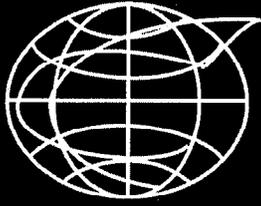


INTOSAI



# International Journal of Government Auditing

July 1999



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# International Journal of Government Auditing

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The *International Journal of Government Auditing* is published quarterly (January, April, July, October) in Arabic, English, French, German, and Spanish editions on behalf of INTOSAI (International Organization of Supreme Audit Institutions). The *Journal*, which is the official organ of INTOSAI, is dedicated to the advancement of government auditing procedures and techniques. Opinions and beliefs expressed are those of editors or individual contributors and do not necessarily reflect the views or policies of the Organization.

The editors invite submissions of articles, special reports, and news items, which should be sent to the editorial offices at U.S. General Accounting Office, Room 7806, 441 G Street, NW, Washington, D.C. 20548, U.S.A. (Phone: 202-512-4707. Facsimile: 202-512-4021. E-Mail: <chases@gao.gov>).

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

The *Journal* is distributed to the heads of all Supreme Audit Institutions throughout the world who participate in the work of INTOSAI. Others may subscribe for US\$5 per year. Checks and correspondence for all editions should be mailed to the *Journal's* administration office, P.O. Box 50009, Washington, D.C. 20004, U.S.A.

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# Models for the Next Century

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In April 1993, Mr. Charles A. Bowsher, then the Comptroller General of the United States and Chair of INTOSAI's Governing Board, wrote an editorial about the importance of cooperation, communication, and continuity in INTOSAI. At that point, the number of committees had expanded. Since then these three key elements of cooperation, communication, and continuity have been embraced and expanded as the committees carry forward INTOSAI's work between Congresses.

**Expanding cooperation and collaboration:** INTOSAI's committees are establishing partnerships with organizations, institutions, and groups—we are no longer talking only about cooperation within INTOSAI, we are building broader cooperation in the international financial management community. In 1997, the Internal Control Standards Committee successfully partnered with the Institute of Internal Auditors, the International Consortium on Governmental Financial Management and the U.S. Agency for International Development to deliver an Internal Control Conference in Budapest, Hungary attended by thirty-nine countries. Another jointly sponsored conference is planned for May 2000.

Similarly, the Committee on Accounting Standards (CAS) established a collaborative relationship with the International Federation of Accountants (IFAC) to ensure that their efforts evolve in a complementary fashion, and now IFAC and the CAS exchange comments on each other's exposure drafts.

Another collaborative effort is being launched between the EDP Audit Committee and the UNDP's Program for Accountability and Transparency (PACT). Recognizing the value of the information on SAI audit mandate and legislation gathered by the EDP group and distributed on CD-ROM at the XVI INCOSAI, the PACT approached the EDP chair with a proposal to launch a cooperative project to jointly publish this information and, in the new document, add an analysis of the information it contains.

Clearly, the broader global community is taking note of INTOSAI's ongoing work and seeking ways to partner with its committees.

**Growing community acceptance:** At the same time, the global community is taking note of the value of the products already completed. Among others, the North Atlantic Treaty Organization (NATO), the European Union (EU), and the United Nations have adapted and/or adopted and applied the INTOSAI Auditing Standards. INTOSAI's Code of Ethics was featured in an article in the winter edition of the *Government Accountants' Journal*, the publication of the Association of Government Accountants which reaches 18,000 federal, state and local professionals in the United States.

Recently the UN Secretary General recommended that INTOSAI's *Guidelines for Internal Control Standards* be adopted by the UN and incorporated into its Financial Regulations.

**Creating new working models:** As the committees build new external working relationships, they are also exploring creative ways to work within the INTOSAI network. Moving boldly in a new direction, the Environmental Auditing committee and INTOSAI's regional working groups are establishing innovative approaches to apply the committee's products and methodology regionally. At the recent EUROSAI Congress, a regional environmental working group was established to carry this concept forward, and in June a special group of regional representatives met in the Netherlands to discuss this further.

At the same time, as IDI moves forward with implementing the Long-term Regional Training Program, the regional training committees are looking at ways to incorporate the work of INTOSAI's committees into the courses that the new training experts are designing, developing, and delivering. And in applying other creative approaches, the Privatization and Program Evaluation Committees are publishing best practice guides and case studies to help SAIs introduce committees products in their governments.

**Exploring crosscutting issues:** As the work of the committees evolves, crosscutting issues provide further opportunities for linking their work and coordinating their products. They are exchanging exposure drafts and, in some cases, representatives from one group attend meetings of another. The Public Debt Committee serves as a prime example of this principle; they are already engaged in discussions with the Auditing, Internal Controls and Accounting Standards committees to ensure that the products of these four committees apply terminology and provide guidance in a coordinated and complementary fashion.

To strengthen this cooperation across committees, a special study group, led by India and made up of all committee chairs, is exploring how new technology can be applied to this effort. Revisions to the Handbook for Committees will result from this study group.

As INTOSAI's committees carry their work into the next century, they can point with pride to their accomplishments. They can also be held up as models of how cooperation, communication, and creativity ensure that a diverse and complex international organization can work effectively on a continuing basis to develop important professional guidance and products for the global community. ■

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# News in Brief

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## Barbados

### 1998 Annual Report

The Barbados Audit Office submitted its 1998 Annual Report to parliament on December 9, 1998. The report consists primarily of audit findings based on examinations of government ministries and departments, and also includes a description of the implementation and results of two pilot value-for-money audits done by the Office.

In addition, the report cites the failure of some accounting officers to submit appropriation accounts on time and in accordance with the law, and also notes deficiencies in the preparation of some of these accounts. Concern was also expressed about deficiencies in systems used for revenue accounting; in some instances the balances submitted did not represent the amounts collected for the year. However, breaches of the Financial Rules were substantially reduced compared with previous years, and the report notes a marked improvement in the response of ministries and departments to audit queries and memoranda. Unqualified reports were issued for the majority of accounts which generally speaking properly presented the financial position for the year under review.

For more information, contact: Auditor General's Office, Nicholas House, Broad Street, Bridgetown, Barbados (tel: 246-426-2537; fax: 246-228-2731).

## Canada

### Federal Environment and Sustainable Development Agenda

There continues to be a substantial gap between talk and action on the federal government's environment and

sustainable development agenda, according to the Commissioner of the Environment and Sustainable Development, Brian Emmett. "This is particularly troubling because the global pressures that give rise to environmental problems - growing population, growing economies and growing resource use - continue to mount," said Mr. Emmett. "And unsustainable development is not a distant global problem - it affects us where we live and where we work."

In his Report tabled in the House of Commons, the Commissioner focused on the challenges the federal government faces in dealing with particular environment and sustainable development issues. His previous reports identified key weaknesses in the government's management of those issues; his third Report illustrates how deeply rooted these weaknesses are.

For example, Canada's toxic substances management regime aims to permit the safe and productive use of chemical substances while safeguarding Canadians and their environment from unacceptable risks. While releases of many toxic substances to the environment have been reduced, the Commissioner identified a number of cracks in the federal infrastructure, including poor coordination, incomplete monitoring and deep divisions among departments on key issues.

In addition to toxic substances, the Commissioner discusses federal-provincial agreements to protect the environment, environmental protection in the Arctic, sustainable development strategies and other issues.

"Canada has joined the international community in committing to demonstrable progress toward sustainable development by 2002. There are just three years to go," said the Commissioner. "Organizations around the world have shown how their environmental performance can be

improved by strengthening basic management practices. The Canadian federal government needs to do the same."

The chapter "The Commissioner's Observations—1999" is available on the Office of the Auditor General of Canada Web site ([www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca)). It is also featured in a "Selected Observations" video, which can be obtained by contacting the Office Distribution Centre at (613) 952-0213, ext. 5000 or fax at (613) 952-0696.

For more information, contact: Johanne McDuff, Office of the Auditor General of Canada (Tel: (613) 952-0213, ext. 6292; or E-mail: [mcduffjo@oag-bvg.gc.ca](mailto:mcduffjo@oag-bvg.gc.ca)).

## Germany

### 1998 Annual Report

Germany's supreme audit institution, the Bundesrechnungshof, has presented its 1998 annual report to the federal legislative bodies and the government. The report reflects a portion of the some 600 management letters issued by the Bundesrechnungshof in the course of its annual audit and advisory work. It contains comments about federal appropriations and capital accounts for financial year 1996, and 84 contributions on specific audit findings most of which address highly topical issues. The key features of the report are federal real estate management and public procurement as cross-cutting issues. The report also highlights excess staffing expenditure incurred as a result of shortcomings in the assessment of manpower needs.

The report also discusses weaknesses at tax investigation offices in the new federal states and high tax benefits unduly granted to re-privatized enterprises. Another major topic is the considerable loss of VAT revenue incurred at the national level in

connection with the European single market as a result of inaccurate or falsified tax returns. The report also looks at new legislation. Under the "Lean Government Initiative" taken by the Federation and the federal states, the financial impact and other effects of proposed regulatory action need to be assessed to provide reliable information to the legislators. This, however, is rather complicated or even impossible since the supporting documents of government bills are often silent on funding issues.

The long form report in German and the abridged version in German and English are available at no cost by writing to: Bundesrechnungshof, Referat Pr/Int, D-60284 Frankfurt, Germany (Tel. 49-69-2176-2150; fax: 49-69-2176-2470).

## Mauritius

### 1997-98 Audit Report Issued

The Annual Audit Report on the financial statements of the Government of the Republic of Mauritius was submitted within the statutory deadline of 26 February 1999, and was tabled before the Mauritian Parliament in April 1999. The Audit Report is in two volumes, one dealing with financial audit and the other with some Special Reviews.

In the Financial Audit (Volume I) Report, attention was drawn once again to a number of weaknesses in control in the implementation of contracts. In some other cases where tenders were invited, the time given for submissions of these tenders was too short; in other cases, some procurements were split to avoid tendering procedures.

The Report also commented on damages caused to the road network by overloaded heavy vehicles, and illustrations of this problem were given using color photographs. The need for a rigorous enforcement of the law was emphasized. In addition, a number of expensive pieces of equipment had been procured but remained unused for over three years.

The Special Reviews (Volume II) Report, included the results of an audit of "Environment Management" and various problems were identified by the implementing Ministry. However legislation had not been amended and consolidated to address them. Attention was drawn to the fact that the environment is under constant threat and, to safeguard it, sound and resolute decisions need to be taken. In the audit of the "Albion Fisheries Research Center," it was found that over the years the Center had deviated from its original objectives. It has become a body focusing more on management issues rather than research and, as a result, most of the original objectives had not been attained. In the review of "Return on State-Owned Assets and Investments in Tourist Infrastructure," government had invested large amount of public funds in the development of tourist infrastructure and also on promotional activities. The review revealed that there was scope to secure arrangements with the private sector that would bring better value for money for government.

Copies of the report may be obtained from: Mr. Moussa Taujoo, Director of Audit, 14 Floor Air Mauritius Building, John Kennedy Street, Port Louis Mauritius (Email: [auditdep@bow.intnet.mu](mailto:auditdep@bow.intnet.mu)).

## Nepal

### Medal Received

His Majesty the King of Nepal Birendra Bir Bikram Shah Dev conferred the prestigious Prasiddha Prabal Gorakha Dakshina Bahu medal

to Rt' Honourable Auditor General Bishnu Bahadur K.C. on the auspicious occasion of the fifty-third birthday of His Majesty King, December 29, 1998.

On the same occasion Mr. Krishna Prasad Neupane, Assistant Auditor General and Mr. Dev Bahadur Bohara, Director, also received the Suprabal Gorakha Dakshina Bahu and Prabal Gorakha Dakshina Bahu medals respectively. These medals were conferred in recognition of their distinguished performance and contribution in respective fields.

For more information, contact: Office of the Auditor General, Barbar Mahal, Kathmandu, Nepal (e-mail: [oagnp@oagnp.mos.com.np](mailto:oagnp@oagnp.mos.com.np)).

## Romania

### New SAI President

Dr. Ioan Condor has been appointed President of the Court of Accounts of Romania for a six-year term, succeeding Dr. Ioan Bogdan who retired in March 1999. Dr. Condor is a lawyer with bachelors and doctoral degrees from the University of Cluj-Napoca and advanced training in private and commercial international law from institutions in Bucharest, Brussels and Strasbourg.

Prior to his appointment as President of the Court of Accounts, Dr. Condor had a distinguished public service career that included serving for sixteen years as a legal consultant in the Ministry of Finance, a judge, and from 1993 - 1999 as counsellor of audit in the Court of Audit. Additionally, Dr. Condor serves as an Associate Professor



His Majesty the King of Nepal presents medal to Auditor General.

in the Department of Financial Law, Academy of Economic Studies in Bucharest.

Dr. Condor has published widely, and has authored or co-authored 9 books (including 3 published abroad), and more than 150 articles and papers published in Romania and abroad. He is also the recipient of scientific awards and is an acting correspondent of the International Bureau of Fiscal Documentation in Amsterdam and a member of the International Institute of Public Finance in Saarbrücken.

In assuming his new position, Dr. Condor has expressed his commitment to continuing the cooperation between his office and other SAIs in the context of INTOSAI and EUROSAI. For more information, contact: Court of Audit, 22-24 rue Lev Tolstoi, Bucarest 1, Romania (tel: 40-1-230-1377; fax: 40-1-230-1364).

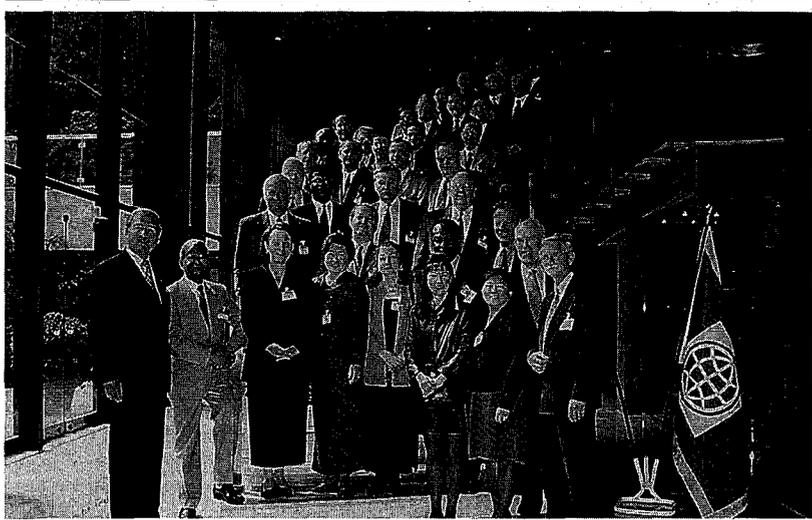
## United Nations

### Annual Meeting of Internal Auditors

The 30<sup>th</sup> meeting of representatives of audit and oversight services of the United Nations (UN) organizations and Multilateral Financial Institutions (MFI) was recently held in Paris. It ran from May 17—19, 1999, and was hosted by the World Bank's Internal Auditing Department at its organization's Paris offices.

The meeting, which is held annually, provides a forum for the collegial discussion of common organizational and technical issues affecting the providers of audit and oversight services within the UN and MFIs. Its participants this year included over 40 representatives, mostly heads of their respective audit/oversight functions, from 30 different organizations.

The Meeting's keynote address was given by Ms. Katherine Sierra, the World



Delegates to the 30<sup>th</sup> meeting of UN internal auditors pose for photo during their meeting in Paris.

Bank's Vice President for Operational Core Services. She described the strategies that the World Bank is using to combat fraud and corruption on its projects including the increased use of its audit function.

The three day meeting had various sessions that covered common organizational and technical issues including: the use of control frameworks; control self assessment; procurement auditing; learning, training and development frameworks; internet tools; recommendation tracking; managing bilateral audits; and partnering.

The meeting had several guest speakers. These included:

- Mr. Robert A. Ferst, the Institute of Internal Auditors Vice President for Global Services – Integration and Quality Programs, who described ways in which audit/oversight functions could continually assure their quality through techniques such as benchmarking and periodic quality assurance reviews;

- Mr. Andre Middelhoek, Chairman of the European Commission's Committee of Independent Experts, who outlined the background and context of the recently issued First Report on Allegations of Fraud, Mismanagement and Nepotism in the European Commission; and
- Mr. Martyn E. Jones, a Partner from the UK practice of Deloitte & Touche, who described some key business trends and related future auditing issues.

The meeting's final session was addressed by Mr. Karl Paschke, the outgoing Under Secretary General for the UN Office of Internal Oversight Services. He reflected on the successes and challenges that had been faced by the independent oversight function at the UN during the four and a half years that he had been its first head.

For more information, contact: Mr. J. Graham Joscelyne, Auditor General, The World Bank, 1818 H Street, NW, Washington DC 20433, USA, E-mail: gjoscelyne@worldbank.org, Telephone: (202) 458-5412, and Fax: (202) 522-3575. ■

# IV EUROSAI Examines Independence

4<sup>e</sup> CONGRÈS PARIS 31 MAI- 4 JUIN 1999

**EUROSAI**

Independence, long recognized as an essential element for an effective audit office, was the primary topic for discussion when leaders from 36 European SAIs and several observers from INTOSAI gathered in Paris from May 31 through June 4, 1999, at the fourth EUROSAI congress. During the week, delegates explored and discussed issues related to the independence of national audit offices, met with French government officials, conducted statutory business and enjoyed opportunities for informal discussions.

## Opening Remarks Set the Stage

Speakers at the opening ceremony and the first general plenary session established the context and set the tone for the week.

Congress discussions were held in the assembly hall at the Conseil Economique and Social, and Mr. Jean Matteoli, President of the Conseil, opened the congress with a warm and gracious welcome. Mr. Matteoli observed that, like the SAIs, the Conseil Economique and Social strives to foster greater awareness of the importance of contacts and cooperation among European counterparts. Expressing his belief that exchanging experiences assists institutions in assuming different roles, facing new challenges, and dealing effectively in a changing environment, Mr. Matteoli encouraged delegates to take advantage of their time together to further strengthen cooperation among the member SAIs.

Mr. Lubomir Volenik, President of the SAI of the Czech Republic, host of the Third EUROSAI Congress, and President of EUROSAI, observed that he felt fortunate to be in the right place, at the right time, and with the right people for discussions on a topic as important as independence. He pointed out that Paris was the place where the basic principles of liberty, independence and separation of powers were introduced, and that these principles were the foundation for effective external control. Tracing the history of external control from ancient Egypt, through China, and in the Bible, Mr. Volenik stressed that an independent SAI is essential to strong democratic government. Noting that Paris has always been imbued with

a creative intellectual tradition, he expressed his hope that this tradition would prevail throughout the week.

Mr. Pierre Joxe, Premier President of the French Cour des Comptes, host for the IV EUROSAI and incoming EUROSAI President, extended a welcome to all delegates and provided special observations about independence. He stressed that independence is not automatic, that it must be protected and sometimes even fought for, and that it exists in varying degrees among SAIs. While tracing the long history of the Cour des Comptes, Mr. Joxe pointed out that SAIs today play an important role in maintaining a democratic balance in government. He expressed a belief that "society has the right to demand that all public servants account for their activities," and that SAIs are the central government tool to meet this expectation and assess accountability.

Noting that he was, "there at the beginning of EUROSAI," Mr. Andre Chandernagor, the former Premier President of the Cour des Comptes, expressed his appreciation at being invited to speak at this tenth anniversary meeting. Pointing out that the world has changed greatly since EUROSAI was founded at the XIII INCOSAI held in Berlin during June 1989, he observed that many of the current members of EUROSAI did not exist as independent nations when EUROSAI was established. He encouraged delegates to remember that independence is the cardinal value for all external audit offices and that, while SAIs may have different legal requirements to meet issues of staffing, budgeting, and reporting, it is important to look beyond the details and the differences to ensure that SAIs maintain the spirit and the sense of independence. Echoing comments from Mr. Volenik and Mr. Joxe, Mr. Chandernagor traced the evolution of SAIs from institutions which initially reported to the sovereign, later to the Parliament and now to the public. He observed that the new "public opinion democracy" imposes greater responsibilities on the SAI and requires new forms of reporting to ensure that the public has the information it needs to hold the government accountable.

Mr. Guiillermo Ramirez, President of Uruguay's Tribunal de Cuentas and Chairman of INTOSAI's Governing Board, addressed the Congress on behalf of INTOSAI. Commenting that INTOSAI has been dealing with the issue of independence since it first published the Lima Declaration in 1977, Chairman Ramirez indicated that it is still an important subject to the international auditing community. Recognizing the diversity among the 179 INTOSAI members, he pointed out that a special INTOSAI-wide study group, established at the XVI INCOSAI in Montevideo and chaired by the Canadian SAI, will build on the discussions and debates of the EUROSAI assembly and report to the next INTOSAI congress on the issue of independence.

## Discussion and Debate

The topic of independence was divided into four major theme topics that were discussed during the week. Organizers for the congress experimented with a presentation format that included university professors who added new and challenging perspectives to the debates.

Professor Robert Hertzog, from the University Robert Schuman of Strasbourg, opened discussions by challenging the SAIs to explore the conditions under which independence is established by looking beyond the world of finance to examine the monetary and economic sectors. He also pointed out that the notions of independence and the separation of powers may seem to fly in the face of the basic principles of good government, which foster economy, efficiency, and effectiveness, but they are essential for the individuals and organizations which must operate with authority outside of political influence. Additionally, he noted that, while independence may be viewed as a "relative" factor—guaranteed in some way through a nation's constitution, laws, or regulations—ethics and ethical standards are essential in building confidence and credibility. Concluding his remarks, Professor Hertzog pointed out that we live in a complex world, and we do not have governments run by Plato's philosophers, nor do we have leaders who are the "wise men" of science so valued in the last century; therefore, SAIs perform a critical role in upholding public accountability.

## Theme I:

### **The relations of the Supreme Audit Institutions with legislative, executive, and judicial powers**

Chair: Vasile Cozma, Moldova

Rapporteur: Alfredo Jose de Sousa, Portugal

Following up on many of the issues raised by Professor Hertzog, Mr. de Sousa, theme rapporteur, summarized the results of a EUROSAI survey on independence and a related seminar held in Lisbon, June 24-26, 1998.

Thirty-four countries provided responses to a pre-seminar questionnaire and thirty-three EUROSAI members participated in the seminar. The questionnaire and the discussions examined crucial points or characteristics of independence which included: statutory authority; capacity to issue recommendations and observations; legal instruments of audit application; appointment of the president/auditor general; recruitment and appointment of personnel; compilation and approval of the annual activities program; source of funding, approval of SAI budget, and budgetary management and control; level of cooperation between internal audit bodies and the SAI; and, level of cooperation between the SAI and the legislative, executive, and judicial powers. Mr. de Sousa then presented the Lisbon Declaration (see box, page 7) for consideration by the group.



During one of the breaks, the delegates to the IV EUROSAI Congress assembled on the steps of the foyer in the Conseil Economique et Social.

In the ensuing discussions, several observations were made. It was pointed out that it is not enough to have only a legal bases for independence—real independence depends on acceptance by the public and the media and the impact or results of the SAIs work. Discussions also considered the independence of individuals as well as the institution, which led to comments about values and ethics. It was pointed out that independence should not be viewed as an end in itself, rather it is an important element that enables the SAI to guarantee that it provides valuable information to society and to decisionmakers. Often this information serves as a “mirror” held up to parliament and politicians which forces them to look at facts and does not provide an opportunity for political interpretations or “spin.”

#### **THE LISBON DECLARATION FOR THE EUROSAI CONGRESS IN PARIS IN 1999**

The Supreme Audit Institutions (SAIs) that are members of EUROSAI, meeting in Lisbon from 24<sup>th</sup> to 26<sup>th</sup> June for the preparatory seminar for the IV EUROSAI CONGRESS to be held in Paris in 1999, have decided upon the following final declaration resulting from the discussions on:

#### **The Independence of the Supreme Audit Institutions of Public Finance – Relations With the Legislative, Executive and Judicial Powers**

1. The capacity for independent action is an essential guarantee for the proper functioning of the SAI. This capacity should mean in particular the impossibility for removal of their heads and members, irrespective of whether these have a mandate for life or a temporary mandate, and self-regulation, including sufficient financial means, should, amongst other issues, be guaranteed in their respective constitutions and laws and be observed by the Legislative Powers
2. In relation to the Executive Powers, it is indispensable to ensure favorable conditions for the creation of self-regulation by the SAIs for the management of both human and financial resources. Particularly: the determination of the activities to be developed (framework, time schedule, methods), the decision as to the entities to be audited, the cooperation and relations with internal control bodies the duty of audited entities to collaborate with SAIs, the recognition of the responsibilities of the auditees, where appropriate, and the establishment of the principle of the contradictory, or similar, procedure.
3. In relation to the Judicial Powers it is considered desirable, where appropriate, that SAIs and the organs of Judicial Power are given a legal framework governing the coordination of their respective powers.

## **Theme II:**

### **The responsibility: The control of the controllers**

Chair: John Purcell, Ireland

Rapporteur: Janusz Wojciechowski, Poland

Noting that citizens “bestow upon the SAIs extensive powers and necessary instruments, therefore they have the right to know how these institutions accomplish their mission, and they need to know that the SAI is worthy of trust,” Mr. Wojciechowski said that this subject is often brought up by the press who ask “who audits the auditor?” Based on the responses to the EUROSAI questionnaire, he brought several specific questions to the assembly for discussion. The questions were related to conducting internal and external audit of the SAI; evaluating the quality of the SAIs work; publishing reports; and, responding to complaints and suggestions from the citizens.

One of the lively debates in this session focused on the application of technology. It was pointed out that, as the public and the SAIs make greater use of the Internet and other electronic media, there are increased opportunities for citizens to provide input to and examine outputs of the SAI. However, concern was also expressed that the SAI cannot assume that discussions on the Internet are fairly representing the public and enhancing democracy. Clearly this was seen as opening a new avenue for communication, which would have increasing impact as SAIs move into the next century.

Delegates agreed that the SAI must serve as a model to other government entities, and that “social control” through the press was not enough, so considerable attention was given to SAI accountability. Peer reviews, benchmarking, audit committees, internal audit functions, and oversight through parliament or special commissions were all examined as tools and techniques that could provide the requisite accountability.

Professor Patrick Dunleavy of the London School of Economics and Political Science closed out the first day’s discussions with a presentation and discussion about the changing roles of SAIs and the impact those changes will have on how the effectiveness of the SAI will be measured and assessed. He highlighted the evolution of governments from large unitary state structures to more federal or quasi-federal systems, emphasized the changes which come with the increased privatization in the public sector, pointed out that the new public management trend (with its break-up of hierarchical bureaucracies and emergence of entrepreneurial public agencies), and discussed trends toward a more “open” government in an electronic (real-time) environment. From his perspective, each of these changes has an impact on the SAI and will require that SAIs adopt a “full disclosure” regime, develop a communications strategy, anticipate new media impacts, prepare to be best at “just-in-time” performance auditing, develop secondary/tertiary audit roles; and, look at cross cutting, government-wide issues.

In closing the session, he also noted that whether the “outside scrutiny” comes from peer review, academic review, or media review it must be comprehensive and systematic;

qualitative and quantitative; use the SAI's criteria; be moderated and consistent; and be based on trust and frankness.

### **Theme III:**

#### **The Means of Independence**

Chair: Arpad Kovacs, Hungary

Rapporteur: Francesco Sernia, Italy

Working from the basic concepts of INTOSAI's Lima Declaration and again using data from the questionnaire responses, Mr. Sernia presented a comparative assessment of the European SAIs in terms of the mechanisms that ensure SAI independence. Mr. Sernia noted that all European SAIs are guaranteed independence by law or by acts, and in fact 24 SAIs are embedded in their national constitution or constitutional-level laws, which reinforces guarantees of independence and stability since they can only be changed through complex legislative procedures. While it was more difficult to generalize about budget management policies, Mr. Sernia indicated that there was a "positive tendency towards management autonomy." More interestingly, he pointed out a new trend among some SAIs who have found the way to offer their services to third parties, thus obtaining self-generated revenues that are not transferred from the state budget. A clearer trend was found among the guarantees that assure a great deal of freedom to top-level management through rigorous procedures that protect management from removal from office and thus permit more freedom to express opinions. However, the survey indicated that such guarantees are less clear for personnel who are "civil servants/public employees" serving in the SAI. In the final area of comparison, Mr. Sernia reported that survey respondents indicated greater difficulty in evaluating the effectiveness of the activities carried out by the SAI because it is hard to separate out the reality that there is often passive resistance and/or overt obstructionism to implementing SAI recommendations from questions of how well the SAI is performing.

Debate on the issues raised by Mr. Sernia focused on three major areas: budget and generating revenue outside the budget, staffing, and the role SAIs play in the more global/supranational environment. In discussing budgets, most SAIs agreed that, in reality, they enjoy a fair degree of independence in obtaining the funding necessary and sufficient for maintaining their operations. (Although concerns were expressed that this might not be the case in other regions within the larger INTOSAI community.) However, some questions were raised about the appropriateness of SAIs generating their own revenue outside the state-authorized budget including issues of conflict-of-interest and unfair competition with the private sector. Regarding staffing, several SAIs stated that they face difficulties in recruiting and keeping well-qualified staff because government salary levels are not competitive. Some expressed concern because they were limited by government recruiting and hiring practices, while others indicated that they have complete freedom to advertise for and recruit staff from any source. Addressing concerns in an emerging area, a few delegates commented on the need for SAIs to develop approaches for reporting to their governments on the ways in

which government monies are being used by multinational or supranational bodies. Coordination of work, issues of jurisdiction and access, and policies on reporting were among the issues raised in this context.



Using state-of-the-art-meeting technology, congress leaders and discussants were captured by video cameras that projected their image onto large screens that provided all delegates with a clear view of speakers. Mr. Tavares from Portugal is pictured here on the large screen as he makes an intervention during one of the discussion sessions.

### **Theme IV:**

#### **Relationships with the Media**

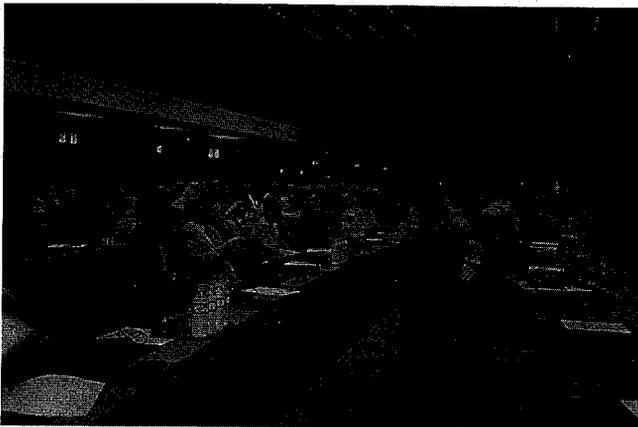
Chair: William Dumazy, Belgium

Rapporteur: Sir John Bourn, United Kingdom

As he introduced this theme, Sir John told the delegates that, as he was inviting him to be the rapporteur, Mr. Joxe had said that "the press is our parliament today." Using a quotation from Stanley Baldwin, one of Britain's prime ministers, Sir John noted that, "Power without responsibility is the prerogative of the harlot through the ages," and he added that in many cases today the media wields considerable power without exercising responsibility. This is not a new problem and it is not limited to newspapers; Sir John pointed out that messages have been transmitted through a variety of media including bonfires, carrier pigeons, radio, television, and today's most potent tool, the Internet. Sir John cautioned that the challenge facing SAIs today is how to deal effectively with the media. He went on to characterize the media as being like Janus, the ancient two-faced Roman god—on one side the media can smile and on the other it can scowl. When the Janus-like media scowls it can cause disharmony, or lead to trivialization of work; it can marginalize or inflate an issue; and it runs the risk of turning the auditor into a media personality. When the media smiles it can help the SAI by giving prominence and a wider audience to the SAIs work, thus securing greater impact; it can give a higher profile to the products, encouraging more people to share information to improve the value of the SAI's work; and it can motivate staff and advertise professional competencies. To emphasize how the relationships with the media can be managed effectively, Sir John went on to share case studies of experiences in France, Italy, Portugal, and Poland.

Observations from delegates then raised several areas of concern. Considerable discussion examined the subject of the publication and distribution of reports, and the pluses and minuses of having all or some reports made public. This led to debate about the proper balance between attention given to the SAI and its role and the attention given to the parliament (and politicians) and their role. Related comments about "freedom of information" issues and "leaks" highlighted concerns about protecting confidentiality and problems which can arise when information is released before concerned parties are informed of findings and recommendations. Several SAIs indicated that they are using media specialists to assist in handling this delicate partnership between the SAI and the media.

Professor Juan Zornoza, from the University Charles II of Madrid, wrapped up the discussions on Themes III and IV. His remarks emphasized the value of independence as he talked about how the SAI's model for independence must be somewhat different from the model for judicial independence, the importance of the appointment of leaders and maintaining a "non-dependent" status within government, challenges in the new global environment, and the need to deal with "perceptions" about independence as well as the "reality" of independence. In response to his remarks, participants also commented on the need to ensure that "the truth gets out" and that the SAI may also need to look at what needs to be done to educate the public about the role that the SAI plays in ensuring government accountability.



As part of the Congress program, delegates went to the Assemblée Nationale where they met in one of the committee rooms with Mr. Augustin Bonrepaux, President of the Finance Committee, who shared with them his perspectives on the role of the SAIs.

## Conclusions

Observing that it was difficult for an "independent observer" to give an "independent report" on "independence" to a group of "independent SAIs," Professor Guy Carcassonne, from the University Paris X, presented an overview of the week's discussions. He remarked that accountability and controls may be seen as the parent of liberty

and democracy, and they cannot be overlooked because they are important to guaranteeing freedom. He also spoke about responsibility – on the part of government and on the part of SAIs—and the need to strike an appropriate balance between the need to serve the public (the citizens) and the need to provide information to the parliament.

As he joined the delegates for the closing session, Mr. Laurent Fabius, President of the National Assembly, expressed his appreciation for the fact that SAIs "shed light to guarantee order." He reiterated remarks he had made at a reception earlier in the week as he emphasized that society has a right to hold public officials accountable, and that this does not always require new laws but rather a greater attention to review and evaluation. He observed that the EUROSAI Congress demonstrates that reviews of best practices among offices that may differ but which share a spirit of cooperation, can bring out common ideas and goals which can benefit all.

Delegates agreed that their discussions in the "city of light" had indeed shed new light and given new perspectives on an important INTOSAI topic, and as the congress drew to a close, they finalized a statement on the Conclusions of the 4<sup>th</sup> EUROSAI Congress on SAIs Independence. (See text in shaded box on page 10).

## General Plenaries

At the beginning and the ending of the congress, delegates discussed and voted on several "business" items:

- Armenia was accepted as a new member;
- Denmark and Slovenia were elected as new members for the EUROSAI Governing Board;
- Ireland and Belgium were appointed as the EUROSAI auditors for the period 1999-2001;
- Russia was designated as the host for the next congress in 2002;
- A resolution was adopted establishing a special EUROSAI Working Group on Environmental Auditing which will promote and develop a regional environmental auditing program as part of the new approach being adopted by INTOSAI's Environmental Auditing Working Group;
- A resolution was discussed and approved to establish a Preparatory Committee to examine the issue of training in EUROSAI, and; in a related area,
- Mr. Caso Lay, Chairman of OLACEFS, presented a report which was endorsed by the members proposing that OLACEFS and EUROSAI explore opportunities for greater cooperation especially in training and staff exchanges.

**CONCLUSIONS OF THE 4<sup>TH</sup> EUROSAT CONGRESS  
ON SAIs INDEPENDENCE  
4<sup>TH</sup> June 1999**

In the INTOSAI Lima declaration (1977), the SAIs have asserted their attachment to independence, which is an indispensable condition of efficient audit of good public funds management. Since then, social, technological and political evolutions have been numerous. In particular, the opening of central and eastern European countries to democracy has renewed the demand for independence and transparency. Decentralization, privatization and deregulation have changed public management. That is why EUROSAT's members, after having convened in the Lisbon seminar (1998) and after their congress in Paris (1999) reaffirm that their independence today relies on the following principles:

**1. SAIs ought to have the resources they need to be fully independent.**

The independence of SAIs should be based on constitutional or legislative provisions that enshrine their institutional status within public authorities. Independence relies also on the guarantees extended to Heads of SAIs, enabling them to carry out their duties in a sufficiently stable environment. Legal protection against pressure from outside and clearly defined investigative powers are needed in order to safeguard auditors' independence.

SAIs should have at their disposal sufficient resources to fulfill their tasks. Budgetary autonomy is another factor that can foster genuine independence.

Lastly, to be fully independent, SAIs must be free to plan and conduct audits as they see fit.

**2. Independence goes hand in hand with accountability, which is provided for in a variety of ways, depending on a country's institutional framework.**

SAIs ought to abide by the same rules they recommend others to enforce.

Hence, they ought to establish internal audit procedures to ensure the effectiveness of their own work. Internal audits should be so structured that it has the means to provide SAI Heads and senior officers with a clear picture of how their institution is performing. This internal audit should provide regular monitoring of operational indicators and conduct audit result assessments.

SAIs increasingly submit themselves to external audits. This procedure offers the public a guarantee that SAIs follow sound operational practices, but it should not challenge their independence.

By publishing their budget performance reports and reports of their audit activities, and by submitting them to Parliament, SAIs should provide the highest degree of transparency as to the way they use available resources and the results they have achieved.

**3. Relations with the media are another indicator of SAIs independence.**

Freedom of SAIs to define their own communication policy towards the media and the public within existing legal and regulatory frameworks is an essential component of their independence and effectiveness. They ought to make sure that their communication gives a fair and unbiased account of their work and do not give rise to pointless controversy.

Except in those cases where disclosure is compulsory pursuant to legal or constitutional provisions, this freedom includes the possibility of deciding whether to make a given report publicly available. The same latitude can apply to the content, medium, format date, periodicity and channels of disclosure.

Transparency towards the audited body is of the essence. It has to be conveyed either through a process where facts are agreed upon with audited bodies, and/or through public access to audited bodies' reactions, possibly by publishing them alongside SAIs reports, so that the public gets full, fair and balanced information.

The public must always have direct access, with copies available, to reports the SAI has decided to disclose. Reports should be made available in a variety of media, including on a Web site.

# The Dutch Government in Search of a New Form of Accountability

By M. Dees and A.J.R.M. Linders, Netherlands Court of Audit

## Introduction

The Dutch government carried out a large-scale operation in the 1980s to improve financial management of the ministries. The primary objective was to improve the management of expenditure. Given the precarious state of public finances at that time, this was an absolute necessity. The long-term action plan, known as the Government Accounting Reform Operation, has already proven its worth. Broadly speaking, the financial management of the ministries has been restored to a sound footing and the regularity of public expenditure and income is to a large extent assured. Policy on public expenditure has also returned to quieter waters, and there have been no sweeping economy measures for several years. By means of 'cautious growth scenarios' and pre-set expenditure agreements, the Netherlands comfortably met the admission criteria for Economic and Monetary Union in the context of the European Union.

Despite this progress, there remains some dissatisfaction with the budgeting and accounting process; this dissatisfaction has been expressed mainly by the Lower House of Parliament. In the first instance, it found that accounts were often published too late in the year. Moreover, it thought that the accounts were not accessible enough, were too large, too technical, and too narrow in scope. The accounts might provide an insight into purely financial affairs, but in their current form they say little about what has been achieved with the available financial resources and whether those achievements are conducive to the set objectives. Yet such information is essential for Parliament's control of policy. Partly for this reason, this control function was inadequately exercised.

To enhance its control function, the Lower House itself (in the form of the Public Expenditure Committee) took the initiative to require an earlier publication date for accounts and to improve the quality of the financial statements. In consultation with representatives of the Ministry of Finance, the other ministries, and the Netherlands Court of Audit, proposals have been put forward to achieve these goals.

## Earlier Publication Date Required

Until recently, it was customary for ministerial financial statements to be published at the same time as the Netherlands Court of Audit's reports thereon, i.e., on September 1 of the

year following the budget year. The last time this occurred was in 1997 (for the 1966 financial statements). In comparison with the situation that existed before the Government Accounting Reform Operation, when accounts were often not submitted to the Parliament until many years after the budget year, this was a considerable improvement that was achieved in a relatively short period of time. Nevertheless, the timing of the publication of the financial statements is still unfortunate since it coincides with the submission of new budgets. In recent years, therefore, the accounts have tended not to receive the parliamentary attention they deserve. The Lower House itself, with a view to its control function, found this an undesirable situation. The parties involved (ministers, the Netherlands Court of Audit, and the Lower House) have since agreed to require earlier publication of the financial statements. Accordingly, the ministries and the Netherlands Court of Audit must complete their accounting and audit procedures more quickly; the ministries have to prepare their accounts by March 15, and the Netherlands Court of Audit has to complete its audit before May 15. The financial statements can then immediately be considered in Parliament, with the debates being completed before the summer recess. This earlier publication deadline must be in place beginning in the year 2000 (budget year 1999).

## Quality Improvement

To bring about the desired quality improvement, the accounts have to provide a greater insight into the realization of policy objectives and the performance delivered by means of the available budget. Such policy-oriented accounts will not come about by themselves. Policy objectives will have to be specified in the budgets in more concrete and measurable terms. To this end, indicators must be used more explicitly in the budgets and in the accounts, particularly with regard to efficiency (cost information linked to products and/or performance) and effectiveness (effect of policy). The financial statements relating to longer-term policies should provide an insight into the progress made towards achieving the policy objectives by means of annual expenditure targets. This could be further refined if policy priorities were set in advance in the budget (see example 1 in the following box). The Lower House would have to make an explicit decision about the choice of priorities and revise them at a later stage if necessary, and it has already made a start on this approach.

### ***Example 1: An Illustration of a Statement of Policy Priorities***

"One of the objectives of the Ministry for Economic Affairs is to promote exports from the Netherlands to Africa. For the coming budget year, this is expressed in the policy priority of increasing the export of dairy cattle by 20 percent in comparison with the previous year. A second policy priority is to increase the number of staff assigned by the Ministry for Economic Affairs to Dutch diplomatic posts by 50 percent in comparison with the current situation."

Other proposals for quality improvement are to organize the financial statements into more general sections and to disclose the relationship between policy, operations and financial resources. To organize the statements into more general sections, the working party that put forward the proposals is in favor of reducing the current number of budget articles. Increasingly, each article should represent a distinct and recognizable area of policy. The section on 'operations' should also be organized along general lines. An important aspect of this is a so-called management statement issued by the minister in which he or she reviews the operations in the light of a number of fixed benchmarks (see example 2 in the following box). The initiative to report special events and variances will then lie with the minister.

### ***Example 2: An Illustration of a Management Statement of Operations Issued by a Minister***

"Pursuant to Government Accounts Act 1999, a ministry's operations are to include control procedures that provide reasonable assurances on the policy and budgeting processes for which a minister bears responsibility. Such procedures must satisfy the requirements of: economy, efficiency and effectiveness; compliance with legislative, regulatory and integrity standards; reliable external information supply; protection of values. Further provisions on such control procedures are included in .....

In my opinion, the design and working of the operations of the Ministry of XXX have satisfied the set requirements in the past year (with the exception of .....). A number of specific operational items are considered below in accordance with the agreements made with the Lower House during the debate of the Ministry of XXX's budget.

<signed by>: The Minister of XXX."

To indicate that the scope of accountability has increased, the term 'Annual Report' will be used rather than the term 'Financial Statements'.

Government-wide accounts, known as the State Annual Report, will be prepared, thus enabling the government as a whole to report on the policy, operations and financial resources at a national level. This report will form the basis for an annual plenary debate in the Lower House on or immediately after the third Wednesday in May. In addition, the Lower House has undertaken to hold a specific debate of 'policy priorities' announced in advance.

The new version of the annual report will be presented to the States General by 2001 at the earliest and, together with the related audit report issued by the Court of Audit, it will serve as a basis for the endorsement of the ministers' conduct. Under the leadership of the Ministry of Finance, the proposals are currently being worked out and given more concrete form.

## **Audit Consequences**

The entire annual report will have to be audited internally by the ministerial auditing departments and externally by the Netherlands Court of Audit. The current, mainly financial aspects of the audit will have to be supplemented with policy and operational aspects. The focus of the audit will therefore be shifted. Since publication of the financial statements will be brought forward, the audit will have to be performed on a more continuous basis. Procedures that were previously performed at the end of the budget year will have to be carried out during the year itself in order to reduce the work load after the balance sheet date. Ministries could facilitate such a continuous audit by preparing interim reports and having accounts audited during the year (e.g., quarterly).

## **Growth Curve**

The current reporting procedure cannot be replaced overnight. Rather, a growth curve is required to realize such a change process. Legislative and regulatory provisions, for example, will have to be observed. Furthermore, owing to the relationship between the accounts and the budget, changes will have to be made in the budget. The development of efficiency and effectiveness indicators at the ministries will also require a vigorous input. And, last but not least, the ministries will have to establish information systems so that they can systematically monitor activities, performance and policy results.

For more information, contact the authors at: Netherlands Court of Audit, Financial Control and Information Technology Department, Lange Voorhout 8, NL-2514 JK, The Hague, Netherlands (fax: ++31-70-342-4217; e-mail: m.dees@rekenkamer.nl). ■

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# Special Report: SAI of Zimbabwe Reviews the Government's Preparedness for the Millennium Bug

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By The Office of the Comptroller and Auditor General of Zimbabwe

The Comptroller and Auditor General of Zimbabwe, Mr. Eric Harid, has examined the risks that government programs and operations might face as a result of the Year 2000 (Y2K) computer problem. He reviewed progress made by a number of government ministries, departments and parastatals on their preparedness to minimize the risks posed by the millennium bug. In addition, he examined government initiatives being undertaken by the National Compliance 2000 Committee appointed by the Minister of Higher Education and Technology, and those by the Central Computing Services (CCS) in coordinating national and government efforts to minimize the impact of the problem on Zimbabwe. This article summarizes the approach taken in the review and the results of it.

## All Programs, Operations Affected

The Government of Zimbabwe and all its institutions will not be spared by the millennium bug. Systems likely to be affected range from: weapons in the defense forces; water pumps in local authorities; radar systems and aeronautical fixed telecommunications network in the Department of Civil Aviation; the voter registration system in the Registrar General's Office; medical life-support systems and diagnostic equipment in hospitals; the administrator billing software and the telecom exchanges software and network in the Posts and Telecommunications Corporation; the cockpit and flight management systems and the flight reservations system in Air Zimbabwe; power generation and transmission and the billing system in the Zimbabwe Electricity Supply Authority; the Client Management System for the National Pension Scheme and Workers Compensation Insurance Fund in the National Social Security Authority; TV studio equipment and transmission equipment and digital switches in the control room at the Zimbabwe Broadcasting Corporation; the Government payroll system at the Salary Service Bureau; and the revenue and payments system at the Central Computing Services.

Failure of any of these mission-critical systems have crippling effects on the delivery of government operations. The Comptroller and Auditor-General emphasized the immediate need to look at the critical infrastructure and threats to computer hardware, software and control mechanisms including telecommunications, electrical power systems, banking and finance, transportation, water supply services, emergency services, and continuity of government services.

In checking progress, he looked at specific information relating to steps taken by each Government ministry, department, parastatal or other State institution to identify systems, equipment and other gadgets that might be affected and take appropriate measures to minimize the risk of the Y2K threat.

## Government Slow to Respond

The SAI's review showed that although most of the ministries and their departments were aware of the existence of the problem, they were neither aware of the scale of the problem nor what to do about it. Y2K project teams were non-existent, and thus there were neither contingency plans nor a timetable nor stock of inventory in place. Out of 14 government departments visited during the review, 2 departments had performed their software and hardware audits, 4 were at inventory stage, 6 of them had not started planning for it, and 2 were just in the process of acquiring computerized systems. None of the four Ministries visited had started planning for the Y2K problem. Visits to the Treasury also revealed that government ministries and their departments had not yet approached the Treasury on the budgetary allocation for possible costs of testing, upgrades and/or replacements. Considering that the 1999 budget was presented to Parliament on October 15, 1998, the review highlighted the possibility that funds may be inadequately provided for and some major mission-critical systems in government ministries and departments might affect continuity of government operations.

Of the five parastatals visited, two had prepared an inventory of all its software and equipment and were about to begin auditing its systems; the other three were at the inventory stage. The SAI's report expressed concern at the slow rate of progress in these parastatals, and noted the need to speed up Y2K projects and to ensure that parastatal boards had an active interest in the progress being made to minimize the impact of the problem on parastatal operations. Also emphasized was the need for monitoring progress by parastatal boards and top management.

The review also observed that the National Compliance 2000 Committee met representatives of various ministries, departments of ministries and parastatals on August 26, 1998. However, much groundwork regarding its terms of reference was still to be covered by this Committee.

The Comptroller and Auditor-General observed that the rate of progress for implementation of the projects in most of government was generally slow. There was a poor understanding of the problem and even worse levels of action in institutions visited. While the majority understood that there was a problem, they simply did not understand the size and scope of the problem and what to do about it. Most did not have a fail-safe solution or business continuity plans in place. Those taking action were those with a Y2K project team with top management's full support. Only after an organization had analyzed the problem and its related business risks could it have an accurate picture of the scale of the task and the time and resources necessary to rectify the problem.

## **SAI Recommendations**

Comptroller and Auditor-General Harid made a number of recommendations. It was clear that a problem exists and that this problem had to be tackled, preferably from the highest government level (for example, Cabinet) in the country. Y2K project teams (including national task forces, sectarian and

central government co-ordination task forces) must have a leader and sponsor at the highest level of government ministries, departments, parastatals and State institutions. High level support is essential. The Ministry of Finance as manager of public funds and the Central Computing Services as experts in IT systems in government should be actively involved in national issues on the Y2K problem. Y2K projects must be given the highest priority with each institution or department moving quickly to secure resources; they must be prepared to do what they can and focus on those mission critical issues first. It is essential to create an inventory of all systems and determine the importance and the business risks associated with its non-performance. Risk analysis to prioritize effort, understand the problems facing the business and identify effective strategies is very essential.

For more information, contact: Office of the Comptroller and Auditor General, Borrowghs House Cnr. Fourth Street, George Silundike Avenue, Harare, Zimbabwe (tel. 263-4-72-83-21; fax: 262-4-72-83-27). ■

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# Audit Profile: St. Kitts and Nevis

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By Wesley Galloway, Audit Manager

The Federation of St. Kitts and Nevis is comprised of two islands separated by 2 miles of water in the chain of Caribbean islands stretching from Florida in the north to Trinidad and Tobago in the south. St. Kitts and Nevis are part of the Leeward Islands group, together with Antigua/Barbuda, Anguilla and Montserrat.

## History

The history of the St. Kitts' Audit Office dates back to the era when the island was colonized by England. At that time, a local Director of Audit headed the audit office and reported to the Director General of the Colonial Audit Office. The local Director of Audit developed the work program along prescribed guidelines that had to be approved by colonial headquarters.

When St. Kitts and Nevis gained associated statehood in February 1967, the constitution provided for the establishment of an audit office and outlined the functions of the Director of Audit. In September 1983, St. Kitts and Nevis gained independence. In 1988, the Supreme Audit Institution of St. Kitts became a member of INTOSAI and is now a charter member of CAROSAI.

## Organization

The Director of Audit carries out his obligations with the support of 17 staff. Thirteen are in the head office in St. Kitts and have primary responsibility for examining the accounts of the federal government. The 4 remaining staff are in the branch office in Nevis, which is headed by a senior audit manager. They are responsible for auditing the accounts of the Nevis Island Administration.

## Legal Authority and Independence

The Director of Audit is appointed by the Governor General based on the recommendation of the Public Service Commission, pursuant to section 82 of the constitution. The Director of Audit may be removed for inability to exercise the functions of office or for misbehavior, but removal must be in accordance with the provisions in section 82 of the constitution. While there is no term limit for the position of Director of Audit, there is mandatory retirement at age 55.

The duties of the Director of Audit are outlined in the revised laws of St. Christopher and Nevis – Audit Act No. 8 of 1990. The constitution also provides for the Director of Audit to independently audit and report on the accounts of the federation. In the exercise of his functions under this act, "the

Director of Audit shall not be under the control, or direction of any other person or authority." However, the independence of the SAI is not absolute because (1) the appointments, salaries, transfer and discipline of staff fall under the purview of the Public Service Commission and (2) the budget of the SAI is subject to review by the executive.

## The Work of the Office

The Audit Act empowers the Director of Audit to conduct the examinations and enquiries of public bodies necessary to enable him to report as required by the act. The Director of Audit examines the annual accounts submitted by the Accountant General and expresses an opinion on whether they represent fairly the financial position and results of operations of the consolidated fund for the year then ended. The Director may also conduct examinations of statutory bodies or any institution that receives government funding.

The Director of Audit submits to the National Assembly an annual report on the work of his office and the results of his examination of the annual accounts. He also reports on whether he received all the information, reports, and explanations required to carry out his duties. He calls attention to significant matters that should be brought before the National Assembly. Such matters include any cases in which he has observed the following:

(1) Accounts and essential records have not been maintained or public monies have not been fully accounted for or paid, where so required by law, into the consolidated fund.

(2) The rules and procedures have been insufficient to safeguard public monies or property; to effectively check the assessment, collection, and proper allocation of revenue; or to ensure that expenditures were only made as so appropriated and conform to governing authority.

(3) Funds have been spent without due regard for value of money. These include cases in which resources have been acquired or utilized without sufficient regard for economy and efficiency or satisfactory procedures have not been established to ensure and report on the effectiveness of governmental activities.

## Reporting

The Director of Audit submits the annual report through the Minister of Finance, who shall officially present the report before the National Assembly. If this is not done, the Director

transmits copies to the Speaker, who in turn presents them to the National Assembly.

The Audit Office has adopted INTOSAI standards to be used in conjunction with financial regulations to conduct its audits.

## **Training**

Most training is provided on-the-job. Staff may also receive some in-house training and some external training through CAROSAI and other regional and international agencies, such as the U.S. General Accounting Office. The government also provides funds for training at the University

of the West Indies and other institutions of higher learning.

## **Future Prospects**

The midterm objectives of the SAI of St. Kitts and Nevis are to (1) introduce the use of computers into the auditing process, (2) increase the number of performance audits, and (3) institutionalize the training function.

For additional information, please contact: the Director of Audit, National Audit Office, Government Headquarters Complex, Church Street, Basseterre, St. Kitts and Nevis, Telephone: 869-465-2521 x 1051, Facsimile: 869-446-8510. ■

# Reports in Print

Responding to changes in the work environment, the Office of the Auditor General (OAG) in Canada is updating its audit methodology manuals to recognize the new requirements of different product lines, take advantage of the capability of electronic tools and increase the manuals usefulness to practitioners. A new value-for-money (VFM) audit manual is now available; two other manuals, for conducting an annual audit and special examinations of crown corporations are being developed. Functional guidance and procedures, and electronic tools support each manual.

The VFM manual is structured around a set of VFM standards that are supported by practice expectations for auditors. It includes sections on the Context for VFM Auditing (general standards, mandate, accountability, access to information, key factors, conduct standards), the Essential Features of a VFM Audit (planning process and audit examination standards, reporting standards, audit follow-up standards), Practice Expectations, and Quality Management.

The VFM manual is available in English or French on the OAG's homepage at <<http://www.oag-bvg.gc.ca>> under "Publications and Reports." Diskette and paper versions are available by contacting the OAG directly at: **Office of the Auditor General of Canada, 240 Sparks Street, Ottawa K1A 0G6, Ontario, CANADA; fax:++613-957-4023.**

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In Paris, the International Chamber of Commerce (ICC) has been working closely with the Organization for Economic Cooperation and Development (OECD) and the World Bank on projects related to implementing new anti-corruption treaties and legislation. The ICC has published a guide for corporate leadership that also includes sections on accounting and auditing policies targeting corruption.

Copies of *Fighting Bribery: A Corporate Practices Manual* can be ordered from the Business Bookstore on ICC's Internet site <<http://www.iccwbo.org>> or by contacting the **ICC Publishing SA, 38 cours Albert 1er, 75008 Paris, France; phone:++33-1-4953-2823; fax:++33-1-4953-2924.**

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The Institute of Internal Auditors has issued its 1999 *Bookstore* catalog, a comprehensive listing of IIA references to update practitioners. It provides descriptions of and information for ordering IIA texts, videos, and workbooks on topics such as risk management/control, fraud, audit committees and governance, audit and management skills, information technology, and standards. It also provides details on ordering the newly completed *Competency Framework*

*for Internal Auditing and A Vision for the Future: Professional Practices Framework for Internal Auditing.*

To obtain a copy of the *Bookstore*, or to place orders, contact the IIA online at <<http://www.theiia.org>>, or via email [iiapubs@phb.com](mailto:iiapubs@phb.com). Inquiries can be sent to **The Institute of Internal Auditors, 249 Maitland Avenue, Altamonte Springs, FL 32701-4201, USA; or via phone:++877-867-4957; or fax:++770-442-9742.**

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Several recent publications from SAIs provide practical information and guidance that may be of interest to readers.

Mr. Ram Babu Nepal's *Performance Auditing: Concept and Practice* presents an extensive discussion of the definition and general framework for performance auditing along with excerpts from a wide-range of previously published articles dealing with the introduction and application of performance auditing. Copies of this book are available through the **Office of the Auditor General, Barbar Mahal, Katmandu, Nepal; fax: ++977-1-26-27-98, or email: <oagnp@oagnp.mos.com.np>.**

Adding to the auditor's tool kit, the Office of the Auditor General of Pakistan presents two new booklets: *Reporting Guidelines for Field Audit Offices* and the *Audit of Missions Abroad*. Both texts provide practical guidelines, checklists, and samples of workpapers that can readily be adapted and applied. The SAI also publishes and distributes a magazine, PERFORMIT, which is intended to advance auditing in the public sector. Copies of publications can be obtained by contacting the **Office of the Auditor General, Audit House, Constitution Avenue, Islamabad, PAKISTAN; phone:++92-51-9219163; fax:++92-51-9207924.**

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Twice a year, the Technical Cooperation among Developing Countries (TCDC) unit within the United Nations Development Program (UNDP) publishes a magazine devoted to critical analysis and discussion of important issues in the Southern Hemisphere. Entitled COOPERATION SOUTH, the periodical includes articles and interviews on a wide-range of topics, and Volume One, includes an article on governance which discusses key issues in raising the quality of public sector management including the need for oversight and control mechanisms. Published in English, French, and Spanish, COOPERATION SOUTH may be ordered by contacting **The Special Unit for TCDC, United Nations Development Program, One United Nations Plaza, New York, NY 10017, USA, or by sending a fax to ++212-906-6352. ■**

# Inside INTOSAI

## 46th Governing Board Meeting

From May 26-28, 1999, Governing Board members from Antigua and Barbuda, Austria, Cameroon, Canada, Egypt, Germany, India, Korea, Morocco, Norway, Peru, Portugal, Saudi Arabia, Tonga, the United Kingdom, the United States, and Uruguay met in Vienna, Austria. A representative from the United Nations and committee chairs from France, Hungary, Mexico, the Netherlands, and Sweden also participated in the meeting.

### Opening Remarks

In welcoming delegates to Vienna, Dr. Franz Fiedler, INTOSAI's Secretary General and President of the Court of Audit of Austria, commented on the spirit of cooperation which marked the Governing Board meetings. He noted that this spirit exemplifies INTOSAI's motto, "mutual experience benefits all," and is critical to INTOSAI's successes.

### Remarks from the Chairman

INTOSAI Chairman, General Guillermo Ramirez, President of Uruguay's Tribunal de Cuentas, continued with this theme, noting that much of the cooperation comes through the leadership provided by Dr. Fiedler and the hard work of the Secretariat in Vienna. As he officially opened the Governing Board meeting, Mr. Ramirez extended a special welcome to two recently appointed delegates: Ms. Saskia Stuiveling, now President of the Court of Audit in the Netherlands, and Mr. Gregorio Guerrero, Contador Mayor de Hacienda in Mexico.

Remarking that it had been less than a year since the last Governing Board meeting, Chairman Ramirez went on to highlight INTOSAI's many activities. He pointed out that although it may appear that there is one INTOSAI activity—a Governing Board meeting or a Congress—each year, in reality INTOSAI is always active. He noted that the reports to be presented at the meeting would reflect the many accomplishments of the General Secretariat, the *International Journal of Government Auditing*, the INTOSAI Development Initiative, and the committees and working groups.

As the XVI INCOSAI host, he emphasized that hosting a congress does not stop when the last session ends. He mentioned that since November his team had been working on the Proceedings that were then presented to the Governing Board members and will soon be sent to all SAIs. The text and photos provide a record of the XVI INCOSAI and include the agreements reached in the Montevideo Declaration. He continued by noting that the Proceedings, along with the documents distributed at the XVI INCOSAI, reflect a steady progress within INTOSAI.



During a break in the meeting, Governing Board members, committee chairs, and observers posed for the traditional group photo at the Vienna International Center.

Chairman Ramirez went on to say that just as a congress does not end with its last session, the next congress really begins long before its first session. On behalf of the Governing Board, he expressed his interest in hearing more during the week about plans for XVII INCOSAI to be held in Seoul.

While complimenting Dr. Fiedler and the General Secretariat staff for their hard work and many accomplishments, Chairman Ramirez also drew attention to the great diversity within INTOSAI. He observed that, within this diversity, the many accomplishments of the regional working groups and the INTOSAI committees demonstrate that it is possible to bring together very different groups to promote and advance important professional issues. He concluded his remarks by expressing his hope that INTOSAI would continue its upward course through its many programs and activities which promote the growth of member SAIs and advance government accountability around the globe.

### Report from the Second Vice Chairman

Other opening remarks by Mr. Tawfik Tawfik, President of Saudi Arabia's General Auditing Bureau and INTOSAI's Second Vice Chairman, highlighted recent ASOSAI accomplishments. Mr. Tawfik commented on the strong bonds of understanding and cooperation that have developed among the 31 SAIs that have become members since ASOSAI's creation in 1978. Noting that ASOSAI should be proud of its achievements, he spoke about ASOSAI's role as an important link with other international and regional organizations and reported on recent research projects, seminars, and publications. In conclusion, Mr. Tawfik expressed special appreciation to IDI and several donor institutions for their

contributions in working with ASOSAI to develop skilled and well-trained staff that is essential if SAIs are to achieve their objectives.

### Observations from the UN Representative

Mr. Abdel Bouab, delivering remarks on behalf of the United Nations, emphasized that transparency and accountability continue to be topics of major concern and interest in the UN. Noting the importance of globalization, increasing technology, greater public expenditures, expanding democracy, and emerging environmental concerns, Mr. Bouab declared that the UN remains committed to continuing to support the work of SAIs in addressing these issues. He also pointed out that, in times of rapid change and government reform, SAIS must continually re-examine what they are doing and how they are doing it while ensuring that they have the qualified staff and adequate technology to exercise their oversight responsibilities. He observed that the role of the SAIs is critical in assuring the transparency that is essential for efficient and effective government and he encouraged SAIs to look beyond accounting and compliance as they examine government systems and institutions.

### Preparations for Seoul

Mr. Seung-hun Hahn, Chairman of the Board of Audit and Inspection of Korea and INTOSAI's First Vice Chairman, reported on preparations for the XVI INCOSAI and later Governing Board members established the congress themes.

Mr. Hahn expressed appreciation to all Board members for their assistance and support and provided important details about arrangements for the next congress and Governing Board meeting.

- The XVII INCOSAI will take place at the Convention and Exhibition Center (COEX) of the World Trade Center in Seoul from October 21-27, 2001. This site, scheduled to open in June 2000 will provide state-of-the-art space for congress events.
- Advance reservations for accommodations at the Shilla Hotel and the Intercontinental Hotel are being made to ensure that during the congress rooms will be available adjacent to the COEX.
- The 47th INTOSAI Governing Board meeting will take place at the Hotel Shilla from May 23-25, 2000.

### XVII INCOSAI Schedule

Mr. Hahn presented a proposed schedule for the congress that was discussed and approved by the Governing Board. The program includes time for pre-congress meetings for the committees and working groups, and IDI (October 21) and for the 48th Governing Board and the XVII INCOSAI Theme Officers (October 22). An evening opening ceremony and reception will launch the official congress program on October 22. Plenary and discussion sessions will be held at the COEX from October 23-27, and time is also set aside during the week

for regional working group meetings. The weeks' activities will conclude with the 48th Governing Board meeting and the closing dinner (October 27). Throughout the week a variety of special events will provide opportunities for accompanying persons and delegates to learn more about the people, history, and culture of the Republic of Korea.

Mr. Hahn concluded his remarks by asking the Governing Board members for their continuing support and cooperation, and Mr. Ramirez responded by pledging the group's commitment to working with the Korean SAI to ensure the XVII INCOSAI will be a great success.

### XVII INCOSAI Themes

Later during the meeting, Governing Board members decided on themes for the Seoul congress and identified the principal theme officers. Theme I will examine the role of SAIs in the audits of international/supranational institutions; Norway will serve as the Chair/Rapporteur and Uruguay as the Vice Chair. The United States will chair Theme II, a broader theme examining contributions of SAIs to administrative and government reforms, which will be divided into two subthemes. Germany will serve as the Rapporteur and India as the Vice Chair for Subtheme IIA, dealing with the role of the SAIs in planning and implementing reform. Austria and Hungary will assume roles as Rapporteur and Vice Chair for Subtheme IIB, the role of the SAI in auditing government reforms. Early in 2000, SAIs will receive copies of the principal theme papers prepared by the rapporteurs, and they will be invited to submit country papers that will then serve as the basis for discussions at the XVII INCOSAI.

### INTOSAI Reports

A significant part of each Governing Board meeting is dedicated to reviewing INTOSAI activities and programs during the preceding year.

### Secretary General's Report

The first portion of Dr. Fiedler's report dealt with activities which had occurred since the 45th Governing Board meeting which was held on November 14, 1998, in Montevideo. Major activities of the secretariat included:

- assisting Canada in implementing the Governing Board decision to establish a task force on the independence of SAIs;
- providing logistical support to the two special groups preparing to revise and update the Congress and Committee Handbooks;
- gathering information from SAIs to form the basis for discussions about themes for the XVII INCOSAI, and
- cooperating with the UN to prepare for the 14th UN/INTOSAI Seminar.

In discussing the preparations for the UN/INTOSAI seminar, Dr. Fiedler indicated that the meeting would convene

in Vienna from March 27-31, 2000. The topic will be "The Audit of Public Healthcare Systems by SAIs." As in the past, the participating SAIs will be selected on the basis of consultations between the Secretariat and the regional working groups, and other SAIs will be asked to provide expert-lecturers.

In representing INTOSAI, the Secretariat participated in several recent seminars including the:

- Vice President's Conference on Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials, (Washington, D.C., USA, February 24-26);
- SIGMA Training and Information Seminar for the National Audit Office of Bulgaria, (Sofia, Bulgaria, March 22-24), and
- UNDESA/UNDP Regional conference on "Decentralization: Conditions for Success" (Yerevan, Armenia, April 26-29).

Commenting on financial and budgetary matters, Dr. Fiedler noted that:

- first quarter data for the 1999 budget did not show any significant deviations from the estimates, and no budget modifications were needed at the end of the first quarter;
- the 1998 financial statements were audited by the INTOSAI auditors (the SAIs of Finland and South Africa), and the auditors certified the statements without qualification.

The Secretary General reported that INTOSAI currently has 179 members, most of whom are also members of one of INTOSAI's regional working groups. Dr. Fiedler reminded everyone that, consistent with the traditional system of rotating INTOSAI congress sites among the regional groups, the 45th Governing Board expressed the desire to have a European SAI host the XVIII INCOSAI, to be held in 2004. Accordingly, the EUROSAI Governing Board discussed this issue at their meeting in February 1999, and decided to nominate Hungary's SAI as host for the congress in 2004.

### Report on the International Journal of Government Auditing

Mr. David Walker, Comptroller General of the United States, presented the annual report for the *International Journal of Government Auditing*. He noted that Price-waterhouseCoopers issued a clean opinion on the *Journal's* 1998 financial statements, and thanked the SAIs of Austria, Canada, Tunisia, and Venezuela for their in-kind contribution of translation services that allow the *Journal* to maintain its sound financial position. In discussing the *Journal's* work to support INTOSAI's goals of strengthening communication and knowledge sharing among SAIs, Mr. Walker also commented on recent *Journal* projects to issue new products, like the INTOSAI Overview and the Membership Directory, and to reissue important documents like the *Lima Declaration*. In

concluding his report, he pledged the *Journal's* continuing commitment to fostering communication and coordination among assist members and committees, and he urged all INTOSAI members to contribute editorials, articles, and news items for inclusion in future issues.



The delegations from Norway and Canada met informally on several occasions to discuss details related to the IDI transfer, pictured here from left to right are Mr. Mork-Eidem and Mr. Magnus Borge (Norway) and Mr. Desautels (Canada).

### Report on the INTOSAI Development Initiative (IDI)

Mr. Denis Desautels, Auditor General of Canada; Mr. Bjarne Mork-Eidem, Auditor General of Norway, and Ms. Stuiveling, presented reports on the INTOSAI Development Initiative (IDI).

Mr. Desautels began with a report on the IDI activities completed in 1998 and the first quarter of 1999 and the programs planned for the remainder of 1999. He noted that great progress has been made in implementing the Long Term Regional Training Program (LTRTP) which began in 1997, with the expectation that it would strengthen the training infrastructure in each region. In ASOSAI and among the English-speaking SAIs of AFROSAI, the project is nearing completion and "training trainees" have designed, developed, and delivered new training programs for their regions. Each of the other regional groups is making progress, and Mr. Desautels indicated that the LTRTP should be completed by the time the IDI Secretariat transfers from Canada to Norway in 2001. While reporting on IDI's financial statements, Mr. Desautels expressed special appreciation to the governments of Denmark, Norway and Sweden for their support of the OLACEFS programs, and to government of Canada and the World Bank for their ongoing contributions. At the same time, he mentioned that IDI is continuing its efforts to secure funding to ensure that the LTRTP can be completed in CAROSAI.

Mr. Desautels continued by presenting information about progress with establishing the "satellite programs." The satellite partnerships foster cooperation between SAIs and

regional groups in implementing the LTRTP and providing ongoing technical assistance and help in obtaining financial support to ensure the sustainability of regional training plans. Discussions are underway to explore options for establishing such cooperative agreements between the Canadian SAI and French speaking AFROSAI, New Zealand and SPASAI, and Japan and ASOSAI. As an example of the successes that can be realized through such partnerships, Ms. Stuiveling reported on the cooperation between the Netherlands and AFROSAI's English-speaking SAIs. She noted, while the major responsibility for the programs remains with the African SAIs, technical support is provided by the SAI in the Netherlands and the government of the Netherlands is providing funding support. An initial course on performance auditing was being delivered in Ethiopia and a second course on management was being planned in South Africa. Ms. Stuiveling pointed out that the programs are relying on local trainers and emphasis is also given to information sharing. To foster this information sharing, attention is being given to establishing INTERNET hookups. An evaluation of this pilot satellite project will be conducted in 2001, and Ms. Stuiveling expressed the hope that this would lead to extending the relationship.

Mr. Mork-Eidem delivered a report on the status of the transfer of the IDI secretariat from Canada to Norway. He distributed a copy of the proposal presented to the Norwegian Parliament, and noted that the necessary legal requirements have been met to establish IDI within the framework of Norwegian law. Funding through the Norwegian international development budget has been secured and key staff will be in place in June 1999. To facilitate the orderly transition, the Norwegian and Canadian staff will begin working side-by-side to develop the new secretariat function and formulate a new strategic plan. Mr. Mork-Eidem and Mr. Desautels both commented that initial planning has been very successful and the transfer is moving smoothly into an implementation phase.

On behalf of the Governing Board and all INTOSAI members, Chairman Ramirez thanked Canada for their significant contributions with IDI, congratulated Norway for their excellent work to ensure a smooth transition and commended the Netherlands for their report demonstrating what the future may look like.

### Committee Reports

Although it was only six months since the last meeting of the Governing Board, each committee provided a summary of activities which had taken place since November 1998 and discussed projects which are being planned or implemented. Highlights of these reports are summarized in the box on page 22.

### Special Reports

At the 45<sup>th</sup> Governing Board meeting, several issues were raised and special projects or studies were initiated. In Vienna, the Governing Board heard special reports in each of these areas.



Following the Governing Board meetings, delegates and accompanying persons enjoyed an excursion to Linz, and members of the "English-language" tour group paused for a photo in the great hall at St. Florin's Abbey.

### Re-eligibility of Governing Board Members

In Montevideo a question was raised regarding the INTOSAI Statutes and whether or not they permit the re-election of members to the Governing Board. The Secretary General was asked to study this issue, and Dr. Fiedler presented an extensive report on the Secretariat's research. The review of the Statutes, which included a comparison with the statutes of some regional groups, an examination of transitional policies employed when the current Statutes were adopted in 1992, and an assessment of past practices, led the Secretary General to conclude that, "Historic and systematic analysis shows that the INTOSAI Statutes do not contain any provision that would stand in the way of the re-election of a Governing Board member."

After an extended discussion, which brought to light some differences in the translations of the Statutes, the Governing Board adopted the Secretary General's report and conclusion. It was agreed, however, that the translations of the Statutes would be re-examined, and revised if necessary, to reflect the language and the "spirit" of the English text that had been the original source language.

### Handbook Revisions

In November, two special groups were established to review and revise the Handbook for INTOSAI Congresses and the Handbook for Committees of INTOSAI, and pre- and post-Governing Board meetings in Vienna provided each group with an opportunity to develop workplans and timelines. Austria, Egypt, Korea, the United States, and Uruguay are working on revisions to the Congress Handbook. Committee chairs (France, Hungary, India, Mexico, the Netherlands, Sweden, the United Kingdom, and the United States) will revise the Committee Handbook. The United States and India are chairing the two groups that will continue most of their work via electronic communications and issue reports on their progress at 47<sup>th</sup> Governing Board meeting.

## Independence Project

Mr. Desautels reported on the progress of the independence project, and the task force held a planning session immediately after the conclusion of the Governing Board meeting. Members of the task force, drawn from among Board members and providing representation of each regional group, include: Antigua and Barbuda, Cameroon, Egypt, Portugal, Saudi Arabia, Tonga and Uruguay and the Secretary General. The group intends to table a draft report at the Governing Board meeting in Seoul in 2000; the final report will be presented to the XVII INCOSAI. Task force members reviewed a draft survey that will soon be distributed to SAIs and discussed issues related to its content and the procedures to be used in gathering and analyzing the information. Mr. Desautels noted that a quick turnaround on the survey would be needed since the task force faces short reporting timeframes, and the survey will not be distributed to EUROSAI members since they have recently completed a similar project. He also noted that he and

Mr. Gaudette would be attending the EUROSAI congress in Paris to learn more about EUROSAI's work on this topic. Some task force members also agreed to provide translation support for the questionnaire and the project report: Austria (German), Saudi Arabia (Arabic), Uruguay (Spanish), and Canada (French). English will serve as the task force's working language.

## Closing Remarks

In closing remarks for the 46<sup>th</sup> Governing Board meeting Mr. Hahn and Chairman Ramirez both thanked the Secretary General and the staff in Vienna for their organization and hospitality. Mr. Hahn asked for the Board's continuing support and noted his appreciation to the theme officers for agreeing to take on roles for the XVII INCOSAI. Chairman Ramirez remarked that the direction was set for a successful congress in Seoul in 2001 and added that the Governing Board seemed to be moving along a path to ensure its success.

### Highlights from the Committees and Working Groups

During the Governing Board meeting, the committees and working group chairs reported on projects they plan to complete during the next three-year period and noted any scheduled meetings.

**Auditing Standards (Sweden):** restructuring the Auditing Standards to ensure consistency and avoid duplication with other INTOSAI products and provide for easy updating (first draft to be circulated to members in August 1999); developing guidance on the implementation of the auditing standards (first draft to be circulated in April 2000); committee meeting in London, January 2000.

**Accounting Standards (USA):** reprinting and distributing Framework and Implementation Guide adopted in 1995 and 1998; developing new guidance for analyzing and explaining financial results and program performance; commenting on IEAC exposure drafts; planning a meeting in May/June 2000.

**Internal Control Standards (Hungary):** organizing an internal controls conference to be held in May 2000; updating INTOSAI's Internal Control Standards adopted in 1992; publishing a booklet for managers, explaining internal controls and their responsibilities; subcommittee meeting June 28-30, 1999.

**EDP (India):** collaborating with Internal Controls and Auditing Standards committees; assisting SAIs in finding expert IT assistance and resources; publishing *Intollt* and disseminating information through INTERNET; developing guidance related to detecting and preventing IT related fraud and issues related to computer communications security; Zimbabwe hosting committee meeting October 7-8, 1999.

**Environmental Auditing (Netherlands):** drafting guidance on conducting audits of activities with an environmental perspective; working to "regionalize" the working group activities; conference planned in the Netherlands, June 1999; working group meeting planned in South Africa, in April or May 2000.

**Privatization (United Kingdom):** monitoring the effectiveness of guidelines on best practices that were adopted; considering how new guidelines concerning private, public and concessionary financing might be developed; continuing analysis of guidance on auditing economic regulation and issues related to broadening the scope of the committee's work; meeting planned for October 5-6, 1999, in Warsaw.

**Public Debt (Mexico):** finalizing and distributing guidelines discussed and approved at the XVI INCOSAI (Guidance for Planning and Conducting an Audit of Internal Controls of Public Debt, and Guidance on the Reporting of Public Debt); establishing an INTERNET site; developing new guidance on contingent liabilities and government commitments and completing a study of the ways in which SAIs can contribute to increasing awareness of the relationship between fiscal policy and public debt management; a committee meeting is being planned for November 11-12, 1999 in Mexico City.

**Program Evaluation (France):** continuing to compile, analyze, and report on developments in methodology using case studies and examples; studying relationship between evaluation and information systems; collaborating with the Internal Control Standards committee; exploring the use of INTERNET to disseminate information; planning to distribute a questionnaire by November 1999.

## SAI's E-Mail Addresses

In support of INTOSAI's communications strategy, each issue of the Journal will publish the e-mail/internet addresses of SAIs, INTOSAI programs, and related professional organizations. Also listed are homepage addresses on the worldwide web (www). SAIs are asked to notify the Journal as they acquire these addresses. The addresses printed in bold type are the new addresses.

INTOSAI General Secretariat:  
<intosai@rechnungshof.gv.at>; and  
<http://www.intosai.org>

International Journal of Government Auditing:  
<chases@gao.gov>

INTOSAI Development Initiative: <IDI@oag-bvg.gc.ca>

INTOSAI Committee on EDP Audit:  
<cag@giasd101.vsnl.net.in> and  
<www.open.gov.uk/nao/intosai\_edp/home.htm>

INTOSAI Committee on Environmental Auditing:  
<http://www.rekenkamer/ea>

INTOSAI Committee on Privatization:  
<http://www.open.gov.uk/nao/intosai/home.htm>

ASOSAI: <asosai@ca.mbn.or.jp>

EUROSAI: <eurosai@tsai.es>

OLACEFS: <caso@condor.gob.pe>

SPASAI: <steveb@oag.govt.nz>

SAI of Argentina: <agn1@interserver.com.ar>

SAI of Australia: <agl@anao.gov.au> and  
<http://www.anao.gov.au>

SAI of Bahrain: <audit@mofne.gov.bh>

SAI of Bangladesh: <saibd@citechco.net>

SAI of Belgium: <Internat@ccrek.be>

SAI of Bolivia: <cgr@ceibo.entelnet.bo>

SAI of Brazil: <sergiofa@tcu.gov.br>; and  
<http://www.tcu.gov.br>

SAI of Canada: <desautld@oag-bvg.gc.ca> and  
<http://www.oag-bvg.gc.ca>

SAI of Chile: <aylwin@contraloria.ci> and  
<http://www.contraloria.ci>

SAI of China: <cnao@public.east.cn.net>

SAI of Costa Rica: <xcisnado@casapres.go.cr>

SAI of Croatia: <colic@revizija.hr>, <opcal@revizija.hr> and <http://www.revizija.hr>

SAI of Cyprus: <cao@cytanet.com.cy>

SAI of Czech Republic: <michael.michovsky@nku.cz>

SAI of Denmark: <rigsrevisionen@rigsrevisionen.dk> and  
<http://www.rigsrevisionen.dk>

SAI of El Salvador: <cdcr@es.com.sv>

SAI of Estonia: <riigikontroll@sao.ee> and  
<http://www.sao.ee>

SAI of European Union: <euraud@eca.eu.int> and  
<http://www.eca.eu.int>

SAI of Fiji: <audit@itc.gov.fj>

SAI of Finland: <kirjaamo@vtv.fi>

SAI of France: <dterroir@ccomptes.fr> and  
<www.ccomptes.fr>

SAI of Georgia: <chamber@access.sanet.ge>

SAI of Germany: <BRH\_FFM@t-online.de> and  
<http://www.Bundesrechnungshof.de>

SAI of Hong Kong: <audaes2@aud.gen.gov.hk> and  
<http://www.info.gov.hk/aud/>

SAI of India: <cag@giasd101.vsnl.net.in>

SAI of Indonesia: <asosai@bpk.go.id>

SAI of Ireland: <webmaster@audgen.irlgov.ie> and  
<http://www.irlgov.ie/audgen>

SAI of Italy: <bmanna@tiscalinet.it>

SAI of Japan: <asosai@ca.mbn.or.jp> and  
<http://www.jbaudit.admix.go.jp>

SAI of Jordan: <audit-b@amra.nic.gov.jo>

SAI of Korea: <gsw290@blue.nowcom.co.kr> and  
<http://www.bai.go.kr>

SAI of Kuwait: <aha@audit.kuwait.net>

SAI of Kyrgyzstan: <whl@mail.elect.kg>

SAI of Latvia: <http://www.lrvk.gov.lv>

SAI of Lebanon: <President@coa.gov.lb>

SAI of Luxembourg: <chaco@pt.lu>

SAI of Macedonia: <usdt@nic.mpt.com.mk>

SAI of Malaysia: <jbaudit@audit.gov.my>

SAI of Mali: <papa.toyo@datatech.toolnet.org>

SAI of Malta: <nao.malta@magnet.mt>

SAI of Marshall Islands: <tonyowe@ntamar.com>

SAI of Mauritius: <auditdep@bow.intnet.mu>

SAI of Mexico: <cmhsecpart@compuserve.com.mx>

SAI of Micronesia: <FSMOPA@mail.fm>

SAI of Nepal: <oagnp@oagnp.mos.com.np>

SAI of the Netherlands: <bjz@rekenkamer.nl> and <http://www.rekenkamer.nl>

SAI of New Zealand: <oag@oag.govt.nz> and <http://www.netlink.co.nz/%7e.oag/home.htm>

SAI of Nicaragua: <continf@lbw.com.ni>

SAI of Norway: <riksrevisjonen@riksrevisjonen.no>

SAI of Oman: <sages@gto.net.om>

SAI of Pakistan: <saipak@comsats.gov.pk>

SAI of Palau: <palau.public.auditor@palaunet.com>

SAI of Panama: <omar1@contraloria.gob.pa>

SAI of Papua New Guinea: <amrita@online.net.pg>

SAI of Paraguay: <director@astcgr.una.py>

SAI of Peru: <dc100@condor.gob.pe> and <http://www.rcp.net.pe/CONTRALORIA>

SAI of Philippines: <catli@pacific.net.ph>

SAI of Poland: <http://www.nik.gov.pl>

SAI of Portugal: <dg.tcontas@mail.telepac.pt>

SAI of Puerto Rico: <ocpr@coqui.net>

SAI of Qatar: <qsab@qatar.net.qa>

SAI of Russia: <sjul@gov.ru>

SAI of Saint Lucia: <govaudit@candw.lc>

SAI of Singapore: <ago\_email@ago.gov.sg>

SAI of Seychelles: <seyaudit@seychelles.net>

SAI of Slovakia: <julius@controll.gov.sk> and

SAI of Slovenia: <anton.antoncic@racsod.sigov.mail.si> and <http://www.sigov.si/racs>

SAI of South Africa: <debbie@agsa.co.za> and <http://www.agsa.co.za>

SAI of Spain: <TRIBUNALCTA@bitmailer.net>

SAI of Suriname: <http://www.parbo.com>

SAI of Sweden: <int@rrv.se> and <http://www.rrv.se>

SAI of Switzerland: <sekretariat@efk.admin.ch>

SAI of Thailand: <oat@vayu.mof.go.th>

SAI of Turkey: <saybsk3@turnet.net.tr>

SAI of Ukraine: <rp@core.ac-rada.gov.ua>

SAI of United Arab Emirates: <saiuae@emirates.net.ae>

SAI of the United Kingdom: <international.nao@gt.net.gov.uk> and <http://www.open.gov.uk/nao/home/htm>

SAI of the United States of America: <oil@gao.gov> and <http://www.gao.gov>

SAI of Uruguay: <tribinc@adinet.com.uy> and <http://www.tcr.gub.uy>

SAI of Yemen: <COCA@Y.NET.YE>

SAI of Venezuela: <crojas@cgr.gov.ve> and <http://www.cgr.gov.ve>

Canadian Comprehensive Auditing Foundation: <http://www.ccaf-fcvi.com>

Institute of Internal Auditors: <iia@theiia.org> and <http://www.theiia.org>

International Consortium on Governmental Financial Management: <http://financenet.gov/icgfm.htm>

International Federation of Accountants: <http://www.ifac.org>

# 1999/2000 Calendar of INTOSAI Events

## July

## October

*AFROSAI Congress*  
*Ouagadougou, Burkino Faso*  
*October 4-8*

*OLACEFS General Assembly*  
*Asuncion, Paraguay*  
*October 4-8*

*Privatization Committee Meeting*  
*Warsaw, Poland*  
*October 5-6*

*EDP Committee Meeting*  
*Harare, Zimbabwe*  
*October 7-8*

*Commonwealth Auditors General Conference*  
*Sun City, South Africa*  
*October 10-13*

## 2000 January

*Auditing Standards Committee Meeting*  
*London, United Kingdom*  
*(date to be determined)*

## April

## August

*ASOSAI Governing Board Meeting*  
*Phuket, Thailand*  
*August 3-5*

## November

*Public Debt Committee Meeting*  
*Mexico City, Mexico*  
*November 11-12*

## February

## May

*INTOSAI Governing Board Meeting*  
*Seoul, Korea*  
*May 23-25*

*Internal Control Conference*  
*Budapest, Hungary*  
*(date to be determined)*

## September

## December

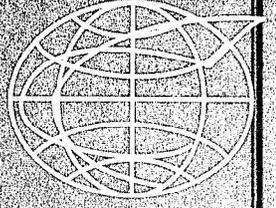
## March

*UN/INTOSAI Seminar*  
*Vienna, Austria*  
*March 27-31*

## June

**Editor's Note:** This calendar is published in support of INTOSAI's communications strategy and as a way of helping INTOSAI members plan and coordinate schedules. Included in this regular Journal feature will be INTOSAI-wide events and region-wide events such as congresses, general assemblies, and Board meetings. Because of limited space, the many training courses and other professional meetings offered by the regions cannot be included. For additional information, contact the Secretary General of each regional working group.

INTOSAI



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