

STATEMENT BY THE REPRESENTATIVE OF INTOSAI

Mr. Bertucci,

Members of the Committee of Experts on Public Administration,

Ladies and gentlemen,

It is my great pleasure to be here at the Seventh Meeting of the Committee of Experts on Public Administration of the United Nations Economic and Social Council and share with you the latest developments in capacity building activities between INTOSAI, the International Organization of Supreme Audit Institutions and United Nations Department of Economic and Social Affairs, UNDESA.

The **cooperation between the United Nations and INTOSAI** has a history of over 40 years. INTOSAI regards its position as an international organisation enjoying consultative status with the Economic and Social Council of the United Nations (ECOSOC) as a particular distinction. At the same time, it takes the resultant commitments very seriously.

INTOSAI has an interest in strengthening future cooperation in order to be able to support the Millennium Development Goals adopted by the United Nations, and is prepared to contribute as much as it can towards reaching these goals.

The public sector, and therefore the audit function exercised by independent Supreme Audit Institutions (SAIs), plays an instrumental role in coping with these challenges and in achieving vital objectives, such as

- maintaining peace and security,
- respecting human rights and democratic values,
- promoting the general advantages of globalisation,
- eradicating corruption and money laundering,
- fighting drugs and crime, and
- protecting disadvantaged groups of the population.

Undoubtedly, INTOSAI and the United Nations are staunch advocates of a closer exchange of experience and best practice when it comes to innovation in the public

administration and strengthening government audit as a contribution to social and economic development.

Importantly, the United Nations have specifically acknowledged the activities carried out by SAIs so far with a view to

- strengthening the trust of parliaments, governments, citizens and civil society in the independence, objectiveness, quality, efficiency and effectiveness of government audit, and
- hence national stability, economic growth, good governance and the fight against corruption.

INTOSAI is therefore convinced that good governance, today and tomorrow, can be promoted in a joint effort by the following:

- Enhanced reporting on public finance and national budgets, and stronger accountability of governments and administrations vis-à-vis parliaments, citizens and the international community, including promoting the adoption of international financial reporting standards;
- More transparency of government action, and active endorsement of the essential role of parliamentary scrutiny, deepening public understanding and media perception of the functions and tasks of government audit, as well as raising awareness with the law-making bodies and the people at large;
- Improving public administration and better public service delivery at greater economy, efficiency, effectiveness, fairness and integrity;
- Preventing and fighting fraud and corruption in the public administration in cooperation with anti-corruption agencies.

In tracking these challenges, at the XIXth INCOSAI, the latest INTOSAI Congress in Mexico, in November 2007, two principal themes were discussed:

Theme I: "Management, accountability and audit of public debt", and

Theme II: "Performance evaluation systems based on universally accepted key indicators"

as issues where SAIs can actively make a contribution to shaping the economic, social and societal framework of future generations.

The Mexico Accords, which can be downloaded from the INTOSAI website, summarises the outcome and recommendations on both themes and addresses vital concerns of public-sector activities. Its results are a major milestone that will have a lasting impact.

The discussions on theme I revealed that, given its constant evolvement and complexity, the audit of public debt and of public debt management is a field of activity which confronts auditors with demanding challenges and requires special know-how and experience.

Theme II clearly highlighted the need for SAIs to develop and use national key indicators in order to do even better in the delivery of their tasks. These key indicator systems are most useful in that they allow an overall, inside and forward-looking view as well as the measurement of SAI performance, and the identification of risks, advantages and staffing requirements, in order to better present the benefits of SAIs within society and to further enhance the image and efficiency of SAIs.

Even healthy democracies will only be able to better live up to these challenges, if their SAIs enjoy independence. The XIXth INCOSAI re-emphasized its commitment to independence by virtue of the “**Mexico Declaration**“, re-affirming the Lima Declaration of Guidelines on Auditing Precepts 30 years after its adoption, as well as the importance of independent audit institutions.

SAIs, after all, can meet their responsibilities within their specific constitutional set-up only if

- they are independent of the audited entity and protected from outside interference,
- their independence is enshrined in law, and
- they are vested with the mandates necessary to meet their duties and are equipped with appropriate functional and organisational means.

Consistent with its motto of "*Experientia mutua omnibus prodest*" (Mutual Experience Benefits All), INTOSAI must support each and every member in this process and engage in a joint effort towards achieving and strengthening independence.

Cooperation with the Division for Public Administration and Development Management (DPADM) of the United Nations Department of Economic and Social Affairs (DESA), in particular through institutional-capacity building, is one contributory factor.

INTOSAI and UNDESA share a common history of nineteen interregional events such as seminars and symposiums on topics of current interest for government audit.

The recent **Symposium on the Value and Benefits of Government Audit in a Globalised Environment** was held from 28 to 30 March 2007 in Vienna, Austria. Participants included mostly heads of SAIs from industrialised and developing countries, as well as representatives of the United Nations and the World Bank.

The symposium was aimed at developing methods, strategies and policies on how to present the value and benefits of government audit, including that of NGOs.

As chief audit institutions of their countries, SAIs must lead by example. This equally holds true for NGOs. They must live what they preach, make the added value they create transparent, and measure their impact and outcomes consistent with their mandate of promoting economy, efficiency and effectiveness. SAIs contribute to better governance by objective, independent and credible reporting, and by successfully demanding the implementation of their recommendations. At the same time, they generate a better understanding of the principle of government accountability and of the role accorded to it by the public.

In this manner, SAIs can justify vis-à-vis parliament, government, and society at large, that they have used the funds entrusted to them efficiently, and that they have conducted their audits applying generally accepted standards, as well as guidelines resulting from peer reviews.

Donor countries equally hold an interest in knowing the value and benefits of SAIs work, whether in development aid or disaster relief. The United Nations and donor countries are channelling funds specifically towards reforming state institutions, the aim being to strengthen good governance and promoting growth, social equity, and equal opportunities.

Organised by UN-DESA, the **7th Global Forum on Reinventing Government** in June 2007 in Vienna equally dealt with new forms of government that are responsive to citizens' needs.

The main topics addressed by the Global Forum were

- Enhanced cooperation of governments with civil society and private companies;
- Fighting corruption and post-conflict re-building of state institutions,
- Stronger civil society engagement and participation, and last but not least
- Cooperation with audit institutions, in particular with INTOSAI.

In this context it was encouraging to note that the United Nations showed interest in setting up a joint platform, in order to discuss shared concerns and realise cooperation projects arising from this dialogue.

The newly created **joint UN/INTOSAI Platform for Public Accountability** was unanimously agreed upon at the XIXth INCOSAI.

The examples of past cooperation between INTOSAI and the United Nations have charted a possible course for stronger cooperation in the future; this is consistent with INTOSAI's Strategic Plan, which provides for institutional capacity building of SAIs (Goal 2), particularly of SAIs in countries in transition and developing countries. The operative objectives under this strategic goal 2 of INTOSAI are identical with those identified by the United Nations, namely promoting good governance and preventing corruption.

Bearing in mind the outstandingly positive activities of the past, INTOSAI considers the following areas as suitable for joint action:

- 1) Capacity building of SAIs;
- 2) Follow-up and audit of cross-border funding, as shown by the example of the Tsunami Initiative of INTOSAI for disaster-relief funds;
- 3) Value and benefits of SAIs and NGOs; this was the theme – with reference to SAIs – of the 19th UN/INTOSAI Symposium on the Value and Benefits of Government Audit in a Globalised Environment; it is only logical to extend this most relevant issue for our credibility vis-à-vis citizens and donors also to NGOs, which often act as intermediaries in the civil society in national and international flows of funds;
- 4) Fighting international money-laundering and corruption.

The following INTOSAI bodies would be available as partners for a joint United Nations/INTOSAI platform:

- (1) On institutional capacity building:** INTOSAI has outstanding institutions for institutional capacity building, e.g. the INTOSAI Development Initiative (headed by the SAI of Norway), and a pertaining goal committee (chaired by the SAI of Morocco).
- (2) On auditing international disaster-relief:** INTOSAI's Working Group on Accountability and Audit of Disaster-related Funds that is chaired by the European Court of Auditors would be a suitable platform partner in order to deepen and possibly extend the subject of auditing international disaster-relief funds, by e.g. a follow-up and audit of cross-border funds for development aid, or building civil societies.
- (3) On the value and benefit of SAIs:** The XIX INCOSAI has set up a working group chaired by the SAI of South Africa on the value and benefits of SAIs. This current topic will also feature as a lead theme on the agenda of the XX INCOSAI. As I have outlined, NGOs have a special role to play in civil society in the current context of globalisation and growing economic interdependence, in particular when it comes to supporting the weak. This is why it would only be logical to present and explain the value and benefits of NGOs to society at large, and to make them tangible in order to ensure trust and confidence among the citizens, and well as the reputation of NGOs on a lasting basis. INTOSAI is therefore offering to address this issue within the joint platform.
- (4) On fighting international money laundering and corruption:** The successful fight against international money laundering and corruption promotes the achievement of the United Nation's Millennium goals; chaired by the SAI of Peru, INTOSAI's Working Group on the Fight Against International Money Laundering and Corruption is a potent partner in a joint platform on this subject.

These are not all INTOSAI bodies which can contribute to the work of the joint UN/INTOSAI platform, but they cover most important issues of public auditing.

At the XIXth INCOSAI the SAI of Korea, the Supreme Audit Institutions agreed to establish the **joint UN/INTOSAI Platform for Public Accountability**. The main objective of the Platform is to identify options and methods of making audit more effective through partnerships with civil society organizations. The Board of Audit and Inspection of Korea has been appointed to chair the Platform. In the meantime a secretariat for the platform has also been established at the Board of Audit and Inspection, which has already started its work. In UN-DESA, the Division for Public Administration and Development Management is coordinating the inputs of the United Nations and those of the International Budget Project, a Washington Based Non-government organization that specializes in

“participatory audit”. The first meeting of the Platform was held in March in UN-DESA in New York. Dr. Moser, Secretary General of INTOSAI, the representatives of the Board of Audit and Inspection of Korea and the UN-DESA staff attended the meeting and have developed a Work Plan for the Platform.

INTOSAI is convinced that all stakeholders, including civil society organizations, media and the private sector will be able to profit from the work of the joint UN/INTOSAI platform.

Representing INTOSAI I should like to thank the United Nations once again for the exceptional and lasting cooperation over the last 30 years.

INTOSAI is confident that future pursued jointly the collaborative efforts of the UN, the Committee of Experts on Public Administration of the United Nations Economic and Social Council, with the Washington based International Budget Project and other partner institutions the work of public accountability will advance further and contribute to strengthening the accountability and transparency standards in public governance, reduce corruption and improve delivery of public services and thus achieve the Internationally Agreed Development Goals including the Millennium Goals more efficiently and cost-effectively..

I thank you for your attention.