**INTERNATIONAL ORGANIZATION
OF SUPREME AUDIT INSTITUTIONS**

PERFORMANCE AND ACCOUNTABILITY REPORT
2017—2018

Acronyms

CBC	Capacity Building Committee
FIPP	Forum on INTOSAI Professional Pronouncements
IFPP	INTOSAI Framework for Professional Pronouncements
IJGA	International Journal of Government Auditing
INTOSAI	International Organization of Supreme Audit Institutions
INTOSAINT	INTOSAI Integrity Tool
ISSAI	International Standards of Supreme Audit Institutions
KSC	Knowledge Sharing and Knowledge Services Committee
OECD	Organization for Economic Cooperation and Development
PFAC	Policy, Finance, and Administration, Committee
PSC	Professional Standards Committee
SAI	Supreme Audit Institution
SAI PMF	SAI Performance Measurement Framework
SDG	Sustainable Development Goals
SDP	Strategic Development Plan
TFIAP	Task Force on INTOSAI Auditor Professionalization
3i	INTOSAI ISSAI Implementation Program
WGEA	Working Group on Environmental Auditing

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Executive Summary

The International Organization of Supreme Audit Institutions (INTOSAI) has made substantial progress toward the goals, objectives, and crosscutting priorities of its 2017-2022 Strategic Plan and is generally on schedule in the vast majority of initiatives and projects. Consistent with the INTOSAI Strategic Plan, and based on findings, this progress demonstrates INTOSAI's contributions, continued importance, and relevance in the international accountability and auditing community as it strives to enhance governance on a global scale. While INTOSAI and individual SAIs face challenges and obstacles, the mutual support provided within INTOSAI and across its membership and subsidiary bodies continues to strengthen the ability of SAIs to fulfill their mandates and enhance public governance.

A critical component of INTOSAI's success as an organization stems from the guidance provided by its Governing Board. Consistent with the Strategic Plan mandate, and based on the findings within this report, the following list of issues have been identified for consideration by the Governing Board as part of its efforts to ensure effective oversight and facilitate the success of INTOSAI, its subsidiary bodies, and member SAIs.

- Continued emphasis on fostering SAI independence and raising awareness of legislatures on the importance of independence.

- Continued INTOSAI and SAI efforts on implementation and monitoring of SDGs and UN Agenda 2030.

- Continued focus on the use of INTOSAI Standards by SAIs, including the need for reliable data on the extent to which SAIs use these standards.

- Support for the IFPP and FIPP as well as awareness-raising among SAIs about the process and the importance of developing and revising International Auditing Standards.

- Recognition of the accomplishments, importance, and needs of Regional INTOSAI bodies, especially regarding communication, resources, and technology.

- Continued focus on use of key tools and initiatives, including 3i, IntoSAINT, and SAI PMF.

- Use of accumulated surplus INTOSAI funds to facilitate progress in achievement of INTOSAI's mission and strategic plan.

> " Overall, INTOSAI is demonstrating strong progress toward its goals and priorities and has already achieved numerous accomplishments. "

A MESSAGE FROM THE INTOSAI GS AND PFAC

On behalf of the INTOSAI General Secretariat and the PFAC, we are pleased to present the first INTOSAI Performance and Accountability Report identifying progress in implementing the 2017-2022 Strategic Plan adopted in December 2016 at the INTOSAI Congress in Abu Dhabi, United Arab Emirates.

Overall, INTOSAI is demonstrating strong progress toward its goals and priorities, and in this report we detail numerous accomplishments that have already been achieved. We also provide a list of action items for the Governing Board to consider as part of its efforts to further advance progress toward the plan's goals and priorities.

We would like to extend our gratitude to all of the INTOSAI bodies that contributed to this report, including the INTOSAI Chairman, Dr. Harib

Saeed Al Amimi (United Arab Emirates); the INTOSAI First Vice Chairman, Alexey Kudrin (Russian Federation); the Professional Standards (Brazil and European Court of Audit), Capacity Building (South Africa and Sweden), and Knowledge Sharing (India) Committees; the Supervisory Committee on Emerging Issues (United Arab Emirates); the seven INTOSAI Regional Organizations (AFROSAI, ARABOSAI, ASOSAI, CAROSAI, EUROSAI, OLACEFS, and PASAI); the INTOSAI Development Initiative; and members of the INTOSAI Governing Board.

Signed,

—Dr. Margit Kraker, INTOSAI Secretary General
—Dr. Hussam Alangari, PFAC Chair
—Mr. Gene L. Dodaro, PFAC Vice Chair

Organization & Mission

INTRODUCTION

INTOSAI is an autonomous, independent, professional, and nonpolitical organization that was established to provide mutual support; foster the exchange of ideas, knowledge, and experiences; act as a recognized voice of Supreme Audit Institutions (SAI) within the international community; provide high-quality auditing standards for the public sector; promote good governance; and foster SAI capacity development and continuous performance improvement.

The organization's mission is to promote good governance by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of their citizens.
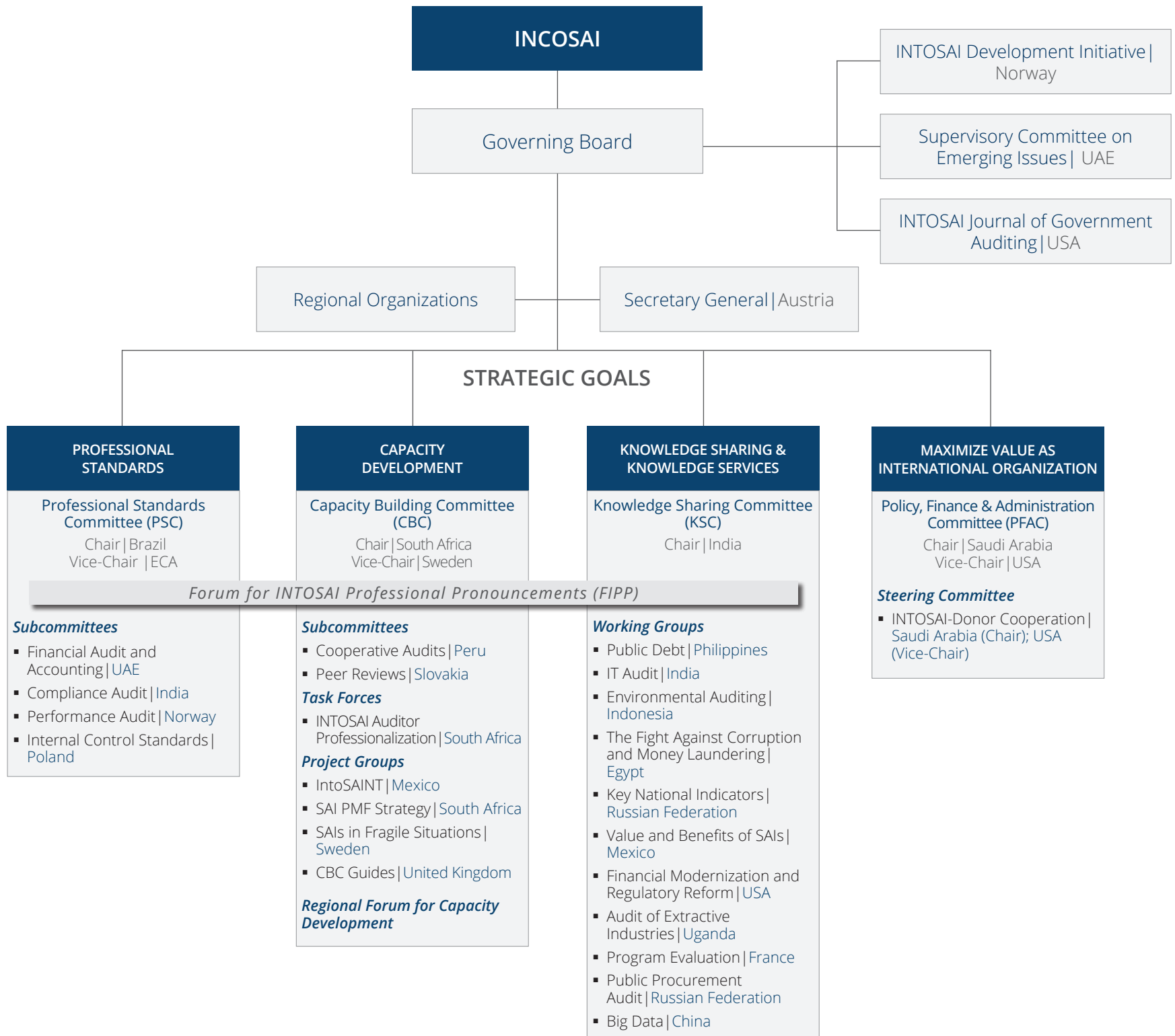
The 2017-2022 INTOSAI Strategic Plan is organized around four key goals and five crosscutting priorities that provide the overall strategic direction for INTOSAI; guide its efforts to provide mutual support to SAIs; and foster the exchange of ideas, knowledge, and experience among the international accountability community.

Recognizing the importance of performance assessment, the Strategic Plan calls for the Secretariat and PFAC—in coordination with other key INTOSAI bodies—to gather and review information on progress toward the Plan's goals and crosscutting priorities, develop a prioritized list of action items for consideration by the Governing Board, and present that information in a performance assessment report. In accordance with the Strategic Plan, this report will be provided to each INTOSAI member and external stakeholders, publicized in the International Journal of Government Auditing, and made publicly available on the INTOSAI website.

The report follows the structure of the Strategic Plan, highlighting progress and key accomplishments relative to its four strategic goals and five crosscutting priorities.

MUTUAL EXPERIENCE

BENEFITS ALL

Organization **Chart**

INCOSAI

Governing Board

INTOSAI Development Initiative | Norway

Supervisory Committee on Emerging Issues | UAE

INTOSAI Journal of Government Auditing | USA

Regional Organizations

Secretary General | Austria

STRATEGIC GOALS

PROFESSIONAL STANDARDS

Professional Standards Committee (PSC)

Chair | Brazil
Vice-Chair | ECA

CAPACITY DEVELOPMENT

Capacity Building Committee (CBC)

Chair | South Africa
Vice-Chair | Sweden

KNOWLEDGE SHARING & KNOWLEDGE SERVICES

Knowledge Sharing Committee (KSC)

Chair | India

MAXIMIZE VALUE AS INTERNATIONAL ORGANIZATION

Policy, Finance & Administration Committee (PFAC)

Chair | Saudi Arabia
Vice-Chair | USA

Forum for INTOSAI Professional Pronouncements (FIPP)

Steering Committee

- INTOSAI-Donor Cooperation | Saudi Arabia (Chair); USA (Vice-Chair)

Subcommittees

- Financial Audit and Accounting | UAE
- Compliance Audit | India
- Performance Audit | Norway
- Internal Control Standards | Poland

Subcommittees

- Cooperative Audits | Peru
- Peer Reviews | Slovakia

Task Forces

- INTOSAI Auditor Professionalization | South Africa

Project Groups

- IntoSAINT | Mexico
- SAI PMF Strategy | South Africa
- SAIs in Fragile Situations | Sweden
- CBC Guides | United Kingdom

Regional Forum for Capacity Development

Working Groups

- Public Debt | Philippines
- IT Audit | India
- Environmental Auditing | Indonesia
- The Fight Against Corruption and Money Laundering | Egypt
- Key National Indicators | Russian Federation
- Value and Benefits of SAIs | Mexico
- Financial Modernization and Regulatory Reform | USA
- Audit of Extractive Industries | Uganda
- Program Evaluation | France
- Public Procurement Audit | Russian Federation
- Big Data | China

Goal 1 Professional Standards

Promote strong, independent, and multidisciplinary SAIs and encourage good governance by: 1) advocating for, providing, and maintaining International Standards of Supreme Audit Institutions (ISSAI); and 2) contributing to the development and adoption of appropriate and effective professional standards.

STRATEGIC OBJECTIVES

1.1   Provide a strong organizational framework to support INTOSAI's standard setting including a permanent standard-setting board (the Forum for INTOSAI Professional Pronouncements), a technical support function, and an independent advisory function.

1.2   Ensure ISSAIs are sufficiently clear, relevant and appropriate to make them the preferred solution for INTOSAI's members. The ISSAIs should be widely recognized by all stakeholders as the authoritative framework for public sector auditing.

1.3   Promote the ISSAIs as a source for the development of auditor education and certification programs, as well as education and training standards.

1.4   Work toward and ensure the continued development and maintenance of the INTOSAI Framework of Professional Pronouncements.

1.5   Monitor the implementation and adoption of standards and feed any problems or issues back into the standard-setting process to ensure the standards are as useful and relevant as possible.

Under the leadership SAI Brazil (Chair) and the European Court of Audit (Vice Chair), the Professional Standards Committee (PSC) has made substantial progress toward the strategic objectives of Goal 1. Key accomplishments to date include:

■   Approval of a proposal to implement a proof-of-concept for a Technical Support Function for standard setting—mainly based on in-kind contributions—as well as the establishment of an enlarged Advisory Body for standard setting.

■   Advancements in discussions on INTOSAI's standard setting strategy at the 2017 INTOSAI Governing Board Meeting and through the development of a concept paper presented to the PSC's Steering Committee in May 2018.

■   Approval by the PSC Steering Committee on recommendations to strengthen its role in governance of the FIPP.

■   Inclusion in the ISSAI.org webpage links to translations of ISSAI's for use by auditors worldwide.

- Advancement on the implementation of projects in the current Goal 1 Strategic Development Plan (SDP), revision and approval by the INTOSAI Governing Board of the current SDP, and approval of the next SDP planning process by the PSC Steering Committee.

- Contributions to the INTOSAI ISSAI Implementation (3i) Program according to the Terms of Reference signed by the INTOSAI Development Initiative (IDI), the PSC, and its Subcommittees.

While the PSC has made substantial progress toward Goal 1, it is closely monitoring several areas where progress is behind schedule and is taking appropriate mitigating actions. Specifically:

- PSC has reported that SAIs and INTOSAI bodies do not necessarily use ISSAIs as the basis for auditor education and certification. As a result, the PSC is designing and implementing a communication strategy to disseminate information about the role of ISSAIs in education and certification.

- The PSC reports experiencing delays in its efforts to maintain certain professional pronouncements, creating the need to monitor the development of individual projects to ensure timeliness. In addition, there has been some confusion among the INTOSAI community about the different types of pronouncements, which has required the PSC to disseminate additional information about the pronouncement classification principles.

- The PSC has encountered some challenges related to the availability of feedback and reliable monitoring data on compliance with ISSAIs. To address these challenges, the PSC is enhancing communication, encouraging the use of tools such as the SAI PMF, and encouraging the development of capacity in SAIs.

Goal 2 Capacity Building

Support SAIs in developing capacity to maximize their value and benefits to society by: 1) promoting the development of capabilities and professional capacities of independent SAIs and regional organizations; 2) informing INTOSAI decision-making on SAI capacity development matters; and 3) cooperating with donors, relevant partners, and stakeholders.

STRATEGIC OBJECTIVES

2.1 Identify capacity development challenges and opportunities to facilitate access to solutions, including accessing the INTOSAI–Donor Cooperation.

2.2 Strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOSAI auditor professionalization.

2.3 Advocate for and support the development of capacity at both the SAI and regional level and maintain and enhance the usefulness and use of SAI PMF.

2.4 Share capacity development insights and ensure responsiveness to SAI needs through, for example, communities of practice.

2.5 Engage strategically with the wider international development community in the interest of SAI capacity development.

Under the leadership of SAI South Africa (Chair) and SAI Sweden (Vice Chair), the Capacity Building Committee (CBC) has made substantial progress toward Goal 2. Key accomplishments to date include:

■ Completing and obtaining feedback through the Task Force on INTOSAI Auditor Professionalization (TFIAP) on the first draft of a guide on pathways for auditor professionalization in SAIs. This includes analyzing options for including SAIs with jurisdictional responsibilities, developing an informational video, and launching a pilot for using the TFIAP/INTOSAI competency framework for auditor certification.

■ Expanding the IDI Regions Annual Workshop into an INTOSAI Regions Coordinating Platform that met in June 2018. The platform provides a single forum for tactical and operational coordination and alignment of common efforts. It also maintains the importance of capacity development and professionalization as an INTOSAI priority while strongly supporting crosscutting priority 5—building upon, leveraging, and facilitating cooperation and professionalism among the INTOSAI Regional Organizations.

■ Continuing to make available expertise, knowledge, and guidance materials through work streams focused on peer reviews and cooperative audits to enhance capacity building efforts among SAIs.

  ▪ The Subcommittee on Peer Reviews completed a survey in 2017 that shows 107 peer reviews had been completed across the INTOSAI

While the CBC has made substantial progress toward Goal 2, it is closely monitoring several areas where progress is behind schedule and is taking appropriate mitigating actions. Specifically:

- CBC has experienced slight delays updating one of its guides and will either identify volunteers to conduct the update or outsource the work. CBC also has concerns about the level of use of its website and its relevance and seeks to continuously update the website and broaden its use.

- The IntoSAINT integrity tool has been rolled out to the INTOSAI regions, but implementation has been delayed, and additional funding is required to launch a train-the-trainer program. As a mitigating measure, the CBC is requesting additional funds from INTOSAI for this purpose and will also cooperate with regional secretariats in advancing use of IntoSAINT.

- CBC seeks to further enhance coordination among INTOSAI bodies interacting with the development community and increase the availability of CBC leadership for meetings and engagement with key actors, and it has increased its engagement in these areas.

community from 1999 through 2017. The survey also shows widespread support for peer reviews as a means for continuous improvement. In addition, the subcommittee held a meeting in June 2018 to exchange information and best practices.

- Development of an online course on cooperative audits through the Subcommittee on Cooperative Audits to be delivered in Spanish and English, as well as a virtual catalogue of completed cooperative audits.

- Approving the 2018 annual global implementation plan for the SAI PMF, as well as continued promotion of the PMF tool among regional INTOSAI bodies.

- Working with Regional Organizations and other partners to roll out the IntoSAINT tool as part of the commitment to strengthening SAI integrity and credibility at a global level. A portion of the funds the CBC received from INTOSAI will be used to harmonize materials, integrate lessons learned, and coordinate with regional bodies to support the global roll out. Additional funding will be required to support related training efforts.

- Conducting a meeting with the project group on SAIs in fragile situations in which the group identified opportunities for additional interactions to address common challenges.

The Self-Assessment of Integrity (IntoSAINT) contributes to the achievement of Strategic Objective 2.2 of the INTOSAI Strategic Plan 2017-2022: Strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOSAI auditor professionalization.

The application of IntoSAINT helps toward this objective by: (1) making SAIs and their staff aware of the relevance of integrity for public sector institutions, especially for SAIs as watchdogs of public resources; (2) helping SAIs identify their integrity risks and assess the maturity level of their integrity control systems; and (3) providing SAIs with tailored recommendations to better manage organizational integrity.

In addition, IntoSAINT contributes to creating the appropriate environment for SAIs to implement the first level of the ISSAI Framework. Specifically, by conducting self-assessment workshops in their institutions, SAIs are likely better positioned to apply the *Code of Ethics* (ISSAI 30) and establish controls that link to the institutional *Quality Control Framework* (ISSAI 40).

Goal 3 Knowledge Sharing & Services

Encourage SAI cooperation, collaboration, and continuous improvement through knowledge development, knowledge sharing, and knowledge services, including: 1) producing and revising INTOSAI products; 2) providing benchmarks and operating a community portal; and 3) conducting best practice studies and performing research on issues of mutual interest and concern.

STRATEGIC OBJECTIVES

3.1 Develop and maintain expertise in various fields of public sector auditing and help to provide content to the INTOSAI Framework of Professional Pronouncements.

3.2 Enable wide exchange of knowledge and experience among INTOSAI members.

3.3 Working with CBC, IDI, and other INTOSAI entities, facilitate continuous improvement of SAIs through knowledge sharing on the crosscutting lessons learned from the results of peer reviews and SAI PMF.

Under the leadership of SAI India (Chair) the Knowledge Sharing and Knowledge Services Committee (KSC) has made substantial progress toward Goal 3. Key accomplishments to date include:

■ The KSC has undertaken several key efforts to streamline and harmonize professional pronouncements, especially in light of the ongoing efforts of the FIPP. Specifically, the KSC has successfully decreased the number of KSC pronouncements requiring FIPP approval from 19 to 3, consolidated 18 ISSAIs into 6 guidance documents, and is preparing new guidance materials in five of its Working Groups.

■ In June 2018, KSC completed a major revamp of the INTOSAI Community Portal to incorporate the websites of all of its Working Groups. The portal focuses on helping auditors and provides multilingual support in all of the INTOSAI languages and works on different types of portable devices. It also includes a video-conference facility, polling and survey features, and chat forums.

■ In advance of INCOSAI 2019, KSC has undertaken crosscutting research projects on auditing emergency preparedness and citizen participation in public audit, led by SAI Guatemala and SAI Indonesia, respectively.

■ KSC has also focused extensively on generating and disseminating knowledge and experiences through country paper presentations, training programs, databases including key audits and good practices, seminars and workshops, social media, and the INTOSAI and ASOSAI Journals.

■ KSC and its working groups have enhanced stakeholder engagement with key international bodies such as the Basel Committee, the International Monetary Fund, the World Bank, United Nations bodies, IDI, and INTOSAI regions.

While the KSC has made substantial progress toward Goal 3 and is on track to achieve the strategic objectives, it identified resource constraints as a key risk to fully achieving the vision of the INTOSAI Strategic Plan. Specifically, KSC identified limited funding and a reliance on in-kind contributions from the Goal Chair and Working Group Chairs and members as a source of unpredictability.

FROM 19 TO 3 AND 18 TO 6

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Goal 4 Maximize INTOSAI Value

Organize and govern INTOSAI in ways that promote economical, efficient, and effective working practices; timely decision-making; and effective governance practices, while maintaining due regard for regional autonomy, balance, and the different models and approaches of member SAIs.

STRATEGIC OBJECTIVES

4.1 Monitor the implementation of the INTOSAI Strategic Plan, including INTOSAI's performance management efforts and contributions to the follow-up and review of the Sustainable Development Goals.

4.2 Manage and oversee INTOSAI's resources to carry out the tasks outlined in the Strategic Plan in the best possible manner.

4.3 Sustain and further develop the efforts of the INTOSAI Donor Cooperation.

4.4 Ensure INTOSAI's organizational structure, outreach, communications, and decision-making processes operate in an efficient, effective, and economical manner to the maximum benefit of SAIs.

Under the leadership of SAI Saudi Arabia (Chair) and SAI USA (Vice Chair), the Policy, Finance, and Administration Committee (PFAC) has actively engaged with the INTOSAI community in fulfilling its responsibilities under Goal 4. Key accomplishments to date include:

- The PFAC has worked closely with the General Secretariat in monitoring and maintaining INTOSAI's finances to ensure that it remains in a sound financial position (see Annexes I and II).

- INTOSAI has received a clean audit opinion on its financial statement, which included an external review from the Auditors General of Ghana and Lithuania. The PFAC coordinated closely with the INTOSAI Secretariat and the INTOSAI Chairman in overseeing improvements to the financial statement that enhance its clarity.

- The PFAC has worked extensively to facilitate the success of the INTOSAI Donor Cooperation and contribute to its policy direction, with a focus on the Tier 2 Program targeting SAIs in fragile situations. Working with the donor leadership and the Donor Cooperation Secretariat, the PFAC has helped guide the implementation of Tier 2 for nine developing nations in sub-Saharan Africa. The PFAC is closely monitoring the Tier 2 process—which relies heavily on peer-to-peer support—to identify opportunities for more widespread dissemination across INTOSAI regions.

- An independent 2018 review of the Donor Cooperation found that the Donor Cooperation leadership had fully addressed its commitments stemming from recommendations in a 2015 evaluation report that identified several challenges and opportunities. For example, the 2018 review found that key results indicators were aligned with the key principles of the Cooperation's Memorandum of Understanding. The review also found that the Cooperation had an adequate results system and framework for results reporting.

- Actively monitoring implementation of the Strategic Plan, including coordinating with the Chairs of Goals 1-3 and other key INTOSAI bodies in obtaining performance data on progress toward the plan's

Goals, Strategic Objectives, Key Strategies, and Crosscutting priorities. This information was presented at the PFAC meeting in September 2017 and at the November 2017 Governing Board Meeting, and it is also featured in this report. In addition, the Goal Chairs will provide updated information on their progress toward the Strategic Plan at the November 2018 Governing Board meeting.

- Enhancing communication within INTOSAI through the rollout of a new IJGA website. Launched in May 2018, the new website facilitates communication across the INTOSAI community through enhanced emphasis on social-media, real-time reporting, multi-media tools, and interactive features.

While INTOSAI is largely on track in achieving the goals and objectives of the Strategic Plan, a key challenge involves the status of an accumulated surplus in INTOSAI accounts. The PFAC has actively sought to distribute a portion of this funding to the Chairs of Goals 1-3 for efforts that would advance implementation of the Strategic Plan. However, distribution of the surplus funds has been temporarily delayed while INTOSAI revises its Statutes and Financial Regulations and Rules to generally clarify the process for using surplus funds. The PFAC is closely monitoring this situation and will continue to encourage the use of surplus funds for activities that contribute to achievement of the Strategic Plan.

CROSSCUTTING PRIORITY 1

Advocating for and supporting the independence of SAIs

INTOSAI strongly advocates for and supports constitutional and legal frameworks that call for comprehensive audit mandates, unlimited access to needed information, and allow for the unrestricted publication of SAI reports. INTOSAI supports organizational and financial independence in accordance with the Lima (ISSAI 1) and Mexico (ISSAI 10) declarations and their underlying principles of independence.

In 2017, IDI reported the results of its most recent global survey and analysis of related data at the PFAC and Governing Board Meetings, including information on SAI independence.

Overall, the survey identified ongoing challenges related to SAI independence, including:

■ Globally, 44 percent of SAIs met IDI's benchmark on SAI independence.

■ Most SAI budgets continue to be overseen by bodies the SAI audits.

■ Some SAI's are experiencing increased executive interference in their budget processes.

■ SAIs reporting executive interference in their budget process rose from 41 percent in 2014 to 75 percent in 2017.

■ Fewer audit reports are being published around the world.

Subsequently, the INTOSAI Secretary General summarized these findings in a letter to the United Nations to raise awareness among the UN Member States regarding the important role of providing SAIs with adequate independence to conduct their work.

CROSSCUTTING PRIORITY 2

Contributing to the follow-up and review of the Sustainable Development Goals

SAIs play an important role in the implementation of the SDGs. Therefore, INTOSAI has launched numerous initiatives to support SAIs in making an essential contribution to the success of the 2030 Agenda and the SDGs. The role of SAIs with regard to reviewing and monitoring the implementation of the SDGs was, for example, one of the two focal

themes taking center stage at INCOSAI XXII in Abu Dhabi in 2016. The Congress confirmed the avid interest of SAIs in carrying out audits and reviews with regard to the SDGs via the following four approaches:

■ Assessing the preparedness of national governments to implement the SDGs;

■ Undertaking performance audits in the context of the SDGs;

■ Contributing to the implementation of SDG 16, which envisages effective, accountable, and transparent institutions; and

■ Possibilities for SAIs to act as models of transparency and accountability in their own operations.

Since INCOSAI XXII, more than 100 SAIs have shown concrete interest in carrying out SDG-related audits. INTOSAI is therefore intensively concerning itself with the implementation of the SDGs from the viewpoint of auditors. In doing so, it has also taken into account the need for a comprehensive audit approach and the inclusion of external stakeholders in audits. This approach also includes providing a stimulus for the implementation of the SDGs through audits or the application of indicators. Coordinated audits are, moreover, valuable opportunities for the mutual exchange of knowledge and experience. INTOSAI plans to publish completed SDG-related audits on its website.

In addition, INTOSAI aims to play an active role in the follow-up and review of the 2030 Agenda for Sustainable Development and the SDGs in context of the UN High-level Political Forum on Sustainable Development, which is the central global platform in this regard.

On 18 July 2018, the INTOSAI General Secretariat, in cooperation with the UN and the Permanent Representations of Austria and Canada to the UN, organized a side event in the framework of the HLPF 2018. The roundtable discussion focused on the results achieved in the framework of auditing the preparedness of national governments to implement the SDGs. Representatives of SAIs that had already conducted performance audits presented their experiences in carrying out these preparedness audits. The exchange of experiences confirmed that through preparedness audits, SAIs can assume an important advisory function. In addition, the discussions provided vital insights into the various approaches of SAIs in auditing the implementation of the SDGs.

The "SAI Leadership and Stakeholder Meeting" on "Contributions of Supreme Audit Institutions," which was jointly organized by the IDI and the UN from 19 to 20 July 2018, aimed at the exchange of knowledge and experiences of SAIs from all INTOSAI regions against the backdrop of the "Auditing the SDGs" program of IDI and the INTOSAI KSC. The "Auditing the SDGs" program supports more than 70 SAIs around the world in carrying out SDG-related performance audits. The exchange of experiences focused on different approaches that should be taken into account in the context of SDG audits, possibilities of building capacities for SAIs with regard to the conduct of SDG audits, and the expectations of different stakeholders toward SAIs in this regard. The discussions showed that in general SDG audits had a positive effect on the national governments' awareness of the role of SAIs in the implementation of the SDGs. However, they also revealed that SAIs contributing to the Agenda 2030 are still facing challenges relating to their mandate, capacities, methodologies, and resources.

CROSSCUTTING PRIORITY 3

Ensuring effective development and coordination across Goals 1-3

Representatives of the chairs and vice-chairs of INTOSAI's three main committees—the PSC, CBC and KSC—meet regularly to coordinate their respective activities and shared responsibilities. In February 2018, the CBC Chair (Auditor-General of South Africa) welcomed the other committees to Cape Town.

In addition to general coordination of their respective activities, including issues such as the INTOSAI Community Portal currently under revision by the KSC and the INTOSAI regional meeting in Oslo in June 2018, the Goal Chair secretariats discussed the process for the strategic development plan for standards setting (2020-2022) and more joint communication efforts. A teleconference was also held with the FIPP leadership.

The Goal Chairs have highlighted several key challenges for consideration by the Governing Board, including:

- Funding constraints and related dependence on in-kind support from goal chairs, vice chairs, and work stream chairs and members that may result in capacity constraints affecting accomplishment of the Strategic Plan.

- The availability of INTOSAI surplus funds to support activities and work streams of Goals 1-3.

- Issues pertaining to the operation of the FIPP, including awareness of the FIPP process, resistance to the new structure and work procedures, and interference with the process.

- Availability of systematic monitoring data on ISSAI implementation to inform the work of INTOSAI bodies.

CROSSCUTTING PRIORITY 4

Creating a strategic and agile INTOSAI that is alert to and capable of responding to emerging international opportunities and risks

The Supervisory Committee on Emerging Issues (SCEI) formed an expert group to accelerate collaboration across INTOSAI bodies and identify emerging issues for consideration by the Governing Board. The expert group developed templates to standardize data collection from INTOSAI organs and related bodies and to enhance subsequent analysis. In its first round of scanning this year, SCEI identified 3 major categories of emerging issues, with strategic, global, regional and local implications for INTOSAI and its members. These emerging issues include the impact of technologies like blockchain, automation, and AI on audit processes and standards; the impact of social, environmental and economic trends like aging populations, migration, climate change, and increases in global debt on elements of sustainable development; and growing threats from international corruption, including illicit financial flows. The SCEI further made recommendations on the best ways for the GB to consider addressing these emerging issues within the context of INTOSAI.

SCEI's analysis and reports are available on the KSC portal to enhance knowledge sharing. The SCEI also plans annual reviews of identified emerging issues unless matters are deemed immediate by the Chair or Secretary General.

To ensure a more agile approach is followed by the INTOSAI community, the SCEI's Terms of Reference now includes an option for immediate responses, as elaborated above.

Crosscutting Priorities

CROSSCUTTING PRIORITY 5

Building upon, leveraging, and facilitating cooperation and professionalism among the regional organizations of INTOSAI

INTOSAI's seven regional organizations provide an essential means of accomplishing INTOSAI's goals across diverse cultural and geographic contexts. In turn, the experiences of the regional organizations provide an essential and mutually beneficial perspective that informs and guides INTOSAI's efforts.

2017 marked an important milestone for cooperation across the INTOSAI enterprise, with the creation of an INTOSAI-Regions Coordinating Platform that includes all INTOSAI organs and regional organizations. The Platform was an outgrowth of the existing INTOSAI-Regions annual workshop. The new Platform held its first meeting in June 2018, and participants shared information on quality assurance, communications platforms, capacity development, auditor professionalization, and risks and emerging issues.

The following summarizes key accomplishments and challenges across the INTOSAI regions.

AFROSAI

Key Accomplishments

- Sixteen AFROSAI members participated in an IDI program on the state of preparedness for the implementation of the SDGs.

- AFROSAI has undertaken numerous initiatives targeting illicit financial flows, including:
  - Conducting a joint audit of illicit financial flows with 11 African SAIs. The results of this audit were presented at the African Union summit in Mauritania in June 2018.
  - Meeting to discuss various means of fighting illicit financial flows as part of the Revision of the National Processes of Transparency, Risk Management, and Fraud Protection, and in partnership with the African Financial Governance Network (African Organization of Public Accounts Committees (AFROPAC), the Forum on African Tax Administration (ATAF), and the African Concerted Initiative on Budget Reform (CABRI)).
  - Establishing and piloting in five African nations a country risk profile tool to effectively fight against illicit financial flows.

- A group of Francophone SAIs developed and adopted audit tools for use in the extractive industries sector and trained 30 auditors in its use.

- As part of the Women African SAIs Leadership Program, AFROSAI members have sought to enhance the capacity of female leaders. The program has enabled 18 women to increase their leadership and strategic thinking skills and to implement strategic reform projects within their respective SAIs.

- Emphasis has been placed on auditor professionalization with numerous related efforts, including the development of a competency framework for auditors and an accelerated learning curriculum, as well as the expansion of professionalization efforts across sub-regional bodies to create the "African Professionalization Initiative."

- AFROSAI and EUROSAI have adopted an Action Plan to implement a memorandum of understanding signed in 2014 as part of the partnership between INTOSAI Regional Organizations, and AFROSAI has begun implementing a coordinated audit with OLACEFS.

Challenges

AFROSAI is developing a platform for management and knowledge sharing, and it has raised questions about how best to operationalize this platform in a way that reinforces the coherence of actions among member SAIs and different linguistic subgroups while also streamlining communication with external stakeholders.

ARABOSAI

Key Accomplishments

- Developing a state of the region report regarding the capability of SAI's to respond to the expectations resulting from agenda 2030 (inception report approved by the Governing board March 2018).

- Carrying out a self-evaluation in collaboration with AFROSAI-E and IDI. This evaluation is expected to be completed in 2019.

- Conducting a joint-scientific event with AFROSAI-E on the sideline of the ARABOSAI's Governing Board (late March 2018) where experiences of the two regions and Arab SAI's were discussed. A report on this event has been circulated.

- Holding two joint workshops with AFROSAI-E on audit of SDG's and quality assurance during the fourth quarter of 2018.

- Joining the INTOSAI working group on the audit of extractives industries.

- Finalizing and implementing the 2018-2020 ARABOSAI Strategic Plan.

- Redrafting ARABOSAI's statutes in line with the INTOSAI statutes.

Challenges

ARABOSAI identified challenges related to resource constraints, including human resources to address technical issues and financial resources. They also cited differences among their members in their awareness of SDGs and implications for SAIs. Lastly, ARABOSAI reported challenges in maintaining the Arabic version of the IDI-KSC portal and using the IDI e-learning platform.

ASOSAI

Key Accomplishments

ASOSAI has pursued numerous opportunities to collaborate with other INTOSAI regional bodies, including:

- Developing Terms of Reference for a EUROSAI-ASOSAI Joint Conference supporting inter-regional cooperation.

- Signing a memorandum of understanding between AFROSAI and ASOSAI to expand knowledge sharing across regions.

- Providing member SAIs with opportunities for capacity development and knowledge sharing, and organizing capacity development programs.

- Launching a new blended capacity development program that combines e-learning and face-to-face meetings to allow more participants to join the program.

- Improving the ASOSAI website home page, including the creation of communities of practice for participants in the ASOSAI capacity development program that facilitates access to sharing information and opinions.

Challenges

ASOSAI identified challenges related to ensuring alignment of its activities to other INTOSAI initiatives and staying informed about current discussions and developments within INTOSAI. ASOSAI also highlighted the importance of capacity development activities and the need to explore cooperative and parallel audits as potential ways (outside of traditional training programs) to enhance the capacity of its members.

CAROSAI

Key Accomplishments

- The four strategic goals defined by INTOSAI have been fully integrated in CAROSAIs Strategic Business Plan 2017-2021, which identifies three priority areas to guide the region in its efforts to increase the capacity and competence of its SAIs. The three areas are: 1) High Quality Audits Creating Regional Impact, 2) Strategic Performance Measurement and Reporting for Effectiveness, and 3) Effective Stakeholder Engagement to Maintain Relevance.

- As a means of implementing its SBP, the CAROSAI Executive Council and its operational arm the Secretariat, led by the General Secretary, has sought to maintain inclusiveness as a means of maintaining the momentum gained at CAROSAI's 10th Congress in 2016, where the three priority areas were defined. This focus on momentum has led to the SAIs participating in several initiatives geared toward both the regions' strategic priorities and INTOSAI's strategic goals.

- To increase regional cooperation and leverage institutional relations and synergies, CAROSAI has increased its collaboration with bodies such as IDI and donor organizations, among others. These relationships have afforded support in capacity building, especially in conducting audits using ISSAIs. CAROSAI sees a link between high-quality audits and its ability to advocate for SAI independence. For example, in 2017, CAROSAI embarked on a Collaborative Procurement (Compliance) Audit Programme. The Inter-American Development Bank (IDB) supported the programme from its inception is providing assistance in developing the programme and, most importantly, remained committed to completing the programme. The audit reports are being finalized at the SAI level and are to be presented to their respective legislatures; after which, a compendium report will be developed and published with support from the IDB. This will be a first for the region, and it is a success that the region intends to build on as it seeks to fully implement the ISSAI standards.

Crosscutting Priorities

- The region has sought to complete the SAI PMF for all SAIs. Of the six completed, four were financed by an international donor. The remaining SAIs opted for a self-assessment. Each SAI is now actively seeking to address the findings, to improve where needed, and build on gains made. This information will then be translated into developed strategic business plans from which individual SAI's performance can be monitored and evaluated.

- The region completed the second workshop, entitled "Report Writing," in its collaborative Compliance Procurement Program. It was the first program of its kind undertaken by the region, involving ISSAI-trained facilitators to support program specialists who were funded by the IDB and the World Bank.

- The region signed a memorandum of understanding with the Institute of Chartered Accountants for the Caribbean (ICAC), which allows for support in capacity development in both regional bodies and technical expert support where needed. CAROSAI intends to similarly engage other regional stakeholders. A stakeholder engagement plan is to be completed for CAROSAI, utilizing the same methodology executed by 11 SAIs in the region that participated in the IDI Strategic Stakeholder Engagement Program.

Challenges

Competing demands and limited human resources continue to be a constraint for the SAIs within the region. While the SAIs would like to participate in programs such as the SDG, SAI-PMF, and SAIs Fighting Corruption, the limited number of auditors available restricts their participation. Travel within the region is also very expensive and has forced the region to find alternative means of maintaining communication and collaboration consistent with the Region's Strategic Business Plan.

EUROSAI

Key Accomplishments

- Approval of the EUROSAI Strategic Plan 2017-2023, its Operational Plan, and the General Procedures for the ESP (March 2018).

- Extensive collaboration with other INTOSAI Regional Organizations, including:

  - Identification of topics of mutual interest for inter-regional cooperation at the 2017 Oslo Regions Platform meeting; approval of Terms of Reference (ToR) for future Joint Conferences with OLACEFS, ARABOSAI, and ASOSAI; and agreement on a EUROSAI-AFROSAI cooperation framework.

  - Selection of SAIs to host joint conferences with ASOSAI and OLACEFS (Israel, 2019 and Hungary, 2020).

  - Inclusion, following the EUROSAI Secretariat's proposal, of region-to-region practical knowledge-sharing sessions at the INTOSAI-Regions Coordinating Platform meetings. The EUROSAI Secretariat chaired the first such session, with very positive feedback from the participating Regions on its usefulness and added value.

- Achievements in the field of IT audits, including development of an Active IT Audit Manual in collaboration with INTOSAI experts that provides an automated solution to support IT audits at the planning and implementation stages. An international workshop on this topic was held in Portugal in 2017. In addition, an international report of the EUROSAI parallel audit on data protection was finalized.

- Achievements in the field of environmental audits, including membership of the EUROSAI Working Group on Environmental Auditing (WGEA) in a new high-level expert group on Environmental Compliance and Governance established by the European Commission. EUROSAI is also participating in three cooperative audits under WGEA focused on energy efficiency, multilateral environmental agreements on air pollution, and Mediterranean Marine Protected Areas. Other key initiatives include organizing a 2017 training seminar on data analysis in environmental audits, cooperating with INTOSAI by participating in the 2017 AFROSAI WGEA Annual Meeting, the 2017 INTOSAI Working Group on Environmental Audit meeting, and the 2018 ASOSAI WGEA Working meeting. In addition, an online open course on auditing water issues will be launched in 2018.

- Achievements in auditing funds allocated to disasters and catastrophes, including launching three coordinated audits related to flooding, earthquakes, and waste management under a EUROSAI Working Group; promoting the implementation of relevant ISSAIs; developing a new structure for good practice recommendations related to flood management; contributing

to relevant Sustainable Development Goals, such as making cities inclusive, safe, resilient, and sustainable; and developing indicators for the SDGs as well as ideas for new topics on auditing implementation of relevant SDGs.

■ Achievements in the field of audit ethics, including finalizing two guidelines, approving a guideline for conducting INTOSAINT self-assessments, cooperating with OECD, participating in relevant conferences such as the Auditors Alliance, and assisting SAIs in building ethics control systems.

■ Achievements in auditing municipalities, including cooperation with the European Organization of Regional External Public Finance Audit Institutions (EURORAI) through the EUROSAI Task Force on Municipality audit; analyzing the external audit systems of 26 TFMA members' countries as well as related audit methodologies; and identifying the most relevant areas for conducting cooperative audits.

Challenges

■ Improving communication, especially challenges attributable to the high number of different languages spoken by EUROSAI members. This can limit access to the Organization's activities (seminars, the translation of ISSAIs, cooperative audits, and dissemination of its products among members).

■ Member SAIs represent nations with different stages of development. For example, 37 members are in developed countries and 13 are in developing countries. This challenge does provide an opportunity for peer-to-peer support.

■ There are 29 members that belong to the EU Contact Committee (CC), some of which are focusing their international cooperation more in that sphere than in EUROSAI and INTOSAI, given the limited resources for these activities.

■ External cooperation needs to be improved not only with professional organizations, but also with civil society.

■ Managing and auditing ethics are still challenges for SAIs, especially considering that the new version of ISSAI 30 is very recent and has not yet been implemented.

■ The profound and rapid changes in the operational environment and the emerging issues SAIs face related to the SDGs, technology, strategic issues, change management, population and demography, and European Union political developments.

OLACEFS

Key Accomplishments

■ Achieving numerous successful outcomes related to engagement with regional INTOSAI bodies and international organizations, including adoption of the terms of reference for joint meetings with EUROSAI, reaching agreement with AFROSAI on a coordinated audit of biodiversity (with support from the German Gesellschaft für Internationale Zusammenarbeit), development of a coordinated audit on gender equity with IDI, and training of mentors and adaption of the eLearning course material for auditing SDGs and anti-corruption in cooperation with IDI.

■ Facilitating substantial cooperation through coordinated audits on roadworks, governance of border areas, compliance with the SDGs, and renewable energy. Additionally, OLACEFS developed an application to consolidate all the results of coordinated audits on SDGs.

■ Creating a task force within its Capacity Building Committee to develop a postgraduate certification program in external control. Other educational efforts included development of an Educational Management System and related training plan involving 35 courses.

■ Adoption IntoSAINT through various mechanisms, including organizing a regional course for moderators and promoting its use among SAIs based on the experiences and lessons learned through use of the tool by Chile, Ecuador, and Mexico.

■ Presenting the index of availability of information to the public on the institutional management of the Supreme Audit Institutions (IDIGI-EFS) in October 2017 and developing pilots for the improvement of the index during 2018. OLACEFS also developed the 2nd Edition of the Internal Control Index Project with COSO approach (ICI).

■ Supporting the use of ISSAIs through a training course, web-based resources, and updating the ISSAI Awareness Strategy.

Crosscutting Priorities

- Promoting the use of SAI PMF among 11 SAIs that have used the tool and developing courses on SAI PMF methodology and dissemination.

- Updating the OLACEFS communications policy and disseminating news bulletins and journals.

- Emphasizing the role of citizen participation in audits, including an effort in Bolivia to involve citizens in recommendation follow-up, and developing a course on citizen participation in SDG audits.

- Developing two "massive online open courses" (MOOCs)—one on the role of SAIs and Sustainable Development Goals and the other on Performance Audit, which will both be made available to the entire INTOSAI community.

- Enhancing the use of big data in audit functions, including through a related theme at the 2017 General Assembly.

Challenges

OLACEFS identified the process for applying to the INTOSAI Donor Cooperation as a challenge, as some members see opportunities for clarifying and simplifying the process. In addition, OLACEFS highlighted the important role of regional bodies in INTOSAI, especially in communicating about key INTOSAI decisions. Lastly, OLACEFS encouraged INTOSAI to evaluate the format of its meetings to ensure they focus on decision-making and substantive discussions.

PASAI

Key Accomplishments

- Collaborating with SAI Kiribati and SAI Tuvalu to obtain enhanced audit legislative authority, developing an independence resource kit used by SAIs as part of their efforts for legislative reforms and increased independence, conducting advocacy and engagement programs for SAIs stakeholders and Public Accounts Committees, and providing specific technical support to update and improve the quality of audits.

- Facilitating a cooperative audit involving 10 members focused on auditing preparedness for implementation of the SDGs; encouraging intra-regional cooperation and twinning projects

among SAIs; promoting use of the SAI PMF by 11 SAIs to enhance strategic planning and related funding proposals; and providing training and workshops on auditing standards, communication, and other capacity development topics.

- Implementing a communication strategy involving the PASAI website and social media networks to share PASAI programs and activities in real time.

- Developing a funding strategy and establishing collaborative relationships with development partners.

- Establishing a Monitoring, Evaluation, and Reporting (MER) framework to monitor and report performance relative to the strategic plan.

Challenges

PASAI has identified funding as its greatest challenge and has suggested a special funding scheme for small island states as well as support for SAIs to access funds from international bodies, such as the Global Environment Facility and the Green Climate Fund. PASAI would also like to see INTOSAI support region-to-region programs and advocate for international and multilateral donor and accounting bodies to recognize and invite INTOSAI regions and SAIs to participate in relevant capacity building programs. PASAI would also like for INTOSAI to consider providing technical support to assist in implementing the MER framework to track progress.

INTOSAI DEVELOPMENT INITIATIVE

IDI has played a critical role in advancing progress toward the INTOSAI Strategic Plan across the four goals and crosscutting priorities. In addition, IDI helps maximize the value of INTOSAI through its work with developing countries, hosting the INTOSAI Donor Secretariat, and assisting SAIs with their use of INTOSAI products. Key accomplishments include:

- IDI has played a major role in the ISSAI Implementation Initiative (3i), including updating handbooks, developing new products and guidance, working with individual SAIs, and training a global pool of 55 quality assurance reviewers.

- IDI delivered capacity development programs and tools related to 3i, the INTOSAI Donor Secretariat, the SAI Performance Measurement Framework, SDGs, lending and borrowing frameworks, e-learning capacity, externally aided agriculture and food security projects, strategy and performance measurement reporting, engaging with stakeholders, fighting corruption, and SAI independence. These programs involved a variety of key partners, including bilaterally, through the INTOSAI Donor Cooperation, with INTOSAI regional bodies, and in partnership with the Capacity Building Committee.

- IDI has supported knowledge sharing and knowledge service efforts through the INTOSAI KSC-IDI Community Portal, the SAI Performance Measurement Framework, the Global Stocktaking Report, and Global Public Goods.

- IDI has also contributed to all of INTOSAI's Crosscutting Priorities through the SAI Independence program, the 3i program, the Donor Secretariat's Tier 1 and Tier 2 programs by the auditing of SDGs and participating in the SCEI, and by hosting the INTOSAI Regional Platform meeting in June 2018.

INTERNATIONAL JOURNAL OF GOVERNMENT AUDITING

The Journal remains in a sound financial position and has received another clean audit opinion from its external auditors for the year 2017. In addition, the Journal continues to maintain adequate financial reserves and will continue exercising a level of budgetary oversight and diligence to ensure innovative and efficient continued operations. In August 2018, the Journal's Board of Directors appointed a new, permanent Vice President.

The Journal's mandate is to share information about public sector auditing through traditional and social media. A key aspect of this mandate is to lead the Journal's transformation toward a more dynamic online presence. In April 2018, the Journal launched its new website to further engage the INTOSAI audience and improve knowledge sharing and capacity building. The new, responsively designed website features relevant and timely content, current trends affecting the audit community, imagery, and video productions from various INTOSAI bodies and events.

The Journal continues to have an active presence on social media, including significant growth on Twitter with nearly 1,100 followers as of July 2018, and it has increased coverage at key meetings to better reach those who aspire to best practices in good governance and public auditing. This includes expanding real-time audience engagement through live on-site event reporting at Goal Committee meetings, as well as Regional Congresses and General Assemblies. The Journal is also increasing its coordination to share live news posted by delegates reporting from events Journal staff are not able to attend.

The Journal is also exploring options to create thematically based editions with feature stories that highlight important topics applicable to the INTOSAI community and remains steadfast in its endeavors to collaborate with other INTOSAI bodies (including regional leadership) to find ways to facilitate, enhance, and streamline communications, knowledge sharing, and outreach. The Journal is also investigating ways to further improve cooperative efforts, such as researching mechanisms to highlight public audit reports and connect auditors to share information and best practices on audits as they happen.

In April 2018, Journal staff traveled to INTOSAI Development Initiative (IDI) headquarters in Oslo, Norway, to discuss communication challenges, opportunities, and ideas to better synergize exposure strategies and efforts for IDI and INTOSAI-Donor Cooperation events, initiatives, and programs that greatly impact INTOSAI, its members, and its partners.

The Journal recognizes, and is grateful for, the invaluable role of in-kind contributions and acknowledges the continued support from member SAIs that generously share news, editorials, and articles.

Annex II Financial Overview

In the first 6 months in 2018, the INTOSAI General Secretariat received more than 150 payments from INTOSAI members. These payments amounted to approximately 321,000 EUR. In March 2018, the INTOSAI General Secretariat received a generous voluntary contribution of 10,000 EUR from the SAI of Kuwait.

Total expenditure amounted to approximately 203,000 EUR for the first 6 months in 2018, of which approximately 179,000 EUR are allocations for the INTOSAI Development Initiative, the INTOSAI Congress, the International Journal of Government Auditing and the 4 Strategic Goals.

As of 31 December 2017, the 2017 Financial Statements of INTOSAI showed an accumulated surplus (= net assets/equity) of approximately 1.20 million EUR. Adjusted for receivables (outstanding membership payments) of approximately 0.15 million EUR, an amount of approximately 1.05 million EUR exists as available cash and cash equivalents or is available on fixed deposit accounts. In the first 6 months of 2018, the amount increased slightly.

**INTERNATIONAL ORGANIZATION
OF SUPREME AUDIT INSTITUTIONS**