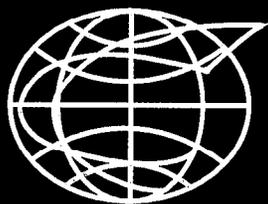


INTOSAI



# International Journal of Government Auditing

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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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# LOOKING FORWARD TO SEOUL

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By Guillermo Ramirez, President of the Court of Accounts of Uruguay, and Chairman of the Governing Board of INTOSAI



Mr. Guillermo Ramirez

While celebrating its 47<sup>th</sup> anniversary this year, INTOSAI is halfway between two Congresses: the last one was held in Montevideo in 1998, and the next one will take place in Seoul in October 2001. Only 16 out of INTOSAI's 178 member SAIs have until now hosted its Congresses, and consequently have had the rich experience resulting from such a privilege. Since our last Congress in Montevideo, many new heads of SAIs have joined our community, and they will not have the opportunity to participate in our congress until October 2001. This has prompted me to share some thoughts with the readers of our Journal, for the purpose of contributing my viewpoint on the development of INTOSAI.

An excellent synopsis, "INTOSAI – An Overview", was published in 1995 on our organization's mission, history and organic structure, as well as on its programs such as training and publications, thus providing a clear, complete and concise idea about what is INTOSAI and which are its purposes. My intention here is to comment on how I perceive its present action from my perspective as Chairman of its Governing Board, which recently held its 47<sup>th</sup> meeting in Seoul.

In the first place, I wish to refer to the seven Regional Working Groups that promote professional and technical cooperation among their member institutions. The dynamism of these Regional Groups was evidenced in 1999 by the Congresses of EUROSAI in France, of AFROSAI in Burkina Faso, and of OLACEFS in Paraguay.

In turn, the Standing Committees and Working Groups have confirmed the fruitful nature of their activities, as shown by the meetings held following the XVI INCOSAI. In that connection, I must note the meetings concerning Public Debt that were held in Canada and Mexico; Environmental Audit, in The Netherlands and South Africa; Privatization, in Poland

and Argentina; EDP, in Zimbabwe; Audit Standards, in the United Kingdom; and, Accounting Standards, in Trinidad and Tobago.

The General Secretariat constitutes as well a good example of ongoing activity within INTOSAI. In May 1999, the Secretariat hosted the 46<sup>th</sup> Meeting of the Governing Board in Vienna, where I witnessed, once again, its excellent willingness and capability to plan and host a successful event. One more seminar conducted by the United Nations and INTOSAI also took place in Vienna, thus maintaining the links with that organization as provided for in our Statutes. These events are just two examples of the important activities undertaken by the General Secretariat which represent the idea that I wish to convey on the ongoing dynamics of INTOSAI between Congresses.

Training is one further area that has been particularly active. I refer specifically to IDI, the leading organization for the training of auditors in the public sector. During the period under consideration, I wish to note in particular the Long Term Regional Training Program. I have had the privilege of witnessing its application regionally, as the Uruguayan Court of Accounts hosted the courses conducted by IDI/OLACEFS in Montevideo during the last three years. This allowed me to reach a very positive opinion on this Program, as well as on its resulting benefits for the SAIs from the less developed countries. Taking into account that the responsibility for IDI management will be assumed by the Office of the Auditor General of Norway as of January 1, 2001, I wish to express to the Auditor General of Canada and his IDI collaborators, my most sincere recognition for their remarkable work throughout the last fifteen years. They succeeded in delivering training to those who needed it. Likewise, I convey my wishes of success to the Auditor General of Norway as he assumes leadership of IDI.

The *International Journal of Government Auditing* is another INTOSAI activity that constitutes permanent evidence of our organization's dynamism. From my point of view, the *Journal* is the best example of the uninterrupted nature of INTOSAI management throughout the world. Thus, I think that the continuity of its publication, together with the objective, wise and balanced criteria provided by its Editorial Council, greatly contributes to fulfill the statutory purpose of our organization, conceived as an autonomous, independent and non-political body.

Within this framework, I wish to refer to the activities underway for holding our next Congress in 2001.

The first step was a survey taken by the General Secretariat to collect suggestions for Congress themes; 63 SAIs responded to the survey, proposing 243 themes which were processed by the General Secretariat and later submitted for consideration by the Governing Board at its May 1999 meeting in Vienna. The themes to be discussed during the XVII INCOSAI were identified there, as were the SAIs which agreed to serve as theme officers. Theme I relates to The Audit of International and Supranational Institutions by SAIs, and is chaired by the Office of the Auditor General of Norway. Norway has already prepared the principal paper that was distributed to all member SAIs, thus enabling them to prepare and forward their respective country papers. Besides including questionnaires to be responded by each SAI, the principal paper contains background information which itself constitutes a contribution of such technical quality that it reasonably allows us to conclude that the final document will be as successful as we all expect.

Theme II is of a more general nature and relates to The Contribution of SAIs to Administrative and Government Reforms, and is chaired by the General Accounting Office of the United States of America. Theme II consists of two subthemes: IIA deals with The Role of SAIs in Planning and Implementing Administrative and Government Reforms, for which the Federal Court of Audit of Germany serves as rapporteur; and, IIB deals with The Role of SAIs in Auditing Administrative and Government Reforms, for which the Court of Audit of Austria serves as rapporteur. Both the German and Austrian SAIs have prepared the principal papers on Sub-themes IIA and IIB, which have been distributed to all member SAIs. Both principal papers reflect a thorough and systematic study of the issues that will certainly facilitate the task of SAIs in preparing their own country papers. This process of preparing principal and country papers on issues of interest to all SAIs and done in support of both Congress themes, is further evidence of the dynamism of our organization.

In addition to Themes I and II, the Seoul Congress will consider the outcome of surveys made on the review of manuals regulating the organization and work of Congresses and Committees, as well as the conclusions of the group responsible for studying the independence of SAIs. Special mention should also be made of the outstanding work being done by the SAI that will host the Congress. During the 47<sup>th</sup> Meeting of the Governing Board, held in Seoul on May 2000, I saw first-hand the devotion and efforts shown by the Korean Board of Audit and Inspection in the preparation of this event, and I am confident that the XVII INCOSAI will constitute a new successful step in the rising path of INTOSAI. That is my greatest wish.

In that regard, please allow me to kindly encourage those INTOSAI colleagues who still have not done so to prepare their own country papers on each theme. Your papers will be an essential contribution to a successful Congress based on full and active participation of its members. The remittance of such documents within the established deadline (August 1, 2000) will be a valuable support to the SAIs of Norway, United States, Germany, Austria and Korea, which are responsible for processing and presenting the final papers for the consideration of the Congress.

Likewise, it is also important that administrative documents be sent to Korea within the established deadlines. Previous experience indicates that any delay in the availability of that information becomes one of the most serious obstacles for the adequate preparation of the Congress. In this sense, our support will involve a valuable contribution to the important work they are carrying out, for the benefit of us all.

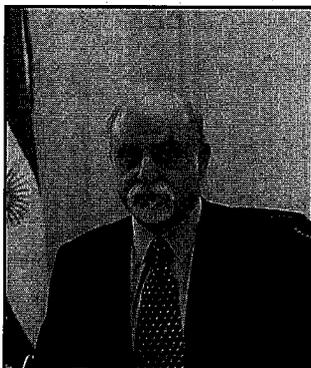
In closing, let me once again recognize the tremendous contributions of the many SAIs around the world whose dedication and commitment to INTOSAI's goals help us all achieve our own missions nationally. ■

# News in Brief

## Argentina

### New Auditor General

Dr. Rodolfo Carlos Barra was appointed to be President of Argentina's Office of the Auditor General on December 13, 1999. During the course of his career, Dr. Barra has held many different government and academic positions. Until his recent appointment, he had been professor of administrative law at the Argentine Catholic University Law School since 1985.



Dr. Rodolfo Carlos Barra

Dr. Barra graduated from the University of Buenos Aires with a master's degree in Administrative Law and from the Argentine Catholic University with a law degree and a doctorate in legal sciences. In 1989, Dr. Barra served as Secretary of Public Works and Secretary of the Interior Ministry. He was a Supreme Court Judge from 1990 to 1993 and was also Acting President of the Supreme Court. In 1993 and 1994, he served on the Board of Directors of the National Public Administration Institute and in 1994 was a Constitutional Assembly delegate representing the Province of Buenos Aires. He was Minister of Justice from 1994 until 1996. Dr. Barra is also a former human rights advisor and was the president of the national entity regulating the Argentine airport

management system in 1998. He is a former member of the Argentine national jury court.

In addition to his broad experience within Argentina, Dr. Barra has lectured abroad and been a guest professor in Europe and the United States. He is the author of ten books on administrative law and over 100 magazine articles.

For additional information, contact Auditoria de la Nacion, Hipolito Yrigoyen 1236 – C.P. 1086, Capital Federal, Buenos Aires, Republica Argentina.

## India

### Training Programs Draw Participants From 30 Countries

Sixty-eight people from 30 countries have attended the three international training programs India's supreme audit organization conducted between September 1999 and February 2000. The 6-week programs covered auditing public enterprise, infrastructure and auditing, and auditing rural development programs.

The programs incorporated the successful use of lectures, group discussions, and case studies. Participants submitted and presented country papers describing relevant audit practices and experiences in their SAIs. The courses included study tours that allowed participants to have a practical dimension to the training.

### Training in Nepal

Katmandu is the setting this summer for the last of three annual joint India-Nepal training programs. At the request of Nepal's auditor general, the SAIs of India and Nepal have collaborated to conduct these 4-week programs for the Nepalese staff on auditing public works, auditing central accounts, and revenue

auditing. Feedback from participants and from structured evaluation forms has been positive.

## German SAI Leader Visits

When Ms. Hedda von Wedel, president of Germany's Federal Court of Audit, visited India last November, she and her delegation had extensive discussions with Indian officials on matters of mutual interest, with a view toward further cooperation in the field of public auditing. Indian auditors presented material on performance audits, financial audits, and training. The German delegation also met with the heads of the audit offices of the provinces of Uttar Pradesh and Rajasthan. While in Rajasthan, the group visited the Regional Training Institute there.

For more information, contact Comptroller and Auditor General of India, 10, Bahadur Shah Zafar Marg, New Delhi 110002, India.

## Lithuania

### Tenth Anniversary of SAI

On April 5, 2000, the Office of State Control of the Republic of Lithuania celebrated the 10th anniversary of its restoration. The Office is Lithuania's supreme audit institution, and its main responsibilities are established in the Constitution of Lithuanian Republic. It is charged with overseeing the legality of the state's use of public property and finances.

The Office of State Control was established in 1919 and functioned until 1940, when the Soviet occupation suspended its activities for half a century. Because of this long interval and Lithuania's changed circumstances, the newly restored institution was forced to start most of its work over again from the beginning. Throughout the 1990s, the

Office overcame many challenges and today is successfully carrying out its assigned functions. In 1993, it was admitted into full membership with EUROSAI. Since that time, the Office has received active support from its foreign partners. Lithuanian officials have, in turn, participated in the activities of the INTOSAI Working Group on Privatization Audits and INTOSAI's committees on Internal Control Standards and Public Debt.

Since the Law on State Control was adopted in 1995, the Office's organizational structure, methods, and activities have continued to be modernized and updated. The legal basis of the office has also been strengthened. These processes accelerated after 1998 when the legal basis of this highest audit institution underwent rapid changes in order to resolve practical problems related to supplementing legal acts that strengthened the control of state assets and funds and increased public officials' responsibilities. Mr. Jonas Liaucius was appointed Controller General in October 1999 and established clear goals for the Office to become a solid and reliable supreme audit institution. Today, the Office has 286 employees, 220 of whom are auditors and jurists. In 1999, the Office returned over 9 Lithuanian Litas to the state in cash or other assets for every Lita allotted to it.

For more information, contact the State Controller of the Lithuanian Republic, The State Control Department, Vilnius, Pamenkalnio 27, Lithuanian Republic.

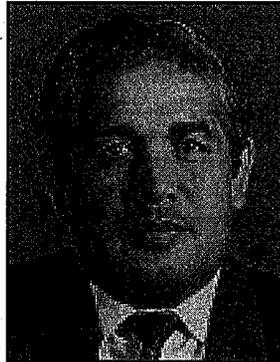
## Malaysia

### New Auditor General

Datuk Dr. Hadenan bin Abdul Jalil was appointed Auditor General of Malaysia on March 13, 2000. Datuk Dr. Jalil previously served as secretary general in the Ministry of Works and, in 1998, as deputy secretary general for trade in the Ministry of International Trade and Industries.

Before joining the Trade and Industries Ministry, Datuk Dr. Jalil served 28 years with the Treasury,

leaving as secretary to the Finance Division. His civil service career began in 1970, when he joined the Malaysian Administrative and Diplomatic Service.



Datuk Dr. Hadenan bin Abdul Jalil

Throughout his service, Datuk Dr. Jalil has led governmental delegations abroad to forums, conferences, and negotiations, mainly on economics and finance issues. He was the chairman to the ASEAN Committee on E-Commerce and the Task Force on 'Hanoi Plan of Actions' for ASEAN Vision 2020 in 1998. He has also served on the board of directors of several public enterprises.

During his long career, Datuk Dr. Jalil has received several national awards for contributions to the nation. In 1994, he was conferred the Datukship by the State Government.

Datuk Dr. Jalil earned an honors bachelor's degree in accounting from the University of Malaya in 1970 and, 5 years later, a master's in business economics from the Asian Institute of Management in Manila. In 1986, he earned his doctorate degree at the Brunel University in the United Kingdom, specializing in corporate planning.

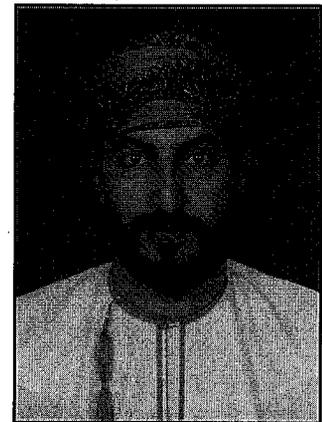
Datuk Dr. Jalil succeeds Datuk Hj. Mohd. Khalil bin Dato' Hj. Mohd. Noor.

For more information, contact the National Audit Department, Malaysia; Jalan Cenderasari; 50518 Kuala Lumpur, Malaysia; telephone: 603-294-6422; fax: 603-294-4708; or e-mail: <jbaudit@audit.gov.my>.

## Oman

### New President of State Audit

In November 1999, His Excellency Sayyid Abdulla Hamad Saif Al-Busaidy was named the first president of Oman's newly constituted State Audit office. At that time, His Majesty the Sultan redesignated the former Secretariat General for State Audit as a financially and administratively independent body and appointed Mr. Al-Busaidy to exercise the minister's powers of the State Audit Law.



Mr. Sayyid Abdulla Hamad Saif Al-Busaidy

The new president of State Audit served as ambassador to Egypt and Cyprus from 1990 to 1999. He also previously served as the permanent representative to the League of Arab States (1989-1999), ambassador to Tunisia (1989-1990), and minister of housing (1986-1989). He entered government service in 1973 with the Ministry of Land Affairs and then served in various capacities at the Omani Manuscript Organization, the Ministry of National Heritage & Culture, the Ministry of Justice, Awqaf and Islamic Affairs, and the Ministry of Environment.

For more information, contact: State Audit, P.O. Box 727, Muscat, Postal Code 113, Sultanate of Oman, or by e-mail: <sages@omantel.net.com>. The SAI's Internet site is <http://www.sgsa.com>.

## Pakistan

### SAI Sponsors Training Program

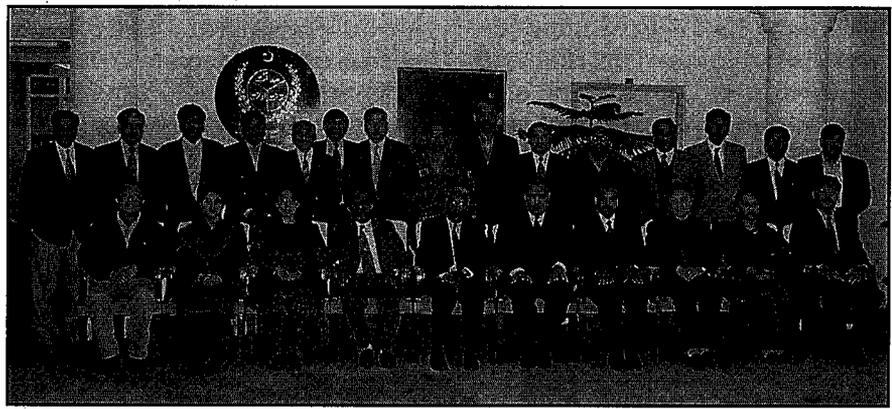
From January 31 - March 4, 2000, Pakistan's Department of the Auditor General held an intensive training program in performance auditing for SAI audit managers. The program was held in Lahore, Pakistan, and its 20 participants were officers from the SAIs of China, Oman, Saudi Arabia, Malaysia, the United Arab Emirates, and Pakistan. In addition to the training program, the participants were treated to a social program, which gave them the opportunity to visit various locations within Pakistan and learn more about its cultural life. For additional information, contact the Office of the Auditor General of Pakistan, Constitution Avenue, Audit House, Islamabad, Pakistan.

## Russia

### New Chairman of the Accounts Chamber

On April 19, 2000, the State Duma of the Federal Assembly of the Russian Federation appointed Mr. Sergey Vadimovich Stepashin as the Chairman of the Accounts Chamber of the Russian Federation. Mr. Stepashin was elected to the State Duma in December 1999 and, prior to this appointment, had served as the Chairman of its Anti-Corruption Commission. In early 1999, Mr. Stepashin served as a Member of the Presidium of the Government and as the First Deputy Chairman of the Government of the Russian Federation, Ministry of the Interior.

Mr. Stepashin graduated from the Higher Political College of the Ministry of the Interior of the USSR in 1973, and in 1981 received a Doctor of Law degree from the Lenin Military-Political Academy. During this time, he served with the Ministry of the Interior in Leningrad and Moscow. From 1989 to 1993, Mr. Stepashin was the Deputy of the Supreme Soviet of the Russian Soviet Federative Socialist Republic, where he headed the Supreme Soviet Committee on Defense Security. Mr. Stepashin also held a variety of high-level government positions from 1993-1998 in the



Group photo of the participants with Mr. Manzur Hussain, Auditor General of Pakistan.

Government of the Russian Federation, including serving as the First Deputy of the Minister of Security, the Director of Federal Counterintelligence Service, the Director of the Federal Security Service, the Director of the Administrative Department of the Government Administration, the Minister of Justice, and the Minister of the Interior.

### Joint Russia-US Seminar

A seminar on establishing government accounting and auditing standards was sponsored by the Accounts Chamber from April 24 - 28, 2000, in Moscow. The audience included more than one hundred participants from the Chamber, as well twenty five participants from the Ministry of Finance of Russia (led by the Vice-Minister of Finance), and other senior government officials such as the head of the office of the Chief of the Staff, Mr. Batanov. Representing the United States and making a variety of presentations were the Chief Accountant of U.S. General Accounting Office, Mr. Philip Calder; the Executive Director of the Federal Accounting Standards Advisory Board (FASAB), Ms. Wendy Comes; Assistant Director of FASAB, Ms. M.L.Lomax; and, Program Coordinator from the U.S. Treasury Department's Technical Assistance Program, Mr. Philip Clapperton.

Within the seminar framework, the participants engaged in constructive discussions on a wide range of issues, such as the objectives of audited governmental financial reports and the main components of such reports;

budgetary and proprietary accounting; and, related accounting and auditing technical and policy topics. The auditing standards used by U.S. GAO, audit priority of federal departments and agencies, methodologies for assessing deferred expenditures accounting, training and upgrading of auditors were other topics discussed by speakers and participants. At the conclusion of the seminar, participants agreed that the seminar provided mutual benefits and expressed the hope for continuing the practice of interchange between the supreme audit institutions of the Russian Federation and the USA in fields of mutual interest.

For more information, contact the Accounts Chamber of the Russian Federation, ul. Gilyarovskogo 31, bld. 1, 129090, Moscow, Ochnotnyi Rjad 1, Russian Federation.

## South Africa

### New Auditor General Cites Goals, Commitments

Mr. Shauket Fakie, South Africa's new Auditor General as of December 1, 1999, strongly believes that his office has an important role to play in controlling the country's economic crime. This former Deputy Auditor General and Chief Executive Officer is also committed to leading the way in government accountability and enhancing professional services.

During his career, Mr. Fakie has developed a broad range of audit and consulting skills, both locally and

internationally. In 1982, he joined Ernst & Young in Cape Town and by 1985 became an audit supervisor there. When his career development was impeded under apartheid, he became an audit manager/partner in an Australian auditing firm. For the next two years, he worked as an independent auditor, consultant, tax advisor, and financial accountant in both the public and private sectors.



Mr. Shauket Fakie

In 1992, Mr. Fakie returned to South Africa and joined Ernst & Young as a senior consultant. In that job, he developed business plans and rendered management advisory and business process reengineering services to the Departments of Education, Health, and Public Works. He was also involved in business process improvement projects and corporate advisory services for several other small and medium enterprises. He joined the Auditor General's Office in 1995 when he was appointed Provincial Auditor of Gauteng Province; three years later, in 1998, he became Deputy Auditor General and Chief Executive Officer.

As Deputy Auditor General, he oversaw the audits of the World Health Organization and various related bodies, such as the International Computing Centre, the International Agency for Research on Cancer, and the Joint United Nations Programme on HIV/AIDS. As Chief Executive Officer, he led the office in its quest for employment equality.

The President of the Republic of South Africa appointed Mr. Fakie as the Auditor General in December 1999 following a unanimous vote by the

National Assembly. In his new position, Mr. Fakie is inspired by the fact that the Office of the Auditor General is independent in both theory and practice. Mr. Fakie strongly believes that the Office must "live" its independence, which is at the heart of democracy.

Because of Mr. Fakie's belief that the Office has an important role to play in getting economic crime under control in South Africa, top management from his office participated in the National Anti-Corruption Summit held in Parliament. The summit served as the basis for a three-part national strategy to combat corruption, prevent corruption and build integrity, and raise awareness.

Mr. Fakie believes that his office must be cost-effective and that his staff must have multiple skills and sufficient training to be effective. He envisions the accounting and auditing professions being transformed by more equal representation in terms of race and gender. He also wishes to support emerging black audit firms by expanding current efforts to contract out auditing work.

The new Auditor General was awarded a B Comm degree and B Compt (Hons) by the University of South Africa in 1983. He is a Chartered Accountant in both South Africa and Australia. Mr. Fakie has served on various committees of the Western Cape Society of Chartered Accountants and on the Education Committee of the Institute of Chartered Accountants in Australia. He belongs to the Association for Advancement of Black Accountants in Southern Africa and serves on various subcommittees of the South African Institute of Chartered Accountants and Public Accountants' and Auditors' Board.

### The Auditor General's Office on the International Scene

In addition to proving itself to be a competent and professional national, provincial, and local audit organization, the Auditor General's Office has established itself as a well-respected supreme audit institution recognized by the international community.

The Office was re-appointed external auditor of the World Health Organization (WHO) for 2000-2001 and 2002-2003 mainly because, during audits of previous periods, it assisted the WHO in setting up an audit committee, ensuring improved accountability, and improving financial reporting to the World Health Assembly. The Office was also appointed — along with Finland — to audit the International Organization of Supreme Audit Institutions (INTOSAI) for the 3-year period ending December 31, 1997, and—together with Britain and the Philippines—to audit the books of the UN's peacekeeping forces from July 2000.

In February, the U.S. Agency for International Development (USAID) and the Office of the Auditor General formalized an agreement for auditing USAID bilateral donor funds. In many countries, USAID and its Office of the Inspector General use supreme audit institutions as a valuable resource to promote accountability and transparency in the use of public funds. USAID has called the South Africa Audit Office "one of the premier audit organizations on the entire continent."

The Office is also playing a leading role in the regionalization of INTOSAI's Working Group on Environmental Auditing, serving as facilitator for the Africa region and hosting a Working Group meeting in 2000. And, in October 1999, the Office of the Auditor General was honored to host the 17th Commonwealth Auditor Generals' Conference. This conference dealt with several themes of global importance: the role and responsibilities of the SAI in adding value to the audit product, environmental audits, and computer audits.

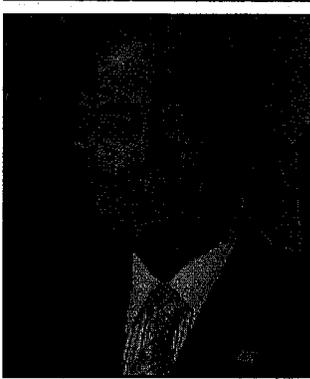
For more information, contact the Office of the Auditor General, Old Mutual Centre, P.O. Box 446, Pretoria 0001, South Africa.

### Venezuela

#### New Comptroller General

On December 22, 1999, Dr. Clodosbaldo Russián Uzcátegui was

appointed Comptroller General of Venezuela by the Constituted National Assembly.



Dr. Clodosbaldo Russián Uzcátegui

He has had a long and distinguished career within the public service, specifically in the internal control and audit area. In addition, he has conducted studies in public administration and tax legislation, and earned two degrees on economics and law.

Among the many senior positions he has held, Dr. Russián has served as Municipal Sub-comptroller of the Federal District, Comptroller of the Sucre Municipality of the Miranda State, and Comptroller of Caracas Municipal Office; all of these are within the capital city. His last position was as National Superintendent of Internal Control and

Public Accountability where he served since its foundation in 1977 until his appointment as Comptroller General.

One of his first tasks on assuming the position of General Comptroller has been to restructure the Office in order to modernize it and make it more flexible, as well as to improve its personnel distribution. This relates to broader changes underway in Venezuela as a result of a new Constitution, which recognizes a "citizen's branch of government" known as the Citizen's Power Force which is exercised or performed by the Republican Moral Council. This council is conformed by three entities, the Office of the People's Defender, the Public Ministry or Department, and the Office of the Comptroller General. The new Constitution reinforces the role of the Office of the Comptroller General. Dr. Russian believes that a stronger, nimbler, consistent, and more dynamic national audit office will be more efficient, and, in cooperation with institutions from other countries, will be better able to battle against corruption.

For more information, contact the office of the Contralor General de la Republica, Caracas 1050, Avenida Andres Bello, Apartado 1917, Caracas, Venezuela. ■

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# Audit, Management and Governance Enhancing Trust and Transparency

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By G. Peter Wilson, Inspector-General, Food and Agriculture Organization

**(Editor's Note:** One of the major themes to be discussed at the XVII INCOSAI in Seoul is "The Role of SAIs in Auditing International and Supranational Organizations." As SAIs write country papers on this subject and prepare for related discussions during the INCOSAI, the following article provides insights into how one international organization, the Food and Agriculture Organization of the United Nations, addresses issues of accountability.)

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Early in his first term as Director-General at the Food and Agriculture Organization (FAO) of the United Nations, Mr. Jacques Diouf recognized a need to better publicize FAO's work with the public at large but, principally, with key officials in member countries. To meet this need he called for a comprehensive review of the Organization's communications/information policy. As a first step, and pending the results of this review, he inaugurated a program of monthly seminars for Permanent Representatives and accredited Missions to FAO. Each seminar would focus on one particular aspect of FAO's programs or activities.

This practice was eventually reflected in the Corporate Communication Policy and Strategy relating to externally directed activities in general and informing Permanent Representatives on key program and achievements. The concept also became part of the overall package of reforms introduced in the Organization to enhance operating efficiency and improve certain elements of governance; more recently, it has been incorporated in the Organization's Strategic Framework as being related to one of the major comparative advantages of FAO.

These presentations or briefings have become a regular feature at FAO and in the past few years have covered a wide range of technical subjects. These have included plant and animal genetic resources; integrated pest management; nutrition, the World Agriculture Information Centre; forest resources assessment; fisheries and aquaculture; FAO's role in emergencies; obsolete pesticides; and, of course, back in 1996 the World Food Summit.

With the growing interest and recognition throughout the United Nations system of the importance of the oversight function or audit regime, it was proposed to include a session on this subject, even though the briefings originally had been designed primarily for technical and often highly complex scientific matters. So it was decided that the topic would be 'The Oversight Arrangements at FAO' and it was duly scheduled for 1999. In advance of the session invitations were

sent to all the Permanent Representatives in Rome (through usual diplomatic channels i.e., the submission of a "Note Verbale"), and the Office of the Inspector-General developed an audio-visual program to enhance its presentation.

The presentation itself was well received by the 70 Permanent Representatives who attended, and the larger than usual attendance demonstrated the keen interest of member countries in the subject matter. In addition, a number of senior managers of FAO were present, as were many of the staff of the Office of the Inspector-General. This helped to communicate the functions of the Office within the Organization, and to demonstrate to the audit staff the importance of the work they do.

The seventy-minute presentation centered on the oversight functions of the Office of the Inspector-General, on its role in identifying problems and weaknesses within the Organization, as well as recommendations for improvement. In doing so, we sought to engender trust and confidence between the Member Nations and the Secretariat. The presentation was built around the internationally recognized five general standards for the professional practice of internal auditing.

First, *Independence* is assured as the Inspector-General reports directly to the Director-General. In this connection, Quarterly Activity Reports are submitted to the Director-General, as well as an Annual Activity Report which also goes to the Finance Committee composed of nine representatives of Member Nations.

Secondly, *Professional Proficiency* is assured through the multi-disciplinary character of the 22 staff members and their cultural diversity (11 nationalities represented, 50 percent male:female ratio and average age of 46).

Thirdly, its unrestricted *Scope of Work* is well established in policies and procedures of the Organization and it was noted that the audit effort was 40 percent for decentralized activities, 30 percent for headquarters activities and 30 percent for special management assignments.

The fourth general standard relates to *Performance of Audit Work* and this was described in terms of planning, reporting and follow-up.

Finally, *Management of the Office* where the importance of training, the use of the audit manual and the library were covered. A Charter for the Office of the Inspector-General has now been finalized, strengthening the independence of the Office, enhancing the reporting to Member States and providing for "whistle blowing" without fear of reprisal.

The presentation noted that work in relation to decentralized operations consisted mainly of financial, compliance, and value for money reviews, carried out on a rotational basis, of some 700 projects and all decentralized offices. In gauging the effectiveness of operations, the views of donors, government counterparts and the beneficiaries themselves were also sought. Handover reviews for FAO Representatives leaving the Organization were also performed by decentralized operations, as were inputs towards determinations regarding contract extensions for senior officers. While questions of overstaffing, understaffing, morale, supervision, and training were dealt with in various audits, recent reviews also covered technical cooperation projects and emergency operations. Headquarters activities cover financial, legal, accounting and treasury functions following a biennial work plan. Examples of areas reviewed recently are Entitlement Payments, the TeleFood Project, Year 2000 matters, Money and Medals Programme and Fellowship Operations. The new financial management system "Oracle" issues are of particular importance this year. Special Management Assignments were of a more *ad hoc* nature. Recent management requests have included the follow-up on the status of works for the Atrium and the review of the Micro-banking System. In addition, such contract and procurement services as cleaning, catering, insurance, shipping, and travel have been reviewed as part of the regular plan of work as well as the monthly expenditures of the Director-General's Office.

During the fifty-five minute question-and-answer period, delegates welcomed the Organization's initiative to provide information on the oversight arrangements as they felt it

demonstrated a move towards greater transparency. Their enquiries focused on the extent of the Office's independence, relations with the other Rome-based organizations, and the mechanisms for effective follow-up to internal audit recommendations. Clarification was requested about the basis for allocating internal audit and inspection costs to projects. Questions were also raised regarding the possible review of the Special Programme on Food Security, continued need for more transparency in the future, and matters relating to availability of reports.

The Director-General's initiative in providing more information to member countries in this manner also provided an ideal opportunity for us to explain the role of the Inspector-General's office within the total context of oversight at FAO. However, it served more than simply providing information and demonstrating the commitment to transparency. It also helped to de-mystify many of the aspects of audit, evaluation, inspection and investigation, and gave a renewed sense of pride by the staff of the Office in the important contribution they make to the improvement of management in the Organization.

I commend this approach to other international or governmental institutions, and am confident there may be useful adaptations in other entities where there is a call or need for closer relationships between the elements of management audit and governance.

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# Fighting Corruption and Fraud

By Dr. Detlev Sparberg, (former) Counsellor-Member in charge of corruption fighting, Federal Court of Audit, Germany

During the XVI INCOSAI in Montevideo fighting corruption and fraud was one of the major topics. All SAIs showed a tremendous interest in this issue. This was clearly visible from the multitude of country papers stating the national points of view on this theme, as well as from the lively discussions about this problem during the congress.

At the plenary session I suggested that INTOSAI, in addition to the valuable but rather general documents to be published as result of this INCOSAI, should elaborate practical material useful for the auditors and their daily work. When I mentioned a document in this respect, as an example, produced by the German Federal Court of Audit (Bundesrechnungshof), several delegates showed interest in this paper. As this document contains general ideas, I thought it might be a good idea to publish at least part of it as some of the ideas and recommendations might be useful for other SAIs as well.

The following excerpts from "Guidance on Fighting Corruption in Connection with Road Construction Contracts" are based on several years of audit experience in this area. In the course of its audit work, the German SAI has frequently addressed the problem of corruption, the forms in which it occurs, and the possibilities for preventing or fighting it. Offences in the field of corruption cause vast financial damage to the national economy; hence, preventing and fighting corruption is a high-priority task.

The present guidance is based on the results of various audits of construction projects for federal trunk roads. The Bundesrechnungshof has already published a list of indicators itemizing evidence suggestive of corruption ('suspicious circumstances'). This article expands on this approach by outlining the potential dangers of given situations and by making suggestions and recommendations for remedial action on the basis of the Bundesrechnungshof's audit experience.

In line with the areas in which corruption usually occurs, this guidance separately addresses the areas of contracting (Chapter 2), controls (Chapter 3) and personal factors' (Chapter 4), outlining the typical clues to be found in each area. This guidance aims at alerting supervisors not yet familiar with the problem of corruption and providing them with advice on how to prevent and fight corruption. While the scope of this guidance is limited to the field of federal trunk road construction and does not pretend to provide exhaustive coverage of the subject, the guidance does outline significant clues for corruption, its inherent dangers, and possible countermeasures. It is designed to enhance the awareness of additional aspects of preventing and fighting corruption.

Furthermore, the suggestions and recommendations outlined in this paper may be applied directly or by analogy to other public sector activities. Wherever contracts are awarded, procurements made and services provided, extra care has to be taken to counter even the beginnings of corruption. The suggestions and recommendations set forth below are often presented in very concise and simple language in order to make the guidance easy to read and readily applicable. Detailed descriptions and explanations are avoided here lest the guidance become too voluminous and no longer suitable for quick reference. Hence, the guidance is limited to highlighting especially typical and conspicuous clues as well as risks and countermeasures. Exhaustive coverage of the subject is not pretended. In fact, the purpose of this paper is to encourage further thinking about ways in which corruption can be prevented or curbed.

## Contracting and Contract Management

Suspicious circumstances can be found at the preparatory stages of construction projects, i.e., drawing up of the invitation to tender (including specifications) and the awarding of the contract, during project implementation and the examination of invoices.

- **Contacts with Tenderers**

*Suspicious circumstances:* Intensive contacts between one or several officials and tenderers, exceeding the usual level of cooperation.

*Risks:* Unlawful disclosure of information and unlawful agreements, manipulation of documents and certification of work not actually performed.

*Remedial action:* Have in place and enforce compliance with procedures requiring the involvement of more than one official in every significant transaction. Allocate responsibilities and have regular administrative controls in place.

- **Frequent Awarding of Contracts to Certain Tenderers**

*Suspicious circumstances:* Contracts are repeatedly awarded to the same (small group of) tenderer(s).

*Risks:* Officials may unduly disclose information about the project to certain contractors or give preference to them when awarding contracts. Tenderers may form cartels or conspire to fix prices.

*Remedial action:* Review the contract awards concerned and investigate officials under suspicion in order to detect

relevant evidence. Where there is suspicion of a cartel or of price-fixing, check with neighboring contracting offices to identify an accumulation of contract awards in favor of certain bidders. Have regular administrative controls in place.

- Unusual Specifications

*Suspicious circumstances:* Specification of particular materials, makes, components or modes of construction

*Risks:* Undue advantages for certain (groups of) bidders to the detriment and even exclusion of others

*Remedial action:* Full and detailed justifications must be required for specifications of the above type. Several officials must be involved in formulating and/or approving such justification. Administrative reviews of specifications must be undertaken regularly.

- Transparency of Documents

*Suspicious circumstances:* Lack of transparency of accounting vouchers and/or of construction files; incomplete documentation.

*Risks:* Inadequate documentation may be evidence of an intention to conceal deficiencies in the invitation to tender/specifications, in contract awarding, supervision of the works and accounting. Corruption or fraud may be the underlying reasons for these deficiencies.

*Remedial action:* Insist on proper keeping of the records pertaining to construction work. Urge up-to-date quantity surveys and reviews of the accounting records as well as the proper and probative keeping of the construction daybook. Conduct regular administrative reviews to verify compliance with targets and applicable regulations.

- Double Invoicing

*Suspicious circumstances:* Double charging of the same item apparently by error.

*Risks:* Such apparent errors may be a disguise for fraud and corruption.

*Remedial action:* Examine samples of invoiced items for plausibility. Where double invoicing is found, check previous invoices of contractor and establish whether and to what extent the official currently responsible was responsible for the previous transactions. Have regular administrative controls in place.

## Controls

In the field of controls, factors that can be considered as suspicious circumstances are weaknesses in administrative controls or oversight.

- Administrative and Technical Supervision

*Suspicious circumstances:* Inadequate administrative and technical supervision.

*Risks:* Inadequate administrative and technical supervision may be considered as evidence suggesting that existing controls are inadequate or that existing weaknesses are deliberately overlooked.

*Remedial action:* Review and, where necessary, enhance the available mechanisms for steering and oversight. Establish internal audit where it is not yet in place. Conduct overall critical review of the way in which superiors/supervisors discharge their oversight functions with a view to enhancing administrative control and oversight.

- System of Controls

*Suspicious circumstances:* Transparent system of control

*Risks:* Where systems of controls are unduly transparent, they do not constitute an adequate deterrent against misconduct and therefore encourage fraud and corruption.

*Remedial action:* Never disclose the full details of your system of controls. Modify and optimize your system at irregular intervals. Introduce a rotation scheme for the staff responsible for implementing controls in order to prevent, in the long-term, their involvement in practices detrimental to the contracting authority and to ensure that the working of the system remains unpredictable for the personnel whose conduct is to be checked.

- Circumvention of Controls

*Suspicious circumstances:* Deliberate circumvention of controls.

*Risks:* The deliberate circumvention of controls suggests that the person to whose conduct the controls apply has something to conceal.

*Remedial action:* Internal audit must be effectively and adequately staffed; sample audits and enhanced administrative reviews should be conducted at regular intervals.

- Disregard of Audit Criticism

*Suspicious circumstances:* Persistent disregard of audit criticism.

*Risks:* Such disregard gives individual staff members and/or working groups affected by or susceptible to corruption a feeling of security, thus encouraging criminal activities.

*Remedial action:* Take firm measures to ensure that weaknesses pointed out by auditors are addressed speedily, accurately and to the point. Regularly review corrective action taken or promised.

## Personal Factors

Personal factors, i.e., circumstances of officials' private lives, may warrant suspicion of corruption where the available evidence suggests that they may have obtained or are continuing to obtain any advantage by collusion with contractors. One should be aware, however, that the risk of unfounded

accusations is particularly great in this area, considering the inclination of some people to inform against others.

- Relatives employed by contractors

*Suspicious evidence:* A relative of an official is employed by a contractor.

*Risks:* Where an actual or potential contractor employs a relative of an official, this may be considered as evidence suggesting that the contractor expects the official to provide some benefit or advantage in return. Such suspicion is warranted especially in times of high unemployment.

*Remedial action:* The official should be assigned responsibilities in a way precluding any contact in the course of duty between the official and the contractor who employs the official's relative.

- Sideline Occupations

*Suspicious circumstances:* An official's obvious sideline occupation involving work for an actual or potential contractor (professional engineering services, drawing up of invoices, etc.).

*Risks:* Such sideline occupations are always a problem because they constitute a conflict of interests. Officials pursuing such sideline occupations are most likely to become financially and morally dependent on their sideline employers, who are likely to exploit their position. Officials involved in such relationships will often lose their sense of right and wrong, feeling that any benefit which they accept is due reward for services they have rendered.

*Remedial action:* Enforce prohibition of any sideline occupations that may interfere with the officials' performance of their duties.

- Expensive Lifestyle

*Suspicious circumstances:* Officials displaying a particularly expensive lifestyle (e.g., large cars, luxury travel, expensive hobbies) not commensurate with their income.

*Risks:* Officials may be financially dependent on potential contractors, susceptible to blackmail or under pressure to return financial favors received.

*Remedial action:* Reinforce supervision of official's professional conduct. Introduce job rotation as a preventive measure.

- Inadequate Sense of Right and Wrong

*Suspicious circumstances:* When spoken to about mistakes made in the course of duty or about general cases of misconduct (e.g., tax matters, minor offences), an official displays a lacking sense of right and wrong.

*Risks:* Lowering or disappearance of the mental barrier against fraud and corruption; official is likely to succumb to attempts of bribery and corruption.

*Remedial action:* Have systematic training in place during which superiors must instill the sense of right and wrong in their staff, pointing out to them the potential detrimental consequences of any misconduct. Officials already 'infected' must be subjected to enhanced supervision and, where appropriate, transferred to posts where they are not exposed to the risk of corruption. The good example of superiors is essential to a successful anti-corruption strategy.

## Concluding Advice

The list of suspicious circumstances, risks and suggested remedial action is not claimed to be exhaustive. A wide variety of critical situations is conceivable. Having said that, a warning must be given against rash conclusions drawn on the basis of isolated findings. A fairly safe way of establishing a case is to check whether several suspicious circumstances coincide in a single individual and provide a logical context when taken together. The list of indicators should on no account be used in a way that would create a general spirit of mutual distrust and "informerism" in the agency concerned.

The foregoing list is to provide clues superiors should look for in discharging their duty of exercising administrative control. It is to alert them to the risks that may arise from the suspicious circumstances described and to point out the possible and appropriate countermeasures designed to prevent or minimize damage.

For more information, contact the author at: International Board of Auditors, NATO Headquarters, B-1110 Brussels, Belgium, tel.: 33-2-707-4220, fax: 32-2-707-5509, e-mail: [imrreg@hq.nato.int](mailto:imrreg@hq.nato.int), web: <http://www.nato.int>. ■

# INTOSAI Conference on Internal Control

The INTOSAI International Conference on Internal Control was held May 8–11, 2000, in Budapest, Hungary. The presentations were organized into five theme blocks encompassing a broad range of internal control issues: management responsibilities, the role of internal and external auditing, follow-up on external and internal audit recommendations, evaluation of control risks in decentralization processes, and revision of the INTOSAI internal control guidelines.

The conference opened with a welcoming address from President Árpád Göncz of the Republic of Hungary. Opening remarks were also provided by the Dr. Árpád Kovacs, President of Hungarian State Audit Office and conference host, Dr. Franz Fiedler, Secretary General of INTOSAI; Inga-Britt Ahlenius, Chair of the INTOSAI Audit Standards Committee; and Gene Dodaro, Principal Assistant Comptroller General of the United States.

About 130 delegates attended the conference, representing 48 countries and 5 international organizations, including the European Union, the International Board of Auditors of NATO, the OECD, and the World Bank.

## Theme Block I: Management Responsibilities in Establishing and Maintaining Adequate Internal Controls Systems

The first of three parts in Theme Block I addressed the roles and responsibilities of management in establishing and maintaining internal controls and internal auditing systems. The presenters were Jean-Pierre Garitte, Director of Internal Audit, J Van Breda and Co., Belgium; and Jozsef Rooz, professor and head of the management department, and Rector, Academy of Economics, Hungary.

Reasons management should be interested in effective internal control systems were discussed in the second part of the block. The presenters also discussed ways that management could establish, maintain, and ensure the effectiveness of internal controls. The presenters were Michel Herve, Chief of Cabinet, European Court of Auditors, Luxembourg; and Heinz Pfof, Counselor-Member, Federal Court of Audit, Germany.

In the third part, presenters addressed the need for an internal, independent audit unit. They focused on management's responsibility to report on the adequacy of the controls and the role of audit committees in reviewing internal controls. Presentations discussed the key elements of good internal control (as specified in INTOSAI and national standards) and emphasized the importance of SAI participation in establishing and maintaining adequate internal control systems.



Participants, speakers and hosts at the Internal Control Committee's May conference in Budapest took a break from the conference to pose for this official photo.

The audit committee plays an important role in ensuring the independence and objectivity of internal audit, the presenters said. In the public sector, the audit committee should be established within the national parliament or congress, and in the private sector it should be made up of members of the board of directors. The purpose of the audit committee, presenters said, is to ensure that the agency head or the CEO cannot compromise the independence or integrity of the internal audit function. Third part presenters were Peter Csakvari, Arthur Andersen and Co., Budapest, and Jean-Pierre Garitte.

Theme Block I discussion was moderated by Bernhard Kratschmer, Senior Counselor, Austrian Court of Audit.

## Theme Block II: The Role of Internal and External Auditing in the Assessment and Evaluation of Internal Controls, as Well as Management Methods and Techniques

Internal audit is important to the well-being of an organization, but it cannot and should not substitute for a good internal control system. Internal and external audits have their own roles in the organization. Internal audit assists management through identification and improvement of internal controls. External audit reviews the internal controls and recommends areas for improvement. These messages emerged from the first part of Theme Block II, where presentations highlighted various internal control and audit models. The moderator was Vaclav Perich, Vice President, Supreme Audit Office, Czech Republic, and the presenters for the first part were Boaz Aner, Senior Assistant Director General, State Comptroller's Office, Israel;

and Tony Baker, Audit Manager, National Audit Office, United Kingdom.

In the second part of the theme block, presenters addressed the ways in which external and internal audit units assist management in establishing, maintaining, and monitoring internal control systems. They also discussed the coordination of internal and external unit efforts. Presenters were Graham Joscelyne, Auditor General, World Bank, and Stan Czerwinski, Associate Director, U.S. General Accounting Office.

### **Theme Block III: Follow-up on External and Internal Audit Recommendations**

Follow-up provides feedback on audit operations (e.g., Are we auditing the right thing? Do our recommendations address root causes? Are resources being used effectively?) on agency management operations, and on whether the taxpayer is well served by the agency under review.

The discussion of the importance of audit follow-up was presented by Toby Jarman, Assistant Inspector General for Audit, USAID. The moderator for the discussion was James Bonnell, Regional Inspector General of USAID, Budapest.

Small staffs, a lack of independence, and even threats to the physical well-being of the audit staff make management implementation of audit findings and recommendations difficult to achieve in developing nations. P.V. Chernomord, Auditor of the Accounts Chamber, Russian Federation, suggested ways external and internal audit units can assure implementation. He said that implementation is less difficult when program funding is provided by outside sources, such as the World Bank, that tie government assurances to funding agreements.

The SAI's relationship with the national parliament is important in ensuring that recommendations are implemented, said Francois-Roger Cazala, Senior Counselor, Organisation for Economic Cooperation and Development/SIGMA (Support for Improvement in Governance and Management in Central and Eastern European Countries), France. Auditors must develop a delicately balanced partnership with the parliament that includes serving that body's needs while maintaining the auditors' independence.

Audit controls in the information technology environment and ways that findings and recommendations can be used to improve information systems were topics addressed by the last presenter in this theme block, Jozsef Borda, Director of HUNAUDIT, Hungary.

### **Theme Block IV: The Evaluation of Control Risks in Administrative Decentralization Processes**

The Canadian model for assessing financial controls in a decentralized environment was the topic of the presentation by Bruce Sloan, Director, Canada Office of the Auditor General. The model provides three things: (1) a tool that enables the description of key elements needed for effective financial management, (2) an evolutionary path for an organization to follow in developing effective financial

management, and (3) a basis for assessing capabilities. The block moderator was Kurt Gruter, Director, Swiss Federal Audit Office.

The role and setup of internal and external audit functions in decentralized organizations were discussed by P.K. Mukhopadhyay, Principal Director, Office of the Comptroller, and Auditor General, India. The influence of Switzerland's decentralized system on the structuring of audit risk was described by Hans-Rudolf Wagner, Head of Section, Swiss Audit Office.

### **Theme Block V: Revising INTOSAI Internal Control Guidelines**

In Theme Block V, the committee reported on the results of a questionnaire that sought information from members on their use of the organization's internal control standards and their views on the need for updating those standards. Respondents suggested ways of bringing the standards in line with COSO and CoCo (Criteria of Control), such as setting up a study group. Internal control standards from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission should be integrated into INTOSAI standards, the INTOSAI Internal Control Standards Committee has concluded. The committee plans to suggest the integration based on a survey of INTOSAI members.

Most of the 58 respondents to the questionnaire distributed to INTOSAI members by the Internal Control Standards Committee said they use the current guidelines as a frame of reference—a source of inspiration, a basis for performing internal control inquiries, and a tool for debate with public authorities. A majority has successfully applied the standards to local or national characteristics.

Respondents have had some difficulty using the guidelines, however. Language differences—for example, terms used in the guidelines that have no equivalent in the member's language—caused problems for 69 percent.

Experience is required in using the guidelines effectively, respondents find. Agencies request SAI advice when establishing internal control systems, but audit agencies often lack the resources needed to establish appropriate internal control systems.

Changing times require changes in the guidelines, 59 percent of respondents agree. They expressed support for administrative changes reflecting ethical values, conceptual changes involving new internal control models, and technological changes in the development of new information systems. According to 71 percent of respondents, the standards need to be clarified to address these changes.

The committee concluded that most SAIs are aware of the standards and use them as a frame of reference, but more than 20 percent have no experience with the standards.

The results of the survey were presented by the moderator, Robert Devos, Head of Cabinet, Senior President, Court of Audit, Belgium. The committee will formulate the survey results and make formal recommendations. ■

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# Audit Profile: The Romanian Court of Audit

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By Ileana Toader, Audit Director

Romania lies at the crossroads of southeastern Central Europe. It borders the Republic of Moldavia and Ukraine to the northeast, Hungary to the northwest, Serbia to the southwest, and Bulgaria to the south. The country is divided into counties, and its capital is Bucharest.

Romania was occupied by Soviet troops at the end of World War II. In December 1989, after 45 years of communist rule, the Romanian people were able to end the totalitarian regime and recover their freedom and independence. At that time, Romania was reintegrated into the community of democratic nations and began a new process of political, economic, social, cultural development.

## History of the SAI

Romania's supreme audit institution (SAI) was established in 1864 as the High Court of Audit of Romania and celebrated its 130<sup>th</sup> anniversary on January 24, 1994. After its founding, the Court was considered the supreme body of financial control and had jurisdiction over the financial affairs of the Romanian state. The country's 1866 Constitution stipulated that there would be only one Court of Audit for the whole of Romania and that the final balancing of accounts would be presented to the legislative assembly no later than 2 years from the end of the budgetary year. The 1923 Constitution provided for the Court of Audit to submit an annual report to the Assembly of Deputies summarizing the budget and accounts for the preceding year and identifying any irregularities committed by government ministers in the budget implementation.

The 1991 Constitution stipulated that the Court shall exercise (1) control over the administration and utilization of the financial resources of the state and the public sector and (2) jurisdictional prerogatives in legal matters.

## Organization and Staffing of the SAI

The Court of Audit of Romania is composed of the preventive (*a priori*) audit division, the post (*a posteriori*) audit division, the jurisdictional division, a Jurisdictional Board, the General Secretariat, and the County Chambers of Audit. In addition, financial public prosecutors are attached to the Court of Audit. The supreme managing body is the plenum, which is composed of 24 audit counselors who are the members of the Court. The plenum, the president, and the vice presidents comprise the Court's top management.

The members of the Court of Audit are nominated by the Senate Committee for Financial, Banking, and Budget Policies and the Committee for Budget and Finance of the Chamber of

Deputies. They are appointed by the Parliament for a 6-year term, which can be renewed.

Members of the Court of Audit's jurisdictional division are nominated in conjunction with the Juridical, Discipline, and Immunity Committee of the two chambers of Parliament. The Parliament appoints the President of the Court of Audit, the vice presidents, and the division presidents from among the audit counselors. Financial judges are nominated by the plenum and appointed for a 6-year term by the President of Romania. The members of the Court of Audit and the financial judges are independent and cannot be removed from office for the duration of their terms.

## Mission of the SAI

According to legislation on the reorganization and operation of the Court of Audit, "the Court of Audit is the supreme body of financial control, has jurisdiction over the financial affairs of the Romanian state, and reports to the Parliament of Romania. It exercises its functions independently and in keeping with the provisions of the Constitution and the other laws of the country."

## Audit Authority

The Court of Audit has authority to audit the establishment, administration, and utilization of the financial resources of the state and public sector. It also manages the public assets and patrimony of the state and the territorial administrative units. Through its audits, the Court of Audit assesses compliance with applicable laws and regulations as well as economy, efficiency, and effectiveness in the management of material and financial resources. In order to perform these duties, the Court audits the following:

- the formation and implementation of state budget resources, the state social insurance budget, and the budgets of the territorial administrative units, as well as the transfer of funds among these budgets;
- the establishment, utilization, and management of special and treasury funds;
- the formation and management of the public debt and government guarantees for internal and external loans;
- the utilization of (1) budgetary allotments for investments and (2) subsidies, transfers, and other forms of financial support from the state or territorial administrative units;

- the establishment, management, and utilization of public funds by independent commercial and financial public institutions and independent social insurance entities;

- the situation, development, and management of public assets and patrimony of the state and territorial administrative units by public institutions, independent public corporations, commercial enterprises, or other legal entities operating under contract or lease; and,

- other areas that fall within the Court's legal jurisdiction.

The scope of the Court's audits includes the following:

- the state and territorial administrative units in their capacities as public legal entities, with their public departments and institutions, whether independent or not;

- the National Bank of Romania;

- independent public corporations;

- commercial enterprises in which the state, territorial administrative units, public institutions, or independent public corporations hold, individually or jointly, sole or more than half of the equity; and

- the independent social insurance entity or other entities that are managing goods, securities, or funds under a legal obligation provided for by law or regulations.

The Court of Audit may also decide to audit other areas, such as the following:

- benefits derived from government-guaranteed loans, subsidies, or other forms of financial support from the state, territorial administrative units, or public institutions;

- the administration by contract or lease of goods belonging to the public or private estate of the state or territorial administrative units;

- economic activities in which the legal entities mentioned above participate with less than 50 percent of the equity; and

- the failure to fulfil financial obligations to the state, territorial administrative units, or public institutions.

The Court of Audit has sole authority to audit the budget execution of the Chamber of Deputies, the Senate, the President, and the government. The execution of the Court of Audit's own budget is approved by the Parliament. The Court of Audit carries out both preventive and post audits.

## Reporting Authority

The Court of Audit prepares a public annual report that is submitted to the Parliament within 6-months of receiving the

accounts from the entities required to prepare them and transmit them to the Court.

The annual public report includes the following:

- the opinion of the Court of Audit on the budgetary appropriation accounts it audited;

- conclusions resulting from audits (1) ordered by the Chamber of Deputies or the Senate or (2) performed at independent public companies and trade companies in which the state has integral or majority capital, and other legal entities under the Court's authority;

- violations of the law that were identified and measures taken against those held responsible; and

- other aspects the Court deems necessary.

The Court of Audit can submit to Parliament or to cognizant public officials of the territorial administrative units (through the County Chambers of Audit) those reports it considers necessary on areas for which it has audit authority.

Based on its audit findings, the Court of Audit also has the right to decide the following:

- suspending the application of measures not in compliance with legal regulations in the financial, accounting, and fiscal domains;

- suspending the budget or special funds, when their illegal or inefficient use is identified; and

- taking action to address irregularities in the financial and accounting activity audited and the correction of the balance sheets, the profit and loss accounts, and the appropriation accounts.

## Important Issues to Address in the Future

The Court of Audit will need to address the following important issues in the future:

- a new law on organization and operation and the related standards providing for performance audits;

- the privatization process taking place in Romania and, accordingly, Court of Audit tasks relating to this process;

- the need for more organized training; and

- the improvement of computer networks.

For further information, please contact the President of the Court of Audit, Tolstoi Ave. 22-24, Bucharest 1, Romania. Telephone: (40-3-59-42) or facsimile (40-31-11-371). ■

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# Reports in Print

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The International Institute on Administrative Sciences (IIAS) recently published *Governance: Concepts and Applications*. Edited by John Corkery, the book represents the work of some twenty participants who took part in a series of IIAS workshops. The book is divided into two sections: the first deals with the concept of governance on a general level interpreted within several different political, economic, social, political and cultural environments; section two looks at governance in a particular context— at either the national or sub-national level. To obtain a copy of the publication, available in an English /French bilingual format, contact IISA-IIAS-1, rue Defacqz-bte 11-B-1000 Brussels-Belgium. (US \$36.00) (fax:++32/2-537.97.02) e-mail:poupart@iiasiisa.be; <www.iiasiisa.be>.

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The United Nations Development Programme (UNDP) has published its *1999 Human Development Report* dealing with the effects of globalization in a world with increasing inequality. Globalization, the report says, is more than the flow of money and commodities, it is the growing interdependence of the world's people through "shrinking space, shrinking time, and disappearing borders." The *Report* calls for re-writing of governance for the 21<sup>st</sup> century and suggest a variety of recommendations ranging between global, regional, national and local reforms. To obtain a copy of the report, at a cost of US \$19.95, contact the publisher, Oxford University Press, 2001 Evans Road, Cary, North Carolina 27513, USA.

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*Journal* readers may be interested in reviewing the September 1999 edition of *Revista Espanola De Control Externo*. This edition offers several articles focusing on the role of external auditors in efforts to combat corruption, and examines the financing of political parties. Articles are in Spanish with English summaries included at the end. For more information and/or to subscribe, contact *Revista Espanola De Control Externo*, Tribunal de Cuentas, Fuencarral, 81, 28004 Madrid, Spain (Tel:++ 91-447-87-01 – ext.576y128; fax: ++ 91-446-41-31).

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In May 2000, the U. S. General Accounting Office (GAO) published *Information Technology Investment Management* (GAO/AIMD-10.1.23), a framework for assessing and improving process maturity. Federal information technology (IT) projects frequently incur cost overruns and schedule slippages while contributing little to mission-related outcomes. The Information Technology Investment Management framework identifies critical processes for successful IT investment and organizes these processes into a framework of increasingly mature stages. Copies are available at no cost in English through the U. S. General Accounting Office, Office of International Liaison-Room 7806, 441 G Street, NW, Washington, DC 20548, USA (Tel: ++ 202-512-4707; fax:++202-512-4021; <www.gao.gov>; email oil@gao.gov).

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**Websites of Interest:** *Journal* readers with internet access may be interested in accessing publications on several websites. The OECD website, <www.oecd.org/puma/online.htm> offers country-based case studies that illustrate the experiences of OECD countries with different forms of performance contracts. The site is sponsored by the Public Management Service (PUMA).

The *Journal Probity-Revista Probidad*, which is a major Latin-American journal on issues concerning corruption also has a new website at <www.probidad.org.sv>. Each edition of this *Journal* is accessible on the website, and the current edition is dedicated exclusively to investigative journalism and corruption. The publication also provides information of regional interest and announcements about regional anti-corruption events, press releases and other web links.

Readers who are also members of the Canadian Comprehensive Auditing Foundation (CCAF) can access the proceedings from the conference on "Public Performance Reporting: Creating Conditions for Success", which was held earlier this year in March in Vancouver, British Columbia. The proceedings are summarized on their web site <www.ccaf-fcvi.com/english/subscribersmembers/index.html>. Non-members can obtain the proceedings and other information by contacting the CCAF/FCVI 55 Murray Street, Suite 210 Ottawa, Ontario K1N 5M3 or e-mail at infor@ccaf-fcvi.com. ■

# Inside INTOSAI

## 47<sup>th</sup> Governing Board Convened in Seoul

Following preliminary meetings on May 22, members of INTOSAI's Governing Board convened for their 47<sup>th</sup> session from May 23-25, 2000, in Seoul, Korea. Among those attending were Board members from Antigua and Barbuda, Austria, Brazil, Cameroon, Canada, Egypt, Germany, India, Korea, Morocco, Norway, Peru, Portugal, Saudi Arabia, Tonga, Uruguay, and the United States. Committee chairs, participating as observers, included representatives from France, Hungary, Mexico, the Netherlands, Sweden, and the United Kingdom.

### Reports Related to the XVII INCOSAI

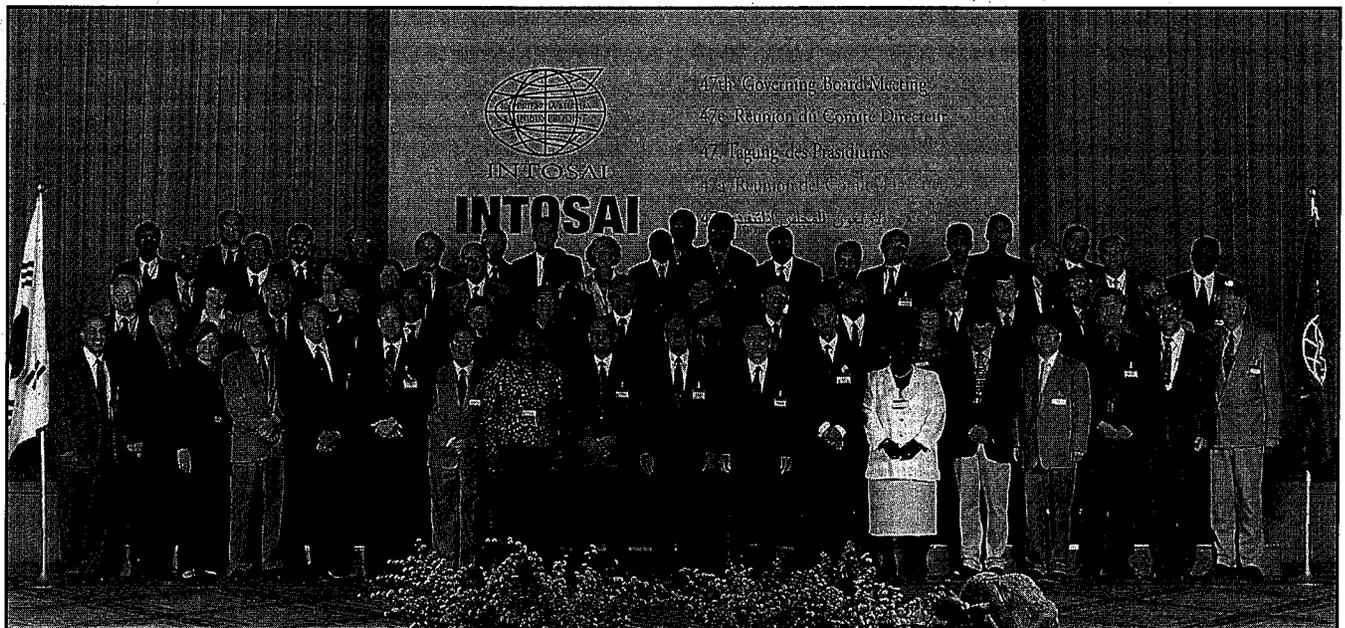
In his role as INTOSAI Chairman, Mr. Ramirez opened the 47<sup>th</sup> Governing Board meeting by noting the excellent preparations that had been made and expressing his belief that this was certainly an indication that the INTOSAI congress in 2001 would be an exceptional event.

As he presented his report, Dr. Lee, the Chairman of the Board of Audit of Korea and the host for the XVII INCOSAI, provided many details about preparations for the congress which will be held in Seoul from October 21-27, 2001. Construction should soon be completed on Seoul's Convention and Exhibition Center (COEX) which will provide state-of-the-art facilities for the congress programs and related meetings, and arrangements have been made with hotels surrounding the

COEX, so that delegates will have a variety of choices convenient to the Congress venue. Noting the importance of discussion and debate during the Congress, Dr. Lee emphasized the efforts being made by the organizers to provide outstanding translation and interpretation services and establish new review and quality control processes.

Technology is also being harnessed to more effectively facilitate the congress. For the Governing Board meeting an electronic, on-line registration system was used, and a homepage carries up-to-date information about the Congress. Theme papers were sent out in the traditional format in February, but electronic versions were also transmitted to SAIs having email accounts, and SAIs have the option of returning their country papers electronically.

As he reviewed the Congress program and the Rules of Procedure, Dr. Lee pointed out that the format provides time for: IDI and committee/working group meetings (Sunday, October 22); Theme Officer and 48<sup>th</sup> Governing Board meetings (Monday, October 23); plenary and theme meetings and discussions (Tuesday – Saturday, October 23-27); regional working group meetings (Tuesday, October 23); the 49<sup>th</sup> Governing Board meeting (Saturday October 27), and additional committee/working group meetings (Friday, October 26). Theme I will examine the audit of international and supranational institutions by SAIs, and Theme II will explore the contributions of SAIs to administrative and government reforms.



At the conclusion of the meeting, the delegates and observers gathered for the traditional group photo in the meeting room at the Hotel Shilla.

Later during the Board meeting, decisions were also made regarding the Staats and Kandutsch awards that will be presented at the XVII INCOSAI. The SAIs of India and Morocco and the General Secretariat will serve as the panel to select the Kandutsch Award recipient — an SAI deserving recognition for its important achievements and contributions

to the field of auditing. The JOURNAL's Board of Editors (the SAIs of Austria, Canada, Tunisia, the United States, and Venezuela) will select the winner of the Staats Award, which will recognize the best article published in the JOURNAL during the three years preceding the 2001 congress.

### Highlights of Special Reports

Governing Board members listened to and discussed several special reports on a variety of INTOSAI programs and activities that are summarized briefly below. Participants, speakers and hosts at the Internal Control Committee's May conference in Budapest took a break from the conference to pose for this official photo.

Interested readers can obtain additional information and/or a copy of the detailed report by contacting the SAI, which made the presentation.

*From the Secretary General (Austria): theme officers for the XVII INCOSAI have been appointed; a successful UN/INTOSAI Seminar on "The Audit of Public Health-care Systems by Supreme Audit Institutions" was held in March 2000; the SAIs of Finland and South Africa certified the 1999 financial statements without qualification; the Secretary General (or his designated representative) attended numerous regional working group and committee meetings throughout the year.*

*From the International Journal of Government Auditing (USA): the JOURNAL's 1999 financial statements received a clean opinion from PriceWaterhouseCoopers, but it was noted that reserves are diminishing and attention needs to be directed to issues related to production costs associated with printing the JOURNAL in the five official languages; a survey of all INTOSAI members will be conducted prior to the XVII INCOSAI to explore options for controlling costs through better use of technology and/or reducing the number of languages produced.*

*From the INTOSAI Development Initiative (Canada, Norway, the Netherlands): a detailed report and the audited financial statements for IDI activities during the prior year was presented by Canada; Norway discussed, and the Governing Board endorsed, the Strategic Plan for the 2001-2006 IDI programs developed by the newly constituted Board for the IDI Foundation (Norway, Canada, the Netherlands, and the UK, with the General Secretariat as an observer); the Netherlands presented highlights of the recent accomplishments of the satellite project for English-speaking SAIs in Africa.*

*From the Congress Handbook Study Group (Austria, Egypt, Korea, USA (chair), Uruguay): the study group noted it is focusing on issues related to language and theme selection as they continue work in preparing a new handbook for future Congress hosts.*

*From the Committee Handbook Study Group (the chairs of each INTOSAI Committee participate, India chairs the study group): some agreements have been reached regarding formats for printed and website products — there will be further discussions related to language issues and cooperation and collaboration to ensure consistency across committee products and a revised Committee Handbook will be presented for the XVII INCOSAI.*

## Highlights of the Committee Reports

In the pre-Board meeting and in their reports, the committees all cited the need for greater communication and collaboration among committees and efforts are underway to ensure greater coordination of committee activities and products. This summarizes the Highlights of the Committee Reports presented to the Governing Board, and interested readers may obtain more details or copies of the reports by contacting the committee chairs.

**Auditing Committee (Sweden):** meeting held in January 2000 to begin project restructuring the organization of the Auditing Standards—an exposure draft with new format will be circulated among INTOSAI members later this year; project to develop draft advisory guidance for implementing Standards also begun.

**Accounting Standards (United States):** draft implementation guidance on preparing Management Discussion and Analysis to be finalized at committee's June meeting and then circulated among INTOSAI members for comments; committee continues to provide comments to the International Federation of Accountant's Public Sector Committee as it develops recommended international public sector accounting standards.

**Internal Control Standards (Hungary):** committee meetings held in June and November 1999; highly successful 2<sup>nd</sup> International Conference on Internal Control held in Budapest in May 2000; current products under development include a summary of the conference and a brochure explaining management responsibility for internal control; work also begun to revise and expand INTOSAI's Internal Control Guidelines.

**Public Debt (Mexico):** "Guidelines for Planning and Conducting Audits of Internal Controls in Public Debt" and "Guidance on Reporting on Public Debt" have been published and/or posted on the committee website <[www.intosaipdc.org.mx](http://www.intosaipdc.org.mx)>; Zambia's experiences in building a system for identifying, measuring and reporting on public debt are being developed as a case study; a seminar developed by the World Bank will be held in October 2000 in conjunction with next committee meeting.

**EDP (India):** at the October 1999 meeting in Harare, the committee adopted a project approach to its work and new projects and coordinators were designated for "IT Related Fraud" – United Kingdom, "Communications Security" – Sweden, "Auditing IT Infrastructure Management" – Norway, "Intranets for SAIs" – Oman; the next three issues of *IntolT* will be organized thematically (training, government, security); revisions underway on committee website; the 3<sup>rd</sup> IT Performance Audit Seminar will be organized next year by Slovenia; committee meeting planned for November 2000.

**Environmental Auditing (Netherlands):** committee adopted a new "regionalized" approach with many activities moving forward in regional working groups – these "trekkers" met in the Hague in June 1999; the exposure draft of "Guidance on Conducting Audits of Activities with an Environmental Perspective" will be circulated to all INTOSAI members; a draft of the study on "Sustainable Development" is being prepared for presentation at the Seoul Congress in 2001 and a booklet on International Environmental Accords being developed for consideration at the XVII INCOSAI.

**Privatization (United Kingdom):** October 1999 meeting in Poland endorsed continuing effort to facilitate the exchange of information between SAIs with increasing emphasis on using the website <<http://www.nao.gov.uk/intosai/wgap/home.htm>> a survey on the audit of economic regulation compiled by the working group as well as draft guidelines on the best practices in the audit of public/private finance and concessions have been placed on the website and will be circulated to INTOSAI members for comments; meetings are planned for September 18-19, 2000 in Buenos Aires and June 12-13, 2001 in Hungary.

**Program Evaluation (France):** committee developing plans for a new website to present case studies on program evaluation experiences and information on various program evaluation methodologies; efforts underway to ensure that guidance on program evaluation is coordinated with the work of other committees and a committee meeting will be held later this year in Paris.

## Issues Discussed

Two items, which will be presented at the XVII INCOSAI, were discussed in-depth by the Governing Board.

**Independence of SAI's Project:** Mr. Desautels reported to the Board on the work done by the Task Force on

Independence during the last year. He summarized the results of the literature search and the SAI survey and presented a draft interim report including conclusions and recommendations. The wording of several of the recommendations and identification of "next steps" were discussed in great detail.

In taking note of the report, the Board recognized the work that had been done by the group and complimented Mr. Desautels and the team from Canada who had led the project. The Board agreed that the task force would, in the next year,

- integrate the conclusions of the EUROSAI survey on independence into the final report (with collaboration from Portugal);
- review and clarify the wording in some of the conclusions and recommendations;
- examine and consider the purpose and consequences of formally establishing and maintaining communications and relationships with outside organizations;
- define more clearly the terms of reference (rationale for, role of, and reporting relationships) for any proposed new sub-committee or work group, and
- take special care to ensure that the statutory limits on INTOSAI activities are adhered to in developing any proposals.

The task force will, working with this guidance, prepare a final report for presentation at next year's Governing Board meeting and the XVII INCOSAI.

**Modification to Governing Board Structure:** As part of the regular business of the Governing Board, the Secretary General reviewed the process in place to develop a list of SAIs to be nominated during the XVII INCOSAI for seats on the Governing Board. It was noted that, according to the Statutes, Germany and the United States (hosts for the 1989 and 1992 Congresses) and five SAIs elected at the Congress in 1995 (Cameroon, India, Morocco, Norway and Portugal) will complete their terms on the Board. The host for the 2004 Congress will assume a seat on the Board, and Mr. Ramirez, as the outgoing Chairman of the Governing Board will take charge of developing a proposed list of SAIs for election at the XVII INCOSAI.

Later, in related discussions, the Board noted that a change in the Statutes was needed in order to have both the JOURNAL and IDI represented on the Governing Board. The Board members agreed that both the JOURNAL and IDI provide valuable services to all INTOSAI members and they acknowledged that the SAIs sponsoring these activities invest considerable resources to support them. Recognizing the value of the JOURNAL and IDI programs and the magnitude and impact of their contributions, and acknowledging the related investments needed to support them, the Board felt that the sponsoring SAIs should both be represented on the Governing Board. This, however, requires a change Article 5.2.d of the Statutes.

India presented a recommendation and the Board adopted a motion agreeing to present such a recommendation at the XVII INCOSAI. The motion, supporting a revision to the Statutes, would:

- increase the size of the Governing Board to 17 members, and
- provide that "the heads of the SAIs responsible for the JOURNAL and IDI will be recommended by a resolution of the Governing Board and elected by the Congress for six-year renewable terms."

Making such a change in the Statutes will require a two-thirds majority approval at the XVII INCOSAI. In endorsing this motion, the Governing Board agreed that copies of the motion will be circulated to members prior to the Congress and the topic will be placed on the agenda for consideration and discussion by all INTOSAI members.

### Of Special Note

In closing the meeting, the Governing Board and Mr. Ramirez gave special recognition to Mr. Desautels who will complete his term in office early next year. Noting that this was the last Governing Board meeting that Mr. Desautels would attend — the Board paused to applaud him for his many contributions to INTOSAI. Special note was made of his leadership in IDI and his commitment to strengthening and supporting the development of SAIs around the world through IDI and the Canadian Fellowship Program. He was also recognized for chairing INTOSAI's Committee on Accounting Standards until 1996, and for his continuing commitment to the CAS' projects. Further commendation was given to support his current efforts with the special independence task force that will complete its work next year.

Throughout the week, the delegates, observers and accompanying persons enjoyed the gracious hospitality of the Board of Audit. Special programs — including performances of traditional music and dance and tours of historic sites — provided opportunities to learn more of the culture and history of the Republic of Korea. By the end of the week, everyone agreed with Mr. Ramirez's initial observation that the XVII INCOSAI certainly would be an exceptional event.



Working behind the scenes, staff from the Board of Audit used technology effectively to prepare documents, coordinate logistics, and manage the activities supporting the meeting.

## New IDI Board Meets in Oslo

According to resolution of the General Assembly at the XVI INCOSAI in 1998, the secretariat of the INTOSAI Development Initiative (IDI) will be transferred from Canada to Norway by January 1, 2001. The new IDI institution in Norway was established in 1999 with a Board of Directors and a Secretariat. The IDI Board consists of representatives of the SAIs of Norway, Canada, The Netherlands and United Kingdom, with the Secretary General of INTOSAI serving as an observer to the Board.

The first meeting of the new IDI Board took place in Oslo on March 10, 2000. A major agenda item was IDI's new long-term plan for the period 2001-2006, which was approved by the Board. A survey had been conducted among INTOSAI members in December 1999 to get their view on possible future options for IDI, and survey results provided the basis for the new plan.

The new long-term plan will seek to consolidate the results of the current IDI Long Term Regional Training Program, launched in 1996, to strengthen the training capacity in the INTOSAI regions through the establishment of a sustainable training infrastructure. A key component of this infrastructure is the IDI-certified Training Specialists who are positioned to provide local and regional workshops to member SAIs. Continued support will be provided to the Regional Training Committees and to the expansion of IDI's information exchange program. Distance Learning programs will also be explored.

The long-term plan had been drafted by the new IDI Secretariat in Norway, headed by Director General Magnus

Borge and consisting initially of four staff members. The new IDI Secretariat is sharing premises with the Office of the Auditor General of Norway in Oslo. The main tasks for the new Secretariat in 2000 is to familiarize itself with the activities of IDI and plan future programs and activities.

For more information, contact: IDI Secretariat, c/o Office of the Auditor General of Norway, Riksrevisjonen, Pilestredet 42, Postboks 8130 Dep, 0032 Oslo, Norway, e-mail: <riksrevisjonen@riksrevisjonen.no>.



Participants in the IDI Board Meeting in Norway. Seated, from left to right: Mr. Kellner, Director General, Austrian Court of Audit/INTOSAI; Mr. Desautels, Canada; Mr. Mørk-Eidem, Norway; Mr. Zevenbergen, Netherlands; Ms. Mawhood, United Kingdom. Standing, from left to right: Mr. Borge, Norway; Ms. Kirsten Astrup; Mr. Per A Engeseth; Mr. Gaudette, Canada; Mr. Bedwell, United Kingdom; Mr. van Ommeren, Netherlands; Ms. Kristensen, Norway; Mr. Kirkelund, Norway; Ms. Østlund, Norway; and, Mr. Gagné, Canada.

## A Lasting IDI Relationship

In 1986, the INTOSAI Development Initiative organized a seminar for European SAIs to present and share practical experiences using microcomputer technology to improve audit work efficiency and economy. A year later, delegates from 14 countries met in Copenhagen, Denmark to discuss this topic. At that meeting, delegates from Canada and the United States began a relationship that resulted in their 8<sup>th</sup> joint meeting in February 2000 in Vancouver, British Columbia.

One of the GAO delegates worked in the Seattle Field Office. Seattle, as it was in 1986, is responsible for leading many of the technological innovations being applied to GAO audit work. As a result, a Canadian delegate invited the Seattle staff to share the same technological innovations presented in Copenhagen with the Canadian audit office (OAG) staff. In January 1987, the first joint meeting took place. Because the OAG had offices in Vancouver, British Columbia, it was suggested that the Vancouver and Seattle offices should work together. Their proximity, common audit issues, and interest in new technology made the match ideal. Since that time, the OAG hosted three meetings in Vancouver, one in Ottawa and GAO hosted three meetings in Seattle.

Participants at these meeting have included staffs from OAG in Ottawa, Winnipeg, Edmonton, and Vancouver and Provincial Auditors from British Columbia, and from GAO staffs from the Office of Information Management and Communications, and western field offices in Seattle, San Francisco, and Los Angeles. One of the first "off-site" videoconferencing connections was made between Seattle and Ottawa during one of the Seattle meetings. There have been two technology seminars held at Microsoft and as interest expanded from technology to common audit areas, visits were made to the Boeing Plant in Everett, and the Ballard Power Systems and the Capilano Fish Hatchery in Vancouver. The Boeing Plant visit was also an opportunity for one of GAO's international fellows to obtain a short field experience.

As discussed at the most recent meeting, the two groups continue to believe that the meetings offer an excellent opportunity to exchange information about audit processes, practices, and techniques helpful to both organizations. The two groups have a common interest in hatchery management, fishery issues, and potential dam removal along with information knowledge management and videoconferencing issues.

## 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 home page 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>  
Arabic language website:  
<http://www.sgsa.com/intosai\_edp>

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 Albania: <klsh@albaniaonline.net> and  
<http://pages.albaniaonline.net/klsh>

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

SAI of Australia: <ag1@anao.gov.au> and  
<http://www.anao.gov.au>

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

SAI of Bangladesh: <saibd@cittechco.net>

SAI of Belgium: <ccrel@ccrek.be> and  
<http://www.courdescomptes.be>

SAI of Bermuda: <auditbda@ibl.bm> and  
<http://www.oagbermuda.gov.bm>

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.cl> and  
<http://www.contraloria.cl>

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

SAI of Colombia: <CTExterna@contraloriagen.gov.co> and  
<http://www.contraloriagen.gov.co>

SAI of Costa Rica: <inforcgr@cgr.go.cr> and  
<http://www.cgr.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> and  
<http://www.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 Grenada: <audit@caribsurf.com>

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

SAI of Iceland: <postur@rikisend.althingi.is> and  
<http://www.rikisend.althingi.is>

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

SAI of Indonesia: <asosai@bpk.go.id> and  
<http://www.bpk.go.id>

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

SAI of Israel: <www.mevaker.gov.il>

SAI of Italy: <bmanina@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: <koreasai@koreasai.go.kr> and  
<http://www.koreasai.go.kr>

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

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

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

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

SAI of Lithuania: <alvydas@vkontrolle.lt>

SAI of Luxembourg: <chaco@pt.lu>

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

SAI of Malaysia: <jbaudit@audit.gov.my> and <http://www.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: <cmhasesor@mexis.com>

SAI of Micronesia: <FSMOPA@mail.fm>

SAI of Nepal: <oagnp@mail.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.net.pk>

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

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

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

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

SAI of Peru: <dci00@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: <govtaudit@candw.lc>

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

SAI of Seychelles: <seyaudit@seychelles.net>

SAI of Slovakia: <hlavac@controll.gov.sk>

SAI of Slovenia: <vojko.antoncic@rs-rs-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> and <www.oag.go.th>**

SAI of Trinidad and Tobago: <audgen@hotmail.com>

SAI of Turkey: <saybsk3@turnet.net.tr> and <http://www.sayistay.gov.tr>

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

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

SAI of the United Kingdom: <international.nao@gtnet.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: <iaa@theiaa.org> and <http://www.theiaa.org>

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

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

## 2000/01 Calendar of INTOSAI Events

July

August

September

*Privatization Committee Meeting  
Buenos Aires, Argentina  
September 18-19*

October

*ASOSAI 8th Assembly  
Chiang Mai, Thailand  
October 10-14*

November

*CAROSAI Congress  
Basseterre, St. Kitts  
November 19-25*

*INTOSAI Standing Committee on EDP Audit  
New Delhi, India  
November 20-21*

December

2001  
January

February

March

April

May

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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