

“The COVID 19 pandemic: a unique opportunity for Supreme Audit Institutions to highlight the impact of their work”

Outcomes report

IX. EUROSAI-OLACEFS Joint Conference

Draft

IX. EUROSAI-OLACEFS Joint Conference was held from the 9th till the 11th of September 2020. It was originally planned to take place in Budapest but due to the COVID-19 pandemic, the event was organized virtually via WebEx Events and WebEx Meeting platforms. The online joint conference was opened by the President of EUROSAI, Mr. Seyit Ahmet Bař, the President of OLACEFS, Mr. Nelson Eduardo Shack Yalta and by the host of the event, Mr. László Domokos, President of the State Audit Office of Hungary. Nearly 200 experts from SAIs of 56 countries across the European, Latin American and Caribbean regions joined the three-day virtual Conference.



the results of the debates held during the panel discussions and workshops, which took place on Day2 (10th September) and on Day3 (11th of September) as detailed in Annex 1, have been summarized as follows.

Conclusions of the panel discussions

Enhancing Measurement Methodologies

The main focus was on the work of SAIs, which is strongly related with the use and management of large amounts of data. SAIs need to understand what steps they need to take to keep up with the pace and volume of government and other institutions in terms of data management, how they should properly manage these data for fulfilling its mandate ensuring safe access, considerations on privacy, and how to ensure that the data used is reliable from the perspective of public trust.



There were three very insightful presentations from our panelists. First one from the SAI Netherlands about how digitisation and datafication keep up with the pace and volume of Governments, and that SAIs have to do audits on IT systems, machine learning and algorithms. SAI Peru showed how management and analyses of big data make a contribution to high quality, focused and effective audits. The last presentation held by SAI Hungary was about the use of reliable and scientifically valid information, which are coming from different sources. The presenter also covered the topics of international country ranks on corruption, credit ratings and competitiveness.

Public prosecution and anticorruption – Means of prevention and tackling

The topics and key issues of the workshop covered the importance of co-operation between the Public Prosecutor's Office and the SAI in preventing and tackling corruption.

Participants could listen to three very comprehensive presentations from our panelists.



Thus, we gained insight into the role of the SAI of Ecuador which is to oversee public resources, as well as to examine the consecution of public institutions. The cooperation between the SAI and the Office of the Attorney General of Ecuador has several aspects.

We also had a chance to get to know more about the Italian Court of Audit (ICA) where auditing and judicial functions coexist and provide synergies. Within their preventive function they carry out damage control in a broad sense, thus fighting corruption. Also, ICA is playing a crucial role in preventing and tackling corruption during the COVID emergency period.

Last, but not least, we learned that in Colombia the Directorate of Information, Analysis and Immediate Reaction is the motor of preventive and real-time audits within the SAI. They use several analytical models and tools (including artificial intelligence) and gather information from 222 public companies. With their activity, they also aim to deepen the citizens’ engagement.

Main conclusion drawn was that close cooperation between the two organizations is important in fighting corruption, however they must mutually respect each-other’s independence and maintain confidentiality. Due to the different knowledge and attitudes of the two organizations, cooperation can only be truly effective if it incorporates elements of shared learning and is fed back into the activities of the two organizations. Emergencies (COVID-19) increase the risk of corruption, so it is appropriate for the two organizations to coordinate how they deal with increased risks.

SAIs in the implementation of the 2030 Agenda

During the virtual roundtable the panelists focused on the impact of the “new normality” derived from COVID-19 on the implementation of SDGs included in 2030 Agenda, the role of SAIs that should be played to protect achievements and guarantee the implementation of 2030 Agenda, and whether financial measures adopted by governments due to the COVID-19 crisis comply with 2030 Agenda, and if so, how SAIs are planning to audit such measures.

THE ROLE OF SUPREME AUDIT INSTITUTIONS IN THE IMPLEMENTATION OF THE 2030 AGENDA
17 Sustainable Development Goals (SDGs)
CAN WE ACHIEVE THEM?

Moderator
MR. DAVID ROGELIO COLMENARES,
HEAD OF THE SUPREME
AUDIT INSTITUTION (MEXICO)

Panelists
MS. TYTTI YLI-VIIKARI,
AUDITOR GENERAL
(FINLAND),
MR. AUGUSTYN KUBIK,
ADVISOR TO THE PRESIDENT
OF NIK (POLAND),
MR. VITOR CALDEIRA,
PRESIDENT OF THE SAI
PORTUGAL (PORTUGAL)

Dilemmas and questions

- What is the impact of the „new normality“?
- Do financial measures are complying with 2030 Agenda?

Key issues

- Special role of performance audit
- Training for SAI personnel concerning SDGs
- Exchange of knowledge and information

SAIs serve as a bridge

- Between society, government authorities and international agencies

Continuous monitoring

- Progress, implementation, improvement

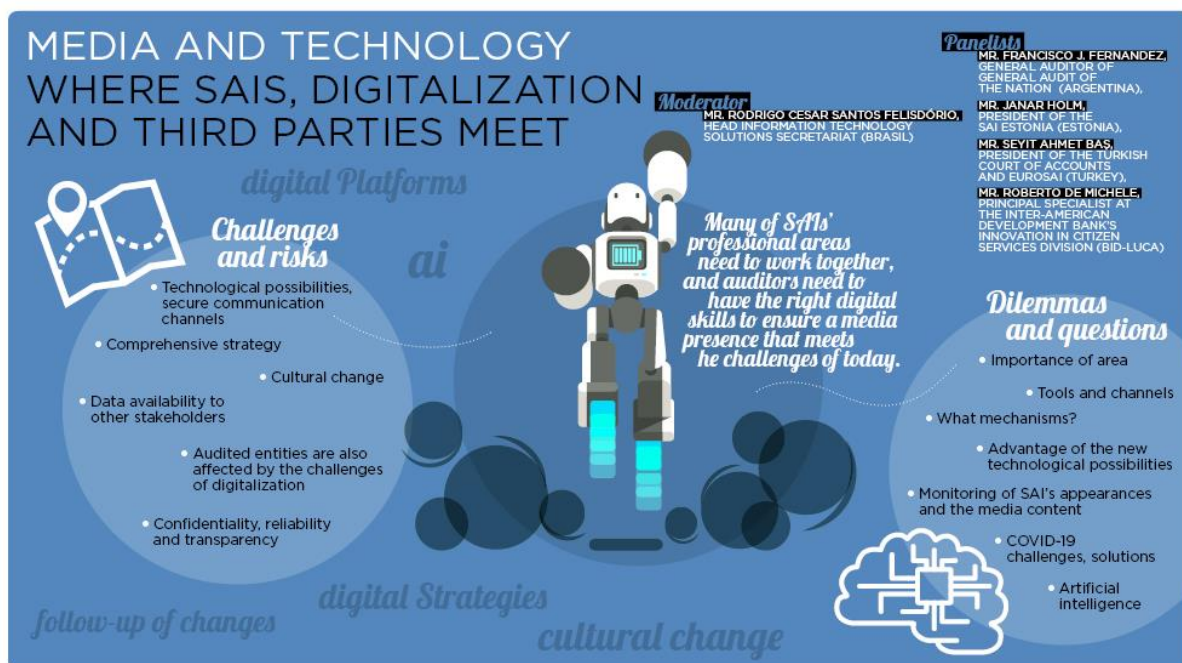
Leaving no one behind

Main focus was on the INTOSAI decision to include SDGs in its strategic plan. In 2015, 17 SDGs, a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, were adopted by 193 UN Members as part of the 2030 Agenda for Sustainable Development. INTOSAI Strategic Plan was reached after having identified that SAIs could, consistent with their mandates, track the implementation of the SDGs through audits. Nationwide, advancement registered so far have not been sufficient to reflect an adequate progress. Furthermore, efforts have been stalled by the COVID-19 pandemic, calling out for a transformative recovery and the adoption of innovative approaches when auditing the “new normality”.

Media and technology – where SAIs, digitalization and third parties meet

During this unique panel, we had 4 panelists, which made the discussion extremely dynamic.

We gained insight into the Turkish Court of Accounts (TCA) data analysis system, called VERA. Furthermore, Municipality Data Transfer System, Writ Execution Monitoring System and audit management program, called SayCAP, are also the examples of the TCA's digital transformation.



During the discussion, the main focus of the SAI of Estonia was about to make better use of data, which is the core aspect of digitalisation. The quality of data is not only crucial on the level of SAIs but on that of the public sector as a whole. It is not only important to establish a super database and be 'data king', but the best data must be available to other stakeholders as well.

For the SAI of Argentina, transparency is a key aspect that can be reached by means of technology, when they are sharing their result, they are focusing on the OLACEFS Region by real-time information in the official languages of OLACEFS. The Agenda 2030 is a priority topic in this respect.

Last, but not least, we also learned a lot from our colleague from the Inter-American Development Bank (IDB). The electronic tool LUCA, introduced by them, uses artificial intelligence for generating analyses. IDB also warns that the use of technological capacities requires a digitalisation strategy on the level of the government as a whole. Interoperability is another key issue, while the tracking of funds might be a challenge especially for the federal states.

Communication with the environment is of great importance for the SAIs. The effectiveness of the work of the SAI is greatly increased by the modern media appearance, and with the help of interactive, visual display-supported content, a wide range of stakeholders can be reached quickly and efficiently. Within the SAI, many of its professional areas need to work together, and auditors need to have the right digital skills to ensure a media presence that meets the challenges of today.

Conclusions of the Workshops

Advisory role 1 – Parliament and Congress

The participants of the workshop could gain a comprehensive insight to the various advisory roles of several different SAIs with special focus on how SAIs reacted to the current COVID 19 pandemic situation. Further to that, the focus of the workshop was placed on how SAIs can help through their advisory role the governments to deal with this new situation. Effective working relationships between SAIs and Parliaments must be developed to help create a well-managed state. Their good cooperation creates synergy, which contributes to reduced number of irregularities in auditees, increased regularity, efficiency and transparency as well as the responsibility for public funds management.



It could be concluded that SAIs play different roles within their mandates, about which often the crucial role is played by legal regulations that can give them great powers or limit them. Through Lima Declaration it is known that SAIs provide the Parliament and the administration with their professional knowledge in the form of expert opinions under the condition that the effectiveness of their audit is secured. Engagement of SAIs in advisory activities and playing the role of advisor by developing recommendations based on the results of their audits has increased lately because SAIs can have a major impact on the current decision-making of responsible bodies in the use of public funds and be supportive of the State in times of crisis such as the COVID-19 pandemic, earthquakes or similar economic crises. During the COVID-19 pandemic, the role of SAIs is being recognized as crucial to supporting the government response mechanisms through maintaining public financial management discipline and ensuring transparency and accountability. As such, all SAIs should look on COVID-19 pandemic as an opportunity for development and growth.

Advisory role 2 – Auditees, citizens and other parties

SAIs not only have an advisory role regarding their respective national Parliaments or Congresses, but also with auditees, citizens and some other parties. Participants discussed several tools and opportunities by which this role could be better approached. The central topic was citizens' participation.

Discussions revolved around OLACEFS side on the creating of the OLACEFS Citizens Participation Commission (CPC) in 2009, for strengthening the link with citizens. Its progress and challenges have been elaborated, as well as the good practices, tools and monitoring (e.g.: Handbook of good practices, Gender Equality Coordinated Audit, Impact Indicators, Follow-up to the Punta Cana Declaration). Interaction with stakeholders, the inclusion of citizens, and the use of language as a communication strategy was also discussed.

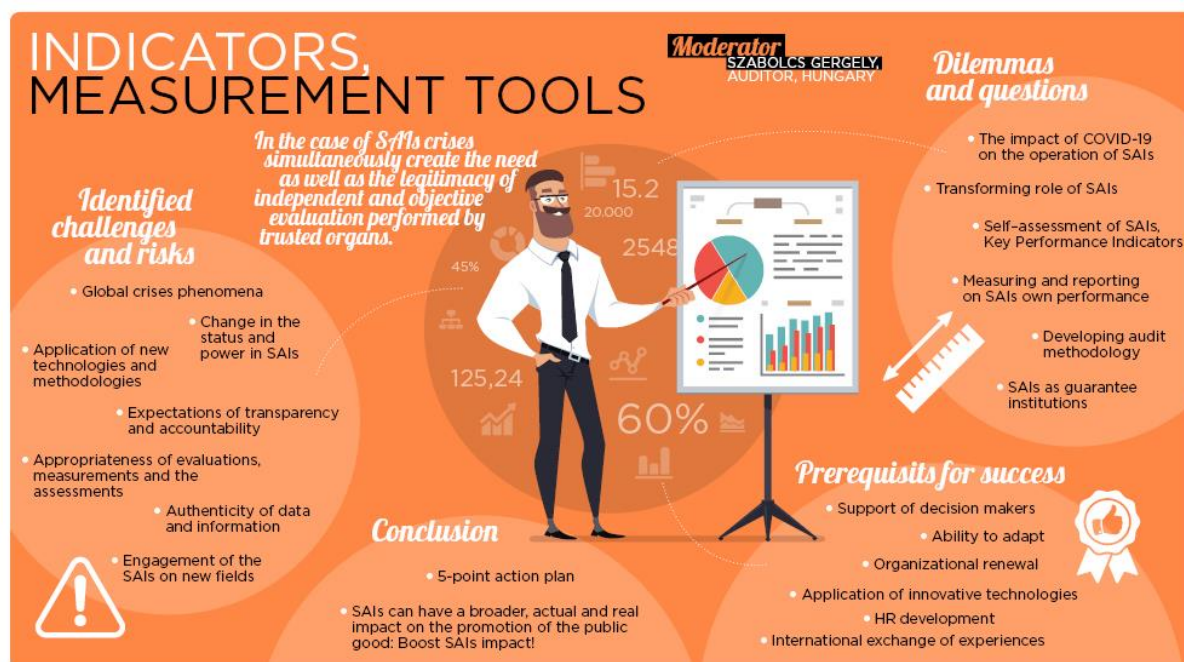


Although, participants of the workshop have identified risks, they were very much focused on the opportunities and the open questions they face. Responding to societal needs was a common point that could be identified as a great opportunity for SAIs, but openness to accepting and proactively managing changes in order to preserve and strengthen values is equally important. It was all agreed that society should benefit from the activities of the SAIs and that public finances should be continuously improved. Open opportunities are only one thing, but success under today's challenging circumstances definitely requires another mindset, a mindset in which proactivity, change management capacities and adaptive skills have greater importance.

It was agreed by all participants that the improvement of the transparency, accountability, is similarly crucial. Compliance with the INTOSAI-P 12 was also commonly identified as a relevant issue, highlighting the importance of added value, responsibility and the use of authentic, primary sources.

Indicators and measurement tools

The main goal of the workshop was to explore the challenges SAIs need to face with a special focus on the field of measurement activities. Participants identified various challenges, of which they discussed the following more in-depth: the global crises phenomena, the challenges of the application of new technologies and methodologies, the appropriateness of evaluations and methodologically substantiated measurement and the assessments, the expectation of transparency and accountability. Participants also discussed questions and dilemmas these challenges bring about, while also finding opportunities and gathering pre-requisites in order to succeed.



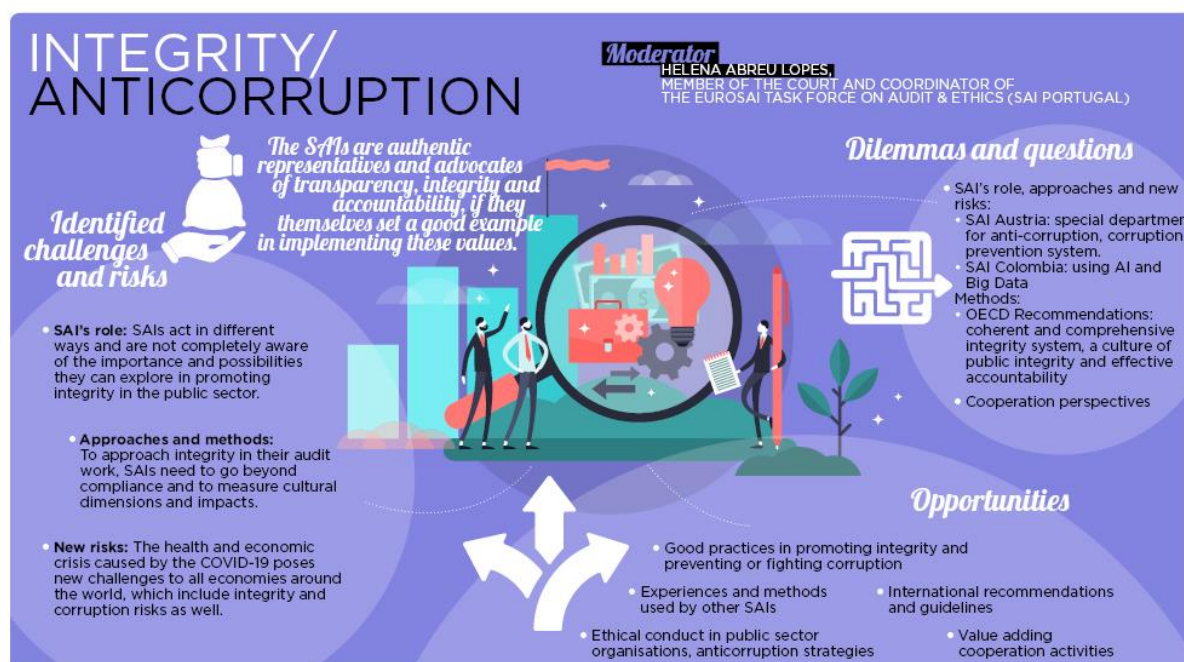
They turned the opportunities and pre-requisites into an action plan:

1. SAIs have the potential to trigger and support transformation of public measurement systems.
2. The international community of SAIs can make a significant contribution to scientific excellence in the field of international indicators and measurement tools.
3. SAIs must evolve and have to embrace the challenges, manage risks and start the transformation.
4. SAIs must build capacity consciously and drive transformation.
5. As a result of this transformation a new generation of SAIs can be created: trusted by citizens, authenticated through their objective and sound recommendations, SAIs can have a broader, actual and real impact on the promotion of the public good.

Integrity and anticorruption

The topics of the workshop covered the role and tasks of SAIs in preventing corruption and promoting and disseminating integrity culture in the public sector, considering the new integrity risks caused by the COVID 19 epidemic and the increasing use of digital technologies. Several dilemmas and questions were explored during the workshop. It had been discussed, that some SAIs have established dedicated tools or systems supporting their activities related to the fight against corruption and OECD countries adopted the OECD Recommendation on Public Integrity in 2017.

Besides the already existing cooperation and actions taken so far, such as the specialised working group (GTCT) introduced by the SAI of Ecuador, or EUROSAI TFA&E, further perspectives of cooperation were raised. Majority of participants agreed upon for instance to joint workshops or closer cooperation between the Working Groups of EUROSAI and OECD. They have also discussed the collection of good practices, possible cooperative audits on anti-corruption in public procurement for instance.



Majority of participants agreed upon possible further perspectives for cooperation listed below:

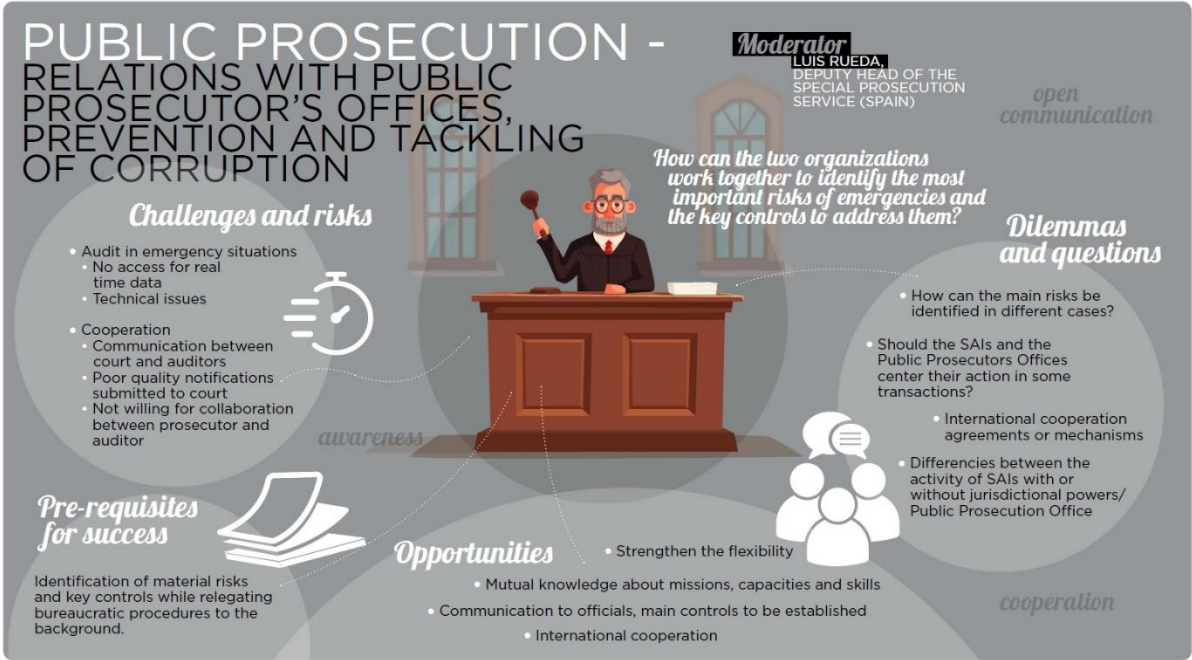
- Cooperative audit on anti-corruption in public procurement
- Developing further guidelines/ further cooperation between the WGs of EUROSAI and OECD
- Joint workshop /trainings
- Cooperative audit on anti-corruption policies

Furthermore, during the workshop participants made a conclusion that the cooperation between INTOSAI community and global organisations (e.g. UNODC) has further potentials based on their experiences.

Public prosecution - Relations with public prosecutor’s offices, prevention and tackling of corruption

The workshop focused on the different tasks that fighting against the corruption involves. Some of these activities are the main functions of the Public Prosecutor's Offices and the SAIs: auditing the handling of public funds and prosecuting the corruption cases linked with these activities. Drastic changes that are born of special events, like the Covid-19 pandemic, force our institutions to adapt their organization to a new landscape.

All agreed that SAIs have several opportunities to handle these changes and novel challenges in this field, such as strengthening the flexibility of organizations. SAIs and the Public Ministry can take advantage of this situation to increase mutual knowledge about their missions, capacities and skills. Through international cooperation the sharing of experiences and expansion of knowledge and skills may improve control over public spending in emergency situations. A closer cooperation with prosecutors and auditors could be also beneficial – working together leads to explanation of different terms.



As conclusion, improving the cooperation between Audit Offices and Prosecution Offices by giving more information, evidences in more detail and faster would be really useful. Working together and closer could be beneficial for both institutions. Regarding information exchange, new informal ways besides new online formal ways could be also considered in order to facilitate joint work.

However, participants raised the attention to the fact that the exchange of information is not easy! It could be difficult to share all the information that SAIs collect, due to administrative and legal barriers. At the same time, they acknowledged that the exchange of information is usually more fluid when the SAI has jurisdictional powers.

As a final thought, interactive, real time audits – “online audit is the future” – were considered as a great opportunity for SAIs.

Reactive and rapid audit reporting, good practices, digital reporting

In our times, SAIs often need to react quickly to changes happening around them and carry out their traditional audit activities faster than usual. We see that in our fast-paced environment, traditional financial and performance audit cannot always efficiently address emerging issues.

During this session the moderator from the United Kingdom has presented some of their experience and shared what has worked for them in their own context to succeed in rapid, reactive auditing. They have developed an effective framework to carry out quick and reactive audit, of which product is the so called “facts-only” report.

Participants could enhance their knowledge about key differences between rapid and traditional performance audits, what it takes for rapid audits to be successful demonstrated by the UK NAO’s example. By view of that, they could see that it is essential to be agile when carrying out rapid audit, not to lose quality while also making sure nothing will slow the process that doesn’t have added value. Participants were asked to discuss their experiences in delivering ‘responsive’ audits, the opportunities and challenges they face.



Rapid audit approach enables to report on Covid-19 activities at pace with high impact:

- Topics tend to be of high public interest, and report when interest is close to its peak
- They are short, focused, intuitive reports

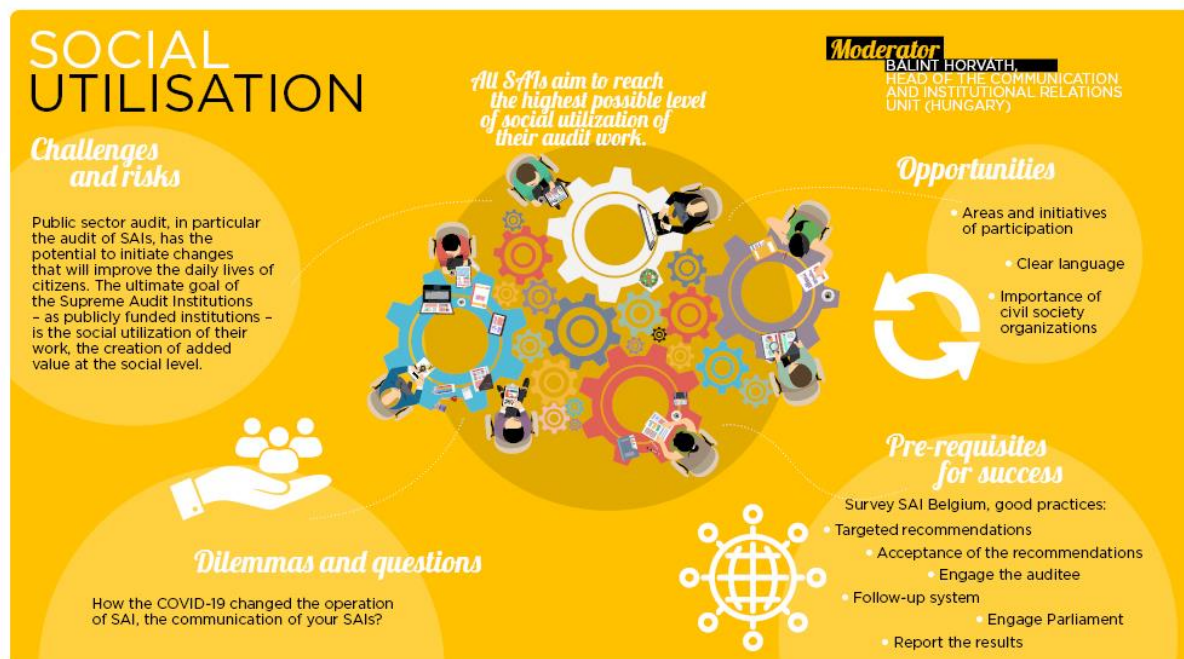
External events create new opportunities (and expectations) for SAIs. They bring about certain challenges:

- Traditional financial, compliance and performance audit are often unable to respond quickly to emerging issues of interest to Parliament
- Clarity is increasingly important to Parliament and the public, particularly given the growth of ‘fake news’ and ‘alternative facts’ that foster distrust

Social utilization

The primary aim of the workshop was to discuss how to make the activities of the participating SAIs more beneficial to society and to share their good practices regarding social utilization, furthermore to debate about how to develop their capacity in an innovative way.

During the workshop, there was a broad agreement that the ultimate goal of the SAIs - as publicly funded institutions - is the social utilization of the work of the SAIs, the creation of added value at the social level. SAIs audit public institutions using public funds, strengthen social trust and promote the protection and enforcement of taxpayers' interests.



Today, SAIs no longer have to think about whether to participate in the world of social media, rather how to do it and how to do in the quickest way. A SAI that does not develop its own social media strategy that fits its own legal, professional or social environment can easily lose the relation with society and will be left without effective tools in the midst of increasingly lively social debates.

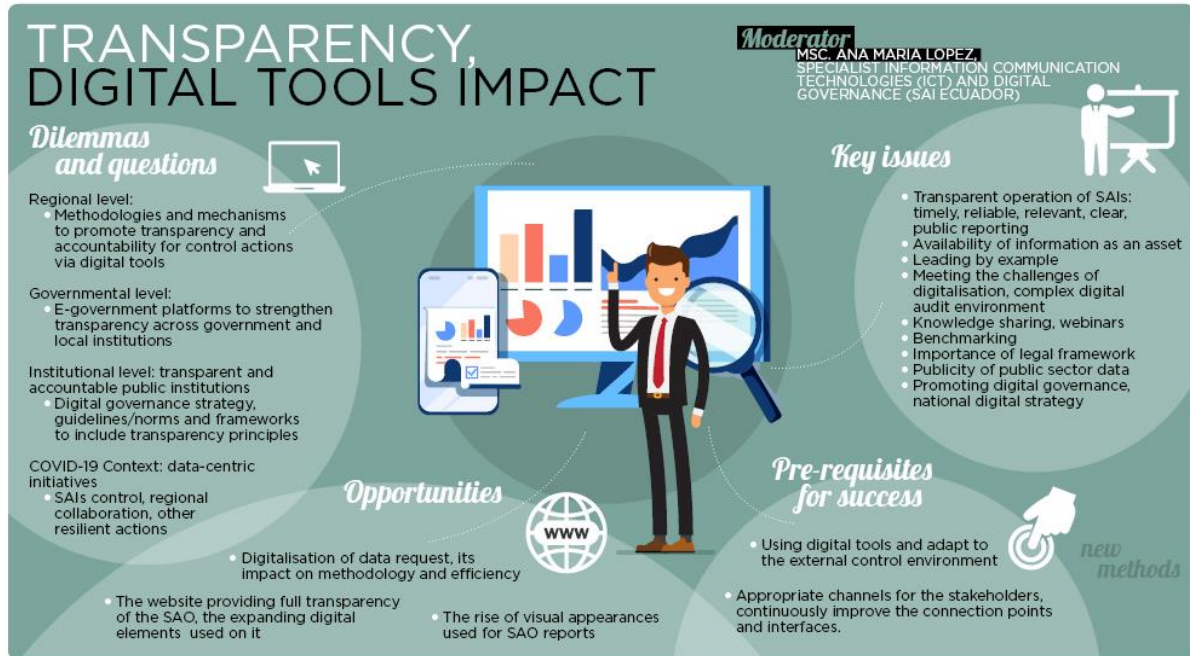
The other aspect that has accelerated social utilization activities is the COVID-19 pandemic. Uncertainty is on the rise around the world, unfortunately more and more countries are facing social and economic challenges. These issues need to be adapted by the SAIs, as well as appropriate and adequate answers need to be found to these challenges.

Participants agreed that for a successful social utilization, a more clear communication is needed from the very basic steps, such as language. The importance of civic society organizations shall not be neglected and public consultations could be also an interesting approach to consider.

The future goals of the participating SAIs were also briefly touched upon, for instance: open government, communicating the reports on SAIs' website, or that the recommendations should be collected in a database and should be shown also on website.

Transparency and digital tools impact

SAls promote an accountability ecosystem that must be in constant evaluation to intake new methodological approaches and digitalization to ensure efficiency and transparency. This requires a different strategic focus to assess the components of digital transformation taking place within and without the SAls. Having also in mind, special focus was put on the role played by civil society, who is becoming more specialized on the use of digital tools and data to oversee governments' activities.



To better understand the status of the technological maturity of SAls in these areas; and therefore, take practical steps to leverage digital transformation processes among institution members; SAls should see how to include interoperability, open data and capacity building to the guidelines addressed in ISSAI 5300 as an internal assessment. As a result, an efficient data driven approach to audit activities should be promoted among every region's SAls members.

It should be noted that auditors' specialization in the use of digital tools for data analysis and technological enhancement to promote system integration for the delivery of key information from auditees and among SAls, still remains as work-in-progress thus, must be put into effect as a resilient approach to adverse situations such as COVID 19. For this, capacity building within the goals of SAls is a knowledge-exchange activity, a fundamental aim for institutional-level task and cultural shift.

Outlook – Reflection on the conclusions

On the final day of the joint conference – during the plenary – the results of panel discussions and workshops were synthesized in forms of the above seen e-posters, of which help the conference moderator summarized the key conclusions. Assuring reflectivity and interactivity during the concluding remarks, workshop moderators were provided the option to add extra thoughts and ideas to the conclusions, which contributed to the recap of the professional program.

As a main conclusion, all workshop moderators agreed that COVID-19 crisis not only could be viewed as a mayor challenge or disaster, but also as a huge opportunity for SAIs to increase their impact and serve more the arising societal needs. Nowadays capacity building, the extension of adaptive capabilities, reactivity, change management and measuring SAIs' own performance became more and more crucial for the effective work of SAIs, which has been further provoked and encouraged by the current situation.

Even under the difficult circumstances, "BOOST your IMPACT!" the motto of the conference was proved to be a relevant and up-to-date topic, of which challenges every participant could identify itself, therefore could give valuable insights during the discussions of the online event.

September 2020

Annex 1

Panel discussions (Day2)

Enhancing Measurement Methodologies

Moderator: IDI

Panelists: Peru, Hungary, The Netherlands

Public prosecution/Anticorruption – Means of prevention and tackling

Moderator: Hungary

Panelists: Ecuador, Italy, Colombia

Q&A session

The Role of Supreme Audit Institutions in the implementation of the 2030 Agenda

Moderator: Mexico

Panelists: Finland, Poland, Portugal

Q&A session

Media and Technology – where SAIs, digitalization and 3rd parties meet

Moderator: Brasil

Panelists: Argentina, Estonia, Turkey, Inter-American Development Bank

Q&A session

Q&A session

Workshops (Day2)

<p>Advisory role 1 – Parliament, Congress</p> <p><u>Moderator:</u></p> <p>Croatia</p>	<p>Advisory role 2 – Auditees, citizens, other parties</p> <p><u>Moderator:</u></p> <p>Peru</p>	<p>Indicators, measurement tools</p> <p><u>Moderator:</u></p> <p>Hungary</p>	<p>Integrity/ Anticorruption</p> <p><u>Moderator:</u></p> <p>Portugal</p>
<p>Public prosecution - Relations with public prosecutor's offices, prevention and tackling of corruption</p> <p><u>Moderator:</u></p> <p>Spain</p>	<p>Reactive & rapid audit reporting, good digital practices, reporting</p> <p><u>Moderator:</u></p> <p>United Kingdom</p>	<p>Social utilization</p> <p><u>Moderator:</u></p> <p>Hungary</p>	<p>Transparency, Digital tools impact</p> <p><u>Moderator:</u></p> <p>Ecuador</p>

Workshops (Day3)

<p>Advisory role 1 – Parliament, Congress</p> <p><u>Moderator:</u></p> <p>Croatia</p>	<p>Advisory role 2 – Auditees, citizens, other parties</p> <p><u>Moderator:</u></p> <p>Peru</p>	<p>Indicators, measurement tools</p> <p><u>Moderator:</u></p> <p>Hungary</p>	<p>Integrity/ Anticorruption</p> <p><u>Moderator:</u></p> <p>Portugal</p>
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