



## DRAFT MINUTES OF THE VIII EUROSAI – OLACEFS WORKING MEETINGS

On June 24 and 25, 2015, the heads and representatives of the member SAIs of OLACEFS and EUROSAI - details of whom can be found annexed to this document - met in the city of Quito, Ecuador, at the Swissotel, for the VIII EUROSAI-OLACEFS Conference. The sessions were opened by Minister Aroldo Cedraz de Oliveira, President of the Court of Accounts of the Federative Republic of Brazil and President of OLACEFS; Mr. Arno Visser, Vicepresident of the Court of Accounts of the Netherlands and President of EUROSAI; and Mr. Carlos Pólit Faggioni, Comptroller General of the Republic of Ecuador and host of the event.

Conclusions from the discussions that took place over the two days of the conference are recorded below:

### CONCLUSIONS OF THE WORKING SESSIONS ON COORDINATED AUDITS

The working meetings were held in four discussion groups:

Group	Coordinating SAI	Participating institutions	Topics
1	Office of the Comptroller General of Bolivia	<ul style="list-style-type: none"><li>- SAI Argentina, Croatia, Ecuador, Spain, Israel, Netherlands, Peru, Portugal, Dominican Republic and Venezuela</li><li>- CAROSAI</li><li>- IRB (Brazil)</li><li>- TC-DF (Brazil)</li><li>- TC-MG (Brazil)</li><li>- European Court of Accounts</li></ul>	Coordinated Audits: Overcoming the Obstacles



2	General Audit Office of Estonia	<ul style="list-style-type: none"> <li>- SAI Brazil, Cuba, Curacao, Russian Federation, Guatemala, Italy, Netherlands, Puerto Rico and Turkey</li> <li>- TC-Buenos Aires (Argentina)</li> <li>- TC-PR (Brazil)</li> <li>- AFROSAI-E (Secretariat)</li> <li>- World Bank</li> </ul>	Coordinated Audits as a Tool for Monitoring Sustainable Development Goals
3	National Audit Office of Sweden	<ul style="list-style-type: none"> <li>- SAI Hungary, Latvia, Mexico, Moldova, Romania, Suriname, Ukraine and Uruguay</li> <li>- TC-Santa Fe (Argentina)</li> <li>- TC-PE (Brazil)</li> <li>- TC-RR (Brazil)</li> <li>- CG-Bogotá (Colombia)</li> <li>- ARABOSAI (Secretariat)</li> <li>- ASOSAI</li> </ul>	Coordinated Audits and Professional Development
4	Office of the Comptroller General of Peru	<ul style="list-style-type: none"> <li>- SAI Albania, Bosnia, Chile, Cyprus, Colombia, El Salvador, United States, Kuwait and Serbia</li> <li>- TC-SC (Brazil)</li> <li>- TC-RN (Brazil)</li> <li>- ARABOSAI (Presidency)</li> <li>- ATRICON (Brazil)</li> </ul>	Coordinated Audits and Institutional Development

At the end of the discussions, the Executive Secretariats of EUROSAI and OLACEFS, the Court of Accounts of Spain and the Office of the Comptroller General of the Republic of Chile directed panels where each coordinating SAI presented the conclusions of the working group they represented. These can be found below:

**- Group 1: Coordinated Audits: Overcoming the Obstacles**

It was suggested that the signing of memoranda of understanding between the participants of an audit be considered, to clarify the roles and responsibilities of each participant. Following this it would be imperative for SAIs to assign expert officials on the issues being dealt if positive results were to be achieved. The greatest concerns of participants involved the closure and post-closure stages, regarding which the following comments were made:



- Reports are not always available, either for citizens or to carry out proper knowledge management. This results from situations inside SAIs;
- It is necessary to conduct impact assessments of audits. Up until now, work has been concluded with the publication of reports;
- In conjunction with, or linked to, the above, it is necessary to consider a follow-up / monitoring model for compliance with observations and / or recommendations.

It was also concluded that coordinated audits are a mechanism to professionally develop SAIs which contribute to creating minimum standards and are in this sense an efficient tool for supporting the standardisation needed for the application of international standards.

Finally it was noted that it is always necessary to consider the differences between, and the legal aspects of, each country, which may force SAIs to adjust their way of working. Also, along with international coordination, it is necessary to coordinate domestically (with other national audit institutions) to achieve results that have a greater impact.

### - **Group 2: Coordinated Audits as a Tool for Monitoring Sustainable Development Goals**

The conclusions of this group were essentially focused on two topics: follow-up on sustainable development goals and, in common with the previous group, the need to bear in mind actions resulting from the issuance of a final audit report.

Regarding the goals of sustainable development, it was noted that it seems most countries have not achieved them, which would be a result of, on the one hand, the public policies chosen to achieve them, and, secondly, SAIs not taking them into account in their planning processes and therefore not monitoring them. Not having done this previously is not an obstacle to starting now and it would be good to plan a work methodology to enable verification of compliance with sustainable goals. In this context, knowledge of the reality of each country is very important because it will allow us to verify how others have worked and eventually replicate experiences.

As for the tasks or actions that arise after the close of coordinated audits, which SAIs should look at with a view to their possible application in the future, the need to draft reports so that they are easily understood by the citizenry was deemed central and would contribute to their implementation and monitoring. This should be accompanied by a policy of transparency and information sharing systems.

### **Group 3: Coordinated Audits and Professional Development**

Focusing on the importance for professional development that coordinated audits represent, the participants of this group reaffirmed their value, noting that there are still obstacles to



overcome and challenges which, rather than being played down, should be faced. This requires strengthening institutional capacity through the engagement of the authorities.

In terms of the execution of audit work, the importance of the experts was emphasised both for the development of coordinated audits and for the essential issues behind them. The importance of proper planning and leadership to achieve successful results was also mentioned.

Regarding actions taken after the close of an audit it was noted that the standards and best practices that emerge from audits are always very helpful but it is necessary to be aware of any adjustments or modifications needed if these are to be implemented in different national contexts. The value of tools such as social networks was highlighted, given that they can extend and expand the scope of work. Finally, it was agreed that knowledge management should be emphasised as a priority as it ensured the dissemination of knowledge within organisations.

#### - **Group 4: Coordinated Audits and Professional Development**

The group agreed that coordinated audits can undoubtedly contribute to the development of the capacities of SAI officials as long as there is knowledge transfer within SAIs to improve procedures and methodologies. It is for this reason that audits and the knowledge management that arises from them must be part of an institutional learning strategy within the SAIs. This will allow for the strengthening of institutional capacities in order to tackle new audits. All the above requires the engagement of the authorities.

The importance of implementing monitoring and follow-up mechanisms was also highlighted. For this it is necessary to create a methodology to support the task. To support this follow up and achieve a closer relationship with citizens, who can help with the process, accessible language must always be used, which will also help increase the credibility and positioning of SAIs.

After the presentations, the representatives of the Executive Secretariats highlighted the following general conclusions:

1. In spite of those risks and complications detected, SAIs should continue carrying out coordinated audits as the benefits far outweigh the obstacles;
2. Coordinated audits are a key element in strengthening the professional and institutional capacities of SAIs;
3. Whilst recognising the value and importance of these audits, it is necessary to think about defining impact assessment mechanisms. Also, follow-up on observations arising from audit work should be carried out.
4. All the knowledge and experiences arising from audit work should be managed using the different tools available, such as OLACEFS' Knowledge Management System.



## CONCLUSIONS FROM THE WORKING MEETINGS ON GOOD GOVERNANCE

The working meetings were held in four discussion groups.

Group	Coordinating SAI	Participating Institutions	Topics
1	Netherlands Court of Audit	<ul style="list-style-type: none"><li>- SAI Brazil, Chile, Curacao, Estonia, Netherlands, Rumania and Sweden</li><li>- AFROSAI-E (Secretariat)</li><li>- OECD</li><li>- TC-PE (Brasil)</li></ul>	SAIs and Open Data
2	Court of Auditors of Portugal	<ul style="list-style-type: none"><li>- SAI Albania, Argentina, Croatia, Spain, Israel, Peru, Puerto Rico, Dominican Republic, Sweden and Uruguay</li><li>- AFROSAI</li><li>- ATRICON (Brazil)</li></ul>	Transparency, Audits and Ethics
3	Office of the Comptroller General of the Republic of Ecuador	<ul style="list-style-type: none"><li>- SAI Cyprus, Cuba, El Salvador, Russian Federation, Guatemala, Hungary, Surinam and Turkey</li><li>- European Court of Accounts</li><li>- ASOSAI</li></ul>	Promotion of SAIs regarding best practice for Public Administration
4	Superior Audit Office of the Federation of Mexico	<ul style="list-style-type: none"><li>- SAI Belgium, Bolivia, Bosnia Herzegovina, Colombia, United States, Italy, Kuwait, Moldavia, Ukraine and Venezuela</li><li>- IDI</li></ul>	SAIs and the Open Government Partnership

Following the discussions, the Presidencies of EUROSAI and OLACSAI, and the Courts of Audit of the Netherlands and Brazil, led a panel where each coordinating SAI presented the conclusions of the working groups they represented. These are as follows:



### - **Group 1: SAIs and Open Data**

The conclusions of this group are based on the premise that open data is a new trend and is unquestionably beneficial as it helps identify problems and needs. In particular, and regarding governments, open data can produce significant savings; with respect to citizens, it can stimulate participation and act as catalyst for confidence, and with regard to business it is perceived as a tool for innovation and growth.

It was considered that there are no barriers to implementing open data, only excuses, which once surpassed are forgotten as those who take up with open data do so quite naturally, above all because it allows for “more to be done with less”.

As such, the SAI can act as an example of, and provide impetus for, open data, whose implementation can often lead to a rethink and/or redesign of the existing operating mode. This impetus from the SAI does not have to come from within the institutions themselves, but may be the result of joint work with related actors, whether public or private sector (citizens, civil society organisations, researchers, etc.) where the use of information technology is central as a communications link.

### - **Group 2: Transparency, Audits and Ethics**

The group concluded that even where high standards exist in terms of transparency, SAIs should improve these standards and be a model for the functioning of the state apparatus. As such they must be willing to be scrutinised by the public and reviewed by other bodies, as well as carry out joint activities with related third parties. One important way to promote transparency in the public sector includes the timely submission of audit reports with easy access to citizens. This requires that SAIs have a different focus when approaching the public, taking on, for example, a pedagogical role.

In terms of ethics, it was agreed that this is a complex issue to audit and assess. This is due essentially to problems or limitations arising from the legal mandate of each SAI and the lack of clear criteria and standards for defining what behaviours are ethical or not. There was, however, no doubt that when issues or matters were identified as being outside the SAIs sphere of responsibility, these should be referred to the appropriate authority and the complaint followed up on.

The risks for unethical conduct should be identified by the SAI and then used to guide their work. In identifying these behaviours, the need arises to promote codes of ethics between SAIs, encouraging internal behaviours considered appropriate for each SAI. At the same time it is necessary to coordinate with those actors involved in order to share information and define joint strategies to combat corruption and ethically appropriate action.

Also worthy of mention are the efforts of OLACSAI to include in a single document the different experiences of best practices in terms of transparency, and how they relate to



citizens (Corruption Control Toolbox for OLACSAI Supreme Audit Institutions). They also recognized the work done by the TFA&E of EUROSAI, on the paper named "Auditing Ethics in the Public Sector: A general overview of SAI's practices", issued in June 2014.

### - **Group 3: Promotion of SAIs regarding best practice for the Public Administration**

In this working meeting the shared responsibility of the citizenry and SAIs to promote social control and good governance was discussed. This requires SAIs to be absolutely independent of political authorities in carrying out their functions and to always act in a transparent manner. It was pointed out that where an SAI cannot, by legal mandate, oblige auditees to act on audit observations, it is good practice to make reports open to public opinion so the citizenry can assess the actions of the authorities.

A way SAIs can contribute in this matter is by spreading good internal control practices and following up on and reviewing their fulfilment.

### - **Group 4: SAIs and the Open Government Partnership**

Discussions in this working meeting identified a weakness that needs to be addressed, relating to the fact that some SAIs do not have enough information on what the open government partnership is. More extensive communication on the partnership is needed, facilitating the promotion of the principles of transparency, accountability and contact or participation with the citizenry. Once this has been achieved, it will be necessary for SAIs to act as a guardian for the undertakings taken on by the government.

Despite the recognized importance of the partnership, it was considered advisable to assess the possible legal implications for SAIs of deepening open government. In this context the possibility of sanctioning public servants for uploading false information to open government systems was discussed.

Regarding the control of open data, the difficulties of the implementation of such policies in governments were discussed, as well as the different possibilities for intervening and encouraging by SAIs. A significant initiative was the publication of rankings to classify those public bodies involved, using assessment methodologies developed by the SAIs.

At the close of the presentations, representatives of the presidencies highlighted the following general conclusions:

5. The improvement of institutional capacities necessarily brings with it an improvement in the ways of engaging with the citizenry.
6. The digital era has transformed relationships between people, companies and governments, directly impacting the concept of good governance.



7. It is important that SAIs are involved in the open government agenda, acting as advocates and watchdogs for the respect of government transparency;
8. At the same time, the strengthening of accountability and the promotion of citizen participation is regarded as very important.
9. As such, SAIs should support the strengthening of transparency, not only through the implementation of policies on open data, but also by devising mechanisms that use this data and generate knowledge.

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Presidency OLACEFS  
SAI Brazil

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Presidency EUROSAI  
SAI Netherlands

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Executive Secretariat  
OLACEFS  
SAI Chile

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General Secretariat  
EUROSAI  
SAI Spain