

XIV INCOSAI: Cooperation Produces Results

INTOSAI's motto, "Mutual Experience Benefits All", is never more evident than during INTOSAI's triennial world congresses. The XIV INCOSAI in Washington demonstrated the motto in action, with over 400 delegates and observers from 120 member nations and 10 international organizations actively participating in over 75 discussions groups, workshops, committee meetings and plenary sessions.

The full participation of so many members at the congress and, equally importantly during the 3 years since the Berlin congress, resulted in a number of significant achievements for INTOSAI. By the conclusion of XIV INCOSAI delegates had unanimously and by acclamation adopted:

- standards and guidelines for auditing and internal control, and the work of INTOSAI's three other standing committees on accounting, public debt and EDP;
- a Protocol of operating procedures for future committee work;
- revised INTOSAI Statutes; and,

- the Washington Accords containing results and recommendations on congress themes.

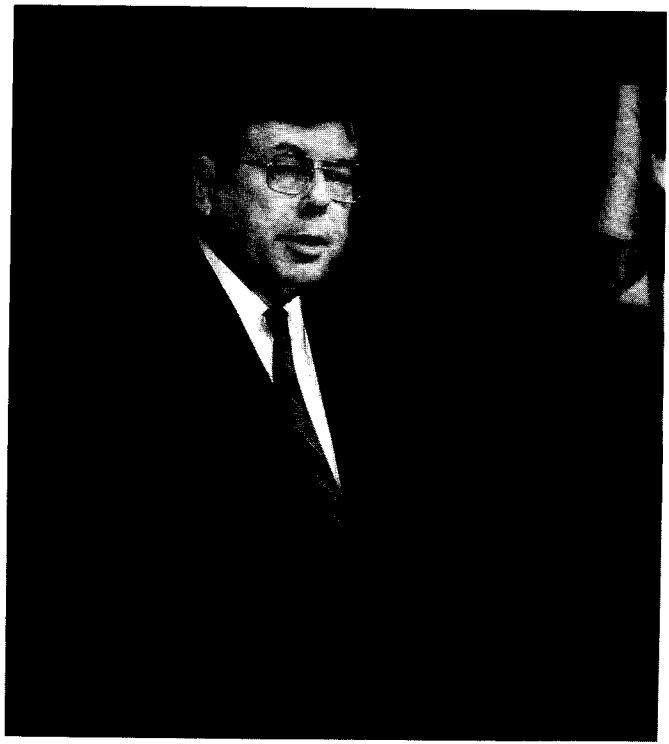
The Congress and the Governing Board acted quickly on these achievements. Seven new Board members were elected by the Congress under provisions of the newly adopted Statutes, thus making the Board more representative of the various systems of auditing as well as INTOSAI's seven regional working groups (see photograph on page 5). Mr. Pierre Arpailange, President of the Court of Accounts of France and Statutes Committee member, captured the spirit and significance of the new Statutes when he said, "The success of INTOSAI and its importance at the end of this century call for such changes and reforms. I am delighted to see this reform of our Statutes today because it comes at a very good time and will ensure a more democratic operation of our organization." And at the 37th meeting of the Governing Board on October 23, the Board created three committees/study groups on privatization, program evaluation, and environmental auditing in response to recommendations contained in the Washington Accords.



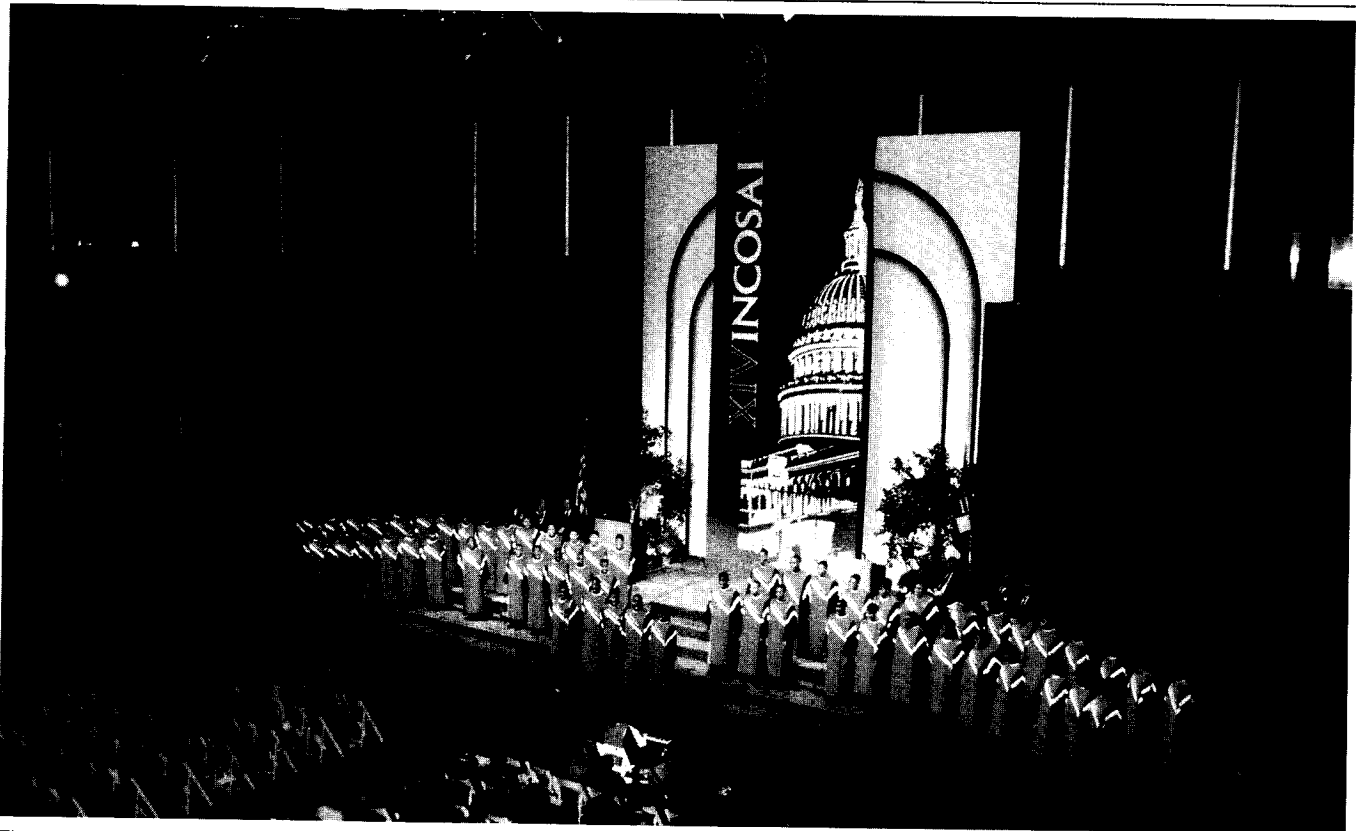
Plenary sessions were held in the Presidential Ballroom at the Capital Hilton Hotel, the venue for the XIV INCOSAI. Pictured, left to right: Mr. Weber, Austria; Mr. Fiedler, President of the Court of Audit, Austria and INTOSAI Secretary General; Mr. Kaltenbach, Germany; Mr. Zavelberg, President of the Court of Audit, Germany and outgoing INTOSAI Chairman; Mr. Bowsher, Comptroller General, General Accounting Office, United States and new INTOSAI Chairman; Mr. Aliferis, Mr. Drach and Ms. Weeks, United States; Mr. Taylor, Auditor General, Australian Audit Office and past INTOSAI Chairman; Mr. Medina, Controller General, Venezuela and Vice-Chairman for the XIV INCOSAI.

XIV INCOSAI introduced a number of new features in congress format and design. The official congress program was successfully concluded in one week, and was followed by a practical three-day symposium on technology which provided for additional exchange of views and information. In addition, INTOSAI's standing committees were fully integrated into the work of the congress in Theme II, thus giving all delegates the opportunity to participate in the committees' work and help chart their future directions. Further, the themes at XIV INCOSAI combined topics previously discussed at other international and regional conferences with new topics of interest to member SAIs. A special feature of the event was an optional visit to United States General Accounting Office (GAO) regional offices located in gateway cities.

The achievements of the congress highlight the word "all" in INTOSAI's motto. Indeed, the many accomplishments were possible because of the contributions and participation of so many INTOSAI members. Open communication, cooperation, harmony and progress were the result. Congress chairman Charles A. Bowsher, Comptroller General of the United States and host of the event, noted this at the closing plenary when he said, "I especially want to thank you, the delegates, for your marvelous cooperation and the great spirit we have had here at this congress. I would also like to express our appreciation to you and your many staff people back home who have worked very hard in helping prepare papers and issues so we could have useful discussions here in Washington."



Although campaign commitments prevented President Bush from addressing the delegates in person at the Opening Ceremony, Mr. Bowsher read the President's welcoming remarks and copies of the President's letter were later distributed to everyone.



Through large screen video projections, Senator John Glenn welcomed participants to the XIV INCOSAI. During the program, delegates and guests also enjoyed musical presentations by the United States Marine Band and the Eastern High School Choir.



Throughout the week, delegates discussed issues and conducted business during the plenary sessions. One of the highlights of the First General Plenary included the official welcome extended to INTOSAI's new members: Belarus, Cape Verde, Estonia, Georgia, Lithuania, and Namibia.



During the First General Plenary, Mr. Adjoyi, Chief, Public Financial and Enterprise Branch, United Nations, addressed delegates and emphasized the continuing importance that the UN places on strengthening financial management practices world wide.



Members of the newly elected Governing Board pose for group photo after completing the business of the 37th meeting of the Board at the conclusion of XIV INCOSAI. Chaired by Mr. Bowsher of the United States, the Board consists of Egypt (First Vice-chair), Brazil (Second Vice-chair), Australia, Austria, Barbados, Cameroon, Canada, Finland, Germany, Indonesia, Kenya, Mexico, the Philippines, Romania, Saudi Arabia and Tonga. Elected by the Congress under INTOSAI's new Statutes, the current Board includes representatives from each of INTOSAI's seven regional working groups as well as the various systems of auditing. The next Governing Board meeting will be held in Vienna, Austria from May 10-11, 1993.

All subthemes were offered in English and all-language sessions, thus permitting a good exchange of views and information. After the discussion sessions, subtheme rapporteurs summarized each group's discussions and prepared a subtheme report for presentation to the theme plenaries. These summary reports were then discussed in plenary and adopted as official recommendations in the Washington Accords.

The XIV INCOSAI Secretariat will publish the Washington Accords as a special congress document in early 1993, and will also publish the complete official proceedings of the congress later this year. This article contains the major points and outcomes from each subtheme, as well as highlights of other INTOSAI business matters addressed during the congress.

Subtheme IA: Experiences in Changing the Scope of Audit

New Zealand was subtheme rapporteur for this topic, with Turkey, Indonesia, Gambia, Hungary and Bolivia assisting as theme officers. Discussion on this topic centered on the fact that the world is in a state of constant change. In order to remain effective, the SAI must continuously adapt to meet the challenges of this changing world. The discussion groups focussed on many issues with the underlying theme of change, but the following areas, which were specifically addressed in country papers, dominated the sessions.



Prior to the congress, theme officers met to clarify roles and to review the content and procedures for the subtheme discussion sessions. Pictured above, Mr. Cameron, New Zealand, who served as the Subtheme IA, rapporteur makes a point by referring to the subtheme discussion book.

Discretion In Reporting Audit Results

A large number of countries noted that their mandate did not give them the capacity to exercise discretion in reporting results. Therefore, it is appropriate to pay due regard to the jurisdictions under which particular SAIs may be operating. SAIs generally felt that their primary function is to bring about improvement in government, and that this role could be effectively achieved by ensuring that there was full disclosure of

audit results. It was noted, however that the exercise of reporting discretion was appropriate in areas such as national security and commercially sensitive audits.

Given the wide variation in mandates among the SAIs, there was no consensus reached on the proposition that SAIs should be urged to adopt reporting discretion. However, it was generally agreed that, where appropriate, SAIs should use their judgement in reporting audit results and maintain an awareness of their role as an improver when exercising the reporting function.

Corporatization and Privatization

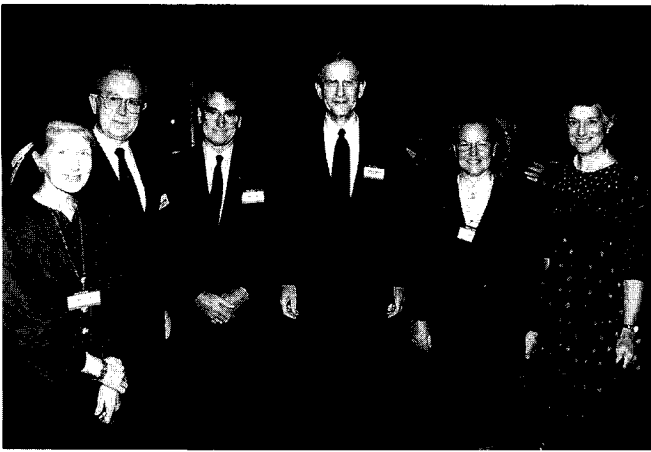
Because Subtheme IC dealt extensively with the issue of privatization, discussion on this topic was confined primarily to certain broad roles which should guide SAI involvement in this process. SAIs confirmed the current trend in corporatizing and privatizing state activities, and acknowledged the many increased demands and responsibilities placed upon them by these changes. Participants identified the following significant roles:

- encouraging the establishment of an effective accountability structure;
- facilitating the development of adequate performance measures;
- monitoring any asset disposal process;
- scrutinizing expenditures associated with the corporatization or privatization process; and,
- promoting the establishment of effective systems of internal control for entities that remain within the public sector and are therefore subject to SAI audit.

It was agreed a greater sharing of experiences would provide assistance to SAIs whenever encountering the corporatization or privatization of state activities.



Pictured above, Ms. Thompson, Trinidad and Tobago, the Group Rapporteur for the Subtheme IIA English only discussion group, Mr. Desautels, Canada, chairman of the Accounting Standards Committee, and Mr. Thompson, Canada participate in the Theme Officer's meeting.



Following the Opening Ceremony, delegates, observers, and accompanying persons enjoyed opportunities to renew acquaintances. Pictured above are (from left to right) Mrs. Taylor; Mr. Zavelberg, Germany; Mr. Taylor, Australia; Mr. Socolar, United States; Mrs. Zavelberg; and Mrs. Socolar.

Advancements In Technology

With government reliance on computers increasing rapidly, SAIs must be prepared to use technology to enhance productivity, audit the expenditures of funds on computer systems, and when empowered, look at computer system effectiveness.

Where accounting systems are automated, auditors must possess the skills to audit these systems. In this regard, many SAIs cited the urgent need for training and assistance in carrying out audits of these functions. Furthermore, there was common agreement among the SAIs that, notwithstanding the important efforts of the INTOSAI standing committee on EDP audit, and the excellent training provided by the INTOSAI Development Initiative, additional help for developing SAIs is still urgently needed. This help was described as assistance, training, and provision of software, including audit tools, which can be applied at SAI work sites.

As a result of these discussions, it was recommended that INTOSAI should encourage SAIs with significant experience in the area of computer auditing to actively share information, software, and audit tools.

Changing Political Environments

A number of SAIs discussed the profound political and economic changes taking place throughout the world and the impact of these changes on the role of the SAI. They cautioned those SAIs undergoing such changes to avoid participating too actively in the change process, but noted that by promoting enhanced accountability the SAI can contribute to positive change. Many SAIs encouraged the enactment and enforcement of strong legislation to clearly define the role of the SAI. Others noted that the only real constant is change and, therefore, identified the need for SAIs to continually reassess and adjust their roles over time. Citing the lack of experience among many SAIs with new forms of government, the discuss-

ants recommended that INTOSAI encourage and facilitate assistance to SAIs in developing and defining their emerging roles.

Environmental Issues

Many SAIs recognized that environmental issues were growing in importance, not only at the national level but globally as well. These issues will have a significant effect on the activities and responsibilities of governments, and hence become subject to audit. Some SAIs had both the authority and the experience to audit such issues, but others felt that neither their mandates nor their experience were adequate.

For those SAIs that have exercised the mandate it was acknowledged that specialized skills and competence were required. SAIs did recognize, however, that the growing significance of these issues need further study with a view to providing guidance and assistance to member countries. Consequently, it was recommended that INTOSAI appoint a committee or study group to explore the roles and needs of SAIs in environmental auditing, and that, in addition, environmental auditing be established as a theme for the next INCOSAI in 1995. In response to this recommendation, the INTOSAI Governing Board established an environmental auditing working group with the Netherlands as chair.



During the group discussions auditors general, assisted by technical liaison officers from the United States, moderated and reported on the sessions. In the Subtheme IID English only session, Mr. Basnyat (center), Nepal, and Mr. Argaw (right), Ethiopia, were assisted by Mr. Kirkman (left), United States.

Subtheme IB: Program Evaluation: An Emerging Approach

France was the subtheme rapporteur for this new topic, with Tonga, Dominica, Israel, Cameroon and the Netherlands serving as theme officers.

Many SAIs have been drawn to program evaluation because of the broader focus of public authorities' role in addressing social and economic policy problems and because of increased demands on limited public resources. As an SAI's functions evolve, program evaluation can be a useful approach to responding to the need of the parliament, the government and the general population for information about the actual

impact of public programs. Accordingly, delegates generally agreed on the importance of program evaluation, to the extent that it is compatible with the SAI's audit mandate.

Need for Definition

Delegates agreed on the need for a working definition of program evaluation. They recognized that a precise definition could be too restrictive but that outlining general concepts associated with the evaluation of programs and other activities in the public sector would be useful. These include the notion of measuring the outcome of a program, as distinguished from immediate program results, against the explicit or implicit objectives pursued.

Authority and Expertise to Perform Program Evaluation

Delegates generally agreed that program evaluation should be primarily a concern of the audited bodies. They also asserted that SAIs should have the authority to assess the evaluations conducted by others and should, themselves, have the authority to perform program evaluations. Those SAIs that have the authority and choose to become involved in program evaluation should acquire the skills and knowledge of the methods and techniques needed to perform these studies, including research methods used in economics and the social sciences. This applies whether the SAI performs evaluation directly or assesses the evaluations done by others.

Based on the group discussions, participating SAIs made the following recommendations:

- INTOSAI should recognize that program evaluation is a useful approach for helping SAIs fulfill their performance audit responsibilities.



Representatives at the congress also used time at the breaks and cultural programs to further develop their contacts within the INTOSAI network. Pictured here, Ms. Drago de Rospigliosi, Peru, took advantage of a coffee break to talk with Mr. Zavelberg, Germany, and Mr. Weber, Austria.

- In recognition of the fact that program evaluation remains the concern primarily of the audited bodies, INTOSAI should support SAIs' exercise of authority to do program evaluation, when such an approach is appropriate.
- INTOSAI should help those SAIs that wish to develop or enhance their program evaluation capability by creating a committee that would: develop a working definition of program evaluation and identify the different stages of program development and implementation at which an evaluation can be performed; study the possibility of establishing guidelines and criteria that would facilitate the successful conduct of program evaluations; explore the value of establishing a mechanism for collecting and disseminating information, which would permit countries to exchange ideas, experiences, and expertise; identify the skills needed to conduct program evaluations and various strategies for acquiring them; and study how best to communicate program evaluation results in order that the evaluations achieve their maximum effect.

As with subtheme IA, the Governing Board responded positively to the recommendation regarding a new working group, and established a program evaluation committee chaired by France.



Following the English only and all-language discussions, the theme officers reconvened to draft the reports which would be presented at the plenary sessions. In this photo, the Subtheme IC officers were at work drafting their report.

Subtheme IC: Examining Public Enterprises: Changing Approaches and Techniques

The work on this subtheme was lead by India, with the assistance of theme officers from Zimbabwe, Kenya, Solomon Islands, Sudan and Spain.

There was common agreement among SAIs that the nature of public enterprises requires full accountability, which can be guaranteed only through audits by the SAI. Because some state-owned enterprises have fallen short of expectations, many countries are emphasizing the need for improving the performance of the public enterprises as well as reducing the

number of public enterprises through privatization. SAIs generally felt that the difficult public debt situation, lack of resources, and the reorientation of economic and political philosophies in their countries were contributing to the changing profile of the public sector.

Auditing Public Enterprises

SAIs agreed that there was a need to broaden the scope of their audits to include system-based audits and evaluations of economy, efficiency and effectiveness audits of public enterprises. SAI audits of public enterprises needed to go beyond purely financial audits and focus on higher objectives, targets, and goals of the enterprise. However, it was generally felt that there was a lack of adequately trained auditors to conduct performance audits of the wide variety of public enterprises. SAIs also agreed that there was a need to quantify the performance of public enterprises to make them comparable to managerial and entrepreneurial criteria used by the private sector without losing sight of the public enterprise's social objectives.

SAIs felt that it is desirable that SAIs should: have the legal mandate for auditing all kinds of public enterprises and for performing not only financial but also performance audits on them; have complete access to all information deemed necessary by them to ensure full public accountability of the public enterprise, although, in reporting they may use their discretion to protect the confidentiality of strategic or otherwise sensitive information; give serious consideration to the benefits and impacts of applying computer technology, including computer-assisted auditing techniques to the audit of public enterprises; and, conduct horizontal audits of selected aspects of all public enterprises in addition to comprehensive audits of individual enterprises.

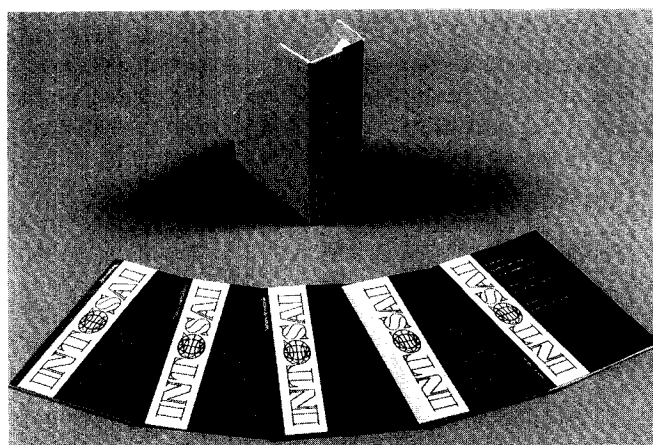
In addition, it was agreed that SAIs: consider the feasibility of gradually developing distinct methodologies and practices with regard to the audit of social and environmental protection; pay special attention to training and updating the skills of auditors and using external experts in order to develop an appropriate staff mix for auditing public enterprises; have the necessary flexibility to allow them to conduct unanticipated audits in response to economic and other changes; and, apply audit methodologies which recognize the enterprise's public obligations as well as its need to maintain sound business practices.

Auditing Privatization

Although the degree of involvement and experience of the SAIs regarding the audit of privatization varied significantly from country to country, the majority of SAIs agreed that privatization was a concern in their countries. The consensus was that the SAI had a role in the privatization process, and that this involved examining whether a privatization initiative was carried out as intended. However, several SAIs felt that in most cases they would need a specific mandate to audit the impact of privatization.

As the audit of privatization opens up a new discipline for SAIs, international exchange of knowledge among SAIs was believed to be an important factor to help SAIs develop sound auditing principles and techniques for the privatization process. The SAIs agreed that INTOSAI could play an important role in facilitating the dissemination of information among countries.

The consensus of the group discussions was that it is desirable that SAIs determine the appropriate timing of an audit and define their role in the privatization process. SAIs should also develop a suitable financial and performance auditing framework for reviewing the privatization of public enterprises. It was further recommended that INTOSAI consider approving the formation of a study group on audit of privatization that could facilitate the exchange of information and experiences in this field of audit. As with the first two subthemes, the Governing Board followed this recommendation and created a working group to study privatization with the United Kingdom as chair.



A major achievement of XIV INCOSAI was the adoption of the work of INTOSAI's standards committees on auditing, accounting, internal control and public debt. Pictured above are examples of the publications in all five INTOSAI languages. Delegates expect these standards and guidelines to assist them in improving financial management in their countries.

Subtheme IIA: Accounting Standards

The overall objective of this subtheme was to provide INTOSAI's Accounting Standards Committee an opportunity to solicit information from SAIs to help the Committee develop a work plan for 1993-1995 that includes products INTO-SAI members will find useful in their audits of government financial reports. The committee is chaired by Canada and has as its members Austria, Ghana, Italy, Kenya, Malaysia, Peru, Sweden, and Trinidad and Tobago; in addition, Morocco and Swaziland served as theme officers during the congress.

Since its creation in 1984, the committee has issued a study on the users of government financial reports and financial information that governments provide; a statement on the users of government financial reports; and, a statement on the

objectives of government financial reports. The committee is also working on the qualitative characteristics of government financial reports, and bases of accounting; projects dealing with the reporting entity, and with the definition, recognition and measurement of assets, liabilities, revenues and spending, will begin shortly. By the XV INCOSAI in 1995, the committee plans to have in place a framework of accounting standards appropriate for use by SAIs.

Results of the Discussions

The discussions centered around the two major topics of this subtheme: the general nature and use of the Committee's products and the Committee's work plan for the next 3 years.

General Nature and Use of the Committee's Products

Among the recommendations were that the committee's products should be thought of as living documents that will be revised from time to time in response to changing needs of SAIs, and that the committee should seek to establish and maintain relationships with other standard setting bodies to coordinate work.

The committee proposed a three year work plan for completing an overall framework of accounting standards by developing and publishing the following four additional statements by the XV INCOSAI in 1995:

Qualitative Characteristics—June 1993

Accounting Bases—June 1993

Reporting Entity—June 1994

Definition, recognition, and measurement of assets, liabilities, revenues, and spending—June 1994

During this part of the session, participants provided input by discussing whether the projects were appropriate and in the right order, and the level of detail that was needed in order to provide guidance while recognizing the diversity in laws and other differences between countries. Delegates were clear in their support of the committee's work plan, and offered suggestions for refining it.

For additional information on the Accounting Standards Committee, contact the Office of the Auditor General, 240 Sparks Street, Ottawa, Ontario, Canada K1A 0G6.

Subtheme IIB: Auditing Standards

The discussion groups addressed three major issues: the current use being made of INTOSAI Auditing Standards by SAIs; a framework for future amendments to the Auditing Standards; and, the future role of the Auditing Standards Committee and its Terms of Reference. The work in this area was lead by Australia, chair of the Audit Standards Committee, and committee members Argentina, Belgium, Brazil, Costa Rica, Japan, the Philippines, Sweden, the United Kingdom and the United States; also serving as theme officers at the congress were Korea and St. Lucia.

“To ensure that Auditing Standards maintain their currency and hence their standing as a living document, a ‘due process’ needs to put in place whereby proposed amendments to the standards can be evaluated by members and adopted during the 3 year period between congresses. That process shall be embodied in a Protocol, which could be further amended to address the work of all INTOSAI committees.”

**—John Taylor, Auditor General of Australia/
Chairman of INTOSAI Auditing Standards
Committee**

The Use of INTOSAI Auditing Standards

The current version of the INTOSAI Auditing Standards endorsed by the First General Plenary session of XIV INCOSAI was developed so as to apply to all types of auditing systems. While its application is not mandatory it represents a statement of best practices among SAIs.

At the discussion group sessions, a large number of delegates reported positively on the standards and how the standards were helping to make their work more effective. Individual written testimonials on the value of the auditing standards were made by Belgium, Chile, Egypt, India and Tonga. Strong endorsement for the usefulness of the Standards came also from SAIs including Cameroon, Denmark, France, Germany, Grenada, Israel, Nigeria, Norway, Saint Lucia, Senegal, South Africa, Tunisia, United Kingdom, and Zimbabwe. In addition, the following organizations were making extensive use of the standards: CAROSAI, the European Community, and the NATO Board of Auditors.

Framework for Future Amendments to the Auditing Standards

The committee believes that the standards must be a living document. To ensure that the standards reflect current conditions and concerns, the committee intends that the standards be subject to ongoing review. Several changes proposed prior to XIV INCOSAI and proposed by delegates during the discussion sessions will be considered by the committee immediately after the Congress.

Consistent with a proposal of Finland, a draft protocol to achieve changes between congresses was agreed by the auditing standards committee. It was circulated to the chairmen of the other standing committees and subsequently to all SAIs at XIV INCOSAI. The need for the protocol was agreed to at the discussion groups. However, there was a view that the draft protocol needed to be simplified, and amendments were made to achieve this.

Other suggestions were that drafts be coordinated with other Standing Committees to preclude duplication and overlap, and that the INTOSAI Secretariat discuss with the INTOSAI Chairman processes for best amending and re-issuing Auditing Standards. As a result, the Governing Board established an ad hoc working group to review the protocol with a view towards making it applicable to all INTOSAI committees; the group is chaired by Australia and includes Canada and Mexico.

The Future Role of the Auditing Standards Committee and its Terms of Reference

There was wide support for the committee to expand its ongoing work and to facilitate the provision of practical guidance material to members. In the words of Brazil, this was seen as a natural consequence of the work of the committee. The need for the provision of practical guidance was exemplified by the strong requests from several members for additional guidelines and help in training.

It was agreed in discussion groups that a first step for the committee would be the development of a bibliography of existing guidance material held by individual SAIs. That bibliography would be translated into the official INTOSAI languages and provided to all members to enable them to access existing material from the country of origin. The bibliography would be subject to regular update with the assistance of the INTOSAI Secretariat.

The discussion groups recognized that while the role of the committee was essentially to facilitate the provision of guidance material, it could also respond to identified SAI needs for material not already available, by coordinating the development of such material.

For additional information on the Auditing Standards Committee, contact the Office of the Auditor General, Australian National Audit Office, 10th Floor Medibank House, Bowes Place, Phillip, GPO Box 707, Canberra City 2601, Australia.

Subtheme IIC: Internal Control Standards

This subtheme was lead by the United States, with cooperation of committee members Chile, Egypt, France, Jamaica, Spain, Tanzania and the former Yugoslavia; also serving as theme officers at the congress were Belize and Yemen. The discussion groups addressed two main issues: the SAI's role in promoting the implementation of internal controls; and, the direction of the committee's future work. The SAIs identified

a wide range of potential obstacles and challenges to promoting the implementation of good internal controls. These obstacles include:

- resistance by managers to change; an uncooperative environment;
- managers having only a limited or isolated view of the entire operation over which controls must be effective;
- lack of a strong internal audit group, organizationally placed at a high level and with sufficient skills and staff resources;
- managers and employees who do not have a global understanding of internal control structures and lack an understanding and appreciation of internal controls and how they can reduce risks;
- the requirement in some countries that the principles of internal controls must be based in law before they can be implemented;
- SAIs' fear of impairing independence by recommending internal control improvements to managers; and
- lack of competent personnel operating the systems of internal controls.



At Theme II discussion sessions, such as the one pictured above, delegates presented their experiences in using the committees' products and shared ideas about the committees' workplans.

Overcoming the Obstacles

When ineffective internal controls are found during the audit process, the SAI should work with the entity's managers to determine the solutions available to correct the weaknesses. Working with managers to find solutions will increase the managers' understanding of controls. Fostering strong internal audit units, and the SAI's providing advice and technical assistance to these units, can be an important tool of management and help the SAI in carrying out its role. Close coordination between the SAI and the internal audit unit will help ensure



XIV INCOS



At mid-week the congress delegates and accompanying persons posed for a special group photo in front of the United States Capitol Building.

SAI USA 92



Washington, D.C. October 1992

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Subtheme IID: Report on Public Debt

At the XIII INCOSAI in Berlin, in 1989, the membership indicated a strong interest in supreme audit institutions' roles and activities in public debt issues. As a result of this interest, INTOSAI's Auditing Standards Committee created from its membership a public debt working group consisting of Argentina, Mexico, the United Kingdom, and the United States of America; Korea, Portugal, and Jordan subsequently joined the committee, and were assisted at the congress by theme officers from Czechoslovakia, Ethiopia, and Nepal.

It soon became apparent to many members of the full committee and working group that it would be appropriate to establish a new standing committee to address public debt matters, and the working group accordingly undertook to draft the Terms of Reference for a proposed Public Debt Committee. The Governing Board of INTOSAI at its 35th meeting, in October 1991, approved the Terms of Reference and established a new Public Debt Committee, under the chairmanship of Mexico, with the following general objective:

"To publish guidelines and other informational materials for use by Supreme Audit Institutions to encourage the proper reporting and sound management of public debt."



At the Theme I and Theme II plenary sessions, theme officers presented reports and recommendations to the congress for consideration. The Theme IB report was presented by Mr. Arpaillange, France.

In its initial work, the committee was acutely aware of the wide variation in public debt practices among the INTOSAI countries, and felt that the first step toward the eventual development of guidelines or other informational materials should be to collect additional information on the varying country practices. Accordingly, the committee's work to date had focused on collecting this information through the development and dissemination of a survey questionnaire to the INTOSAI membership.

The questionnaire, which was pilot-tested in 1991-92 and then mailed in final form to all members in September 1992, asked for responses on governmental practices and SAI activities concerning public debt (1) definition, (2) planning, (3) management and control, (4) measurement, and (5) disclosure. The questionnaire also asked members to provide annotated bibliographic entries from the public debt literature for use by the Committee in developing a public debt bibliography.

In preparation for XIV INCOSAI, the Public Debt Committee distributed a discussion paper to members outlining the Committee's work to date and suggesting certain topics for discussion at the INCOSAI's public debt discussions. The topics included members' roles and responsibilities in public debt matters in their countries, and on the committee's future work priorities.

Results of the Discussions

There was widespread agreement that public debt is an important matter for SAIs. However, it was acknowledged that public debt issues are complex and pose significant audit problems for SAIs. The discussion brought to light a wide variety of practices. Participants pointed to differing definitions of public debt, such as the inclusion or exclusion of government guarantees, pension liabilities, and public enterprise transactions. Attention was also called to different country practices on limiting levels of public debt.

The different practices among SAIs regarding their audit roles and responsibilities also were discussed. Some SAIs are involved in pre-approval of debt issuances, while others are restricted to post-audits to verify compliance with relevant laws and regulations. The focus of the SAI efforts ranged from financial audits to performance reviews of public debt.

It was felt that gaining a better understanding of these varied practices would be an essential first step toward the eventual development of advice or guidelines to SAIs on public debt matters. Accordingly, the participants endorsed the committee's ongoing work in using a survey questionnaire to collect information on various country practices. Recognizing that many of the SAIs have only recently received the questionnaire, the committee agreed to extending the deadline for receiving the SAIs' responses. The committee was also encouraged to continue its work in developing a bibliography of public debt literature in all of the INTOSAI languages. Because there were expressions of interest in learning more about the public debt work of various SAIs, the Committee agreed that the SAIs, in providing bibliographic entries, should include references to SAI audit reports or studies of public debt practices.

The participants agreed that the Committee should use the survey results for developing advice or guidelines to SAIs on public debt issues. Some felt that the committee should first address the problem of defining public debt, while others suggested that the committee should first address the roles and responsibilities of SAIs on public debt, or the management of public debt.

The committee will consider further the many helpful comments and recommendations received from the participants. For additional information about the Public Debt Committee, contact the Contador Mayor de Hacienda, Av. Coyoacan 1501, Col. del Valle, Deleg. Benito Juarez, 03100, Mexico D.F., Mexico.

Regional Working Groups Report to Congress

INTOSAI's triennial congresses provide an opportunity for all member states to assemble and share experiences, and a valuable part of that exchange are the reports given by INTOSAI's seven regional working groups. This is particularly important since much of INTOSAI's work takes place at the regional level in Africa, the Arab region, Asia, the Caribbean, Europe, Latin America and the South Pacific.



Following the congress format used in Berlin during the XIII INCOSAI, time was allotted for Regional Working Groups to meet during the XIV INCOSAI. Shown here, leading the EUROSAI meeting, are Mr. Carretero, Spain, Mr. Carbone and Mr. Clemente, Italy.

The reports presented at the Second General Plenary highlighted the many accomplishments of the seven groups in the areas of training, research, and information exchange. In addition, summaries of each region's triennial congress were presented, as well as plans for the next 3 years.

To further encourage such cooperation, the Journal includes here the names and addresses of each group; the official languages of each group are also cited.

African Organization of Supreme Audit Institutions (AFROSAI)
General Secretariat
Commissaire du Government pres le Tribuntal Special
B.P. 288, Lome, Togo
Telephone: 228-21-7680
(Arabic, English, French)

Arab Organization of Supreme Audit Institutions (ARABOSAI)
General Secretariat
54 Avenue Bilah, Menzah VI (1004), Tunisia
Telephone: 216-1-286338, 216-1-238-647
Fax: 216-1-767-868
(Arabic)

Asian Organization of Supreme Audit Institutions (ASOSAI)
General Secretariat
3-2-1 Kasumigaseki, Chyoda-ku, Tokyo
100 Japan
Telephone: 81-3-3581-8125
Fax: 81-3-3592-1807
(English)

Caribbean Organization of Supreme Audit Institutions (CAROSAI)
General Secretariat
Eric Williams Finance Building
2 Podium Floor, P.O. Box 340
Port-of-Spain, Trinidad & Tobago
West Indies
Telephone: 809-627-9675, Ex. 2349
Fax: 809-625-5354
(English)

European Organization of Supreme Audit Institutions (EUROSAI)
General Secretariat
Fuencarral 81
Madrid 28004, Spain
Telephone: 34-1-447-8701, Ext. 209
Fax: 34-1-593-3894
(English, French, German, Russian, Spanish)

Latin American Organization of Supreme Audit Institutions (OLACEFS)
General Secretariat
Av. Morelos No. 82
Col. Juarez Mexico, D.F.
C.P. 06600, Mexico
Telephone: 525-546-2107
Fax: 525-534-1891
(Spanish)

South Pacific Association of Supreme Audit Institutions (SPASAI)
General Secretariat
Niku'alofa, P.O. Box 50
Tonga
South West Pacific
Telephone: 676-18-21600
Fax: 676-18-23888
(English)



On October 23, at the Second General Plenary, each of the regional working groups filed their reports. The ARABOSAI report, presented by Mr. Cherif, Tunisia, reflected the value of all regional working groups when it concluded with these words: "We wish INTOSAI, the mother organization, further development and progress. We also hope that the future will see an increase in cooperation among all of INTOSAI's regional working groups."



Later that evening at the Closing Program, Mr. Medina, Venezuela, acting in his role as the XIV INCOSAI Vice-Chairman, extended a note of appreciation and thanks to Mr. Bowsher and the staff of the General Accounting Office for the excellent job they had done in hosting the congress.

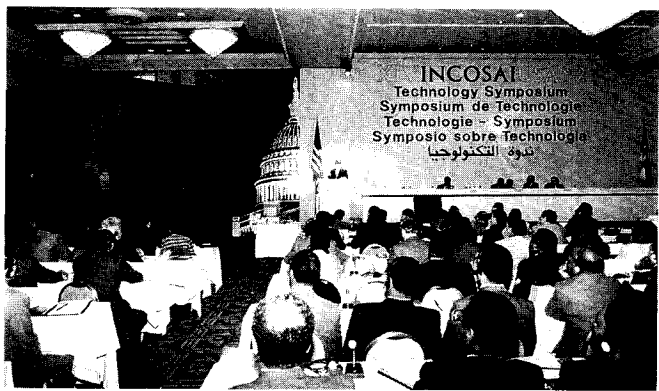


In addition to remarks from the Congress Chairman and Vice-Chairman, the Secretary General of INTOSAI, and the Congress Manager, the Closing Program included a selection of popular songs in each of the INTOSAI languages presented by the United States Army Chorus.

Symposium Addresses Technology Issues

"Just as computers are changing the way governments operate, audit institutions must change their traditional work practices in order to keep pace with technological change." With these words Mr. C. G. Somiah, Comptroller and Auditor General of India and chairman of INTOSAI's EDP Audit Committee, welcomed delegates to the 3 day symposium entitled "Introducing and Applying New Technology in an SAI." In his role as chairman of the INTOSAI committee, Mr. Somiah served as chairman of the symposium, the first such event held in conjunction with an INTOSAI congress.

The symposium was designed in response to the technology challenges all SAIs face, and provided opportunities for delegates to share information and experiences with each other and to learn from experts in the field. Building on previous INTOSAI work in this important area (see this Journal, July 1992, UN/INTOSAI seminar on EDP auditing), the results of the symposium will contribute to the ongoing work of the EDP Committee, and demonstrated once again the value of incorporating the work of INTOSAI's committees into the congress program.



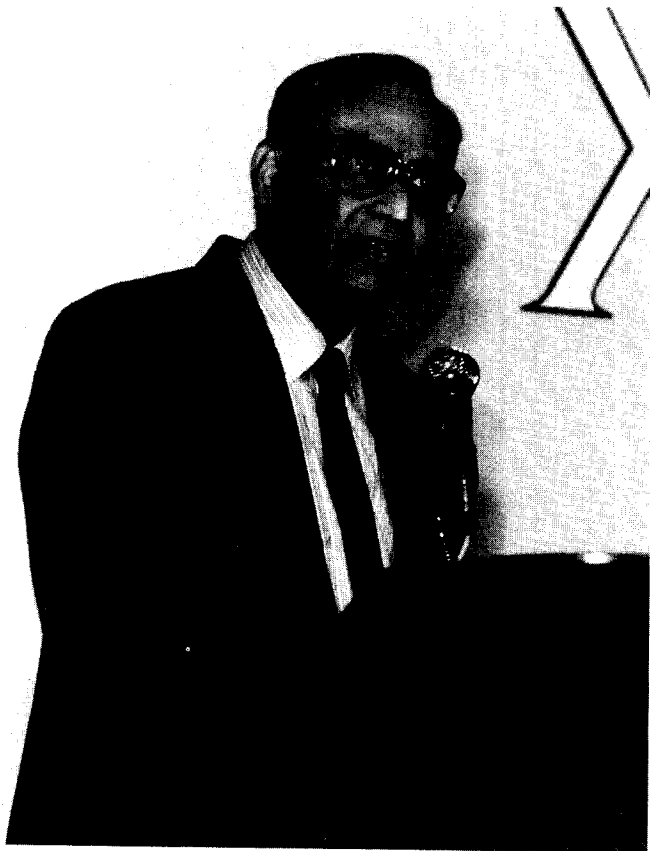
A videotape presented during the Symposium's Opening Plenary demonstrated some of the ways in which EDP technology can be used in auditing and served as a basis for many of the discussions which followed.

Over 250 delegates from approximately 100 countries and international organizations participated in the symposium, which consisted of plenary sessions and panel discussions, small group presentation and discussion sessions, a technology exposition, a software exchange and a tour highlighting information technology. Presenters included representatives from member SAIs, industry and academia. The keynote speaker, Michael Brown of Microsoft Corporation, discussed how work can be accomplished more effectively and efficiently in a technology-enhanced SAI through his multimedia presentation on "Information at Your Fingertips".

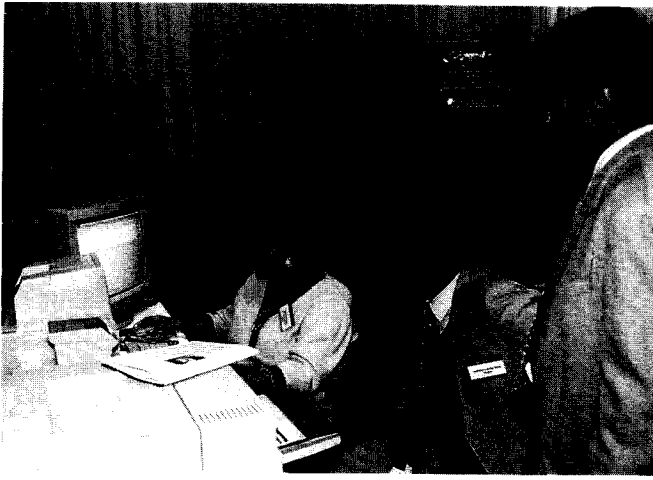
Following Mr. Brown's presentation was a panel discussion "Challenges Facing SAIs" in which delegates from the Gambia, the Netherlands and Mexico discussed the administrative, technical and financial challenges SAIs may face in bringing technology to the audit office. Among the points brought out during this discussion were that automation should not be rushed, but tailored to the unique environment of each SAI.

The 15 concurrent sessions that followed addressed three general themes: automating the audit office; recent developments in computer-assisted audit techniques; and, methods of auditing computer systems. The sessions provided ample opportunities for lively discussion and exchange of views on topics that included strategic use of technology, electronic briefcase, and computer security risk methodology. One session of particular interest to developing countries was the funders panel which featured speakers from the United Nations, the United Nations Development Program, and the InterAmerican Development Bank who discussed practical considerations involved in funding and technical assistance available from these institutions.

The technology exposition, which ran concurrently with the presentation sessions, provided a forum for delegates to learn about applied technology through live demonstrations and hands-on experience. Also included in the exposition was a software exchange that facilitated the direct sharing of



Mr. Somiah, chairman of INTOSAI's EDP Audit Committee, also served as the chairman of the symposium and presided over the Opening and Closing Plenaries.



Throughout the 3-day Technology Symposium, participants had a variety of opportunities to examine and experiment with EDP hardware and software at the Technology Exposition. At the *Journal's* display, Ms. Chase, United States, demonstrated the desktop publishing technology used to produce each issue. Here the delegates from Sudan, Mr. Marin (seated) and Mr. Al-Nebi, look on as Ms. Chase prepares some text.



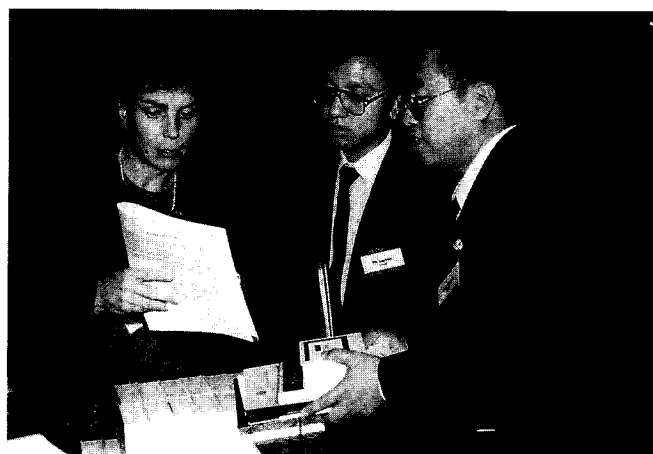
In another of the Technology Exposition booths, the benefits derived from an Electronic Audit Briefcase were presented to the delegates by representatives from the Office of the Auditor General of Canada.



One of the highlights of the Technology Symposium was the reception hosted by the EDP Auditors Association at the Tech 2000 exhibit. In this informal setting everyone had an opportunity to experiment with many different types of EDP applications.



Pictured here Ms. Polunia and Ms. Pavlova, Russia, experiment with one of the EDP displays at the Tech 2000 exhibit.



Many delegations were pleased to obtain copies of software programs developed by other SAIs. Here the delegates from China receive the Software Exchange disks and documentation from Ms. Ernst, United States.

software applications developed by SAIs. Commenting on the value of these events and activities, Mr. Somiah noted that "If the exposition enabled us to see and believe, the software exchange made it possible for us to extend at least a part of the experience to others back home."

At the exposition, delegates visited 17 booths featuring computer and telecommunications technologies applied in specific audit situations such as planning, gathering and analyzing data, and writing and publishing reports. A valuable

feature was the opportunity to have in-depth discussions at each booth.

Mr. Somiah captured the sentiments of participants when he said at the closing plenary, "This has indeed laid the foundation for future international efforts to integrate information technology in the audit community. The readiness of SAIs to share their software and expertise with others marks a major step forward in this effort, and SAIs should be applauded for setting the tone for this tangible exchange."



Denis Desautels, Auditor General of Canada and President of the INTOSAI Development Initiative (IDI), reports to the INTOSAI members at XIV INCOSAI. As an example of the success of IDI's training activities, 1991 saw IDI involve 115 member countries and 321 participants in 13 seminars and workshops. INTOSAI members voted unanimously to continue IDI's mandate for 3 more years.

IDI RESOLUTION

NOW THEREFORE be it resolved that XIV INCOSAI approve this proposed 3 year action plan and these recommendations on the future of IDI, subject to the availability of the necessary financial and other resources.

FURTHER be it resolved that:

1. IDI continue to implement its summary strategic plan over the years 1993 to 1995 in the context of its current philosophy and approach; and that IDI report on progress achieved annually to the INTOSAI Governing Board;
2. the Secretariat of IDI continue to be attached to the Office of the Auditor General of Canada until the end of calendar year 1995;
3. the question of the future of IDI be addressed jointly by the INTOSAI Governing Board and IDI over the next three years and that a proposal be developed for consideration at XV INCOSAI.

Looking to the Future

INTOSAI's next triennial congress, XV INCOSAI, will be hosted by the Central Auditing Office of Egypt and held in Cairo, Egypt. The official invitation was made by Mr. Farouk L. El-Azhary, representative of Egypt at the Washington congress, and unanimously accepted by INTOSAI members.

The spirit and accomplishments of XIV INCOSAI, and INTOSAI's hopes for the next 3 years culminating at the congress in Cairo, were perhaps best summed up by the delegate from Cameroon, Mr. Paul Ella Menye, who said at the closing plenary session, "We have seen this week that all countries of the world, whether large or small, are clearly determined to extend their hands to each other in a unified effort to futher develop ourselves. We know that no country in this modern age is self-sufficient; we have to share our experiences. This is a true need, a reality, and we must move ahead together, arm in arm." ■



Mr. El-Azhary, Egypt, came to the podium during the Second General Plenary to extend an official invitation for the XV INCOSAI to be held in Cairo.



INTOSAI's Kandutsch Award is presented to an SAI in recognition of important achievements and contributions in the field of auditing. At the XIV INCOSAI, this award was presented to the SAI of Hungary, and as Dr. Hagelmayer accepted the award, he thanked the members of INTOSAI for the recognition that they were according to his office.



During the Opening Ceremony, Mr. Staats, former Comptroller General of the United States, presented the Staats Award in recognition of outstanding articles published in the JOURNAL since the last congress. Pictured here (from left to right): Mr. Staats congratulates Mr. Ahsan, Pakistan, who accepted the award for Mr. A. R. Arif, author of the article "Performance Audit of Human Resource Management", and Mr. Phleger who received the award for his article, "New Technology in the United Kingdom National Audit Office."