director General, INTOSAI Development Initiative and Head of the INTOSAI-Donor Secretariat (Acting) on “Challenges for SAI: Remaining Relevant in a Fast-changing Public Sector and Contributing to Good Governance”

Mr Martin Aldcroft, as the previous speaker, referred to the importance of ISSAI 12: “The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens.” He emphasised the SAI’s role in tackling corruption through strengthening the control environment, being responsive to the risks faced, and forming partnerships with other investigative agencies.

He then outlined a number of shared global challenges to manage and improve SAI performance, and to measure and report on such performance. These incorporate the extent of ISSAI implementation, professional accreditation for auditors, strengthening accountability for performance and ensuring credibility.

He affirmed that it is crucial for SAIs to measure performance. He outlined a number of SAI measurement systems including: SAI strategic plan, Institutional Capacity Building Framework; periodic IDI Global Surveys, SAI Performance Measurement Framework, Open Budget Index and Public Expenditure and Financial Accountability.

Address by Mr Martin Aldcroft – “Current and Future Work of the INTOSAI-Donor Cooperation – Working Together to Strengthen Supreme Audit Institutions in Developing Countries”

Mr Martin Aldcroft outlined the seven main themes of the INTOSAI-Donor Cooperation that comprise of:

1. Steering Committee and Leadership
2. Global Call for Proposals
3. SAI Performance Measurement Framework
4. Knowledge Centre on Support to SAIs
5. Strengthening the Supply Side (Evidence Based Knowledge)
6. SAI Research Agenda
7. Monitoring, Evaluation and Lesson Learning

He also identified at length past and continuing challenges for SAIs and how these may be addressed by fulfilling the objectives of INTOSAI-Donor Cooperation. He also referred to the Memorandum of Understanding that regulates strategic cooperation between donors and the SAI community to strengthen SAI capacity in developing countries. He explained in detail the INTOSAI-Donor Cooperation Governance Structure, and the INTOSAI-Donor Secretariat 2014 Work Programme.

Address by Mr Kimi Makwetu, Auditor General of South Africa and INTOSAI Chair, Capacity Building Committee – “Current and Future Work of the Committee”

Mr Kimi Makwetu presented the current and future work of the INTOSAI Capacity Building Committee including the development of best practice guidance, the development of advisory and consulting services, promoting best practices and quality assurance through voluntary peer reviews, and reinforcing regional/country level capacity building.

Mr Makwetu affirmed that strong, appropriate capacity will strengthen SAI independence and that building capacity and demonstrating SAI value-added will make it easier to secure support for greater independence. He noted that Commonwealth Auditors General form a unique group within INTOSAI with great potential to support each other in building capacity.

Presentation by Mr Philip Aylett, Security Unit – UK House of Commons on “Commonwealth Portal”

The objective of this presentation was to demonstrate how PACs can cooperate further through accessing and utilising this portal. Mr Aylett stated that the idea is to enable exchange of information and opinion between Commonwealth Public Accounts Committees. He invited all Conference Participants to join the Commonwealth Portal.

Session 8: Post-2015 Development Governance Goals

Presentation by Ms Elfriede Hammelmüller, International Relations Expert/Auditor – INTOSAI General Secretariat on “Update on Developments Relating to the Implementation of UN Resolution on SAI Independence and Cooperation of INTOSAI and UN in the Framework of UN Post-2015 Development Agenda”

Ms Elfriede Hammelmüller spoke about recent developments and activities within the INTOSAI General Secretariat. She stated that the principles of Lima and Mexico Declarations of independence as well as UN Resolution A/66/209 on SAI Independence are crucial for effective SAIs.

Ms Hammelmüller then delved into the Post 2015 Development Agenda and spoke about its development. This Agenda provided a unique opportunity to increase and strengthen national and global accountability and transparency in development cooperation. The goal is to incorporate the preconditions for the proper functioning of SAIs including the Lima and Mexico Declarations on SAI independence and the UN Resolution on SAI independence – in UN Post-2015 Development Agenda and build capacity of SAIs in order to ensure accountability on national level.

The speaker referred to the two themes of the XXI International Congress of Supreme Audit Institutions in Beijing China namely “National Audit and National Governance and the Role of SAIs in Safeguarding Long-Term Sustainability of Finance Policies.” During this Congress, the INTOSAI Community called in particular for the implementation of the UN Resolution A/66/209 and expressed support that INTOSAI should take a role in UN Post-2015 Development Agenda.

Ms Hammelmüller stated that INTOSAI General Secretariat submitted a contribution on: “Financing Strategy to Facilitate the Mobilisation of Resources and their Effective Use in

Achieving Sustainable Development Objectives” during the UN Intergovernmental Committee of Experts on Sustainable Development Financing held in February 2014.

The speaker also referred to the IPU General Assembly held in March 2014. During this meeting, INTOSAI General Secretariat discussed possibilities of cooperation between INTOSAI and IPU to establish a common position in the framework of the UN post-2015 process to increase transparency and accountability.

INTOSAI General Secretariat also participated in the UN 2014 High-Level Symposium in Berlin, Germany in March 2014 and in the UN Committee of Experts on Public Administration held in April 2014. It will also attend the High-Level-Political Forum of the Economic and Social Council of the UN in July 2014 with the aim of including the independence of SAIs in the Post-2015 Development Framework.

Workshop: “Beyond CHOGM: Future Directions for the Commonwealth Auditors General Conference” (Facilitated by Mr David Goldsworthy, UK NAO)

Mr David Goldsworthy made reference to work undertaken by SAIs in promoting the CHOGM Communiqué forward and stressed the importance of SAIs forging strategic partnerships with others at the global, regional and national levels to promote greater transparency and accountability and thus help in the fight against global poverty.

Mr Goldsworthy introduced the workshop questions which are reproduced hereunder:

What should the Commonwealth Auditors General seek to achieve over the next three years? In particular:

1. What can we as a body do to help take the CHOGM Communiqué forward? In particular promoting SAI independence
2. Who are our key partners in this process? What do we want them to do for us and what can we do for them?
3. Between now and the next Commonwealth AGs Conference in India what should be done to strengthen Commonwealth SAIs and PACs and who should do this?
4. What can we do to make sure that improving governance is part of the Post-2015 International Development Goals?
5. Any other related matter of importance raised by group participants.

Workshop participants raised the following points:

Table 1:

- It was proposed to deliver high level messages to stakeholders to encourage pragmatic advancement of independence particularly through establishing autonomy in financial and administrative practices. (Question 1)
- A governance model on how to achieve independence is to be developed to achieve the above objective. This may include an Advisory Board or a Commission. (Question 1)
- Best practices in promoting independence are to be developed – for instance the enactment of model legislation, enhancing the nature of administrative agreements so as to promote independence, encouraging support from donors for more permanent change, and SAIs demonstrating accountability for privilege of independence. (Question 3)
- Discuss with INTOSAI about additional support/influence ensuring integration with other bodies. (Question 3)

Table 2:

- INTOSAI is already lobbying donors to press for independence. It was proposed to supplement this lobbying with local lobbying. (Question 1)
- In between this Conference and the next one in India, PACs are to be invited to attend regional INTOSAI meetings. (Question 3)
- PACs are to be invited to the next Commonwealth Auditors General Conference. (Question 3)
- The Commonwealth needs to have a snapshot of what is going on in the various countries with regards to independence of SAIs via a questionnaire. (Question 3)

Table 3:

- A survey needs to be undertaken on implementation of UN resolution on the independence of SAIs. (Question 3)
- A survey is to be carried out on the status of SAIs in terms of independence; for instance, financial and administrative independence. (Question 3)
- A survey is to be undertaken of SAI specific needs in relation to independence. (Question 3)
- SAIs are to receive training in their particular needs. (Question 3)

Table 4:

- Promoting SAI cooperation through peer reviews and sharing of best practices of member SAIs (Question 3)
- Encourage the Commonwealth Secretariat to promote further the CHOGM Communiqué. (Question 1)

- Provide structured training programmes such as induction courses for new PAC members and the media on the role of SAIs. (Question 3)
- Undertake more joint work with PACs. (Question 3)
- Intensifying capacity building programmes of SAIs and PACs (Question 3)
- PAC, media, Civil Society Organisations, Donors, Ministry of Finance are our key partners (Question 2)
- Fostering good relationships with the media for effective communication of Audit Reports (Question 2)
- Communiqué to Heads of Government to ensure the implementation of CHOGM Communiqué especially the part on SAI independence. (Question 1)

Table 5:

- The debate on independence is to be further promoted with a particular focus on financial independence. (Question 3)
- Commonwealth AGs are to undertake a survey of independence of members measured against the Mexico principles and a corresponding ranking be determined. This would provide a picture of independence of SAIs across the Commonwealth. This exercise would provide a basis for each SAI to engage with its Parliament, Public Accounts Committee, Minister of Finance, and Government with the aim of rectifying gaps and shortcomings in independence. (Question 3)
- Forge stronger partnerships with key stakeholders such as Parliament, the Public Accounts Committee, Government, Donor Agencies, Media and Civil Society. (Question 2)
- Invite the next host of the Commonwealth Auditors General Conference, India to coordinate the survey on independence. However, each SAI is to contribute and own its own survey. (Question 3)

Table 6:

- SAIs are to engage with development partners and the UN to make SAI independence part of country dialogue. (Question 3)
- At a global level, the Commonwealth General Secretariat and IDI are to engage with the UN and development partners respectively to promote SAI independence. (Question 3)
- SAIs are to seek discussions on financial independence of SAIs at future meetings of the Commonwealth Finance Ministers and encourage the sharing of good practices. (Question 3)
- SAIs are to apply the available tools to assess SAI independence as a concrete basis for country, regional and global dialogue and as an evidence base to determine the level of independence. (Question 3)

- Key partners include PACs, Citizens, Media/Financial Journalists, development partners, global accountability institutions. (Question 2)
- SAIs are to promote a better understanding of their role and functions. Work produced by SAIs is to be used to advocate for more independent and better resourced SAIs. Thus, they would be in a position to strengthen and scale up capacity building. (Question 3)
- SAIs are to offer more proactive support to PACs. (Question 3)
- Reference was made to the audit of the extractive industries and public private partnerships – it was proposed that limitations to the mandate of Commonwealth SAIs in these areas are to be reviewed. It was also recommended that INTOSAI Working Groups establish capacity building and knowledge sharing to strengthen audit approaches in these areas. (Question 3)

Mr Goldsworthy stated that a XXII Commonwealth Auditors General Conference Conclusions (Annex A) and Action plan (Annex B) would be drawn up highlighting the way forward for the Commonwealth Auditors General Conference. These documents would be circulated to conference participants after the meeting.

Session 9: Conference Statement and Way Forward

Presentation and Discussion of Statement on Conference Theme (Facilitated by Prof. Edward Warrington, University of Malta)

Prof. Edward Warrington presented his concluding reflections on the Conference. He delineated a number of lessons and challenges about contemporary governance in particular in relation to Supreme Audit Institutions. One of these challenges in a contemporary democracy is for SAIs to sound their voice, without losing any of the dignity for which they are well known. Another lesson is that even in the modern democratic state, power is heavily concentrated and dominated by economic concerns and business interests. The challenge here is for the Supreme Audit Institution to stake out a meaningful role, and not be relegated to irrelevance. Prof. Warrington referred to SAIs as models of restraint, order, due process, equity, transparency and accountability.

Prof. Warrington noted that independence is not achieved once and for all time. It is a work-in-progress; it is constantly reinterpreted and reconfigured. Independence is conferred by legislators but it must be claimed, exercised, and maintained by the SAI within the boundaries permitted by the legal framework.

Prof. Warrington observed that throughout the Commonwealth, there is at least the core legal and Constitutional protection for the independence of the Supreme Audit Institution. In many countries, it seems that recent legislative advances have been made towards extending these core

protections to staff, finance, and to the rights of information of SAIs. But there is still much progress to be made in this regard.

Prof. Warrington noted that it is clear that the role of an SAI as a guardian of the public purse is beginning to take new directions on account of the fiscal crisis, chronic public indebtedness, pervasive corruption, complex projects which Governments now undertake, and diffuse governance arrangements. Commonwealth SAIs are increasingly being drawn into the early stages of project planning. Moreover, they are being drawn into the guardianship of fiscal prudence.

Prof. Warrington observed that Commonwealth SAIs are living through a time of change and challenge. Within these, there are many signs of hope that demonstrate that the independence of SAIs and their technical abilities are growing and being consolidated.

He affirmed that one sign of hope is the public confidence expressed in the integrity of the Supreme Audit Institution. Moreover, SAIs have a growing visibility because of their performance audits. A third sign of hope is the adaptability of SAIs to new audit roles and new technology; their increasing ability to identify and manage risk in the field of public finance and public administration; their increasing confidence in disseminating good practice; their confidence in asserting jurisdiction where the law is not altogether clear; and their increasing confidence in sounding their voice even in public controversy.

Prof. Warrington asserted that a fourth sign of hope is the existence of overlapping networks of Supreme Audit Institutions that build confidence and allow the easy exchange of good practice. Another sign of hope is the ever higher standards of personal conduct.

Prof. Warrington affirmed that independence does not mean isolation, as isolation in fact corrodes an SAI's independence. He referred to the concept of interdependence within the apparatus of the modern State and international interdependence. Interdependence reinforces a necessary and a healthy autonomy.

Prof. Warrington referred to the multiplicity of the SAI roles that implies multiple audiences to be addressed. The consequence is that the range and the variety of communication channels, and the messages to be conveyed, have expanded. However, at the heart of all the communications undertaken by the SAI is the traditional, still vital, reporting relationship between the SAI, PAC, and Heads of State and Government. Without the partnership with PAC, without the support of the Head of State and Head of Government, SAIs would churn out reports that are then shelved.

Prof. Warrington observed that there were various aspects of communication that were not explored in depth during the Conference. He noted that there is the need for evermore intense interaction and communication with auditees to arrive at the truth and for improvements in follow-up action. He also emphasised the importance of communication with anti-corruption agencies, external donors, peers and international networks of SAIs.

Prof. Warrington spoke about the risks involved when communicating to a highly politicised public (i.e. politicians, news media and voters). Although the auditor's voice may be discreet, it is a necessary voice. SAIs need to engage with the public without losing the fundamental qualities of integrity and discretion that an SAI requires.

Prof. Warrington concluded that under the impact of technological advance, globalisation, crises and chronic scandal, the fabric of governance of the modern State may have been shaken. However, SAIs can be perceived to be among the architects building the new State, but on the solid foundations of the old.

2017 XXIII Commonwealth Auditors General Conference (Mr Shashi Kant Sharma, Comptroller and Auditor General of India)

Mr Shashi Kant Sharma then invited conference participants to attend the 2017 XXIII Commonwealth Auditors General Conference to be held in India. He gave a short presentation on India, demonstrating the beautiful architectural and rural landscape of this country.

Update on Commonwealth Auditors General Conference Funds Committee

The Chairman of the Commonwealth Auditors General Conference Funds Committee gave an update of the position of the fund and the membership of the Committee. The fund balance was GBP 39,468 as at 27 March 2014 after providing for the expenses of the conference held in Malta. He stated that the National Audit Office of Malta would be required to prepare accounts on the resources used for the Conference. He also referred to the new members of the Committee.

Closing of Conference – Mr Anthony C. Mifsud, Auditor General

The Auditor General of Malta, Mr Anthony C. Mifsud delivered his concluding address. He reiterated the critical importance of safeguarding and nurturing SAI independence, which in turn contributes towards improving public governance across the Commonwealth. He also referred to the essential SAI role of effective communication of audit findings and conclusions to the multitude of stakeholders.

Mr Mifsud stated that all SAIs have some distance to cover towards realising, in full, the eight principles of independence represented in the Mexico Declaration. He augured that this conference would have enabled much sharing of experiences of good practice in this regard. The Auditor General of Malta affirmed that his Office would enhance its inter-relationship with stakeholders, particularly the Public Accounts Committee and the media.

The Auditor General of Malta delivered a special note of thanks to all those who have collaborated in the organisation of the Conference.

Malta, 27 March 2014

SAI Rapporteur: National Audit Office (Malta)

Annex A - Conference Conclusions

1.0 Conference Theme

- 1.1 The National Audit Office (NAO) of Malta hosted the 22nd Conference of Commonwealth Auditors General between 24 and 27 March, 2014. The Conference, entitled “Securing Independence of SAIs to improve the Effectiveness of Reporting and Communication of Audit Findings”, was attended by 87 delegates from 35 Commonwealth countries. The Conference theme was sub-divided into two sub themes, namely “Ensuring Independence of SAIs for Effective Reporting”, and “Effective Communication of Audit Findings to Key Audiences”.

2.0 CHOGM Communique’

- 2.1 Delegates at the Malta conference recalled the communique issued by the Commonwealth Heads of Government (CHOGM) at the end of their meeting in Sri Lanka in November 2013 reaffirmed the importance of strong and independent SAIs and Public Accounts Committees:

Supreme Audit Institutions

45. Heads recognised the contribution that strong, properly resourced and independent supreme audit institutions play in improving transparency, accountability and value for money to ensure that public funds are appropriately spent.

Public Accounts Committees

46. Heads of Government further reaffirmed that strong and independent Parliamentary oversight plays an important role in preserving the trust of citizens in the integrity of government, through Public Accounts Committees that are effective, independent and transparent.

- 2.2 This declaration, which constitutes a landmark in the Commonwealth’s promotion of good governance, was secured by the collective efforts of the Commonwealth Auditors General.

3.0 Conclusions on Conference Theme

- 3.1 The following Conclusions emerged from the discussions on the two Sub-Themes

3.2 *Conclusions on Sub-theme 1: Ensuring Independence of SAIs for Effective SAI Reporting*

3.2.1 SAI Independence is not a means to an end. It is not achieved once for all time but is a continuous work in progress. It is conferred by the legislature and put into effect, nurtured, and maintained by the SAI. SAI independence does not mean isolation as this actually corrodes independence. Instead, independence provides a platform from which SAIs can engage actively with the apparatus of state in fulfilment of their multiple roles.

3.2.2 Most Commonwealth countries appear to comply with the core principles of SAI independence, which have been formalised in legislation, and are perhaps partly or wholly incorporated into the Constitutional fabric. However, in practice, the Auditors General of several Commonwealth states encounter practical limitations to their independence. It seems that, within the Commonwealth at least, while constitutional and legal safeguards focus on the Office of the Auditor General, and in some cases on the Deputy Auditor General, as well as the protection of the Office holder from undue influence, the degree of protection for the organisation itself - that is, the SAI, and its staff – is notably less. Independence is limited –

- when SAIs cannot recruit and manage their own staff, or
- when budgets are determined by Ministries of Finance, and
- when SAIs cannot put the results of their work into the public domain within a reasonable period of time.

3.2.3 The conference noted the appearance of significant new issues which impinge on SAIs' independence and their capacity to provide assurance to legislatures and citizens. One example is the extent to which SAIs have the right to directly audit private contractors which are engaged in public private partnerships or providing services to the public.

3.2.4 As governments have responded to the financial crisis of recent years and the levels of public indebtedness, parliaments and others have turned to the SAIs for advice and reassurance – seeing the SAIs, in a number of countries, as guardians of fiscal prudence.

3.3 *Conclusions on Sub-theme 2: Effective Communication of Audit Findings to Key Audiences*

3.3.1 In using their independence, the conference found that SAIs need to carefully consider the following four elements of communication:

- Content - reports must be of good quality and readily understandable;
- Medium – consideration needs to be given to how, and through what media and other means, messages are communicated;

- Audiences –the SAI must be clear about which audience or constituency it is seeking to influence: the Public Accounts Committee, legislators, the Head of Government or the Cabinet, public service managers, and specific constituencies within the general public; and
- Image – In a world saturated with vivid images, Commonwealth SAIs must reflect carefully on the image which their reports project of the institution, its role and the content of their report. In communicating reports, SAIs must project an image which makes the Office visible, credible, knowledgeable, integral or honest, impartial, and at the same time, sensitive to the legitimate interests of those delivering public services, those spending or collecting public monies.

3.3.3 The conference noted that traditional core reporting co-exists with new reporting relationships. Traditional reporting relationships remain vital as they extend to Parliament, the Executive and the media.

3.3.4 Newer reporting relationships involve more intense interaction and communication with auditees, some of which may be new to NAO’s jurisdiction. Reporting or cooperative relationships may extend to other oversight bodies, such as regulatory authorities, Central Banks and anti-corruption agencies. These oversight bodies, which are increasingly independent, need both to understand the work of the SAI as well as recognising how their areas of interest overlap and interact.

3.3.5 The conference also addressed forms of communication, both formal and informal. Formal communication relates to the statutory reporting of findings, conclusions and possibly recommendations, whereas informal communication is more appropriate to engaging in discreet dialogue with governments and other oversight bodies on the transparency, integrity and performance of the State’s governance systems.

3.3.6 Communication with external peers and donors provides opportunities for self-reflection, peer reviews, capacity building, dissemination of good practices, and breaking out of isolation.

3.3.7 The conference singled out the challenges posed by the need to communicate with a highly politicized public and media. A SAI’s presence in this arena is somewhat uneasy and fraught with risk. However, engaging with these stakeholders is essential if the SAI is to continue to be seen as relevant, in-touch, and useful. At the same time, however, SAIs must act with discretion and be alert to the risks entailed.

4.0 Future Directions for Commonwealth Auditors General Conferences

4.1 The delegates explored what actions could be taken forward by Commonwealth SAIs to honour the commitments made in the CHOGM Communiqué and to increase efforts to

progressively strengthen the independence of Commonwealth SAIs. Delegates highlighted the need to:

- give priority to understanding more fully the extent of independence among Commonwealth SAIs;
- focus capacity-building efforts on two or three key aspects of independence, for example financial independence and/or the capacity to recruit and manage staff; and
- work with the Commonwealth Secretariat to ensure other key Commonwealth organisations are supportive.

5.0 XXIII Commonwealth Conference

- 5.1 It was agreed that the forthcoming Commonwealth Auditors General Conference in 2017 is to be hosted by the Supreme Audit Institution of India

Annex B - XXII Commonwealth Auditors General Conference: Action Plan

Introduction:

The Commonwealth Auditors General achieved considerable success in November 2013 with the re-affirmation by the Commonwealth Heads of Government meeting in Sri Lanka in November 2013 of the importance of strong and independent SAIs and Public Accounts Committees. The final communique issued by CHOGM contained the following points:

Audit Institutions

45. Heads recognised the contribution that strong, properly resourced and independent supreme audit institutions play in improving transparency, accountability and value for money to ensure that public funds are appropriately spent.

Public Accounts Committees

46. Heads of Government further reaffirmed that strong and independent Parliamentary oversight plays an important role in preserving the trust of citizens in the integrity of government, through Public Accounts Committees that are effective, independent and transparent.

At their XXII Conference in Malta in March 2014, the Commonwealth Auditors General agreed to maintain a campaign to encourage member country governments to honour the commitments made in the CHOGM Communique and to progressively strengthen their supreme audit institutions and provide them with the independence needed to carry out their roles effectively, efficiently and to the benefit of all citizens.

The Conference agreed to:

- Develop a database on the extent to which SAIs are independent, focusing particularly on the extent to which SAIs have their own budget approved by parliament, the powers to recruit and manage their own staff, legal immunity when releasing reports, and the power to place their reports in the public domain in a timely manner. In developing this database, the Conference will be mindful of other works underway within INTOSAI and elsewhere and will avoid unnecessary duplication;
- Work with the Commonwealth Secretariat to ensure that a report is produced for the CHOGM in Malta in 2015 on progress since the 2014 communique;
- Identify other leading Commonwealth Committees – for example the Meeting of Commonwealth Finance Ministers and seek to engage their support for greater independence for SAIs;
- Produce guidance notes on how to achieve independence – drawing on the experiences of SAIs who have gained independence recently and providing ammunition to counter common arguments against independence – including suggestions for SAI oversight arrangements;

- Assistance with training on Public Private Partnership and Extractive Industries audits – possibly via the development of e-learning material in areas. Any work in this area will be done in collaboration with IDI and related INTOSAI groups;
- Develop a strategy for engaging with financial journalist and increasing their understanding of the role of SAIs – perhaps involving development of training materials;
- Improve engagement with PACs – possibly by running a Commonwealth PAC Conference in parallel with the next Commonwealth AG Conference;
- Encourage members to engage more effectively with development partners at the local and regional levels.

As host of the 2017 XXIII Conference, India will take the lead in progressing these actions but will call on other members as needed.

Annex C - 2014 Commonwealth Auditors' General Conference List of Participants

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