



ASIAN JOURNAL

— OF GOVERNMENT AUDIT —

OCTOBER 2020

Asian Organisation of Supreme Audit Institutions



ASIAN JOURNAL

— OF GOVERNMENT AUDIT —

MEMBERS OF THE GOVERNING BOARD OF ASOSAI

The Asian Journal of Government Audit is a popular resource for the SAI community for promotion of sound and effective audit systems. This bi-annual Journal has been in circulation since 1983 and has provided a forum to ASOSAI members for discussion and dissemination of good practices. The Journal accepts articles, special reports, news items and other materials from member SAIs of ASOSAI.

The material for the Journal may be sent to the editorial office, O/o the Comptroller & Auditor General of India, 9 DeenDayalUpadhyayMarg, New Delhi-110124.

Fax No.:91-11-23236818

Emails: singhkulwant@cag.gov.in, ir@cag.gov.in, asosai.journal@gmail.com

Board of Editors

Mr. Girish Chandra Murmu

Comptroller & Auditor General of India

Mr. Michael G. Aguinaldo

Chairperson, Commission of Audit, Republic of the Philippines

Mr. Chulantha Wickramaratne

Auditor General, Sri Lanka

Editor

Mr. Kulwant Singh

*Principal Director (International Relations)
Office of the Comptroller &
Auditor General of India*

Dr. Ho DucPhoc,

*Chairman of ASOSAI and Auditor General of State
Audit Office of Vietnam*

Mr. Hou Kai,

*Secretary General of ASOSAI and Auditor General
of National Audit Office of the People's Republic of
China*

Mr. Faisal Fahad Al-Shaya,

President, the State Audit Bureau of Kuwait

Mr. CHOE Jaehyeong,

*Chairman, Board of Audit and Inspection (BAI)
Korea*

Mr. Kudrin Alexey Leonidovich,

*Chairman, Accounts Chamber of the Russian
Federation (Schetnaya Palata)*

Mr. MORITA Yuji,

President, Board of Audit, Japan

Dr. Agung Firman Sampurna,

Chairman, Audit Board of Republic of Indonesia

Mr. Mohammad Muslim Chowdhury,

Comptroller and Auditor General of Bangladesh

Dato' Nik Azman Nik Abdul Majid,

Auditor General of Malaysia

Mr. PrajuckBoonyoung,

Auditor General of Thailand

Mr. Girish Chandra Murmu,

Comptroller and Auditor General of India

Mr. Tanka Mani Sharma Dangal,

Auditor General of Nepal

EDITORIAL

Dear Colleagues,

We are pleased to bring out the October 2020 edition of the ASOSAI Journal of Government Audit. The theme of the present edition is **“Audit of Poverty Alleviation in Rural Areas”** with three **Additional themes**:

1. **COVID-19 and Role of SAI: SAI Initiatives towards health measures of staff and Government response: Emergency and Post Emergency Phases;**
2. **Auditing the implementation of SDGs; and**
3. **Crisis and Disaster Management.**

Poverty is one of the biggest social issues and is ultimately, deprivation in well-being. It is a condition in which a person or community lacks the financial resources for a minimum standard of living and often associated with negative conditions such as low incomes, inadequate childcare, substandard housing, lack of access to healthcare, unsafe neighborhoods and inability to acquire basic goods and services for survival. This edition includes theme articles on the **“Audit of Poverty Alleviation in Rural Areas”** from SAIs of Bangladesh, Bhutan and Vietnam.

The COVID-19 pandemic has placed severe strain on the national healthcare systems across the world. The novel corona virus has wreaked havoc and has resulted in unprecedented global crisis, both social and economic. In the wake of this growing concern, special emphasis should be given on necessary and urgent intervention and suggestions for policy making at multiple levels involving Governments, business enterprises, private organizations as well as citizens. The current edition includes articles on COVID crises from SAIs of Australia, Bahrain, Bhutan, China, Indonesia, Pakistan and Palestine.

Sustainable Development refers to meeting the needs of the present without compromising the ability of future generations to meet their own needs. It calls for collaborative efforts towards building an inclusive, sustainable, and resilient future for the people and



Mr. Kulwant Singh
Principal Director (International Relations)
Office of the Comptroller and Auditor
General of India

planet. The global issues related to Sustainable Development encompasses loss of Biodiversity, climate change and inequitable growth of national economies. Addressing climate change and fostering sustainable development are two mutually reinforcing issues. This edition includes articles on SDGs from **SAIs of Bangladesh, Bhutan, Indonesia, New Zealand and Qatar.**

Crisis and Disaster Management is an integrated process of planning, organizing, coordinating and implementing measures which are necessary for prevention of threat of any disaster, readiness and promptness to deal with any disaster, rescue, relief, rehabilitation and reconstruction. This edition includes articles on this topic from SAIs of Bhutan, Korea and Pakistan.

We are thankful to Dr. Ho DucPhoc, Chairman of ASOSAI as well as to Mr. Hou Kai, Secretary General of ASOSAI for their messages.

We hope that the readers will find this edition of ASOSAI Journal useful and look forward to the continued support and feedback of our esteemed readers to improve the quality of the journal. You could contact us at ir@cag.gov.in or asosai.journal@gmail.com.

(Kulwant Singh)

CONTENT

1	From the desk of Chairman of ASOSAI
2	From the desk of the Secretary General of ASOSAI
	THEMED ARTICLES
	Theme 1: “Audit of Poverty Alleviation in Rural Areas”
4	• Audit of Poverty Alleviation in Rural Areas–SAI Bangladesh
9	• Audit of Poverty Alleviation in Rural Areas–SAI Bhutan
10	• Social Audit beyond books of records, in alleviating the poverty in rural areas through Auditing–SAI Bhutan
17	• Sustainable Poverty Reduction and the Role of the State Audit Office of Vietnam–SAI Vietnam
	Theme 2: Sustainable Development Goals and Crisis and Disaster Management
	I. Auditing the Implementation of SDGs
22	• Auditing the implementation of SDGs–SAI Bangladesh
25	• Auditing the implementation of SDGs–SAI Bhutan
27	• Lessons Learned from Sustainable Development Perspective on Performance Audit of Marine Management in Indonesia–SAI Indonesia
35	• The Role of SAI on Follow up and Review of SDGs Implementation through Performance Audit–SAI Indonesia
42	• PASAI Experience on Audit of implementation of SDGs and way forward–SAI New Zealand
46	• Sustainable Development Goals Implementation Auditing–SAI Qatar
	II. Crisis and Disaster Management
60	• Crisis and Disaster Management–SAI Bhutan
61	• Strengthening emergency management measures: Lessons learned from Korea’s response to massive wildfires–SAI Korea
65	• Crisis and Disaster Management–SAI Pakistan
	Theme 3: COVID-19 and Role of SAIs: SAI Initiatives towards health measures of staff and Government Response: Emergency and Post Emergency Phases
69	• ANAO and BPK Partnership–SAI Australia
72	• COVID-19 and Role of SAI: SAI Initiatives towards health measures of staff and Government response: Emergency and Post Emergency Phases-The National Audit Office of Bahrain – Initiatives during the COVID-19 Pandemic- SAI Bahrain

74	<ul style="list-style-type: none"> • COVID-19 and Role of SAIs: SAI Initiatives towards health measures of staff and Government response: Emergency and Post Emergency Phases–SAI Bhutan
76	<ul style="list-style-type: none"> • The CNAO’s Special Audit of the Funds and Donations in the COVID-19 Prevention and Control–SAI China
79	<ul style="list-style-type: none"> • Testing the Reliability of Wheel of Balance Principle : the Case of COVID-19 and the Role of SAIs- SAI Indonesia
87	<ul style="list-style-type: none"> • Audit Strategy in COVID Period: An Approach of Political Law in Indonesia–SAI Indonesia
101	<ul style="list-style-type: none"> • Measuring the Effectiveness of Government Health Emergency Responses toward COVID-19 Pandemic in High Diversity Nation– SAI Indonesia
109	<ul style="list-style-type: none"> • Maintenance of Public Integrity for Effective COVID-19 Response and Recovery–SAI Pakistan
118	<ul style="list-style-type: none"> • The Role of Supreme Audit Institutions in Governments’ Response to the Global COVID-19 Pandemic :Emergency and Post Emergency Phases–SAI Palestine
	Other Articles
128	<ul style="list-style-type: none"> • Case Study on leveraging Big Data Analysis to promote the Stable Production and Sales of Key Medical Supplies–SAI China
130	<ul style="list-style-type: none"> • Selecting an Optimal Composition of Audit Teams in Supreme Audit Court of the Islamic Republic of Iran using Genetic Algorithm- SAI Iran
135	<ul style="list-style-type: none"> • Environment Protection in Development Projects (in Iran) :The Role and Responsibilities of Government–SAI Iran
138	<ul style="list-style-type: none"> • Faceless Public Auditing :A Future Plan of SAI Nepal–SAI Nepal
146	<ul style="list-style-type: none"> • Conflict Management–SAI Pakistan
150	<ul style="list-style-type: none"> • Paradigm Shift in Information Systems Audit–SAI Pakistan
153	<ul style="list-style-type: none"> • Quality of Audit and Professional Development - Pakistan’s experience–SAI Pakistan
157	<ul style="list-style-type: none"> • Establishing quality Control System for developing SAIs–SAI Tajikistan
	New Heads
159	<ul style="list-style-type: none"> • New Comptroller and Auditor General of India
160	<ul style="list-style-type: none"> • New Chief Executive of PASAI
161	<ul style="list-style-type: none"> • New Senior President of Supreme Audit Court of Iran

163	INTOSAI News
163	• 12th KSC Steering Committee meeting
164	• WGITA Webinars
164	• Webinars of INTOSAI Supervisory Committee on Emerging Issues (SCEI)
164	• Meetings of the Task Force on Strategic Planning (TFSP)
165	• 17th annual CAS Virtual Meeting 2020
	ASOSAI News
167	• 55th Meeting of the ASOSAI Governing Board held virtually on 27th July 2020
167	• Initial steps taken towards establishment of ASOSAI Working Group on Emergency Response and Management
168	• 7th Working Meeting of ASOSAI WGEA held virtually on 7th September, 2020
	Activities In Member SAIs
170	• SAI Indonesia
171	• SAI New Zealand
172	• SAI Pakistan
173	• SAI Palestine
181	Email/ Web Pages of member SAIs
184	Other important email/webpage addresses
185	Tentative Schedule of upcoming events of ASOSAI

FROM THE DESK OF CHAIRMAN OF ASOSAI

Greetings to ASOSAI members and all readers!

With the success of the 55th ASOSAI Governing Board Meeting, I would like to express a sincere and high appreciation to ASOSAI members, in general and to SAI of India – Chief Editor, in specific for their great endeavor and continuous contribution to the revamping of ASOSAI Journal which has been appraised as a valuable resource for knowledge sharing and collaboration for mutual benefits among SAI community.

With objectives of improving the quality and disseminating best practices in the field of governmental audit professionally and comprehensively, ASOSAI Journal for October 2020 Edition focuses on the theme of “Audit of Poverty Alleviation in Rural Areas”, which is a concern to ASOSAI community since Poverty Alleviation has been a challenge faced by most Asian countries. Especially, taking into consideration of the global economic crisis caused by the current COVID-19 pandemic, the role of the Supreme Audit Institutions has been increasingly recognized to ensure the effectiveness of public policies and services in general and national target programs on poverty alleviation in particular.

In the past few years, INTOSAI’s regional organizations, including ASOSAI, have been implemented knowledge sharing activities in various forms of seminars, workshops, cooperative audits, research projects on audit of poverty alleviation with the application of ISSAIs, especially ASOSAI WGEA’s research project on “Audit of Poverty Alleviation and Living Environment Improvement in Rural Areas” was successfully conducted from 2018-2019.

In addition, with the aim to further affirm and promote SAIs’ role in the context that the world and



Dr. Ho Duc Phoc
Auditor-General of Viet Nam
Chairman of ASOSAI

the region are facing enormous challenges regarding emerging issues and emergency situations, the Edition is also opened to address three additional themes, including: (i) COVID-19 and Role of SAI: SAI Initiatives towards health measures of staff and Government response: Emergency and Post Emergency Phases; (ii) Auditing the implementation of Sustainable Development Goals; (iii) Crisis and disaster management.

Accordingly, I strongly believe that nominated topics with supportive articles to be discussed in this Edition, appreciated as a chance for SAI members to share views, experiences and best practices in the field of public audit, will highlight ASOSAI community’s efforts in dealing with burning issues in Asian region and help ASOSAI members and readers insightfully and comprehensively identify practical solutions to effectively conduct audits in the areas of poverty alleviation, COVID-19, SDGs, crisis and disaster, in order to make greater contribution to the development of public sector auditing at national, regional and international levels.

Finally, I would like to send the warm greetings to all readers with the wish for your health, happiness and great success.



Mr. Hou Kai

Secretary General of ASOSAI and Auditor General of the National Audit Office of the People's Republic of China

FROM THE DESK OF THE SECRETARY GENERAL OF ASOSAI

ahead more determined and make poverty eradication front and center. The Alliance for Poverty Eradication recently inaugurated by the UN offers an opportunity to refocus global attention on poverty reduction cooperation, recommit resources to people's livelihood areas, such as poverty eradication, education, health and infrastructure. We need to share experience to shape targeted and effective poverty reduction policies. Using the master key of development, we could unlock the door toward no poverty.

In the past 5 years, significant progress for no poverty has been made in the Asian region, but with greater challenges to be addressed. ASOSAI SAs had played an important role in supervising and guaranteeing poverty reduction. The Secretariat of ASOSAI will continue to work with all member SAs to strengthen cooperation with the supreme audit institutions of various countries in terms of poverty-alleviation related audit, and make joint contributions to global poverty reduction.

With its rapid spread in many parts of the world, COVID-19 has put lives and health of people around the world under grave threat, seriously disrupted the flow of people worldwide and the global economy, and posed a severe challenge to us ASOSAI countries.

COVID-19 may impact our cooperation in various areas, yet such cooperation should not come to a halt. In this regard, with the hope of building a model regional organization, ASOSAI shall more actively play its role as a bridge and a platform to facilitate member SAs' information sharing, experience exchanging and capacity building in a number of audit fields including public health and poverty eradication in the trying times of the pandemic. As long as we keep united and forge ahead together, the day will come when all the countries will shake off poverty. Our ASOSAI will shine even brighter in process of the implementation of Sustainable Development Goals.

In the hard time of the COVID-19 pandemic, with the joint efforts of the Journal Editor and all ASOSAI members, the 2020 October issue of *Asian Journal of Government Audit* is made available. Taking this opportunity, I would like to bring to all fellow auditors of ASOSAI with this issue of journal, my warm greetings and best wishes for good health.

In September 2015, the United Nations Sustainable Development Summit adopted the 2030 Agenda for Sustainable Development, which includes 17 sustainable development goals and 169 specific targets, setting out a 15-year plan on the development and international development cooperation of all countries in the world. In 2018, the *Hanoi Declaration* was endorsed by the ASOSAI Assembly, and expressed the consensus among SAs: to implement SDGs and deal with global environmental challenges. The 55th ASOSAI GB Meeting approved the establishment of the ASOSAI Working Group on SDGs. The ASOSAI Seminar also chose the "audit of implementation of SDGs" as its theme this year. ASOSAI members are now actively carrying out audits of SDG implementation, showcasing SAs' value and benefits in this endeavor.

"No Poverty" is the first goal of 17 sustainable development goals. Poverty confines human freedom and subdues development. It is the root cause of problems and conflicts in many countries and regions. As COVID-19 triggers a global recession, unemployment is surging across the world. Faced with these difficulties and challenges, we must forge

THEME ARTICLES

THEME-1

“Audit of Poverty
Alleviation in
Rural Areas”

AUDIT OF POVERTY ALLEVIATION IN RURAL AREAS

SAI Bangladesh

.....

About the Author

A.H.M Shamsur Rahman

**Director General, Directorate of Education,
Culture and Religious Affairs Audit
Bangladesh**

He worked as DG, Post Telecommunication Science and Technology Audit Directorate and has vast experience in Government Accounting and in all three types of audit i.e. Compliance audit, Financial audit and Performance audit.

Qualification - Post Graduate Diploma in Information & Communication Technology (ICT) from the University of Rajshahi, Bangladesh, Master of Government Financial Management from the University of Ulster, Northern Ireland, UK, Bachelor degree in Science with Honors and Master of Science in Statistics from the University of Dhaka, Bangladesh

He has authored a book titled "Fundamental and Applied Concept of Government Accounting".

.....

Introduction:

Poverty alleviation is still one of the important challenges in the world with diversified dimensions. Poverty reduction, poverty relief, or alleviation, is a set of measures, both economic and humanitarian, that are intended to permanently lift people out of poverty. Measures are those that raise, or are intended to raise, ways of enabling the poor to create wealth for themselves as a conduit of ending poverty forever. Poverty occurs in both developing countries and developed countries. While poverty is much more widespread in developing countries, both types of countries undertake poverty reduction measures. Numerous social safety net programs and public spending on social protection, including social insurance schemes and social assistance payments, continue to act as tools of poverty alleviation in many of the developing countries across the world.

Global Poverty Trends:

Reducing global poverty was a key aim of the Millennium Development Goals(MDGs). The target for the MDGs was to reduce the number of people living in extreme poverty by half between 1990 and 2015. Ending poverty now stands at the core of the Sustainable Development Goals(SDGs), launched in 2015; the first of its seventeen goals is 'no poverty by 2030'. Tracking global progress on international poverty tells us how close the world is to achieving this aim. The global share of people in extreme poverty (those living on less than \$1.90 a day) has been decreasing consistently since 1990, when it included over 35% of the world population, to less than 10% in 2015. The number of people living in poverty as measured by the higher international poverty lines of \$3.20 and \$5.50 increased between 1990 and 1999, but has fallen since then. In 2015, over one-fifth of

the global population lived below \$3.20 and almost a half lived below \$5.50 a day (Bangladesh Economic Review, 2019).

Poverty Situation in Bangladesh

Poverty alleviation is one of the major indications of the socio-economic development of a state and society. As a result of collective efforts of the government and non-government sectors, Bangladesh has achieved tremendous development in poverty alleviation during the last few years. According to 'SDGs: Bangladesh Progress Report- 2018' the poverty rate is 21.8 percent in 2018 whereas it was 56.7 percent in 1991. The government has set up a target to reduce the poverty to 18.6 percent at the end of the 7th Five Year Plan (2016-2020). Though, Bangladesh is ahead of many developing countries in poverty alleviation, still approximately one-fifth of total population of the country lives below the poverty line and hence poverty reduction is a major concern on the policy and development issues of the country. As a result of poverty reduction, a progress is evident in Bangladesh's position in World Human development Index which has reached from 139 in 2016 Index to 136 in 2018 Index.

Measurement of Poverty Incidence in Bangladesh:

The first Household Expenditure Survey (HES) in Bangladesh was conducted in FY1973-1992. HES' were accomplished by Food Energy Intake (FEI) and Direct Calorie Intake (DCI) method. According to this method, a man having calorie intake of less than 2,122 kilo-calories per day is considered as absolute poor. Conversely, a man having an intake of below 1805 kilo-calories is measured as hardcore poor. Bangladesh Bureau of Statistics (BBS) has adopted 'Cost of Basic Needs (CBN)' for HES for the first time in 1995-96 and renamed the title of the survey as Household Income and Expenditure Survey (HIES). The same method applied in the HIES' in 2000-2016. This method also considered non-food consumption items for compiling poverty index.

Trends of Poverty in Bangladesh

The latest HIES was conducted in 2016. According to the result of this survey, poverty trends in Bangladesh are stated below:

	2016	2010	Annual Change (%) (2010 to 2016)	2005	Annual Change (%) (2005 to 2010)
Head Count Index					
National	24.3	31.5	-4.23	40.0	-4.67
Urban	18.9	21.3	-4.68	28.4	-5.59
Rural	26.4	35.2	-1.97	43.8	-4.28
Poverty Gap					
National	5.0	6.5	-4.28	12.8	-6.3
Urban	3.9	4.3	-1.61	9.1	-7.93
Rural	5.4	7.4	-5.12	13.7	-5.46

Source: BBS HEIS 2016

Initiatives taken for poverty alleviation in rural areas in Bangladesh

Bangladesh has experienced an outstanding achievement in poverty alleviation during the last decade with dynamic and courageous activities of government. The 7th Five Year Plan has been targeted to reduce poverty rate at 18.6 percent by 2020. In order to attain the desired target of poverty alleviation, the government provides special priority in social safety net programs. For this purpose, Bangladesh has already formulated 'National Social Security Strategy (NSSS)'. Currently, the government is working for acquiring poverty and hunger related targets to the Sustainable Development Goals (SDGs). Like other developing countries Bangladesh has also undertaken various projects /programs/ activities for poverty alleviation in rural areas.

Audit of program/project/scheme for poverty alleviation in rural areas:

The programs, projects, schemes and activities are undertaken by different organs of the government involving large amount of public money. But in most

of the developing countries and under developed countries these allocated funds are misused, misappropriated and to some extent embezzled. Lots of political and social interventions are evidenced in implementing these sorts of programs. Moreover, these programs mostly being cash/kind distribution focused the likelihood of fraud and embezzlement is very high. Therefore, auditors must be very keen about transparency, accountability, efficiency and effectiveness of these sorts of programs.

Internal control system and risk in the business process of these types of programs are very crucial and significant areas for auditors. So, auditors have immense scope to contribute by assessing and evaluating the system. The management takes measure to improve of the system based on the audit report which describes and identifies the loopholes of the system. For instances, "cash distribution in hand" to different poor people have been replaced by new system such as "Cash distribution to bank account" of incumbent. Media, citizen including auditors have raised the issue of cash embezzlement. Consequently, the government has responded to these risk areas and replaced the "hand cash payment system" by "payment to incumbent through bank account".

In many cases, the amount of cash and food staffs allocated for poor widow, distressed old, pregnant women are not distributed in order. The intermediary group takes away some portion of it for their own or for their relatives. Many food staffs have been found in the house of rural based political leaders which were supposed to be distributed to poor people. In this context, the audit evidence can be obtained by using Survey and Focus Group Discussion (FGD) methodology.

Thus auditors plan varies based on the diversified context of the programs/schemes for poverty alleviation in rural areas. Apart from compliance audit, auditors have broader scope to conduct performance audit, which ultimately improve the overall system and minimize the risks of fraud.

Objectives of the Audit:

The basic objective of audit of poverty alleviation is to ensure the accountability and transparency in spending different funds for eradicating poverty in rural areas. However, 'audit of poverty alleviation' can also be understood in a broader sense, as a continuous process of public vigilance and aid to management for improving their system. The major objectives of the audit of the programs for poverty alleviation are:

- To analyse whether the poverty reduction projects, programs, activities and schemes are in line with the government long term and mid-term economic policy or not.
- To analyse whether the budget allocation are sufficient in line with the government policy of poverty reduction.
- To evaluate whether subject matter of these programs (activities, financial transactions and information) are in compliance with applicable authorities.
- To evaluate the effectiveness and efficiency of these programs.
- To evaluate the internal control system of these programs and identifying the risky areas.
- To evaluate whether funds are really helping in eradicating poverty in rural areas
- To assess the physical and financial gaps between the needs and resources
- To create awareness among beneficiaries and providers
- To increase efficiency and effectiveness and ensure transparency
- To sensitize citizens and legislatives to demand accountability.

Audit Scope

- Funds allocated in the programs related to Poverty alleviation
- Main stakeholders involved
- Audit Period may be 4-5 years to evaluate the result
- Compliance and Performance Audit

Audit Criteria

- National Social Security Strategy (NSSS)
- 7th Five Year Plan
- Rules for the Management of Public Special Funds for Poverty Alleviation
- Guidelines and government orders regarding the project/program
- General Financial Rules
- Fundamental Rules,
- Treasury Rules, PPR
- Other relevant laws and regulations

Audit Risks

In the case of audit of poverty alleviation, the following areas would be the risk areas to be considered by auditors:

- Fraud in expenditures and misuse of funds
- Extravagant and unnecessary operating expenses in terms of project cost leading to question of Value for Money.
- Political and Social Intervention In registering beneficiaries resulting payments to ineligible recipients
- Miss-representation of information of beneficiaries
- Funds are not used on a timely basis
- Recovered money of micro credit schemes are embezzled by concerned field staffs and officials.
- Revolving funds are kept with the management instead of distributing to beneficiaries
- Embezzlement of cash and food staffs by political leaders and management committee in many cases.
- Distribution of fund and different staffs less than the amount allocated for individual.
- Sometimes ineligible people avail benefit depriving the most deserving candidates.

Conducting Audit

Audit of poverty alleviation can be conducted by applying ISSAI 5130 in planning. Based on the risk analysis of the system, the subject matter of poverty alleviation program should be selected.

Audit methodology should include-

- Assessing the risk of these programs and include for audit thereby,
- Determining the subject matter and prepare subject matter information
- It is very significant for auditors to understand the business process based on risk analysis of the programs. How, techniques of embezzlement, loopholes of the system need to be addressed.
- The population size is huge leading to criticalities in sampling. Representative sampling is not possible in most of the cases. So limited assurance is preferable while auditing these sorts of programs.
- Media report, Physical verification, consultation with citizen and social leaders may be used as methods for conducting audit.
- Follow-up on recommendations made in previous audit reports, and electronic work papers, among others.

Limitations of the audit

Auditing the implementation and effectiveness of these programs are very challenging which are as follows:

- Population size of this audit is very big so as to cover the representative sampling becomes critical.
- This audit is more physical verification, consultation focused instead of paper based compliance issue.
- Audit team get non-co-operation, even sometimes are obstructed from conduction of audit by the local influential people in case of field survey or FGD.
- A large number of resources (human, cost and time) are required to conduct this sort of audit.
- It is very tough to get the evidence in many cases. Particularly, some social safety net programs (cannel digging, village roads & culvert construction) are vulnerable as far as the evidence is concerned.
- Audit findings are not taken care of properly by legislatives and executives due to different dimensions of these programs.

Present situation of audit of poverty alleviation in Bangladesh

The Office of the Comptroller and Auditor General of Bangladesh is contributing in alleviating poverty through auditing. But the coverage of audit on this issue is still in a limited scale. Generally, the OCAG is doing compliance audit discretely up to 2018-19 financial year on several projects/programs and offices related with poverty alleviation in rural areas. In last year, one performance audit had been done on four programs those are delivering different allowances for the old age people, Deserted and Destitute Women, Transgender (Hizra) People and Deprived and Backward Community.

Conclusions and Recommendations:

In order to attain the desired target of poverty alleviation, the government provides special priority in social safety net programs. For this reason, the scope and allocation of social safety-net programs are being extended every year. Consequently, SAI needs to extend its arm to evaluate this chunk of allocation. Despite lot of challenges and limitations in conducting such audit efficiently, auditors must be interested in auditing the poverty alleviation program due to its demand to people and legislatives. Besides this, evaluation of the system by the audit brings about immense benefit for the management. Thus the important points and recommendations for audit of

poverty alleviation for rural areas can be summarized as follows:

- Audit can suggest government to improve the funding mechanism of such program. This may be considered as most contributing factor of the auditors.
- To improve the information disclosure mechanism covering the whole process of the management and use of poverty alleviation funds
- To strengthen supervision and inspection
- Related regulations and rules formulated or improved
- Auditors should evaluate the effectiveness of the programs which might be guide for government for further fund allocation in such program.
- This type of audit increases the exposure of audit department and brings them close to people, which is not possible in many compliance audit.
- Despite having lot of challenges in conduction the audit and collecting the evidences, the subject matters of such audit may be fascinating for the auditors.
- Lastly, the audit report can contribute significantly for ensuring accountability and transparency as well as the value for money of the allocated fund for rural poor people.

AUDIT OF POVERTY ALLEVIATION IN RURAL AREAS

SAI Bhutan

.....

About the Author

Narapati Sharma

Assistant Auditor General

Office of the Assistant Auditor General

Regional Office, Samdrupjongkhar

Phone: 00975 17638289

SAI Bhutan

.....

The Supreme Audit Institution (SAI) are mandated with certain functions, the most important and core being the Auditing and Reporting. However, the ISSAI Framework, Level 2, emphasizes on the importance of ISSAI 12 which talks of the **“Value and Benefits to Society”** through auditing functions which are captured in the mandates of the SAI.

So as a SAI of every country, it should increase its involvement not only by Auditing and Reporting but by being part of the team working to address the main theme “Poverty Alleviation” and especially at the time of global pandemic which has resulted into paralyzing the economy of the countries and the world at large.

To get involved as a stakeholder to directly participate in the overall programmes to control the spread of pandemic, the SAI management being an auditing institution has an upper hand to contact the relevant stakeholders and offer SAI’s resources such as manpower and time to contribute in times of emergency, disasters, Pandemic of recent times.

SAI being a professional organization is equipped with professional manpower with the

capacity in terms of organizing things, managing the show keeping in mind the economy, efficiency and effectiveness and has the potential to make impact to the society in whatever little it can do.

SAI as an audit institution should also equally carry forward the auditing and reporting function without much compromise. For achieving the objective of auditing and reporting function, the SAI auditors should properly plan for the audit of the Poverty Alleviation in Rural Areas by making it as part of the annual plan. They should obtain relevant documents such as the policy of the Government on Poverty Alleviation, Act, Rules, Regulations and guidelines relevant to the Rural Poverty Alleviation. Also should check the goals and objectives set by the relevant government agencies/ non-governmental organization involved for poverty alleviation measures.

The auditors also should evaluate the output and outcome after the measures taken are taken for poverty alleviation.

After evaluation of all the documents, the auditors should also look into measures put in place by the relevant authority to address the poverty issue. The auditors should check the methodology used in identification of people below the poverty line, the appropriateness of the criteria used to identify the public below poverty line.

In addition auditors should check the focal agency entrusted to work on the projects related to the poverty alleviation, its activities, budget availability, plans and procedures put in place to execute the work, time schedule, output target etc.

Finally evaluate the output achieved against the targets set, time line and note down the hindrances, deviations occurred during the execution of the project. The audit findings then be consolidated after the audit and further audit process followed.

SOCIAL AUDIT BEYOND BOOKS OF RECORDS, IN ALLEVIATING THE POVERTY IN RURAL AREAS THROUGH AUDITING

SAI Bhutan

.....

About the Author



Mr. Tshering Tenzin (Udzorong)
Deputy Chief Auditor, SAI Bhutan

He has been working in SAI Bhutan for almost decade. Currently, Tshering Tenzin is working in Compliance & Outsourced Audit Division, (COAD), under Department of Performance & Compliance Audit Division, SAI Bhutan. He is a 2011 batch Indian Audit & Accounts Service (IA&AS) Gazetted Officer Trainee. He has rich rural experiences in field audit, as he stayed almost decade in the regional offices prior to joining Royal Audit Authority, Thimphu, Headquarter.

.....

The Gross National Happiness (GNH), is a development philosophy of Bhutan, propounded by visionary Fourth King of Bhutan, Jigme Singye Wangchuck in 1972.



Gross National Happiness is more important than Gross Domestic Product.



Fourth king of Bhutan

The concept implies that sustainable development should take a holistic approach towards notions of progress and give equal importance to non-economic aspects of wellbeing. Since then the idea of Gross National Happiness (GNH) has influenced Bhutan's economic and social policy in Bhutan. The development of Bhutan is based on principles of GNH Model embraced with four main pillars of Good Governance, culture and preservations, conservation of environment and socio-economic development of Bhutan. The GNH Model of development philosophy mainly focused on the well-being of the citizens rather

than counting the economic parameters of Gross Domestic Products (GDP).

Supreme Audit Institution (SAI), Bhutan in no exception to SAIs around the Globe in auditing and submitting the constructive audit recommendations to the Government and audited managements in making good life of the citizens and good governance. SAI conducts Financial, Compliance, Performance, Certification, theme based and Special audits for value addition to the Nation and Citizens at large. The theme of audit in alleviating the poverty in rural areas with three additional supporting themes, fall under TWO main pillars of GNH Model of Bhutan: Good Governance, and socio-economic development of Bhutan, which guide and direct the development philosophy in alleviating the poverty in rural areas. SAI Bhutan would add values in the making good life of Citizens in alleviating poverty thorough audit on premise of TWO main fundamental pillars and other current Government initiatives and interventions.

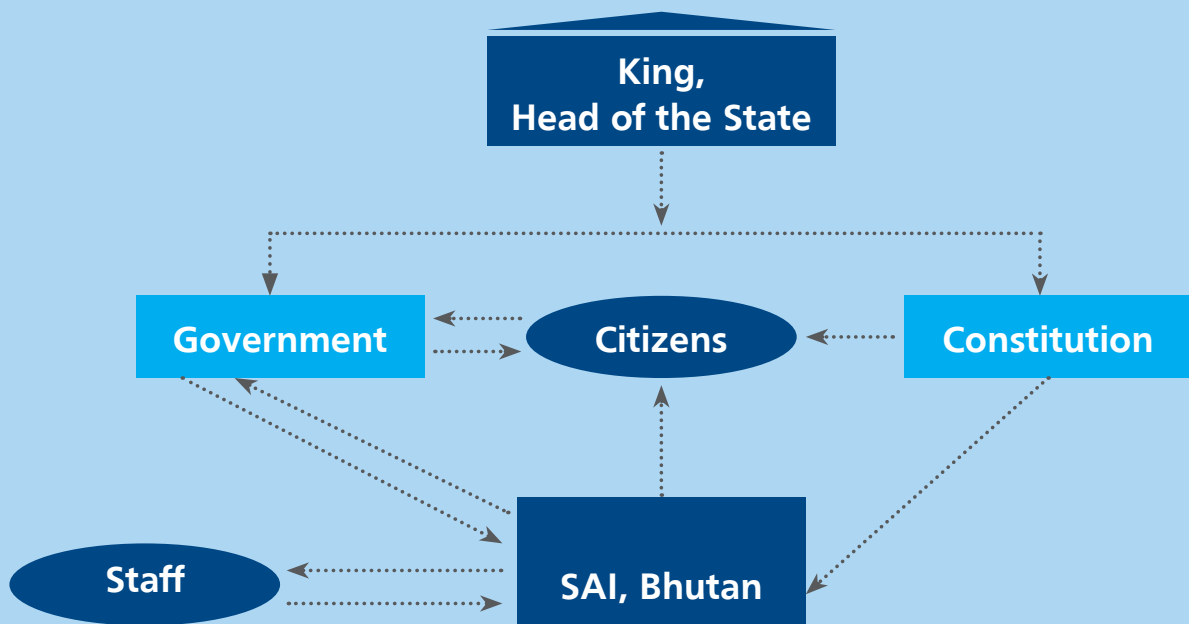
SAI Bhutan should conduct the Social Audit beyond books of records, to alleviate the poverty in rural areas encompassing the basic fundamental development philosophy of Bhutan. Thus the robust Happiness Audit Model must frame aligning to Nation GNH Development Model to address issues of alleviation of poverty in rural areas.

Before, I write the theme topic on audit of poverty alleviation in rural areas with three additional themes on:

- ◆ COVID-19 and Role of SAI: SAI Initiatives towards health measures of staff and Government responses,
- ◆ Emergency and Post Emergency Phases
- ◆ Auditing the implementation of SDGs and
- ◆ Crisis and Disaster Management

I would like to narrate the audit frame work and structure and source of inspiration of SAI Bhutan to be relied upon and draw the divine conclusion of power & jurisdiction of SAI Bhutan.

How audit pyramid structured in SAI Bhutan to perform SAI Operations and its source of inspiration to deliver the service to its welfare of Citizen in alleviating the poverty in Bhutan?



The fifth King of Bhutan address to the Nations and its Subjects: Truly People's King

“

“I will protect you as a parent, care for you as a brother and serve you as a son,” he promised as he was crowned. “I shall give you everything and keep nothing. This is how I shall serve you as king”.



”

Article 2 of the Constitution of Kingdom of Bhutan states that **“The form of Government shall be that of a Democratic Constitutional Monarchy”**. Since then, Bhutan is declared as Constitutional Monarchy as per the Constitution, King as the Head of the State, who over sees the overall welfare of the Government.

Constitutional mandates to SAI to deliver the value and benefits to the good life of the Citizen?

As per the Constitution of Bhutan under Article (25): The Royal Audit Authority, states **that**



“There shall be a Royal Audit Authority to audit and report on the economy, efficiency, and effectiveness in the use of public resources”.

The article explicitly empowered that SAI Bhutan is responsible to conduct audit and report on the economy, efficiency, and effectiveness in the use of public resources in adding the value and benefits to the Citizen.

Constitutional mandates to Citizens from the Government in making good life of the Citizen!

Article 9: Principles of State Policy of the Constitution states that “The State shall endeavor to apply the Principles of State Policy set out in this Article to ensure a good quality of life for the people of Bhutan in a progressive and prosperous country that is committed to peace and amity in the world”. And an article 11 invites that “The State shall endeavor to promote those circumstances that would enable the citizens to secure an adequate livelihood”.

Constitutional mandates for SAI to Government Operations!

Article 25 of the Constitution empowers SAI that “The Royal Audit Authority shall, without fear, favor, or prejudice, audit the accounts of all departments and offices of the Government including all offices in the Legislature and the Judiciary, all public authorities and bodies administering public funds, the police and the defense forces as well as the revenues, public and other monies received and the advances and reserves of Bhutan. And the Auditor General shall submit an Annual Audit Report to the Druk Gyalpo, the Prime Minister and Parliament”.

Government's duties towards Citizen in making good life and livelihood!

The Gross National Happiness (GNH) Commission is the development Wing of the Government that promotes an enabling environment for all Bhutanese to be happy. Their mission is to steer national development towards promotion of happiness for all Bhutanese guided by the philosophy of GNH. The Government framed Five Year Plan and Annual Plan to deliver the Services to its citizens basically focusing on the following areas:

- ◆ To ensure the effective delivery of Five Year Plan Key Results.
- ◆ To institutionalize a robust National Monitoring and Evaluation System.
- ◆ To ensure the needs of vulnerable groups are addressed.
- ◆ To guide long-term sustainable socio-economic development and strategies
- ◆ To spearhead five year and annual planning and guide public policy formulation
- ◆ To mobilize adequate resources on a timely basis and ensure equitable and efficient allocation
- ◆ To monitor, facilitate, and coordinate implementation of policies, plans and programs for effective delivery and
- ◆ To evaluate policies, plans and programs on a timely basis and provide feedback and undertake corrective action.

Food for thought for an auditor in alleviating the poverty in rural areas through auditing:

Poverty alleviation programme

- ◆ Is there a rural poverty alleviation and development programme initiated by Government?
- ◆ What are the Next three/five years' action and Strategic plan designed?
- ◆ Number of people in rural areas to be lifted out of poverty in next 3/5 years? Any strategy developed in the coming years?
- ◆ What are the targeted group of people by the Government?

- Have access to food, shelter, clothing and drinking water?
- Have access to good health facilities, education and agriculture subsidy?
- **Provision of Poverty alleviation funds in the Government**
 - Is there any audit of poverty alleviation fund allocated in SAI?
 - Is there any management of fund and improvement strategy and action plan in system?
 - Is there any mechanisms to evaluate the compliance of the management and use of poverty alleviation funds?
- **Fulfilment of achievements:**
 - To what extent that goals of poverty alleviation projects have been achieved?
 - The what degree that relevant agencies performed their duties in allocating and managing poverty alleviation funds at the cross-sectoral level?
 - Stakeholders involvements in the Agencies to achieve the Targets
- **COVID- 19 pandemic and consequences**
 - What are the preparedness and measures taken by the government in terms of COVID -19 to the rural areas?

Auditing of SDGs

How SAI Bhutan initiates to conduct audit of SDGs during pandemic and prioritization of stakeholders to conduct peer review of the SDG Goals and rightful engagement of stakeholders?

Disaster & Risk Management

How SAI review its Government risk and disaster management in Bhutan engaging with coordinating agencies of the Government?

COVID-19 and Role of SAI: SAI Initiatives towards health measures of staff and Government responses:

Bhutan's response to the pandemic is, perhaps, one of the best in the world. Guided by dynamic leadership of His Majesty the King, the government has been working relentlessly to protect the people.

Our fight against Covid-19 is based on giving no single life to the pandemic and keeping the enemy at bay. On March 22, His Majesty addressed the nation regarding the closure of international borders. The very next day, all the porous borders were sealed, and inter-border movement was restricted. The farsighted vision prevented the disease transmission from neighboring areas where the cases were still surging at an alarming rate. However, ferrying essential items like food and medical consignments continued under stringent surveillance of frontline workers. As soon as COVID-19 pandemic declared by WHO on spread of virus spread around the Globe, when scientists lost the defence tool with modernized medical weaponry equipment, the Bhutan Government took robust initiatives and instructed all the Government Agencies and Organizations, private and public entities to initiate the preventive measures and responsive action in fighting against the COVID-19 pandemic. As soon as the Government issued the orders, SAI Bhutan responded the Government initiatives with preventive and proactive remedial action for SAI Employee, the main audit war front line of SAI. The rigorous steps taken by SAI Bhutan for welfare of own employees are narrated hereunder.

- Remote working/working from
- Online auditing
- Site/field visits unless extreme cases
- Conducting meeting in Webinar, Zoom, Google meet
- Wearing Face mask, sanitizer, fever check-up while in Office and visiting to the audited management
- Regular check up in the designated Flue clinic and Hospital
- Issuance of Certificate for status of Health issues of the staff from the Government COVID-19 designated Hospital

Pre-Phase of Government's responses to COVID-19 in Bhutan

How SAI Bhutan reviews the Government responses during COVID-19 pandemic and fulfills the mandates to alleviate the poverty in rural areas?

The government prioritized the provision of services to the people. An around of 50,000 people lost their jobs in tourism and hospitality sector and restriction of unnecessary movement within the country as the cases spiked internationally, there was loss in everyday business including earning of cabbies. His Majesty provided kidu (welfare scheme) to the affected people so that they can live normal lives. The Bhutan initiated accelerated de-suung (Guardian of Peace Forces), training under the command of His Majesty. With the help of De-Suung, borders were manned. The people who signed up for the training were youth who were willing to serve the Country, King and People with utmost dedication and sincerity. The people with various occupational backgrounds came out to help government during the time of pandemic. With spirit of unity and oneness, Bhutan gained the strength that cannot be beaten easily by the virus. The clergy has been reciting prayers and performing religious ceremonies for the well-being of the country and people.

SAI Bhutan, besides audit, assisted the Government in implementing the pre phase and post phase of government responses for COVID-19 pandemic. At the eleventh hour, SAI voluntarily contributed its manpower and resources to fulfill the Government responses in fighting the Pandemic and ultimately rendering its services to the citizens through executing the Annual Development Plan without much being impeded to citizen at large.

- The Guardian of all, King visited whole nationwide for the COVID preparedness
- Closure of international Borders till recovery of pandemic,
- Government Health Protocols Guidelines issued to the Nation
- Deployment of frontline workers: Police, Army, Dessup (Guardians of Peace forces), Volunteers
- Procurement of Medicines

- Personal Protection Equipment (PPE)
- Quarantine system for coming outside Bhutan
- Testing, Tracing & Treatment
- Nationwide Lockdown System
- Zoning the sensitive areas for affected COVID-19 areas
- Isolation & de-isolation of Hospital for COVID-19 Patient
- Meet the Media Program for the wider dissemination and
- Stocking up the adequate edible materials for the unforeseen periods of time.

Post Phase of Government response to COVID-19 pandemic

During pose phase of pandemic, Government undertook robust initiatives to rejuvenate the lost economy, employment for lost jobs, subsidies to citizens from Government Coffer and Relief funds and boosting economic through Economic Stimulus Recovery Plan. Ultimately, it had resulted positive impact to the citizens those worst hit group of sectors and citizens through various contingency relief funds. The initiatives undertaken are listed below:

- Emergency relief funds to the Tourism Industries, which were worst hit by the pandemic
- People's voluntary contribution to the Nation pandemic,
- Grant of relief to citizens from His Majesty Relief Funds to the affected citizens,
- Grant of relief from Prime Minister Relief funds,
- Grant of relief from Nation Disaster Relief funds,
- National Credit Guarantee Scheme during COVID-19 – Prime Minister Office (PMO),
- Grant of Agricultural subsidy Loans to the Famers at minimal interest rates,
- Exempt of loan repayments with interest for those availed from Financial Institutions till end of COVID-19 pandemic, starting from large scale to smallest and rural farmers
- Grant of monthly salaries to directly affected citizens,
- Economic Recovery through Economic Stimulus

Contingency Plan by Government, and

- Deporting of citizens residing in other countries and salaries were paid to make the sustenance, while in Home country.

Auditing the implementation of SDGs during pandemic

How SAI Bhutan conducts audit of SDG during COVID-19 pandemic in alleviating the poverty in rural areas?

The Global Goals also known as Sustainable Development Goals (SDGs), were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty. The 17 SDGs are **integrated** as one area will affect outcomes in others, and that development must be balance social, economic and environmental sustainability in Bhutan. The Bhutan had committed to fast-track progress for those furthest behind first to reduce the poverty from SDGs in the international arena. Achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure the SDG in Bhutan is achieved within the time frame.

One of the key messages in auditing preparedness of the SDG's is how SAIs Bhutan engage with stakeholders in auditing SDGs. The SAI Bhutan addresses mechanisms that support participatory, multi-sectoral, and multi-level problem solving, all of which are needed to achieve long-term integrated approaches. These approaches involve a wide range of stakeholders, including various levels of government. Adhering to the principle of "leaving no one behind," as enshrined in the 2030 Agenda for Sustainable Development. Audit needs to engagement with the full range of diverse stakeholders, with a particular focus on marginalized groups and individuals.

In response to norms of SDG, SAI Bhutan has provided audit teams with techniques and information on how to consider stakeholder engagement in their audits. Then put into the three audit objectives, which together comprise the adaptation of the 2030 Agenda into a national context, secure the means of implementation, and establish a mechanism on monitoring, follow up, and reporting on the progress

towards the implementation of the SDGs action plan. SAI Bhutan continuously engage the stakeholders at the National Level to implement the SDGs Goals to fulfill its mandates of reducing the poverty in the rural areas in Bhutan.

How SAI Bhutan works with Stakeholders to response the disaster and risk management in Bhutan?

Besides global Covid-19 pandemic, Bhutan is vulnerable to myriad natural disasters including earthquakes, floods, glacial lake out-burst floods (GLOF), landslides, and forest fires. Compounding exposure to natural hazards are the underlying vulnerabilities of Bhutan, including poor construction techniques, rapid urbanization and low levels of understanding in disaster management practices. Despite these challenges, the Royal Government of Bhutan (RGOB) has made substantial progress in disaster risk management (DRM). The 2013 Disaster Management Act established the National Disaster Management Authority and Disaster Management Committees in all 20 dzongkhags (Districts). With constant support from the RGoB, the World Food Programme (WFP) has been present in Bhutan since 1974 supporting a range of food security, nutrition and DRM goals. The WFP Country Strategic Plan (CSP) identifies disaster risk management as a core area of focus for 2019-2023 with the Strategic Outcome 2: Government has strengthened capability to address food security and nutrition challenges and prepare for and respond to crises.

The priority actions for Government, UN agencies and other developmental partners to respond to identified gaps in disaster management. The Roadmap has six focus areas: Disaster Awareness; Data Preparedness; Governance; Co-ordination; Resourcing; and Sector Preparedness. Under each

of these sectors, a set of actions with corresponding timeline, budget, outcome and partners are articulated. In response to six focus areas: SAI Bhutan needs to design the procedures and plan the audit methodology to address the issues, how the following areas were initiated:

- ◆ Disaster Awareness;
- ◆ Data Preparedness;
- ◆ Governance; Co-ordination;
- ◆ Resourcing; and Sector Preparedness.

SAI Bhutan continuously engage the stakeholders at the National Level to implement the disaster & risk management to fulfill its mandates of reducing the poverty in the rural areas in Bhutan by auditing and reporting through providing the constructive recommendations.

Conclusion:

In conclusion, at the time of pandemic, SAI Bhutan conducted annual routine audit as scheduled, was not swapped and dropped in dreadful presence of pandemic. In addition, SAI Bhutan is in process of reviewing the consequences of COVID-19 pandemic and remedial responses action initiated by the Government. The cross sectorial review of the relief funds granted to the affected sector of entities and funds reached to the recipients were undertaken seriously for review. The review is no exception to grant of loan exemption and waiver of the interest until the recovery of the pandemic and implementation of the Economy Stimulus Plan of the Government.

Bhutan has been working not to lose single life to the pandemic. The government has allocated both financial and human resource to contain the global enemy. Ever since the world was hit by Coronavirus, Bhutan country has been fighting the pandemic, which is the united effort of the people of Bhutan showing exemplary to the world.

SUSTAINABLE POVERTY REDUCTION AND THE ROLE OF THE STATE AUDIT OFFICE OF VIETNAM

SAI Vietnam

.....

About the Author

Ngoc Nguyen

Deputy Head of Division, International Cooperation Department

In charge of cooperating with multilateral donors

.....

Introduction

Poverty remains one of the biggest challenges in the world, affecting lives of people and communities globally. Recognizing the importance and substantial impact of poverty on people’s lives, governments have made constant efforts to develop and implement large-scale, national target programs and projects to help alleviate poverty. Supreme Audit Institutions (SAIs) in general and the State Audit Office of Viet Nam in particular, in capacity as the oversight body of public finance, play a vital role in safeguarding the transparency, efficiency and effectiveness of aforementioned programs and projects. The following article aims to provide an overall picture of new development of the sustainable poverty alleviation in the world as well as in Vietnam and on the role of the SAV in and its contributions to the national course of poverty reduction through its audit activities.

The poverty situation in the world and the role of the Supreme Audit Institutions (SAIs)

The endeavor to reverse the trend of increasing poverty has been identified by the United Nations (UN)

as the first among the 17 Sustainable Development Goals of its 2030 Agenda for Sustainable Development - Ending poverty in all its forms. Units of this planet’s biggest multilateral organization, every year, provide essential support to hundreds of millions of the poor and hunger over the world. According to the UN’s recent statistic, there are about 767 million of people living under the international poverty line – less than 1.9 USD/day and the number of people are suffering food shortages continues to rise, with more than 820 million in 2018. In Africa, the poorest continent in the world, the number of poor people makes up more than a quarter of the world’s poor. The cause of the increasing poverty, in addition to natural disasters, conflicts and lack of international funding, the weak efficiency in human actions and the policies of governments have made the fight against poverty even harder.

ISSAI 12 “Value and benefits of the Supreme Audit Institutions” affirms the role of SAI in making a difference to the lives of people. Through its audit profession of Governments and public sectors, including the audit of implementation of the State’s programs and projects, SAIs promote the efficiency, effectiveness, transparency and accountability of the public management system.

This was reaffirmed in the Moscow Declaration adopted at the 23rd INTOSAI Congress held in September 2019 in the Russian Federation. Accordingly, the Declaration lay emphasis on SAIs willing to contribute to making a difference to people’s lives through 10 principles, focusing on the achievement of national goals, including those linked to the Sustainable Development Goals (SDGs). SAIs in the world, bearing that in mind, has been conducting

audits of the large-scale complex poverty reduction programs. To name a few, there was SAI of Costa Rica conducted the audit of “Bridge to development” Program, a national strategy designed to care for families in extreme poverty. Its goal is to help up to 54,600 families living below the Costa Rican poverty line by 2018 or back to 2007 there were two audits by SAIs of South Africa and India over their respective poverty reductions. SAI Latvia has recently revealed its audit result of the national “inclusive policy” which assessed the extent to which the medium and long-term poverty reduction objectives have been achieved. Last, but not the least, the cooperative audit by 10 SAIs of Latin America on the same topic become one of the most noticeable audits.

Achievement of sustainable poverty reduction in Vietnam and the role of the SAV

Joining with the global efforts, the Party and State of Viet Nam have turned the poverty reduction course into a major policy aimed at improving the quality of

life for the poor, creating a strong and comprehensive transformation in the poverty reduction; contributing to narrowing the gap in living standards between urban and rural areas, between regions, ethnic and other population groups. Indeed, such endeavors have witnessed remarkable achievements. According to a report of the World Bank, Viet Nam has announced its completion of the Millennium Development Goal on poverty eradication in 2015, with 10 years ahead the schedule. The National Office for Poverty Reduction (under the Ministry of Labor, Invalids and Social Affairs) said that by the end of 2018, the average rate of poor households in nationwide decreased to about 5.35%. Notably, on November 19, 2015, the Prime Minister has issued multidimensional poverty lines applicable for the period 2016-2020 and merged all poverty reduction programs into one called “National Target Program for Sustainable Poverty Reduction for 2016-2020” which includes 5 component projects:

- (i) Program 30a (rapid and sustainable poverty reduction for poor districts);



- (ii) Program 135 (Program on socio-economic development of extremely difficult communes in ethnic minority and mountainous areas);
- (iii) Support for production development, livelihood diversification and poverty reduction model replication in communes excluded in Program 30a and Program 135;
- (iv) Communication regarding poverty reduction; and
- (v) Capacity building and monitoring and evaluation of the Program implementation.

As an effective public financial monitoring tool of the Party and State, a proactive member of international and regional auditing organizations such as the Supreme Organization of International Auditing Bodies (INTOSAI); especially as the Chair of Asian Organization of Supreme Audit Institutions (ASOSAI) for 2018-2021; in a move toward greater international integration, the SAV has committed itself to conducting financial audits of the National Target Program on Sustainable Poverty Reduction, setting it as top priority in the annual audit plans, aiming to contribute to the achievement of the country's macroeconomic development and social security goals, especially the sustainable poverty reduction, and ultimately the realization of the Moscow Declaration.

Through the audit results of 49 beneficiary provinces and cities of the Program 2016-2020 which was implemented in 2019, the SAV has detected in-depth audit findings supported by worthy evidences, then provided sufficient reliable information to the National Assembly and the Government; properly recommended management solutions to improve the effectiveness and efficiency of the Program.

Thanks to the audits, the SAV has also assessed the implementation of the major guidelines and policies of the State on management and implementation of poverty reduction programs in beneficiaries; thereby promptly detecting inadequacies and gaps in the management mechanism. This really contributes to ensuring a transparent legal environment for sustainable development, creating opportunities for people to have equal opportunities to access common resources.

Specifically, the SAV found that the beneficiary localities have basically implemented a large part of the Program; most localities have met or exceeded the target on poverty reduction, infrastructure investment, and capacity enhancement of communal officials. A number of limitations that reduced the effectiveness of the Program, however, were found. The SAV revealed that 28/49 audited provinces and cities have not completed its capital disbursement plans, resulting in the SAV recommendation to recover 165 billion VND to the central budget; many localities have not allocated enough counterpart fund from local budget source for the Program; many have not arranged to repay the advance capital for the works which are not under the Program, to name a few, Quang Ngai province not yet assigned enough 99.9 billion VND to pay for the advance capital and that of Gia Lai province was 26 billion VND. Many localities have approved the adjustment to increase the total investment beyond their authority, appointed contractors for a number of bidding packages not in accordance with applicable regulations.

Audit results also showed that, although the communication has obtained remarkable results, it has not really reached to the poor households; Professional qualifications of officials in charge of poverty reduction in communes were limited; The reporting, inspection and controls have not been implemented in accordance to the applicable regulations, making it difficult to synthesize relevant information and grasp the overall situation of the Program implementation.

Challenges ahead

In Vietnam, although the government has been conducting the right, timely and deliberate policies and large-scale programs and projects to fight poverty, there are still many difficulties and challenges, hindering the achievement of the goals of sustainable poverty reduction program. Some can be named as the poor localities are often located in remote, mountainous areas with difficult natural conditions, and ethnic minorities are living scattered in different areas with low educational level.

The outbreak and increasingly complicated

developments of the COVID-19 pandemic have manifested negative impacts to the effectiveness and efficiency of these programs and policies, reversing the trend of poverty reduction not just only that of Vietnam. It also fundamentally changes the working practices, methods of agencies, organizations and individuals around the world, with the most obvious examples that SAIs around the world have recently required the employees to work from home, increased the application of information technology to professional activities, all meetings and live events are transferred into virtual form.

These challenges require the SAV to further study and seek for new directions in the implementation of the audit tasks in general and audits of the National Target Program on Sustainable Poverty Reduction in particular. On one hand, the SAV needs to equip itself with advanced information technology infrastructure system for professional activities and for organizing important events at both Ministerial and technical level; strengthening the staff's capacity to apply information technologies in auditing activities; quickly adjust working methods into a more flexible, high-tech-based ones; on the other hand, build a strategy to promptly respond to future pandemics; promote

to conduct more performance audits of the Program to assess the effectiveness, efficiency and economy of the Poverty Reduction efforts to ensure the right people enjoy the right benefits while keep working on studying and knowledge sharing with other SAIs in the world in this regard.

It can be said that the fight against poverty has witnessed enormous achievements and encouraging results, to which there was a significant contribution of the SAV. Due to the impact of objective and subjective factors, notably natural disasters, epidemics, conflicts, unpredictable wars, lack of resources to support, however, this course is anticipated to last long and extremely complicated. In order to be successful, care, consensus and support from both the political system and the people is a must, according to the Prime Minister's call: "The whole country joins hands for the poor- Let no one being left behind". With the close direction of the Party and State leaders, in harmonization with the strong solidarity of the people nationwide, Viet Nam is strongly believed to stand firm to overcome the difficulties and challenges ahead and successfully implement its sustainable poverty reduction programs.

THEME-2

Sub Theme-1

Sustainable Development Goals

AUDITING THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS IN BANGLADESH

SAI Bangladesh

.....

About the Author

Bikash Chandra Mitra
Director General, Directorate of Local Government and Rural Development Audit

He holds a Bachelor degree in Science with Honours and Master of Science in Statistics from the University of Dhaka, Bangladesh, Master of Science (MSc) in Economics with distinction from the University of Surrey, UK. A Post Graduate Diploma in Information Technology from the University of Dhaka.

He was mostly engaged in performing audit activities and has vast auditing experience in all three types of audit especially in performance audit.

Besides, as an IDI-ASOSAI certified Adult Training Specialist, he rendered a considerable part of his service in capacity building of the officials of the department and also the officials across the government.

He has attended many professional training courses at home and abroad which are designed for public sector auditing.

.....

The Sustainable Development Goals (SDGs) call for global action to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. It binds all countries across the globe to formulate and implement appropriate policies, strategies, and plans to achieve the goals and targets agreed in the SDGs. The Government of Bangladesh has developed policies, strategies, and plans to achieve this overarching agenda by meeting the challenges of economic, social and environmental sustainability of the economy. Mandated by the constitution, the Office of the Comptroller and Auditor General (OCAG) of Bangladesh, the Supreme Audit Institution (SAI) of the country is empowered to and thus conducted, for the first time, an audit of SDGs implementation titled "Performance Audit of Preparedness for Implementation of SDGs in Bangladesh" in 2018-19 with technical assistance from INTOSAI Development Initiative (IDI).

Objectives of the audit

The overall objective of the audit engagement was to assess the preparedness of the government, as a whole, for implementation of the goals and targets set out in the SDGs. The sub-objectives of the audit was to determine how far the government has adapted the 2030 Agenda into the national context; whether the government identified and secured resources and capacities needed to implement the Agenda; and whether the government established a mechanism to monitor, follow-up, review and report the progress towards the implementation of the Agenda.

Scope of the audit

In order to assess government's preparedness to implement the Agenda, the audit mainly concentrated to focus on the actions put in place across the country by the government since September 2015. However, the audit did not analyze the status of SDGs implementation in the country and limited its horizon of scrutiny for the time period from September 2015 to December 2017. The audit reviewed the policies, strategies, and plans developed by the government; conducted interview of the relevant stakeholders; reviewed the reports and research papers of knowledge groups and others.

1. Bangladesh's preparedness at a glance

Bangladesh as an early starter in the SDGs implementation pathway, has taken initiatives to integrate SDGs in its 7th national plan called Five Year Plan (FYP) and has done an exercise of mapping of key lead/co-lead and associate ministries/divisions with specific responsibilities for implementation of 169 targets of SDGs. A data gap analysis for monitoring SDGs has also been conducted. Bangladesh has completed a study on "SDGs Needs Assessment and Financial Strategy" for the country to estimate the resources needed for achieving the Agenda by 2030. Bangladesh has introduced Annual Performance Agreement (APA), a result based performance contract, between the Secretaries of the ministries/divisions and the Cabinet Secretary under direct supervision of Prime Minister's Office. The government has integrated the SDGs targets into APA so that the long term objectives can be translated into annual work plan of the ministries/divisions.

The government is in the process of finalizing a Monitoring and Evaluation Framework for SDGs implementation. A 20 member follow up and monitoring committee is formed to take over the monitoring activities with the Cabinet secretary in chair. The SDG Tracker has been developed, under the direct engagement of Prime Minister's Office, to create a data repository for monitoring the implementation of the SDGs and other national development goals.

2. Major findings

2.1. Integration of the 2030 Agenda into the national context

While adopting the 2030 agenda in 2015, member states have committed to achieve sustainable development goals in a balanced and integrated manner. To implement this commitment, Bangladesh government has integrated Sustainable Development Plan into its 7th Five Year Plan (FYP) for the period FY2016-FY2020. According to the review of 7th FYP, out of 169 targets, 56 are aligned with 7th FYP while 37 are partially aligned and 65 could not be aligned. In terms of indicators, out of 232 performance indicators, 41 are fully aligned, 27 are partially aligned and 138 are not directly aligned. Meanwhile, due to lack of proper monitoring and review of the institutional arrangement, government's focus has been switched to roll out the implementation rather than complete integration of the SDGs into national strategies and plans.

To establish the linkage between sustainable development and other relevant ongoing processes in the economic, social and environmental fields, the government has to decide how global targets should be incorporated into national planning processes, policies and strategies. In the field of budgeting process, the government has integrated some issues of SDGs like poverty, gender, and climate change. In addition, methodology have been developed and integrated in the budgeting process to identify government's climate allocation and expenditures. However, the SDGs are not fully integrated in the current budgeting process of the government.

2.2. Resources and capacities for implementing the 2030 Agenda

In order to strengthening the framework to finance sustainable development, the government has prepared the SDGs Financing Strategy: Bangladesh Perspective in 2017 which identifies that additional amount of 928 billion USD is required over the whole period for financing SDGs. However, review of the

national budgetary framework revealed that no plan has been prepared by the government to mobilize that huge resource requirement.

In the SDGs Financing Strategy government has estimated the resource requirement from the macro perspective which did not consider the disaster risks that may arise from climate change. Government did not estimate or projected the loss and damage that may cause from potential climatic shocks. Government did not prepare any plan or undertake any policy to manage the possible downward economic growth rate due to natural disaster.

2.3. *Monitoring, follow-up and review*

A high level monitoring committee was formed to track the progress of the SDGs implementation. The committee is supposed to prepare progress report in each six months. But there is no evidence of preparing such reports. The web-based monitoring system called "SDG trackers" is still in piloting stage.

The government conducted a comprehensive study of data gap analysis for SDGs monitoring in Bangladesh. The study report titled "Data Gap Analysis for Sustainable Development Goals: Bangladesh Perspective" revealed that Bangladesh is facing a data gap for monitoring the SDGs as data of less than one-third of the indicators are readily available while two-third are either partially available or not available at all. Out of total 241 indicators to monitor against 169 targets, data of only 77 indicators are in hand while data on the remaining 108 indicators are partially

available, whereas data related to 63 indicators are not at all ready to use.

3. **Challenges**

The main challenge of the audit was to determine a manageable audit scope since the subject matter was so wide and diverse in nature. While the subject matter involves all the ministries, divisions, departments and agencies of the government, it covers many cross-cutting issues. In addition, SDGs implementation is closely linked with the performance of the private sector entities as well. The SDGs are based on the principle of whole of the society approach whereas the audit was conducted following whole of the government approach due to audit mandate. Since it was the first time the OCAG Bangladesh undertook this audit, there were limitations of knowledge and experience to handle such a vast area.

4. **Way forward**

Considering the spread and diversity of the issue, the best way of auditing the implementation of SDGs should be narrowing down its scope to a manageable limit. It would be a feasible option to conduct separate audits on individual SDG goals instead of taking all the SDG goals in a single audit. In tandem, capacity of auditors should be enhanced through training, workshop, and expert consultation.

AUDITING THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS

SAI Bhutan

.....

About the Author

Narapati Sharma

Assistant Auditor General

Office of the Assistant Auditor General

Regional Office, Samdrupjongkhar

Phone: 00975 17638289

SAI Bhutan

.....

While auditing the implementation of SDG in relation to the COVID 19 pandemic, the SAI should look into the relevant Sustainable Development Goals where "Poverty Alleviation" is the most important ones and critical at the hour of crisis. The SAI should ascertain the activities conducted to address existing Poverty and activities for addressing future poverty.

1. Addressing poverty related issues in the current situation (During Pandemic):

The government is faced with a challenge of addressing the poverty issue during the time of emergency i.e. when the COVID 19 pandemic has pervaded the whole human kind. The lock down have been imposed to control the spread of virus and the movement of the people restricted, the economic activities are put on halt and the livelihood of the people affected very badly. Due to that the survival of certain sections of the society particularly those below the poverty line have been at stake.

So the government and institutions responsible for addressing poverty issue should be at all-time alert and has a bigger responsibility to address the

shortage of essential supplies so that there is no death due to hunger in the first place and the no death due to pandemic.

During such time the government has to save the life of the people with focus to the people below the poverty line. They should be provided with an awareness that clear their doubts about existence and the government's readiness to provide complete support in terms of food safety and health coverage.

The identification of the designated service providers and the logistic arrangement to address the issues of the people below the poverty line should be put in place by the government so that the service is rendered unhindered during the pandemic.

2. Poverty Alleviation measures for future i.e. after pandemic or if pandemic situation persists

As the SDG goal of Poverty Alleviation is the most important one for the country, the government has included this goal in the Policies, programs and projects of the country to address the poverty issue and to come up with focused programs for revenue generation to address long term poverty alleviation.

The government needs to establish designated projects to look into the following:

- i. Direct support to the rural public through provision of inputs for agriculture activities which provides direct support for production which is a short term help;
- ii. Promotional Activities in Dairy farming, piggery, poultry farming in smaller scale and ranging for the market for sale when ready;
- iii. Providing facilities for cash crop promotion which can address the revenue generation activities for the rural public;
- iv. Providing public with entrepreneurship

development program, which supports the public to take up economic activities at micro scale in the local area besides creating an avenue for generation of employment.

Such programs should be in place to engage people in rural areas for enhancing the revenue earning capacity of the farmers.

To do the above, the government has to have sustainable programs while complying with the health protocol to safeguard the public from spread of virus. The government also needs to make huge investment to pursue the poverty alleviation program.

The SAI as a public institution to look after the auditing and reporting function of the Government

is mandated to audit the expenditure details of such programs and projects investing money in the Poverty Alleviation areas. The SAI should independently review the poverty alleviation programs and confirm that the benefits of the expenditure incurred reaches the rural public and the objectives of poverty alleviation are met and report appropriately to the Government.

The SAI as required in its ACT should without fear or favor bring up genuine issues in the knowledge of the government and the government should address the shortcomings.

Thus the SAI justifies its role in the areas of Poverty Alleviation measures taken by the Government in line with the important SDG goal.

LESSONS LEARNED FROM SUSTAINABLE DEVELOPMENT PERSPECTIVE ON PERFORMANCE AUDIT OF MARINE MANAGEMENT IN INDONESIA

SAI Indonesia

.....

About the Author

Iwan Purwanto Sudjali

Researcher in Research and Development Directorate at the Audit Board of the Republic of Indonesia (BPK)

He holds a PhD in accounting from Queensland University of Technology and is a reviewer of Taken Journal, a journal on the management and accountability of state finance published by BPK

Nico Andrianto

Head of Performance Audit Section I in Research and Development Directorate at BPK, as well as the Managing Editor of Taken Journal

He completed his master's degree in public policy from Crawford School of Public Policy, Australian National University, majoring in policy and governance. He is currently pursuing his doctorate in School of Public Administration, National Agency for State Administration (STIA LAN), Jakarta.

Solichah Ratnasari

Auditor and Researcher at Research and Development Directorate, BPK.

She completed her master's degree in Universitas Indonesia, majoring in national resilience study. She is currently involved in several SDGs-themed programs.

.....

Abstract

The objective of this study is to investigate the impact of sustainable development perspective on the audit approach of the Audit Board of the Republic of Indonesia (BPK). This study employs stakeholders and institutional theories to explain the impact of the consideration of sustainable perspective on BPK's audit approach and audit conclusion, using qualitative content analysis. The sample consists of performance audit reports conducted using sustainable development perspective and performance audit conducted with economic perspective without sustainability perspective. Both audit reports are related to marine resources. The analysis shows that sustainable development perspective influences the audit approach and audit conclusion. Audit findings at the performance audit that use sustainability perspective are more comprehensive than audit findings that only use economic perspectives. Audit conclusion at performance audit with focus on economic benefit

is more favorable to business owners than to marine sustainability. In contrast, the audit conclusion with sustainability perspective is more favorable to marine sustainability than to business owners.

Keywords: sustainable development; institutional theory; stakeholder's theory; performance audit.

Introduction

The concept of sustainable development is not novel for BPK since it already conducts several environmental audits. However, sustainable development issues are not always considered at every BPK's audits. Performance Audit Report on the Effectiveness Marine Development to Support Sustainable Development is considered as one of the performance audit that employs sustainable development perspective, with the objective to assess the effectiveness of marine development conducted by East Nusa Tenggara Provincial Government to support sustainable development goals (SDGs). The scope of this audit includes the institutional arrangement and management of marine ecosystem, marine conservation, and public services to support public welfare.

As the world's largest archipelagic country, the fisheries sector has an important contribution

to employment in Indonesia. It has been estimated that wild capture fisheries employs approximately 2.7 million workers and majority are small-scale fishers. Unfortunately, Indonesian fisheries sector is threatened by unsustainable extraction of marine resources (overfishing, illegal, unreported and unregulated (IUU) fishing and destructive fishing practices), coastal development and destruction of marine habitat, climate change, and pollution (California Environmental Associates, 2018).

There is an argument that the existing fishing practices in Indonesia is unsustainable and tend to 'get rich quickly' from the sea without considering sustainability. Many fishers use unsustainable fishing equipment such as trawls and seine nets. It is estimated that the number of trawls is more than 14,357 units in 2017 and this figure increases continuously (finance.detik.com, 2017). Trawls and seine nets catch small fish before they reproduce and destroy coral reefs and the seabed ecosystem. If fishers use unsustainable fishing practices continuously, the stock of fish will be depleted and the future generations may not get benefit from marine resources.

There are two objectives for this study. Firstly, to investigate the impact on performance audit when auditors consider environmental and sustainability



Sea profile of East Nusa Tenggara Province (source: Performance Audit Team)

issues by interviewing senior auditors involved in these performance audits. Secondly, this study also tries to investigate the factors that influence auditors to consider environmental and sustainability issues in performance audit. The first objective will be conducted by comparing two of BPK's performance audit reports related with marine resources management that use different audit perspectives. The first performance audit only uses economic approach while the second performance audits also consider environmental issues and sustainability perspective. Finally, the second objective will be done by interviewing and checking the background of the auditors conducting the performance audit.

Considering that BPK carries out an audit of SDGs preparedness since 2019 and will continue with the audit of SDGs implementation in 2021, this paper does not intend to describe the strategy for examining SDGs nationally. However, this paper is more of a lesson learned from the audit using the perspective of SDGs carried out in one of the provincial governments in Indonesia compared with another performance audit of non-SDGs perspective in national government level. This is done by paying attention to the principles of the whole of government, multi-stakeholders approach, leave no one behind, adjusted to the INTOSAI KSC and UN (2018) guidance for SAI on Auditing Preparedness for Implementation of Sustainable Development Goals. In this sense, SDGs implementation audit is an audit of a series of policies that contribute to the achievement of nationally agreed targets related to one or more SDGs targets.

Theoretical Framework

Institutional Theory

This study uses an institutional theory to explain the change of audit approach in BPK. It is possible that mimetic and normative isomorphism may occur and change the selection of audit approaches and audit themes by BPK. As a member of INTOSAI, BPK actively communicates with others member of INTOSAI and this communication spreads best practices on audit approaches and audit topics among the members of INTOSAI.

Stakeholders Theory

A number of authors argue that stakeholders analysis is important in program planning, problem solving, decision-making, and policy analysis (Bryson, Patton, & Bowman, 2011). Stakeholders' analysis is needed to investigate the attitude of stakeholders to a program or policy. The attitude of stakeholders (resistant, supportive, or neutral) usually depends on the impacts of a policy or a program to them and to society.

The Stanford Research Institute (1963) defined stakeholders as all parties that can influence the sustainability of an organization (Wang, Liu, & Mingers, 2015). Stakeholders can also be defined as all parties that can affect the sustainability of an organization and those that are affected by the activities, behaviors, and policy of an organization (Freeman, 1984; Freeman & Reed, 1983). This definition is more inclusive than the definition of stakeholders proposed by the Stanford Research Institute (1963). Based on the inclusive definition of stakeholders, an organization should consider the impacts of its actions to every constituent without considering the ability of a constituent to influence the survival of an organization (Bryson, 2004; Dhanani & Connolly, 2012).

An organization has various and diverse stakeholders such as resource providers, employees, regulators, beneficiaries or consumers, communities, future generations, and non-human life (Starik, 1995). Nature and non-human life cannot voice their interests, therefore intermediaries is needed (Hörisch et al., 2014); thus NGOs, academics, and civil society usually act on behalf of nature and non-human life.

For analyzing the impacts of government policies, we need to broaden the definition of stakeholders in every audited subject matter. There are two issues related to the impact of government policies and the interest of stakeholders. First, government programs or policies usually affect a broad range of stakeholders and the impacts are not always positive for every stakeholder. A few stakeholders may be aggrieved by a policy issued by government. Secondly, every stakeholder has different expectation and interest

and may conflict and cannot be reconciled (Chen & Roberts, 2010).

There are many marine stakeholders and these stakeholders have different interests. The interests of stakeholders can be divided into two main categories, namely those who prioritize on short-term economic welfare and those who prioritize on long-term welfare and sustainability. The role of government is to balance between the short-term economic benefit and long-term economic benefit.

Research Methods

This study employs content analysis of document and semi-structured interview data. Two audit reports focused on marine resources management are analyzed. The first audit report is Performance Audit Report on Fishing Boat and Fishing Equipment License published on 10 January 2018 (Audit Report 1) while the second audit report is Performance Audit Report on the Effectiveness of Marine Development to Support Sustainable Development published on 12 February 2019 (Audit Report 2). Interviews are

conducted with staff and senior management of BPK involved in both audits. Interviewees are selected on the basis of seniority, experience and knowledge.

Content analysis is a general term for several research methodologies that use coding to systematically classify, analyze, and interpret qualitative data such as verbal, visual, or written document in order to make an inference about a scientific phenomenon (Downe-Wamboldt, 2009) follows Weber Protocol (Weber, 1990) for content analysis, including coding performance audit reports systematically into several themes such as short-term economic focus, long-term economic focus, marine sustainability focus, or neutral (does not or have limited impact on economic welfare and marine sustainability). Moreover, it also compares themes from performance audit reports without SDGs perspectives and performance audit reports with SDGs perspectives to analyze the impact of SDGs perspective on audit approaches and audit findings. To achieve text interpretation consistency and themes count accuracy, coding is conducted by two persons. The coding results are then compared and



Sea conservation area (source: Performance Audit Team)

any discrepancies are discussed to reach “negotiated agreement” (Campbell, Quincy, Osseman, & Pedersen, 2013). The modification of predetermined code template and results is not required because consensus between coders is achieved.

Results and Discussion

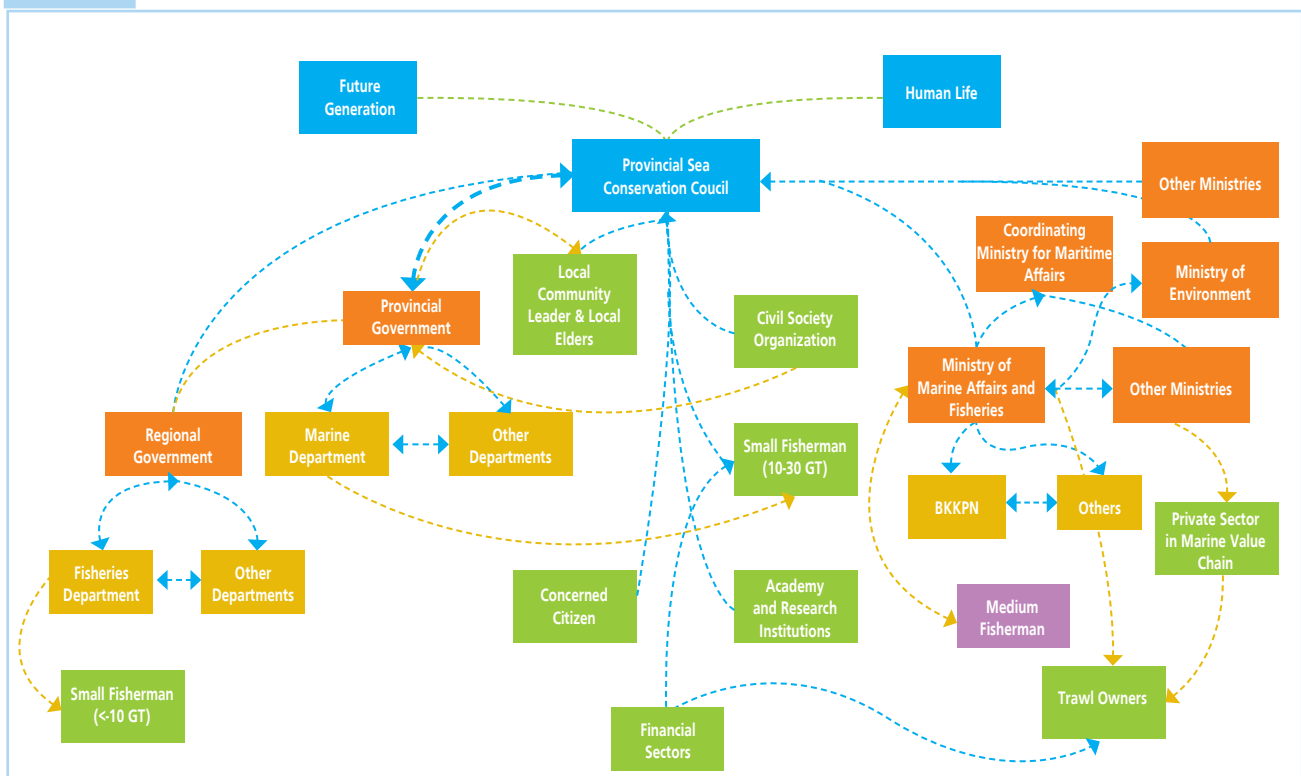
On 8 January 2015, the Ministry of Maritime Affairs and Fisheries issued Ministerial Regulation No. 2/2015 banning all types of fishing trawls and seine nets (Jakarta Post, 2017). Because many Indonesian fishers use trawls and seine nets, this new regulation aggrieves local fishers and local fishing industries (The Epoch Times, 2015). On the other hand, small fishers support this regulation because trawls and seine nets reduce fish stock and make them difficult to catch fish (maritimnews.id, 2017). Therefore, this regulation has been the subject of debate and controversy.

Figure 1 provides the possible stakeholders of marine resources.

Based on interviews with auditors conducting performance audit on the effectiveness of marine development to support sustainable development, the stakeholders of marine resources and their interests related with short-term economic benefit and sustainability are identified.

Summarizing the possible stakeholders of marine resources and their power, interests, and inclination towards sustainable marine resources management, various stakeholders of marine resources can be classified into policy maker, implementer, beneficiary, and accelerator. Policy makers consist of Coordinating Ministry for Maritime Affairs, Ministry of Maritime Affairs and Fisheries, Provincial Government, and Local Government. There are also stakeholders that can accelerate the implementation such as non-governmental organisations, academics and research institutions, coastal community leaders, local elders, and local people having interests in marine resources. Several academics and research institutes did not

Figure 1



support the prohibition of trawls and seine nets (Marwati, 2018). Business owners have great interests on government policy. Their individual power is low but if they act as a union, their power will increase.

Audit Report 1: Performance Audit on Fishing Boat and Fishing Equipment License

The objective of the Performance Audit on Fishing Boat and Fishing Equipment License is to assess the effectiveness of fishing boat and fishing equipment license regulation. The auditors conclude that the prohibition of trawls and seine nets is not effective since this policy is not supported by a good governance arrangement and this policy has negative impact on local economy, especially trawls owners and related industries.

The findings of this audit can be classified into governance and economic aspects.

- The first classification of findings is related to governance. The auditors find that governance aspect is not adequate. For example, several government regulations controlling fishing equipment are not adequately prepared, government does not have adequate resources to enforce the regulation, and database of small fishers us trawls are not adequate.
- The second classification of findings is related to the economic impact of trawls and seine nets banning. The auditors state that trawls and seine nets banning aggrieves local fishers and estimate that potential loss experienced by fishers is around Rp37.78 billion (USD 2.5 million) in West Java Province and Rp28.88 billion (USD 1.9 million) in Central Java Province. The auditors also highlight that government's programs to replace trawls and seine nets banning with sustainable fishing equipment are not effective. Thus, the auditors consider that trawls and seine nets banning is not favourable to fishers and local economy.

To support audit findings and audit conclusion, the auditors conduct several interviews with several marine stakeholders such as trawls and seine nets

owners and local industries. However, most of these respondents oppose the prohibition of trawls and seine nets.

These findings indicate that the auditors only use short-term economic benefit perspectives on the audit of the prohibition of unsustainable fishing equipment. As a consequence of using economic benefit perspective, the auditors do not consider a broad range of stakeholders in their analysis and only focus on the impact of government policy on trawls owners and related local fishing industry. Auditors also do not report on the impacts of trawls and seine nets prohibition on marine ecosystem and small fishers who may benefit from this policy.

Audit Report 2: Performance Audit Report on the Effectiveness of Marine Development to Support Sustainable Development

The objective of this audit is to assess the effectiveness of East Nusa Tenggara (NTT) Provincial Government's effort to support the sustainability of marine development. The auditors conclude that the effort of NTT provincial government to support the sustainability of marine development is not effective. This conclusion is taken based on several audit findings. These audit findings can be classified into governance, environment, economic, and stakeholders' involvement.

- The first classification of audit finding relates to the governance of marine resources. The audit team finds that the governance of marine resources does not support environmental sustainability. For example, there is lack of commitment from provincial government leaders to support sustainable development in marine sectors and provincial development plan does not support sustainable development.
- The second audit finding relates directly to environmental matters. The audit team reports that provincial government is not adequately protecting marine resources and rehabilitating damaged marine ecosystem.
- The third classification relates to economic

development. The audit team finds that provincial government does not support the economic development of local fishers and coastal communities. For example, provincial government does not provide technology and financing to help local fishers.

- Lastly, provincial government does not involve all stakeholders in the management of marine resources. For example, the provincial government does not educate local people residing in coastal areas to participate in marine and coastal conservation.

To support audit findings and audit conclusion, the auditors conduct interviews with a broad range of marine stakeholders. These stakeholders include provincial and local government officials, local fishers, academics, non-governmental organizations, local elders and community leaders. Therefore, the voices of those in support of short-term economic benefits and those in support of sustainability are heard.

These findings indicate that auditors who use sustainable development as audit perspective will consider a broader range of stakeholders in their audit.

These auditors consider not only short-term economic interests, but also long-term economic interests and sustainability.

When asked why the auditors consider environmental issues and sustainability perspective in their audit, the auditor in charge for Audit Report 2 explains that marine management are environmentally risky and marine resources can produce economic benefits for local people. The auditor in charge acknowledges that employing environmental issues on marine management audit can be very complex. Therefore, he creates an audit team which consists of individuals having the experience in conducting environmental audit under INTOSAI Working Group on Environmental Auditing (WGEA) projects. The auditor in charge states that the idea of using environmental matters in performance audit originated from his knowledge gained from WGEA training and his experience in environmental audit project conducted by WGEA. This statement indicates the existence of normative and mimetic influence on the application of environmental audit and sustainability perspective on audit.



Performance Audit Team of the Effectiveness of Marine Development to Support Sustainable Development in East Nusa Tenggara Province. (source: Performance Audit Team)

Conclusion:

The current study is sought to investigate the impact of environmental and sustainability assessment in performance audit on audit conclusion and audit findings. The analysis of audit findings indicates that performance audit which does not consider environmental impact of government policy tends to focus on the governance of government policy and on the impact of government policy on short-term economic benefits. On the contrary, the findings of performance audit that consider environmental matters and sustainability are more comprehensive because they also consider governance, short-term and long-term economic benefits, as well as sustainability. This finding supports the argument proposed by the Auditor General of Canada that adapting a sustainable development approach should involve a wider perspective in order for the results of performance audits to not be considered impractical and one-sided (Auditor General of Canada, 2014).

The interview findings confirm that the adoption of environmental and sustainability perspective on BPK's performance audit is influenced by mimetic and normative pressure. The interview evidence indicates that BPK's audit approach using environmental perspective on performance audit is influenced by and follows what had been done by INTOSAI WGEA. BPK is a former Chair and an active member of INTOSAI WGEA. Therefore, the practices of environmental audits at WGEA influence the consideration of environmental issues on BPK's performance audits.

The finding of this study also has implications for audit practice. Performance audit that considers a wide range of stakeholders and environmental matters is more comprehensive than performance audit that only considers the salient stakeholders and does not consider environmental and sustainability matters. It should be noted that this study is only based on the analysis of two performance audit reports and interviews with the auditors involved in these two audit projects. Therefore, generalizing the findings of this study to other setting should be done cautiously. Future research may be conducted to examine the impact of consideration of environmental matters on financial audits and compliance audits.

THE ROLE OF SAI ON FOLLOW UP AND REVIEW OF SDGS IMPLEMENTATION THROUGH PERFORMANCE AUDIT

SAI Indonesia

.....

About the Author

Tjokorda Gde Budi Kusuma
Senior Auditor at the Audit Board of the Republic of Indonesia (BPK)

He completed his bachelor degree at Bandung Institute of Technology in 2003, and master's degree in International and Development Economics at Australian National University in 2012. He is also a Certified Sustainability Reporting Specialist from the National Center for Sustainability Reporting.

Email: Tjokorda.Kusuma@bpk.go.id;

Muhammad Rizkarmen
Auditor at BPK's Representative Office in West Java Province

He completed both his bachelor and master's degrees at Bandung Institute of Technology. He has various working experiences in the area of engineering, finance, and procurement. He is also a Certified Fraud Examiner from the Association of Certified Fraud Examiners and a national procurement expert from the National Public Procurement Agency of Indonesia.

Email: Muhammad.Rizkarmen@bpk.go.id

.....

Purpose: Knowledge sharing to the INTOSAI community for SDGs audit implementation.

Design/Methodology/Approach: This article uses data, regulations, and audit reports related to the roles of the Audit Board of the Republic of Indonesia (BPK) in auditing SDGs implementation.

Findings: This article shows positive efforts and achievements conducted by the Government of Indonesia on the implementation of SDGs with rooms for improvement.

Practical Implication: This article explores the significant factor that causes the inequality gap of education and other factors related to the SDGs implementation in Indonesia.

Originality/Values: This article provides a sample case, an approach, and analysis related to audit of SDGs implementation. This article may also contribute as a model for the existing audit as well as a comparison and improvement of the IDI's SDGs Audit Model (ISAM) concept.

Keywords: SDGs, Audit Board of the Republic of Indonesia, SDGs implementation

Introduction

INTOSAI Strategic Plan for period 2017-2022 consists of five strategic priorities and includes SDGs as a cross-cutting priority [1]. SDGs are included as cross-cutting priority 2: Contributing to the follow-up

and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' mandates. INTOSAI's strategic plan acts as a road map for its members to support the implementation, follow-up, and review of the SDGs through four approaches [2]:

1. Assessing the preparedness of national governments to implement, monitor, and report on the progress of SDGs;
2. Undertaking performance audits that examine the economy, efficiency, and effectiveness of key government programs that contribute to specific aspects of SDGs;
3. Assessing and supporting, as appropriate, the implementation of SDG 16 and SDG 17; and
4. Being models of transparency and accountability in their operations, including auditing and reporting.

In 2017, the Audit Board of the Republic of Indonesia (BPK) conducted a performance audit on the preparedness for SDGs implementation aimed to assess the effectiveness of efforts made by the Government of Indonesia (GoI) in adopting SDGs into the national context, sustaining and securing the resources and capacities needed, and establishing a mechanism to monitor, follow up, review, and report on the progress towards implementation of the 2030 Agenda. The result of the audit shows that GoI has demonstrated the ability to adopt SDGs in its national planning and its efforts in preparing for SDGs implementation are adequately effective with some rooms for improvement. The related concise information can be accessed in a discussion paper: Environmental Audit and the Sustainable Development Goals [3].

The performance audit on the preparedness for SDGs is then continued by BPK with the performance audit on the implementation of SDGs and will be discussed and presented in the next chapter.

IDI's SDGs Audit Model (ISAM)

ISAM is a practical guide aimed to assist SAIs in implementing high-quality SDG audits based on the International Standards of Supreme Audit Institutions

(ISSAIs). ISAM aims to provide strategic and practical advice to SAI in auditing the implementation of national goals and targets related to the SDGs, which is based on five principles [4]:

1. Focus on outcomes;
2. Recognizing the diversity of SAIs;
3. ISSAI-based;
4. Inclusiveness; and
5. Value-added.

The main difference between auditing preparedness for implementation of SDGs and auditing implementation of SDGs based on ISAM lies in the focus and scope of audit presented in the following table.

Table 1. The Difference between Auditing Preparedness and Auditing Implementation of SDGs

No.	Auditing Preparedness	Auditing Implementation
1	Focus on integration process of SDGs in a national context	Focus on achievement of national SDGs-related outcomes
2	Examine readiness of institutions, means of implementation, and follow up and review systems	Examine achievement of goals and targets coherence, integration, inclusion, commitment, and measurement
3	Look at the overall agenda	Look at individual goal and target

Source: ISAM

The concept presented in the table above can assist SAIs in conducting both audits. As SAIs move from approach 1 (auditing preparedness for implementation of SDGs) to approach 2 (auditing implementation of SDGs), ISAM gives guidance at two levels on the audit of the implementation of SDGs.

1. SAI Level, Strategic Consideration. This level provides seven strategic considerations: Effective Organisational setup, SAI Audit Planning, Audit Methodology, Professional

Capacity, Leveraging on Technology, Strategic Partnerships, and Achieve Audit Impact.

2. Audit Level, Audit Implementation of SDGs. This level provides step by step guidance on planning, conducting, and reporting on the audit of implementation.

The SDGs implementation audit conducted by BPK is quite in line with ISAM and becomes the basis of improvement for futurerelated audits. Going forward, ISAM is expected to be an alternative reference in determining an acceptable audit model for all SAIs.

SDGs Implementation in Indonesia

The mechanism and implementation of the SDGs in Indonesia began in 2015 by aligning country goals to match the SDGs outlined at the national and regional levels. At the national level, Gol has tried to align the national targets with the SDGs, one of which is by issuing Presidential Regulation No. 59/2017 concerning the Implementation of the Achievement of the SDGs. Based on this regulation, the Central Government is obliged to make a national SDGs action plan and SDGs road map as well as to carry out monitoring and evaluation of SDGs activities. At the regional level, the SDGs implementation mechanism begins with the stipulation of regional action plans. At this level, there are 19 provincial governments that have made regional SDGs action plans.

The results of the implementation of the SDGs program are conducted voluntarily with a so-called Voluntary National Review (VNR). VNR is presented annually at the High-Level Political Forum (HLPF) event. Having compiled a VNR, Indonesia reported it at the HLPF 2017 themed "Eradicating Poverty and Promoting Prosperity in a Changing World". Indonesia has also compiled the VNR 2019 in several SDGs targets adjusted to the HLPF2019 theme, "Empowering People and Ensuring Inclusiveness and Equality".

BPK's Experience In Auditing The Implementation Of Sdgs

Audit objective

The performance audit objective is intended to

assess the effectiveness of government programs that contribute to the achievement of SDGs target in the context of:

1. Implementation of Gol programs related to SDGs; and
2. Gol program policies and regulations related to SDGs.

Audit Questions

To achieve the audit objectives, the audit questions developed for this audit are as follows.

1. Has the implementation of government programs reached the expected targets?
2. Has SDGs data, monitoring, evaluation, and reporting support government programs to achieve SDGs?

Audit Scope

The performance audit on the implementation of SDGs is performed by examining government programs that contribute to the achievement of SDG targets. The audit was conducted at the national and regional levels.

Audit approach

The Whole Government Approach is used to achieve comprehensive and systematic audit results. The 2030 Agenda is founded on integrated, inclusive, and participatory principles. Therefore, this audit requires procedures that address cross-departmental and inter-organizational cooperation in the development and implementation of public policies and the delivery of services. Several approaches are used, such as the qualitative approach, trend analysis approach, Geographically Weighted Regression approach, PEFA approach, and risk-based audit approach.

Audit methodology, source of data, data collection, and analysis

The audit process has phases that consist of planning, fieldwork, reporting, and follow up. The performance audit implementations guidelines help direct the audit methodology in:

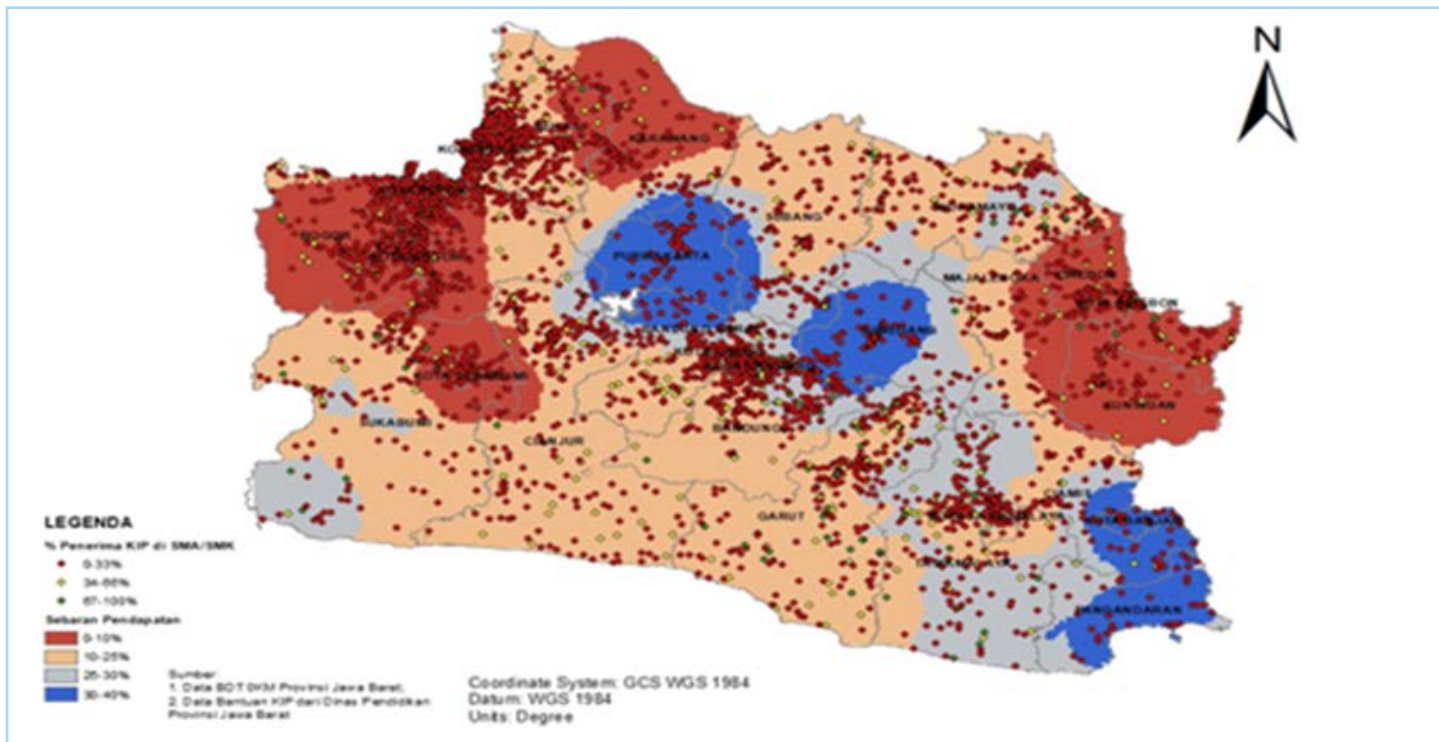
1. Understanding the entity/agency and identifying the problems includes document review, interview, confirmation, and analysis of procedures. The audit uses the problem approach of implementing program activities that support the achievement of SDG targets related to policy formulation, policy implementation, implementation of general and technical guidance in the regions, monitoring implementation, evaluation and reporting, and the coherence of data sources used;
2. Determining the audit criteria. Audit criteria can be obtained from standards set by laws and regulations, standards set by the entity/agency, previous audits, expert opinion, or criteria developed by BPK as stipulated in BPK Decree concerning Guidelines for Performance Auditing;
3. Identifying and collecting types of evidence and audit procedures. After the audit criteria have been determined, an Audit Design Matrix (ADM) is prepared to contain the criteria, types of evidence, sources of evidence, audit procedures, and hypotheses. Audit evidence is data or information collected by the auditor and used to support the findings, conclusions, and recommendations of the audit;
4. Selecting the sampling test. The examination of audit evidence is carried out using a risk-based audit approach. The sampling test method uses non-probability sampling with the judgment method, with the consideration of costs and benefits and the level of risk of the entity or area that has a significant impact. Due to limited resources, the readiness of the regions, and the risk of achieving targets in facing the implementation of the SDGs, BPK selects four regions as sampling tests in the detailed performance audit. The areas being subject to sampling include West Java, Riau, Bali, and NTT; and
5. Formulating conclusions. Auditors use a qualitative approach to formulate conclusions. This qualitative approach generally interprets the

facts comprehensively, analyzes the relationship between the facts, the scope, and the objectives of the audit. The conclusion is formulated by considering the significant impact of the findings. The determination of significance can refer to the potential impact of an improvement in the population administration.

Based on the audit methodology, the following analysis was obtained.

1. To review the government programs in ensuring that there is no one left behind, BPK conducts a sampling test on the implementation of SDGs Global Goal 4 in the education sector to determine whether the achievement of the implementation targets has reached the expected population targets without duplication, overlapping, and do not receive financial assistance. The analysis was carried out by comparing the achievement of the nationally agreed targets against the SDGs Goal 4. The audit team finds that one province has lower achievement than national trends, even though the government spending in the education sector was among the top 5 nationally. To verify the possible cause, the team uses a field audit to test whether fragmentation, overlapping, and duplication exists between national and sub-national education programs. Furthermore, to ensure that no one is left behind, using data coordinate and processing it with the Geographical Information System (GIS) application, an analysis is performed to test the proportionality of Smart Indonesia Card/ KIP distribution. KIP is a program to guarantee and ensure that all school-aged children from disadvantaged families receive financial assistance for education up to the completion of high school/vocational school. The sample of analysis conducted by BPK is presented in the following figure.
2. Concerning workforce and employment, BPK analyzes trends and developments in global achievements. The analysis includes processing related data (nationally agreed targets, the

Figure 1. Distribution of KIP (Smart Indonesia Card) against the distribution of the 25% population with the lowest income in West Java Province using GIS



Source: BPK's Audit Report, 2019

development of the percentage of the formal workforce and the percentage of micro, small, and medium enterprises (MSME) access to financial services, the development of the GINI ratio) using linear regression to obtain a forecast

whether the global target will be achieved or not, as well as conducting a sampling test. The sample of analysis conducted by BPK for this issue is presented in the following figure.

Figure 2. The percentage development of MSME access to financial services graph

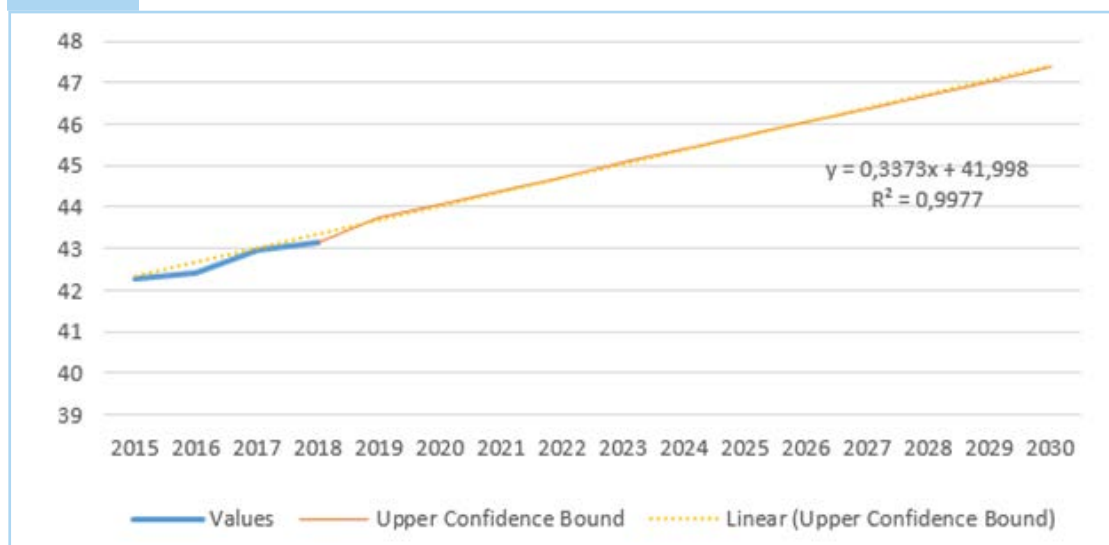
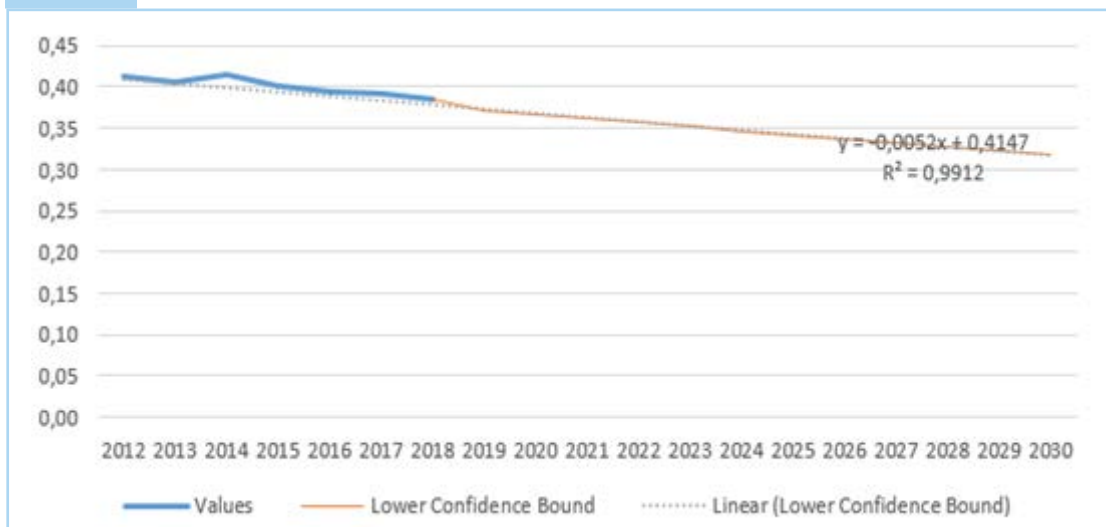


Figure 3. GINI ratio development graph

Source: BPK's Audit Report, 2019

3. Good governance and strong institutions are fundamental aspects of achieving sustainable development. For this aspect, BPK analyzes several related indicators which include: percentage of increase in Unqualified Opinion (WTP) on Government's Financial Statements; the percentage increase in the Government Performance Accountability System; the percentage of use of E-procurement against procurement spending; the percentage of government agencies that have a Bureaucratic Reform Index score; and the percentage of compliance with the implementation of the Public Service Law.
4. Regarding the Government's efforts to reduce urban and rural economic disparities, BPK analyzes several indexes related to the use of village fund management and mobile broadband. To identify gaps in Indonesia, BPK analyzes the development of the GINI ratio from year to year based on data from Statistics Indonesia (BPS) and analyzes the linkage of mobile broadband coverage and the total realization of the village fund management to the Village Building Index (IDM) using the Geographically Weighted Regression approach.
5. Alignment of SDGs data and information is

conducted by analyzing data and information on the national action plan, regional action plan, National Medium Term Development Plan (RPJMN), Regional Medium Term Development Plan (RPJMD), National Indicator Metadata, and supporting documents.

6. The process of systematic follow-up and review of SDGs implementation conducted with the principles of openness, inclusiveness, participation, and transparency is a significant commitment that needs to be made. BPK analyzes the monitoring and review reports submitted by Golas well as interviews and seek confirmations from related parties and stakeholders.

Conclusion

The results of BPK's audit on the implementation of SDGs find positive efforts and achievements of Government of Indonesia (GoI) on the implementation of the SDGs. These positive achievements include compilation of national road map for the SDGs which became the reference for determining the projection for medium and long targets, providing SDG indicators based global concepts, and stipulating further regulations regarding the SDGs monitoring and evaluation mechanism.

However, these achievements still require improvement in terms of the audit findings as follows.

1. Implementation of government programs related to Goal 4 has not been integrated and right on target yet.
2. Implementation of workforce-related programs has not fully achieved the expected targets following Presidential Regulation 59/2017 and SDGs.
3. Proxy Indicators for SDGs Target 16.6 needs to better reflect the achievement of institutional development in a practical, accountable, and transparent manner at all levels.
4. The potential for utilization of the village fund management and mobile broadband access has not been optimized in reducing urban and rural economic disparities.
5. The alignment of SDGs data and information needs to be improved in supporting government programs to achieve SDGs in Indonesia.
6. Monitoring and evaluation of the Indonesian SDGs have not been fully effective in supporting government programs in achieving the objectives of the SDGs.

By considering the efforts, successful achievements, and weaknesses above, BPK concludes that implementing government programs in achieving SDGs targets is quite useful and can be improved with more integrated and coordinated programs.

Acknowledgement

This article is prepared with support and data from BPK and other articles as mentioned in references.

References

1. *The International Organization of Supreme Audit Institutions. "Overview - Strategic Plan."* INTOSAI. [Online]. <https://www.intosai.org/about-us/overview>. [Accessed October 20, 2020].
 2. *The International Organization of Supreme Audit Institutions. "INTOSAI Strategic Plan."* INTOSAI. [Online]. https://www.intosai.org/fileadmin/downloads/about_us/Overview/EN_INTOSAI_Strategic_Plan_2017_22.pdf. [Accessed October 20, 2020].
 3. *INTOSAI Working Group on Environmental Auditing. "Environmental Audit and the Sustainable Development Goals: A discussion paper."* WGEA. https://www.wgea.org/media/113691/21h-wgea_sdgs_18-sep-2019.pdf. [Accessed October 20, 2020].
- INTOSAI Development Initiatives. "About IDI's SDGs Audit Model (ISAM)."* IDI. <https://www.idi.no/en/elibrary/cdp/auditing-sustainable-development-goals-programme/isam/1000-isam-about-idi-s-sdgs-audit-model/file>. [Accessed October 20, 2020].

PASAI EXPERIENCE ON AUDIT OF IMPLEMENTATION OF SDGS AND WAY FORWARD

SAI New Zealand

.....

About the Author



Tiofilusi Tiueti

Specialist Advisor at PASAI

He supports the PASAI Secretariat team to deliver the strategic plan, to engage and support Supreme Audit Institutions in the region to deliver their individual objectives and responsibilities while working closely with stakeholders and development partners.

.....

Introduction

The Pacific region is vast with a large number of small island developing states, each facing similar sustainable development challenges. This includes small but growing populations, limited resources, remoteness, inadequate IT infrastructure, fragile environments susceptible to natural disasters and risks posed by climate change, vulnerability to external shocks and excessive dependence on international trade.

Our PASAI¹ membership is spread across the region. It is broadly divided into three sub-regional groupings – Micronesia covering the north Pacific, Melanesia covering the middle Pacific, and Polynesia covering the south Pacific.

In 2016-17, SAIs came together to participate in the UN/INTOSAI global effort to assess the preparedness of national systems to implement the Sustainable Development Goals (SDGs) effectively. In the Pacific, thirteen of our twenty-seven member SAIs took part in a cooperative performance audit on national system preparedness, including Cook Islands; FSM - National Office, Pohnpei State, Kosrae State, Yap State; Fiji; Kiribati; Palau; Papua New Guinea, Samoa; Solomon Islands; Tonga; and Tuvalu.

This article is to share our PASAI experience over the audit journey and the way forward on audit of implementation of SDGs.

.....
¹ Source: BPK's Audit Report, 2019

PASAI Experience

The purpose of the cooperative performance audit of the implementation of SDGs was to highlight the ongoing relevance of SAIs, by their contribution through high-quality performance audits of country preparedness to implement the SDGs. The audit was based on a whole of government approach.

The audit was also a unique opportunity for Pacific SAIs to engage in this international effort and reach out to state and non-state stakeholders to demonstrate SAI's ongoing relevance to implementing the SDGs in the Pacific region.

PASAI supported member SAIs to participate in this cooperative audit by joining with IDI to facilitate the planning and reporting meetings and provide dedicated on-site support to audit teams.

Pacific island states audited in this cooperative audit exercise experienced the same degree of complexity that other developing nations around the world were when preparing for the successful implementation of the SDGs. A whole of society approach and coordinated action between all levels and sectors of government and all stakeholders is needed. Auditing preparedness and implementation of SDGs requires similar lenses.

Despite the complexity, the audit was useful for two key reasons:

- Learning and sharing preparedness experiences and lessons from a regional SDG perspective; and
- At the SAI level, recognition that involvement in the audit stretched the capacities of many SAIs but also offered opportunities for enhanced audit practice.

Several major conclusions can be drawn from the wealth of information provided by the participating Pacific SAIs. These include:

- **Data:** That there is significant room for improvement at both the country level of data collection and the SAIs' capacity to analyse data. This will become increasingly important once SAIs commence to audit individual goals and targets during the implementation phase of the SDGs.

- **Inclusiveness:** While difficult to track, inclusiveness could well be invited into every country's agenda through a model that traverses the policy/planning spectrum, budgeting and financing arrangements. This would help to produce complete, useable and reportable disaggregated data.
- **Visibility and Relevance:** The Cooperative Audit of Preparedness for Implementation of the SDGs represented a huge visibility exercise for Pacific SAIs to demonstrate their relevance, capability and passion for the countries they represent. There is no doubt that all SAIs have an impact within their jurisdiction, albeit to varying degrees.
- **Complex new process:** While success levels and outputs were different, the amount of commitment and effort was uniform across the Pacific SAI community. This momentum needs to be capitalized by Pacific SAIs including SDG audits in their annual planning process in conjunction with international partners and stakeholders focusing on SAI capacity development needs.
- **Coordinated Audit Approach:** With support from PASAI a collaboration or coordinated-audit approach, led by the Office of the National Public Auditor (ONPA) with the Office of the Public Auditors of the four states (Pohnpei, Chuuk, Kosrae and Yap). As a result, a consolidated Performance Audit Report was developed which provided recommendations to the governments on the localization or integration and preparedness of the Strategic Development Goals. All SAIs participating in this coordinated approach have gained from sharing lessons learnt, knowledge, and a strong message to the national government on the raised audit recommendations. It is hoped that this model will continue in the future to benefit all the SAIs within this unique island grouping. There were key messages that emerged from the Pacific audit reports and were also reflective of the messages from SDG preparedness audits in other

INTOSAI regions. The Pacific regional report of the Cooperative Audit of Preparedness for Implementation of Sustainable Development Goals, currently prepared by PASAI, will provide a synthesis of key messages arising from individual SAI reports. It will also provide regional stakeholders with an independent view of how well we are tracking in the Pacific to implement the SDGs successfully.

The 2019 PASAI Congress theme was 'SAIs Contribution to Sustainable Development Goals'. During the Congress, Pacific SAIs had the opportunity to reflect on their SDG preparedness audit experiences and share their lessons. These insights included: conducting an audit in compliance with Performance Audit ISSAIs; auditing across the entire 2030 Agenda, using a Whole of Government approach; engaging with stakeholders; writing balanced reports; cooperation of audit entity staff, enabling SAI environment; and composition of audit team.

At the global level, the PASAI Secretariat, SAI Fiji, and SAI Solomon Islands were among the invited speakers to share their experiences and lessons learned on selected sessions relating to this cooperative audit at the INTOSAI-UNDESA Meeting with SAI Leadership and Stakeholder Meetings. These meetings were held at the UN Headquarters, New York in July 2018 and 2019.

What do Pacific SAIs plan to do?

At the 2019 PASAI Congress, participating SAIs committed to maintaining their SDG auditing momentum by the inclusion of SDG audit topics in their strategic planning process. Among other matters that SAI Heads concurred to and acknowledged at the Congress were:

- The SDGs are universal, the SAI and Parliament are key stakeholders in accountability of this work, and collaboration with stakeholders including non-state actors is critical.
- In the implementation of the 2030 Agenda, SAIs can play a key role in holding the government to account and measuring the effectiveness of SDG policies and programmes through carrying

out performance audits, and in doing so make a difference to the lives of citizens.

- Stakeholders' recognition that SAIs have added value through the cooperative performance audit of preparedness for implementation of the SDGs.
- SAIs have learned a great deal about performance audits and working on cooperative initiatives, and are keen to consolidate this learning into the strategic planning processes of their Offices.
- SAI Heads noted that alongside the continued international development of SDG implementation, and the organisational and capacity challenges for SAIs, they would need to consider the following:
 - o Deciding at a SAI-level which SDGs (or any or all) should be audited, and what audit approach would be undertaken to provide the strongest impact and relevance for the country's SDG initiatives and work towards the 2030 Agenda;
 - o Growing capacity under the new PASAI delivery approach to ensure that the right support is given, at the right time, and in the right way;
 - o Working in conjunction with a variety of established stakeholders at national and regional levels who are expert in the field (e.g. gender, climate change) to inform the audit process appropriately;
 - o Sharing insights, issues, challenges, and lessons learnt from related audits of SDGs implementation by one or more SAIs at future Congresses.

In June 2020, two of PASAI's member SAIs – SAI Fiji and SAI Tonga – participated in the IDI-KSC-ASOSAI Cooperative Audit of SDG Implementation: Strong & Resilient National Public Health System (linked to SDG 3D). The experience gained by these SAIs from this audit, especially in applying the IDI SDGs Audit Model (ISAM) tool, will help other SAIs in the region in their audit of the implementation of SDGs in the future.

The way forward for Pacific SAIs and SDG implementation audits

National system preparedness to implement the Sustainable Development Goals is not uniform across Pacific island countries. All the jurisdictions represented in the cooperative audit of preparedness have made initial steps to contextualize the SDGs – some more than others. However, the institutional arrangements supporting a whole of government approach need to be developed and will require the long-term commitment of governments and development partners.

Supporting the way forward, the PASAI Secretariat will act as a learning and knowledge platform for SAIs. PASAI will do this by providing SAIs with information and guidance on matters and issues relating to SDGs, and enhancing SAIs knowledge awareness in the audit of the implementation of SDGs. PASAI, through its communication network, provides a valuable portal to share success stories of SAIs on SDGs related activities.

SUSTAINABLE DEVELOPMENT GOALS IMPLEMENTATION AUDITING

SAI Qatar

.....

About the Author

Salwa Hamed A.A. Al Mulla

Qatari Nationality

She is an employee at State Audit Bureau, Qatar and a Technical Expert, Vice President's Office, State Audit Bureau, Qatar.

- *She has done Bachelor in Business Administration, Qatar University , Master in Public Policy in Islam, Faculty of Islamic Studies, Hamad Bin Khalifa University, Qatar Foundation, Qatar and PhD Student in Economic and Islamic Finance at the Faculty of Islamic Studies, Hamad Bin Khalifa University, Qatar Foundation, Qatar*
 - *She received 2nd place in GCC, 2019 Cooperation Council for Research and Studies Competition and Short Story competition in Economics, 2016, Saudi Arabia.*
 - *Published a Book titled "The Role of Leadership in Crisis Management" 2014; under the Kitab Al-Umah, Ministry of Endowments and Islamic Affairs, Qatar*
 - *Weekly columnist for Al-Sharq, Qatar and for Al-Qabas Kuwait*
-

Abstract:

In line with the United Nations (UN) 2030 Agenda and the Sustainable Development Goals (SDGs) and through the International Organization of Supreme Audit Institutions (INTOSAI) Committee on Knowledge Sharing and Services, the INTOSAI Development Initiative has been keen on providing the Supreme Audit Institutions (SAIs) with enablers to audit their preparedness for the implementation of SDGsⁱ as well as the INTOSAI Development Initiative Model on SDGs Auditingⁱⁱ.

This prompted UN member states to commit to SDGsⁱⁱⁱ in September 2015 "Transforming Our World" and the 2030 Sustainable Development Agenda "Our governments have the primary responsibility to follow up and review at the local, regional and global levels all aspects related to the progress achieved in the implementation of goals and objectives...".

Since then, attention has been paid to the extent of countries' preparedness for SDGs implementation and the role of SAIs when using the "Holistic Governance Method". This is by providing evidence that helps the auditor acquire the concept of 2030 Agenda and SDGs in terms of components, namely: vision and principles, findings framework, and the means of implementation, follow-up and review.

What is the importance of integrating SDGs into the national development strategies and the political integration and interdependence? What are the values and benefits gained by SAIs from contribution to SDGs? What is the nature of SDGs auditing and the road map required by SAIs to contribute to SDGs?

Introduction:

Sustainable development is the development that meets present needs without compromising the ability of future generations to meet their own needs^{iv}. The 2030 Agenda integrates, in a balanced manner, five elements of sustainable development, namely: individuals, planets, well-being, peace and partnership. The 2030 Agenda^v aims to achieve a fair world based on rights, equality and inclusion for all. The principle of “leaving no one behind” is the basis for the aforementioned five elements.

The 2030 Global Agenda arose out of the convergence of two processes: the Millennium Development Goals (MDGs) 2002–2015 and UNITAR Sustainable Development Framework 2016. These two processes converged at the General Assembly meeting as a special event in September 2015 to create the true link between poverty eradication and sustainable development.

The seventeen SDGs^{vi} effective from January 2016 to 2030 are holistic, balanced and interconnected. They address poverty reduction, inequality, sustainability and economic growth with job creation and are all compatible with MDGs, the sustainable development frameworks aiming to serve the human being, as well as human interests, necessities, needs and improvements. They are also balanced with the three dimensions of sustainable development (incl. economic, social and environmental) that aim to serve developing countries.

The dissemination of the 2030 Agenda at the country level includes many hierarchical phases based on the evidence established by the United Nations Development Group (UNDG) to support member states, including: raising public awareness, implementing stakeholders’ multiplication methods, design the goals of sustainability depending on the countries situation on national and sub-national, create a political harmony between all levels and all dimensions (horizontal and vertical), etc. This paper will focus on the auditing, reporting and accountability with regards to the sustainable development goals implementation auditing.

SDGs implementation preparedness auditing:

SDGs auditing starts with preparedness implying a good understanding of SDGs and its awareness, and extends to the auditing and follow-up phase, which includes SDGs implementation auditing as a SAI role. The auditor starts from the preparedness phase by developing a concept for his country’s starting point through identifying the efforts made by the government to integrate SDGs into the national tools for government action. This is through a proposed audit model which is the basic procedures for designing SDGs according to the national circumstances and the national vision 2030, evaluating the national finance frameworks, and providing valuable information to create stronger accountability within the government by representatives of non-governmental entities.

The relationship between SAIs and SDGs:

The relationship between SAIs contributing to SDGs comes through the values and benefits of their participation and adoption for SDGs auditing. This is through SAI road map for participation in SDGs and the framework of SAI strategic management that verifies independence, legal framework, internal governance and business ethics.

In order to achieve and activate this relationship and value, a SAI needs the power of an appropriate and solid institutional framework, organizational systems, specialized staff, effective leadership, and an appropriate environment that helps effectively and efficiently performing the auditing tasks.

Values and benefits of SAIs’ participation in SDGs:

The values and benefits of SAIs’ participation in SDGs come through the international standard “ISSAI 12”, which states, “SAIs aim to contribute to the values and benefits of citizens”^{vii}.

When considering the 2030 Agenda, it draws a convincing and comprehensive vision for a world in which citizens enjoy a better life. The majority of the

countries have signed up for these integrated, global and indivisible SDGs. Together, these SDGs cover the SAI audit field.

We find that SAI findings are not limited to those of the performance, compliance and financial auditing, but are related to SAI transparency, accountability and reliability, all of which lead to SAI's contribution to values and benefits.

SAI role is represented in high-quality outputs in terms of its audit reporting in order to facilitate the results.

SAIs exercise control in the three audit areas, namely: financial audit, performance audit and compliance audit, thus contributing to setting SDGs through high-quality audit in accordance with the international standards "ISSAIS".

Accordingly, SDGs provide SAIs' audit topics. Meanwhile, ISSAIS provide work methodology and standards.

The High Level Political Forum (HLPF)^{viii} focuses on ensuring that no one is left behind, and stresses the importance SAIs' role that includes all government institutions at all levels.

Most SAIs operates according to different tasks and models. However, the objectives and principles of ISSAI 12 aim to enable SAIs to strive to transfer and enhance the values and benefits they can bring to achieve high efficiency, accountability, effectiveness, and a transparent public administration and achieve national development goals and priorities together with SDGs.

SAIs make a difference in the lives of citizens, being exemplary institutions and through enhancing the accountability, transparency and integrity of the government and public sector bodies and emphasizing the strength of their link with citizens, parliament and stakeholders.

It is important for SAIs to protect their independence, because they may participate in governmental committees, seminars, or work groups aimed at preparing, coordinating, auditing or implementing programs in order to achieve SDGs. However, if a SAI detects something that needs to be reported, it shall be free to determine the content of

the report with a focus on guaranteeing government accountability and transparency with regard to SDGs,

SAIs shall take into account that SDGs' program audit is among their tasks, where the implementation of programs in order to achieve SDGs requires a global effort with many stakeholders, paying attention to reports, and effective communication of audit findings. To achieve this, SAIs may need to establish and develop professional relationships with key stakeholders, develop and implement a communication strategy, and develop a reporting guide on how to write a regional report.

In addition to the stakeholders interested in SDGs, the good governance structure provides a positive guarantee of the credibility of SAI and its mechanisms that produce audit findings and reports.

Risks confronted by auditors when carrying out an audit:

There are many risks confronted by auditors when carrying out SDGs auditing. There are many agencies and organizations that engage in dealing with funds. Therefore, it is necessary for SAIs to follow, continuously reinforce, and include professional conduct rules in audit methodology.

In addition, it is important for SAIs to focus on exerting efforts to achieve excellence and quality of service, regardless of whether they are performing an audit on SDGs or any other regional or global topic.

This ensures that all SAI employees have sufficient experience and knowledge on sustainable development topics and performing audits in accordance with the applicable standards, in addition to the existence of appropriate mechanisms for the professional development of employees and their managers. These are the opportunities available for SAIs at the local and regional levels.

SDGs Auditing:

SDGs are nothing but the results of a framework. Therefore, the definition of performance system, collection of information on indicators, and reporting this information are of great importance for the implementation of 2030 Agenda, as SAIs need

in SDGs auditing to consider the information on performance, capabilities development, performance audit methods, and performance measurement systems.

In view of the objectives of the three types of auditing recognized by INTOSAI (i.e. financial, performance and compliance auditing), the type followed in auditing the implementation of SDGs is performance auditing. In performance auditing, the adopted auditing methodology shall be taken into account. Through performance auditing, the auditor can examine the economy, efficiency and effectiveness of government's preparedness for the implementation of SDGs.

Performance auditing* is an independent, objective and reliable examination to ascertain whether the government procedures, systems, programs, activities and organizations are operating in accordance with the principles of economy, efficiency and effectiveness, and whether there is a room for improvement.

INTOSAI Development Initiative on SDGs Auditing:

INTOSAI Development Initiative on SDGs Auditing provided a guideline aimed at providing support to SAIs to carry out high-quality audits on the implementation of SDGs, in accordance with ISSAIS, which are based on five principles:

1. Focus on outputs;
2. Realizing the diversity of SAIs;
3. Reliance on ISSAIS;
4. Inclusiveness; and
5. Added value.

INTOSAI Development Initiative Model on SDGs Auditing is classified among performance audits that focus on achieving the nationally agreed targets linked to SDGs. Audit does not focus on the performance of entities, projects, programs, or processes, but rather on interaction between them in order to reach the targeted results. In addition to achieving the outputs, the audit methodology recommended in this model encourages SAIs to take the necessary measures to enhance the impact of audit throughout its

implementation period.

Many SAIs are still developing their capabilities in the field of performance auditing, as most of these SAIs use the comprehensive government methodology for the first time.

INTOSAI Development Initiative on SDGs Auditing also helps SAIs technical directors and auditors to improve their audit performance, and benefits SAIs leaders and enhances their strategic decisions related to SAIs' participation in SDGs auditing.

This model helped the regional organizations, INTOSAI entities, and the parties related to SAIs, professional and academic bodies, civil society organizations, development partners, and international organizations that work with SAIs to enhance their role in the independent external oversight on the implementation of SDGs.

SDGs Auditing starts with introducing the concepts of INTOSAI Development Initiative on SDGs and Auditing in preparation for ISSAIS-based audits. The auditor then proceeds to **the methodology** through which instructions are provided on **how to choose the topics for the design and implementation of audit reports** on SDGs implementation. The auditor also needs instructions on how to supervise and prepare reports on the follow-up and the impact of audit on SDGs implementation.

It is important when auditing SDGs implementation to focus on the questions that auditors should focus on and raise in every phase of the audit, in order to enhance audit impact.

An important aspect that requires SAIs' attention is the pursuit of **technological development** and its importance in the audit process in general, especially in the current circumstances of Covid-19 as well as the consequent remote work and the need to continue work and auditing in a way that contributes to the performance of the required role of SAIs. Therefore, it is important to benefit from technological developments in SDGs auditing, which INTOSAI Development Initiative has provided through a comprehensive guide on how to use data analysis in SDGs auditing.

SDGs Implementation Auditing: The auditor seeks to use a comprehensive government methodology in SDGs auditing, as it moves the focus of government performance to the targeted results in order to address societal problems or other challenges, and this is consistent with the comprehensive nature of 2030 Agenda and SDGs. This audit comprehensive methodology should take into account the initiatives applied by various ministries and government sector bodies responsible for implementing the national targets and their interdependence, as well as participation, coordination and communication mechanisms, and provide comprehensive image of the procedures followed at the various governmental levels. The comprehensive methodology differs from performance auditing that focuses on one or more of the agencies, programs, or services. The comprehensive government methodology for SDGs implementation auditing allows for the evaluation and identification of organizational risks as well as the risks taken throughout the planning, implementation, auditing and review chain, focusing on how services and products are delivered and goals are achieved.

SDGs implementation auditing includes auditing the developments related to achieving the nationally agreed targets linked to 2030 SDGs, which are seventeen goals, branched out to qualitative and quantitative goals covering the three dimensions of sustainable development (i.e. the social, economic and environmental dimensions). In the audit process, attention should be equally given to all goals, especially those in line with SDGs, taking into account local considerations, capabilities, level of development, in addition to applicable national policies and priorities.

It is recommended that audit findings focus on the extent to which the national targets are consistent with SDGs, where the national targets are set according to the country dealing with a specific SDG, and they may vary in terms of their accuracy in determining the outputs or products to be achieved. Each country has an order of priorities according to their circumstances, mandates and SDGs, where the role of the auditor is to examine specific cases within his country and at the same time examine the national

targets related to SDGs.

SAIs Audit the developments that lead to achieving the goals and expresses an opinion on the possibility of achieving the goals according to the specified or expected periods.

The principle of leaving no one behind:

The principle of "Leaving No One Behind" is one of the important principles in the United Nations 2030 Agenda because it includes all social, economic and environmental dimensions. This principle shall be audited by SAIs in examining the following topics:

- How are the vulnerable groups or those most lagging behind development identified?
- Who is left behind development?
- What are the available fragmented sources of information and what are the gaps in information?
- What measures have been taken to identify the needs of vulnerable groups?
- What measures have been taken to support the empowerment of vulnerable groups?

Auditing the participation of multiple stakeholders: the stakeholders comprise of government sector, civil society, the private sector, members of parliament and national human rights institutions.

Participation and consultation are an integral part of 2030 Agenda, and is a community-based approach that includes effective multi-party participation through the 2030 Agenda design processes, where they contribute to its implementation, auditing and review. Auditors can consider available types of mechanisms and platforms to engage stakeholders, identify participants and non-participants, measure how and to what extent their feedback is included in policy planning and implementation, and identify effective partnerships for the implementation of SDGs.

Audit mechanisms based on SDGs auditing impact: In order to achieve compliance with ISSAIS, it is important for SAIs to integrate the commitment imposed by ISSAIS with regard to performance auditing and effective considerations of audit impact within SDGs implementation

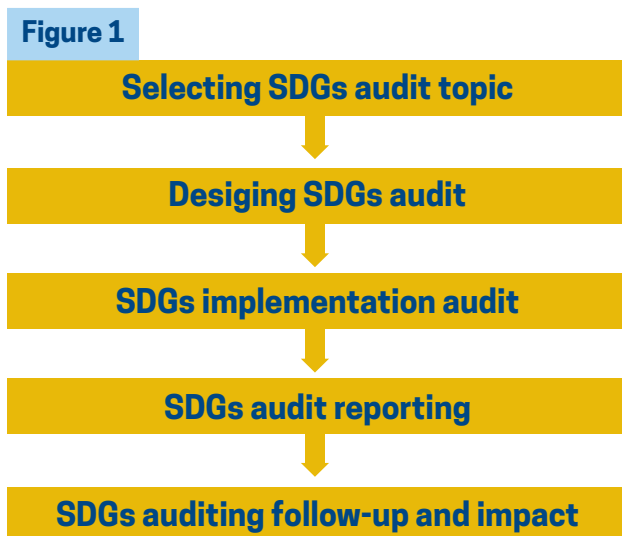
auditing methodology. This is through auditing the requirements of the basic principles of performance auditing (ISSAIS 300) and the executive directives for financial performance auditing – standards and guidelines for financial performance auditing based on INTOSAI auditing standards and practical experience (ISSAIS 3000).

ISSAIS 300 defines general principles as well as principles-related auditing process. The auditor must deal with both principles during SDGs auditing.

While applying the methodology to adhere to performance auditing-related ISSAIS, it is appropriate to use a methodology that blends a findings-based approach with a systems-based approach in these types of audits.

In addition to adhering to the requirements of performance auditing-related ISSAIS, SAIs must determine the impact of SDGs implementation auditing and take the necessary measures to facilitate this impact during the audit period, such as involving multiple stakeholders throughout the audit process. Performance Auditing-related ISSAIS and impact considerations should be taken into account (Figure 1).

In order to detail SDGs auditing and **select the topics according to the terms set by ISSAIs, we**

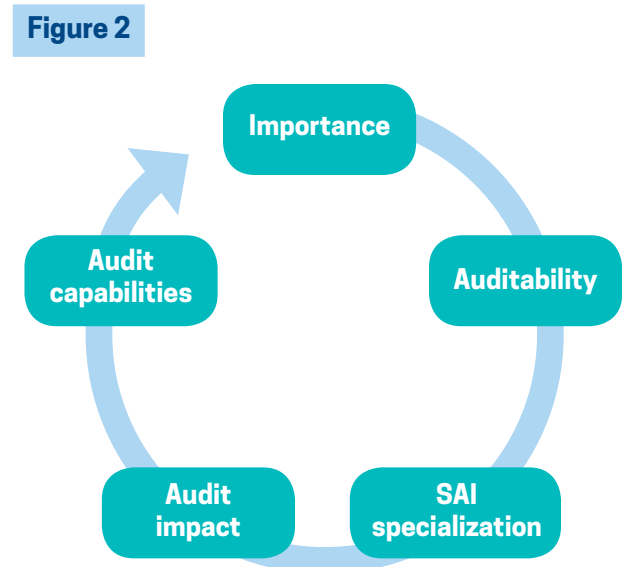


should answer the following questions: When is it necessary to audit all national targets? How many

national targets to be audited? What are the national targets to be audited?

The state determines many national targets (state's national vision) related to SDGs in accordance with the national context. The government sets its priorities for the implementation of goals as well as a timeline to get this done, where the number of SDGs auditing topics is taken into consideration and may vary according to SAI's context and capabilities. SAIs with limited capabilities and few employees may wish to choose a single SDGs auditing topic. Meanwhile, large or medium-sized SAIs that have sector-level audit teams or departments, performance auditing capabilities, and employees who are aware of the comprehensive government methodology may select and dedicate teams for multiple national targets covering various sectors.

SAIs' role here is to analyze the national targets, their importance, implementation risks, audibility and potential impact on SDGs implementation, and to take such decisions according to the national context and the considerations related to SAI capabilities and the competitive demand for its resources.



There are five criteria for topic selection (Figure 2):

When a topic is selected, it should be linked to SDGs and the principle of leaving no one behind and prioritize vulnerable groups.

Auditing capabilities are one of the most important considerations that must be taken care of when selecting the national targets to be audited. To achieve this with high-quality auditing and control, SAIs' employees should be of high professionalism and institutional capabilities in performance audits in compliance with ISSAIs. They should also be able to apply a comprehensive government auditing methodology and examine SDGs considerations such as linkage, integration, leaving no one behind, and the multi-stakeholder engagement.

On the other hand, there are SAIs that have begun to audit SDGs implementation and build their capabilities through conducting experimental and training operations and integrating the comprehensive government methodology into their audit methodology.

Impact-related criterion, which is related to the impact of a specific SDG audit, should be taken into consideration when selecting the audit topic.

In the selection phase, an SAI can imagine the audit impact it can create on each national target. The audit impact is a contribution made by the SAI in monitoring constant developments in the effectiveness, accountability and inclusiveness of government sector institutions, which leads to the well-being of individuals and society.

Information gathering mechanisms for SDGs implementation auditing:

Through auditor's awareness of the importance of understanding the nationally adopted goals and the extent of their relevance to SDGs, these SAIs may adopt a different methodology in gathering the criteria-related information. There are SAIs that prepare comprehensive systems for information gathering and may use special model and matrices to help them select the topics of SDGs implementation auditing. Many SAIs may wish to set grades to evaluate the criteria during the selection process.

However, the five criteria (i.e. adaptability, importance, audibility, auditor's capabilities, and

audit impact) remain the most important in selection processes and decisions made by SAIs.

It is important for SAIs to refer to the stakeholders, whether internal or external, when making decisions. The consultations vary from limited interviews to focus group discussions.

Each national target should be audited by preparing a multi-year portfolio that deals with the topics of SDGs implementation auditing. **This portfolio provides the following benefits:**

- Helping to verify government progress in achieving the nationally agreed targets;
- SAIs can do the necessary preparation and planning, taking into account their capabilities to carry out audits; and
- SAIs can plan to carry out sequential audits to verify progress in achieving the national targets on regular capacities.

As for countries that have previously prepared the multi-year portfolio, it is recommended that SAIs review their portfolio on an annual basis.

SDGs implementation auditing design is the most important phase in SDGs implementation auditing, as it defines all subsequent phases of the audit process. This phase requires sufficient time from the audit process.

In design phase, the auditor is required to understand the nationally agreed targets and the extent of their relevance to other goals, laws, regulations, policies, plans, programs and activities, institutional and legal framework, means of implementation, auditing and follow-up, and the entities that contribute to the achievement of national targets. It should also understand the role of the main stakeholders in achieving the goals and all necessary arrangements for evaluating the progress achieved in this regard.

In design phase, and in order to conduct the audit in a realistic and effective manner, the auditor is required to obtain information and answers of the posed question in SDGs auditing design phase through reports, scientific research, goal-related publications, official websites of UN agencies, civil society organizations, social networks, and studies

issued on audit subject matter. The auditor can also address experts and specialists from UN agencies, academia and civil society organizations, which help him create a general idea about the audit topic.

It is also important in SDGs implementation auditing to be aware of the role played by the main stakeholders, which in turn contributes to achieving the nationally agreed targets and how they affect the achievement of audit results selected in the audit process. This is achieved through stakeholder analysis and (RACI) analysis Responsible, Accountable, Consulted, Informed, which helps to understand the responsibilities and roles of each stakeholder associated with that goal and how those stakeholders interact and cooperate with each other. This analysis can also help identify aspects of overlap, duplication, and fragmentation as well as potential gaps, which would impede performance and prevent achieving the desired goals.

It is also important when conducting SDGs auditing to follow an approach that combines a systematic approach and a result-based approach, which may be used in evaluating the effectiveness of achieving outputs and results as required. The systematic approach evaluates the effectiveness of administrative systems, so that it is preferable to use these two approaches in SDGs implementation auditing.

When implementing SDGs auditing, it is important to **consider audit scope and maintain its controllability**. This is by answering the question: **What should we audit?** The answer to it is the auditor implementing the set of policies that contribute to achieving the nationally agreed targets that have been selected and relate to one or more of SDGs.

Drafting the objectives of SDGs implementation auditing:

The drafting of audit objectives lies at the core of the design process of SDGs implementation auditing. It should be based on an understanding of the selected national targets and in line with audit scope.

Determination of appropriate criteria

for SDGs implementation auditing: The auditor relies on the information he gathered through understanding the national targets, and uses such information to determine the appropriate criteria for SDGs implementation auditing. He can also benefit from national performance measurement frameworks, performance indicators, international agreements and treaties, along with local laws, regulations and best practices. Exchanging views with the audited bodies is an appropriate and effective means of developing criteria and determining appropriate and auditable ones.

In order to finalize the audit plan in this phase, all relevant work documents that can support the next steps of the audit process are collected, including the information and documents related to national targets, audit objective and questions, audit criteria and scope, audit methodology and the methods to be followed in gathering evidence, data analysis, and audit design matrix. These are in addition the comprehensive plan of activities, which includes team formation, assessment of team competencies, external resources and expertise available and required for the audit process, estimated cost of audit, project timeframes and main phases, and the main control points in the audit process.

Application of SDGs auditing:

In this phase, the auditor collects and analyzes evidence, drafts audit findings and draws conclusions about audit objectives related to the consistency and integration of policies, the multi-stakeholder engagement, the principle of leaving no one behind, and the implementation of a set of policies that contribute to achieving the national targets.

The most important considerations related to SDGs auditing in the implementation phase:

Evidence gathering, performing audit procedures, analyzing adequate and appropriate evidences, preparing the audit, and drawing conclusions about audit objectives and the extent of progress made in achieving the goal.

The auditor audits the government efforts aiming to achieve consistency and integration in the

implementation of the national targets. In this phase, he needs to study institutional policies and systems related to the national targets, starting with the goals specified and provided in various public policy documents. SAI's auditor can then evaluate the extent of policy consistency and actual impact on the national targets and ensure their compatibility with these goals.

He can also focus on ensuring that various ministries and agencies work simultaneously in terms of horizontal consistency. As for vertical consistency, the auditor can seek to ensure the existence of significant coordination between the federal government (if any), the state and local contexts, and inclusion of the role of civil society and other stakeholders.

To achieve horizontal and vertical integration, the auditor determines and classifies restrictions in terms of fragmentation, overlap and duplication (with regard to services, policies, institutional preparation, legislative framework, etc.)

It is important for the auditor to consider risks throughout the delivery chain and then to ensure the effective delivery of services and verify whether or not the results were satisfactorily achieved. The auditor considers the effectiveness of risk management, not how the risk is managed.

Consistency considerations fall under first-class managerial responsibilities. Therefore, the management should have access to evaluation records, data and improvement plans that link outputs to SDGs. If this is not possible, this deficiency will be taken among audit findings. The auditor should identify the bodies to be questioned regarding link establishment, where most countries have a government center, central agency or other coordination mechanism concerned with SDGs implementation, which can be questioned. The auditor may notice during SDGs implementation auditing the superiority of certain bodies over others in terms of coordination and that there are ministries that are more advanced than other ministries. However, in the absence of a specific central authority concerned with this matter, the auditor should look for arrangements related to link establishment between these bodies. If there are no

existing arrangements to achieve this purpose, there is no need to complete the matter. The absence of a central government structure is a reportable audit finding.

Auditing government efforts regarding the multi-stakeholder engagement in the implementation of national targets: In the planning phase and using of RACI analysis, SAI auditor will identify the stakeholders and the roles and responsibilities of each of them in achieving the national targets. He will also be able to determine how these stakeholders interact and their mutual coordination mechanism.

In the implementation phase, SAI auditor can verify government's implementation and monitoring for the efforts aimed to achieve the targets, as well as the extent of institutional cooperation at the level of all organizational departments in achieving their specific goals. The auditor can identify aspects of overlap, duplication, fragmentation, or omissions that would impede performance.

In this phase, the auditor also collects audit evidence on the developments related to the achievement of nationally agreed targets, which are data collected from the audited bodies, national statistical offices, public research reports, or relevant publications such as academic articles, databases, public databases, official websites of UN bodies or civil society organizations, or social media. The auditor then analyzes the evidence on the developments in achieving the nationally agreed targets. This is through quantitative analysis, which includes quantitative data such as numbers and statistics, and qualitative analysis, which includes a wide range of methods of organizing, comparing, compiling and describing data that supports logical thinking and arguments. The auditor also uses statistical analysis in this phase so as to reveal data patterns and trends, in order to summarize, describe and understand the distribution of data in a meaningful way. This is in addition to content analysis, which is a way to organize and analyze complex qualitative data, and then transforming it into perspective-supporting quantitative data.

Drafting audit findings: The process of

drafting audit findings is to determine the difference between what should be and the actual situation, with an explanation of the reason and impact of this difference, if any. In drafting audit findings, SAI auditor should clarify criteria, evidence, applicable analyses, and the actual situation together with its reasons and impacts.

Presenting SDGs implementation audit findings: This phase focuses on the progress made in achieving the nationally agreed targets.

It is important to verify audit findings and ensure a clear and concise understanding of the most salient findings and lessons and how they reflect audit criteria while allowing assessment whenever possible, reflecting changes over time, providing a balance in methodology and faithfully reflecting audit findings.

Reporting SDGs implementation audit findings:

The phase of reporting audit findings includes a comprehensive and convincing report, prepared in a timely, balanced and easy-to-read manner by drafting recommendations that positively contribute to achieving the nationally agreed targets, taking into account that no one is left behind in the distribution of the audit report on the progress made in achieving the nationally agreed targets.

Drafting effective recommendations: If drafted in an appropriate manner, recommendations contribute to providing constructive observations that in turn contribute to addressing weaknesses or problems identified by the audit. When drafting observations, the auditor should ensure the following:

- Recommendations do not encroach on management responsibilities.
- Recommendations address the causes of identified vulnerabilities; and
- Recommendations are clear with regard to whom they are directed to and what exactly the proposals are.

Many agencies use recommendation drafting as part of the process prior to preparing audit findings.

In order to achieve distinct drafting, the auditor is advised to review SDGs reports

and publications (e.g. voluntary national review reports) in order to clarify good practices of SDGs implementation. It is also recommended to consult experts, stakeholders and audited bodies, take into account the priorities and resources required to conduct the work, consider the national context, and draft a comprehensive, convincing, easy-to-read and balanced audit report in a timely manner.

It is important that the report cover audit findings and all main points of SDGs implementation audit objectives.

The most important basic points of audit findings relate to the extent of horizontal harmony and consistency in government's efforts to implement a set of policies that would contribute to achieving the nationally agreed targets, and the progress made in achieving the national targets and their appropriateness compared to the objective of national development. These are in addition to the extent to which the government generalized the principle of no one is left behind in implementing national targets, and the amount of multi-stakeholder engagement in the progress towards achieving the nationally agreed targets.

This is achieved through a reasoned and convincing audit that gives a clear relationship between audit objectives, criteria, findings, conclusions and recommendations, so that it addresses all the relevant evidence and arguments.

The timely issue of SDGs auditing report allows the management, government and legislative officials to use the information provided in the report in a way that enhances audit impact.

SAI report can take into consideration the timing of the state's voluntary national review report, which makes audit findings positively affect government's preparation of the voluntary national review report .

In case of SDGs implementation auditing, the timing of distribution may benefit from the circulars issued by high-level international events that lead SDGs agenda forward, such as High Level Political Forum(HLPF).

The broad and diverse audience that benefits from SDGs auditing should be taken into account by

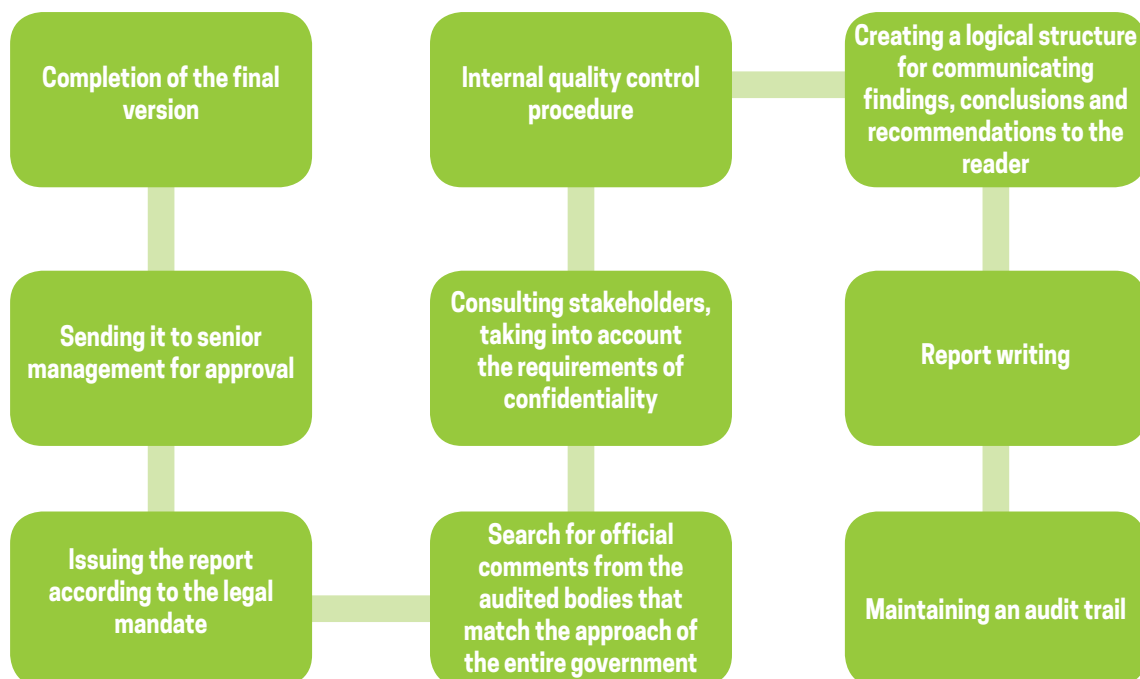
drafting the report in a way that is easy for the reader. SAIs should use guidelines in report preparation, pay attention to drafting through communication experts, and review the reports.

Auditors can use tools such as the Readability Index and top tips for writing easy-to-read reports .

The last criterion is writing a balanced report. When writing the report, the auditor should state what the government has done well and what needs to be enhanced. In order to write a balanced report, the auditor should ensure that he has drawn balanced audit conclusions about SDGs auditing objectives. This balanced report adds value to SDGs and encourages the government to continue doing the strength points. It also provides information to other government departments on the matters to be done to implement the national targets for which they are responsible. The auditor can also follow the process or phases that can be followed to write SDGs audit report.

When writing the report, the auditor may face the difficulty of requesting official statements from several government bodies and agencies, and this difficulty may increase when there is unclear roles or service provision duplicity. Therefore, it is important to find **the right balance between the comprehensiveness of the required statements and the protection of confidentiality of the gathered information.** Sometimes the report refers to third parties not within audit scope. This may happen in SDGs auditing, especially in the multi-stakeholder engagement in the activities of civil society organizations. Third party engagement, reporting and participation in the investigation of the accuracy and completeness of their relevant information allow SAIs to ensure the accuracy and fairness of reporting and reinforce the audit objectivity at the same time.

Figure 3



No one is left behind in the publication of SDGs implementation audit report:

SAI's report on SDGs implementation auditing is an effective tool to enhance accountability and transparency in the implementation of national targets, raise SAI's prestige and strengthen its role in providing independent external auditing for SDGs implementation. In addition to the various tasks and wide spread of stakeholders, SAI needs to ensure that no one is left behind in publishing and distributing the audit report. SAI audience is a wide range of state actors and non-actors at the national, regional and global levels.

Audience refers to the entities in charge of governance and legislation, legislative committees (e.g. the Committee on Political Action), citizens, civil society organizations, media, UN bodies, experts, academics, professional organizations, development partners and international organizations

It is important for SAI to consider stakeholder analysis in the audit, and to determine the range of stakeholders to be covered by the report, including the considerably vulnerable groups in the country. It should also select the method to be used for communication with the public and take into account the interests of the target audience.

Many target groups are reached through social media and websites, and others require official channels. It is also necessary to take into account vulnerable groups such as the disabled, those living in remote areas, and those who have difficulty in education.

Audit follow-up and impact on SDGs implementation:

It is not that important for SAI to conduct high-quality audits. Rather, it is more important for the audit to have the desired impact. The audit impact is a continuous process throughout all audit phases, so that it should be planned and activated throughout the audit process not just thought about upon finalizing the report.

The audit impact-related actions to be taken by SAI on issuing the audit report and showing how SAI

can improve SDGs audit impact in this phase include:

- SDGs auditing follow-up means that auditors examine corrective actions taken by the responsible parties, based on audit findings. The audit follow-up process enhances audit impact and represents the basis for developing future auditing.
- SAI can also use several methods to carry out follow-up according to its mandate audit practices and capabilities. These methods include meetings with the departments of audited bodies, regularly requesting information in writing about the progress of the process, phone calls or limited field visits, and collecting information through audit teams or follow-up audits.
- Audit follow-up is not only to implement the recommendations, but also to ensure the progress made in achieving the national targets in different periods.
- If SAI capabilities and mandates enable it to do so, the draft action plan can be sent to the audited bodies on issuing the report, including a statement of recommendations and actions to be taken, who is responsible for this, the deadline for actions, and the expected benefits. Since SDGs implementation audit is generally conducted by teams from multiple sectors formed for auditing, SAI should define the appropriate structure, roles, responsibilities and method of follow-up. SAI can have a central follow-up function that collects information on a regular basis and forms multi-sector audit teams to follow up the audit.

SAI can also appoint teams specialized in SDGs auditing to be responsible for implementation auditing and follow-up.

SAIs are recommended to include SDGs auditing follow-up in SDGs implementation audit file, and to add the same to SAI annual plan when it is due.

Delivering key messages: These messages make a big difference in creating the audit impact. SAI can use various events and forums at the national, regional and international levels for this purpose. At the national level, this can be done through holding

press conferences, interviews, conferences, seminars, mobile presentations, and events.

At the regional level, the events organized by INTOSAI regional bodies, regional forums, and UN regional commissions, as well as those organized by partners can be used.

At the international level, the high-level forum, meetings organized by UN agencies, the Organization for Economic Cooperation and Development, INCOSAI and INTOSAI events, and the events organized by the World Bank and civil society organizations.

Social media platforms and their programs are also an effective tool for SAIs.

SAIs should not restrict their contribution with the government to the implementation of recommendations, but rather contribute to the national review processes through the availability of inputs, participate in preparing the voluntary national review, or join the official envoys to the high-level forum.

In addition, **the auditor should have a positive impact** through SAIs' contribution to the global follow-up of SDGs and reviewing the mechanism of 2030 Agenda, either through the sessions of HLPF or the regional auditing forums reported by UN regional committees.

Creating a Stakeholders' Alliance:

Engaging and creating an alliance of stakeholders throughout SDGs implementation auditing in the same way of thinking is a matter of equal and even more importance in this auditing phase.

The stakeholder analysis and RACI analysis conducted by the auditor in the previous audit phases will be useful in determining how to engage with various stakeholders.

The auditor can continue to build on the relationships developed during the previous audit phases. Stakeholders' engagement throughout the audit process will create a strong sense of ownership of the work carried out by SAI. Stakeholders should include national, regional and local governments, legislative authority and its committees, judiciary, civil society organizations, citizens, academics, professional organizations, UN agencies, international organizations, development and media partners and experts, private sector, and INTOSAI regions and institution, in order to contribute with them. The relationship can range from one-time participation to a strategic partnership. For example, the Supreme Audit Institution in Indonesia has strengthened its strategic partnerships with an increasing number of university research centers in order to provide support to SDGs audit team.

Conclusion:

SDGs implementation auditing is conducted through performance auditing, which gives SAIs a fundamental role in ensuring responsible and effective governance for sustainable development. SDGs are a comprehensive set of goals. It is necessary to take into account the differences between implementation auditing and SDGs-related topics auditing. SAIs audit many SDGs-related topics to ensure the achievement of a just, rights-based, equality and inclusive world. The principle of "leaving no one behind" is the basis for the aforementioned five elements. Through transparency of reporting and audit impact on everyone, all stakeholders can be reached in a reciprocal process to achieve the country's 2030 national vision in line with SDGs 2030.

THEME-2

Sub Theme-2

Crisis and Disaster Management

CRISIS AND DISASTER MANAGEMENT

SAI Bhutan

.....

About the Author

Narapati Sharma

Assistant Auditor General

Office of the Assistant Auditor General

Regional Office, Samdrupjongkhar

Phone: 00975 17638289

SAI Bhutan

.....

A situation can be termed as crisis if health support and day today livelihood meant for the rural areas are disrupted to the rural people (Vulnerable Group) due to Pandemic or any other emergencies.

The government should have a system in motion during such crisis. All people economically vulnerable have to be registered and the list of such people with Identity card and contact details should be maintained district –wise, block-wise, village-wise so that every vulnerable individual irrespective of the remoteness of the area is captured for provision of Medical and essential food supplies.

A designated organization of volunteers should be created as the service providers who should organize themselves and work in consultation with relevant district administration to serve the vulnerable public in times of crisis to ensure that medical and food supplies are delivered on time. The volunteer group should be identified to serve different areas and no area or community is left out. The volunteers should be made aware that their services are very critical and failure will be not be acceptable. Such arrangement needs to be there to ensure that crisis management is done. Similar arrangement should be made in case of disaster such as earthquake, flood, draught etc. so that the economically vulnerable people will not be affected badly.

So the SAI as an important stakeholder should review the programs put in place to provide such support to the rural people, and comment on the short comings, lapses and deficiencies and make recommendations for improvement of the systems in place.

STRENGTHENING EMERGENCY MANAGEMENT MEASURES: LESSONS LEARNED FROM KOREA’S RESPONSE TO MASSIVE WILDFIRES

SAI Korea

.....

About the Author

KIM Joonhyoun

Deputy Director, Division I, Bureau of Audit Requests Investigation

KIM Eungyeong

Auditor, Division I, Bureau of Infrastructure Safety Audit

HONG Soyoun

Deputy Director, International Cooperation Division

CHO Jooyeon

Editor, International Cooperation Division

LEE Jungbae

International Affairs Coordinator, International Cooperation Division

.....

1. Introduction

The recurrence of disasters from natural and social factors adversely impact national development, causing substantial property damage, hardships, suffering, as well as loss of life. However, such negative impacts can be mitigated or even prevented by assessing the underlying risk factors and taking necessary disaster prevention measures, such as establishing disaster management plans and systems, improving relevant laws and regulations and conducting facility safety inspections.

In this light, the Board of Audit and Inspection (BAI) of the Republic of Korea strives to propose improvements that will reduce risks by examining the national disaster management system in how the government establishes measures and executes budget for prevention, response, and recovery based on the types of disasters.

Many Supreme Audit Institutions (SAIs) have advised their respective governments or parliaments to enhance their management systems to reduce disaster risks. Meanwhile, the International Organization of Supreme Audit Institutions (INTOSAI) and the Asian Organization of Supreme Audit Institutions (ASOSAI) have formulated related standards, such as the ISSAI 5510 “Audit of Disaster Risk Reduction,”¹ and shared their audit experiences through cooperative relations to develop audit methodologies for disaster mitigation.²

¹ <https://www.issai.org/?s=issai+5510>

² *The SAIs discussed audit methodologies for disaster prevention and management under the theme of “Emerging Issues and Emergency Situations” at the 3rd EUROSAI-ASOSAI Joint Conference held in Jerusalem (Israel) on*

This paper presents the audit case on how the BAI delved into the causes of the recent massive wildfire that was caused by a broken power line and provided the auditees with recommendations to prevent future wildfires.

2. Audit Background

a. Massive wildfires caused by powerlines

While some wild fires occur naturally, such as by lightning, other massive wildfires result from human causes. In recent years, there has been an increase in human-caused wildfires, mainly due to poor management of high-voltage powerlines.

In November 2018, Butte County in northern California experienced the deadly Camp Fire, named after Camp Creek Road where the fire originated, due to sparks from un-insulated power lines. The fire resulted in 102 casualties (85 deaths and 17 injuries), and incurred USD 16.5 billion in property damage (over 60 thousand hectares of land burned). In

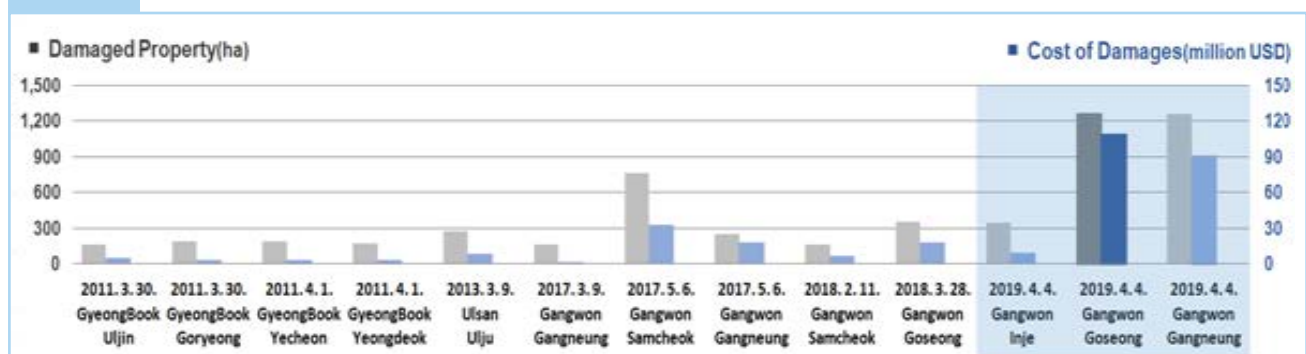
October 2019, a massive wildfire in Sonoma County, known as the Kincaid Fire, was found to be caused by a broken jumper cable, which led to four injuries and USD600 million in property damage from over 30 thousand hectares (ha) of land being burned.

In Korea, a broken high-voltage wire caused a large wildfire in Sokcho, Gangwon Province, in March 2004 burning 180 ha of land. After the incident, the government developed various countermeasures to prevent such wildfires. However, on April 4, 2019, another wildfire resulting from a broken jumper cable hit Goseong county of Gangwon Province ("Goseong Fire"), and was recorded as the largest wildfire in the past 10years.

b. Goseong Fire: Cause and impact

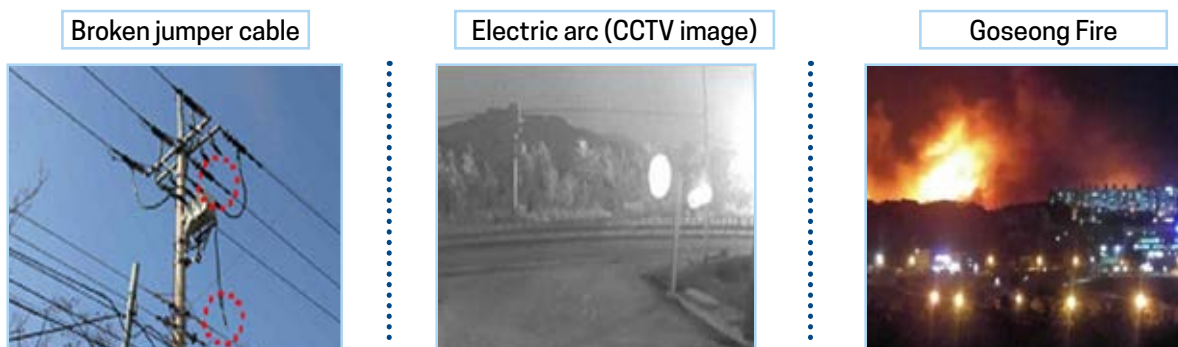
On April 4, 2019, around 19:00, an electric arc from a fallen high-voltage jumper cable started a massive wildfire in Goseong County, leading the Korean government to declare a state of emergency.³

Table 1. Damages caused by wildfires in Korea for the past 10 years



Source: Korea Forest Service

Figure 1. Goseong Fire caused by broken high-voltage wires



Source: Goseong Fire Station

³ This is the third state of emergency declaration after the legislation of the Framework Act on the Management of Disaster and Safety on June 1, 2004, following the Yangyang Fire in April 2005 and Oil Spill in Taejeon in December 2017. Audit methodologies

The fire spread from its point of origin to the city area for two days from April 4-6, causing 2 deaths and 11 injuries, and destroying buildings, vehicles, and 1,267ha (12.67 km²) of forests, resulting in a total of KRW 129.1 billion (USD 110 million) in property damage.

3. Audit plan and audit approach

a. Objectives and key audit matters

In the wake of the Goseong Fire, the BAI conducted an audit to examine and eliminate risk factors for the overall power supply facilities to better secure the safety of their operation and to prepare for disasters, such as massive wildfires, that can undermine public safety.

Key audit matters included a cause analysis of large wildfires caused by power lines, risk assessment of facilities, and compliance with wildfire response measures. Safety of power supply facilities and the power supply system were also examined to prevent nationwide blackouts (but this article only contains contents regarding the Goseong Fire).

The audit team visited the location where broken high-voltage wires started the Goseong Fire and examined the maintenance status of the power lines. To find out the causes behind broken power lines, the BAI requested external experts to perform a numerical analysis through a computer simulation to identify the possibilities of powerlines breaking based on the condition of the clamps (e.g. missing clamp components, proper fastening of clamps, etc). The

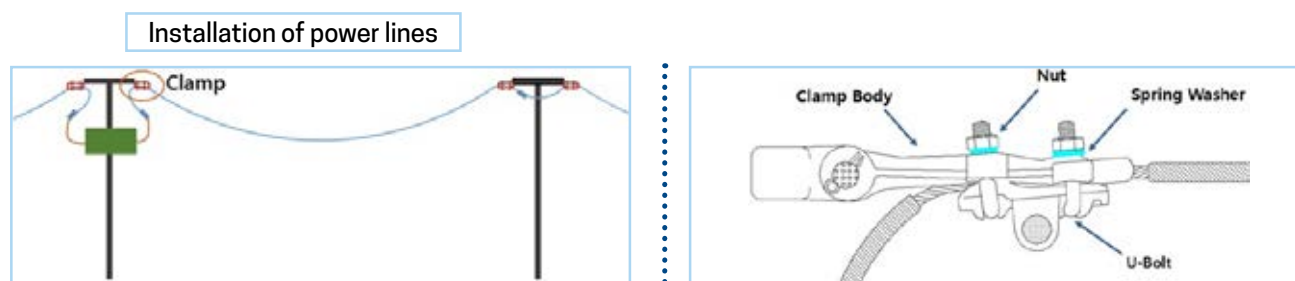
BAI also reviewed the regulations regarding standards and procedures to restore electrical power through the activation of reclosers⁴ and conducted interviews of the workers in charge of managing the equipment needed to ensure the stability and safety of power supply facilities (such as clamps and reclosers) to assess whether the workers complied with the proper response measures to prevent massive wildfires.

4. Lessons learned

a. Proper installation, maintenance and management of clamps

When installing high-voltage distribution lines, the lines should be able to support its own weight and withstand wind loads. The clamps connecting the lines to the utility poles (using bolts, nuts, spring washers, etc.) should be tightly fastened to keep the tension at rest, as there is a gravitational force pulling the line downward. If the clamps become loose, the tension of the jumper cables weakens, causing them to sway (especially with strong winds) and clash with the clamps, creating fretting fatigue. As fretting fatigue can result in broken cables, the tension of the jumper cables should be properly maintained. In case of the Goseong Fire, the jumper cable near the clamp had been broken, igniting the fire. After analyzing the fastening conditions of the clamp and the jumper cables, the BAI found that the clamps had become loose because the spring washers had not been installed, which can increase the possibility of the jumper cables breaking.

Figure 2. Drawing of power line and clamp installation



Source: Korean Society of Steel Construction

⁴ A recloser shuts off the electrical power when it senses any problems with the power lines. Once it senses that the problem has been resolved, the recloser then restores the electricity

Therefore, in an effort to reduce the risk of massive wildfires caused by broken jumper cables, the BAI notified the CEO of Korea Electric Power Corporation, KEPCO (which is responsible for managing the national electric power supply and demand), to tighten the loose clamps and replace the old clamps in order of priority based on the level of disaster risk.

b. Measures to properly regulate reclosers during wildfire season

Indetecting faults on high-voltage powerlines, the power supply facilities are supposed to shut off the power supply to prevent fires and electrical accidents. In case of power outages stemming from temporary faults caused by contact with foreign objects (birds, vegetation, etc.), reclosers are installed and operated within the power distribution system to avoid unnecessary poweroutages.⁵

Countries that have experienced massive wildfires originating from broken high-voltage cables temporarily disable reclosers during times when high winds and dry conditions enhance the likelihood of wildfires. Taking this into consideration, and as a result of the Goseong Fire (March 2004) KEPCO established measures to control the operation of reclosers based on the Forest Fire Danger Index (FFDI).

However, the BAI found that in 2018, KEPCO had abandoned the FFDI-based standards for the recloser operation to minimize unnecessary power outages and has since then been operating the reclosers at all times, even during wildfire season, contributing to the increased risk of wildfires. This led to five incidents of arc discharge in the Goseong Fire,

as the recloser continued the flow of electricity even after the jumper cables were broken. The BAI notified that a recloser repeats the reclosing cycle up to three times at fixed intervals to clear a temporary fault. In case of permanent faults (when the problem remains after three attempts), the recloser shuts off power. The CEO of KEPCO to establish measures to regulate the operation of their reclosers during periods that are high- risk for wildfires to prevent reclosers from restoring power after permanent faults (broken power lines) to prevent additional arc discharges from encouraging more wildfires.

5. Conclusion

In the wake of the Goseong Fire, the BAI advised the CEO of KEPCO to conduct periodic checks on all power supply facilities to prevent disasters, such as wildfires by analyzing their causes and further recommended the strengthening of the national safety management system. Disasters that pose a threat to public safety and national development are becoming increasingly complex and diverse, making it difficult to predict new risk factors. Under these circumstances, the BAI plans to strive toward reviewing measures to prevent and mitigate disasters by assessing risks on each type of disaster and conducting facility inspections.

Together with such efforts, the BAI will continue to maintain and strengthen international cooperation with respective SAIs by sharing audit cases on disaster responses and developing effective methodologies in this area.

⁵

CRISIS AND DISASTER MANAGEMENT

SAI Pakistan

.....

About the Author



Dr. Shafique Rahman

Deputy Director Audit,

IRS&C Karachi

He is from 38th Batch of Pakistan Audit and Accounts Service and currently working as Deputy Director Inland Revenue Service and Customs Audit in SAI Pakistan's Karachi office.

Email- shafiquemailbox@gmail.com

.....

Introduction

Crisis and disaster management: An unexpected event which triggers extraordinary response requiring immediate attention at the level of management. Crisis event has the potential to threat and harm organizations, states and world at large. While during crisis, there is minimum time to respond and an element of surprise for all as well as management and during the crisis phase. The administrators and managers try level best to execute and implement right decisions under tremendous pressure as there is an element of uncertainty during onset of crisis. The managers have series of backup contingent plans as they go through "trial and error" method in decision making process during acute phase of crisis to catchup with crisis. Crisis has different types: financial, political and organizational and health crisis are few the examples to quote .Crisis has the inherent capacity to become media event. More to say, crisis is process in which previous old system can no longer be maintained .There is change in status quo and it is because of crisis .How to cope up and face crisis effectively, efficiently and economically is known as crisis management and it is the role of leadership.

Disaster and its types

Disaster is serious disruption resulting in loss of lives and damage to properties. Disasters can be natural like earthquakes, hurricanes, floods, storms, draught, tsunamis and pandemics like COVID 19.Natural crisis are sudden, abrupt usually unpredictable, uncontrollable by human intervention. Natural disasters have propensity to cause widespread destruction as they are immune from manmade controls. This is evident from COVID 19 which is taking toll of human life throughout the globe and unstoppable. Crisis and disaster are inter-related terms

and be interpreted as same in this article. Disasters tend to have negative consequences for economy and environment. Developing countries having poorly developed human resources and poor economy suffer more from disasters as compared to developed countries. Whereas manmade disasters are gradual to develop predictable, less damaging and relatively controllable if prompt precautionary measures are taken swiftly. Wars, climate change, wildfires, terrorist incidents, and nuclear explosions are the examples of manmade disasters.

Climate Change Disaster and its Impacts

It is pertinent to mention here that climate change disaster which is manmade, virtually turning this beautiful planet of earth into virtual hell as the temperature of earth is gradually rising due to unbridled industrialization. Disastrous impacts of climate change are dangerous for future generations as it would lead towards desertification, extinction of natural habitat in Polar Regions, rise in sea level, rise of infectious diseases on the patterns of COVID 19 and irregular weather pattern which are common in current days. It is appealing to senses that we should return to natural earth and habitat by ensuring plantation campaign at the world level rather than turning to polluted earth by virtue of unplanned industrialization.

Historically and anciently, it was believed that disasters resulted due to specific and peculiar position and location of stars and planets. Disaster exposes the level of efficiency of management and leadership in the organization or state. Unprecedented growth in human population coupled with technological development at peak has resulted into series of disasters in current times following each other like cascade. Resilience and adaptability on part of leadership and public is key in going through the crisis times. Strong social cohesion, public policy regarding tackling disaster international donor support and community support are vital factors in dealing with crisis. In this article, I shall be discussing crisis communication and role of leadership, phases and stages of crisis, and finally conclusion.

Crisis Communication and Role of Leadership

Effective communication to all stakeholders within and outside organizations especially communicating with public through media, being key stakeholder, is key factor in dealing with crisis. Leadership must be credible and caring towards victims of crisis as public is more concerned about the victims. Moreover, leadership must be competent and committed towards the goal that public safety and minimizing human loss is their top priority during the course of crisis. Briefing public about factual position of crisis through media and displaying optimism and instilling hope and confidence in public in midst of crisis is duty of leadership and effective tool of crisis management. Leadership must be capable enough to deal with unforeseen disasters. Moreover, leadership must be problem solving in nature and offer solutions to crisis. In addition to this, it should enhance and raise the capacity of relevant institutions and individuals assigned to tackle disaster.

Risk Assessment and Role of Leadership

Risk assessment and vulnerabilities of public towards hazards must be made and prompt precautionary measures be taken by leaders in order to minimize human loss and damage towards property. This is the task of leadership and management as the hazards have greater potential in converting into disasters if prompt measures not taken immediately.

Objectives of Disaster Management

- Reducing human loss of lives and limiting damage towards properties
- Ensuring evacuation of those who are affected by disaster and shifting them to hospital immediately by providing quality medical care to them
- Providing basic facilities like water and sewerage disposal who are entrapped in disaster for longer duration of time.
- Prevent, prepare, respond and towards disaster

Different Phases of Crisis Management

Crisis Prevention

In crisis prevention measures are taken to prevent disaster before its occurrence. For instance, crisis prevention is following the codes of construction of buildings as done in Japan in order to prevent widespread destruction due to earthquakes. This is an example of crisis prevention. Houses are built on the pattern to become earthquake proof as preventive measure as the earthquakes are frequent in Japan. Similarly, flood walls are raised in those areas where floods are common. These are the tools to prevent disaster. Moreover, public education regarding disaster management should be part of curriculum in all world countries. This would facilitate public in effective dealing of disasters.

Crisis Mitigation

Crisis mitigation is permanent reduction in risks and hazards leading towards crisis in order to save public from disastrous consequences of crisis. Moreover, Crisis mitigation is the identification of hazards and risks leading toward disasters and minimizing its potential impacts. Moreover, reducing the vulnerability of public from various disasters must be top priority of management. This is also pre disaster stage.

Crisis Preparation

Crisis preparation is conducting frequent rehearsals coupled "with never quit attitude" and mobilization of human and financial resources are important features of crisis preparation. Achieving nuclear parity in cold war between former USSR and US was an example of preparation for crisis by both states. Further, the 9/11 event in US could have been averted; had the US were better prepared for such crisis before the incident. Emergency planning is also an important component of crisis preparation phase where the role of emergency planning officer is critical. Early warning system for disaster facilitate better preparation. For instance, early warning in case of floods help in dislocating vulnerable masses to safer places. Preparation for disaster is pre disaster stage.

Crisis Response

Crisis response is actually counter reaction of management towards response in which safety of human lives, mass care and preservation of property is ensured. While during earthquake, evacuation of affected and cutting off utilities of buildings like electricity and gas is done which may further deteriorate the situation. This is an example of primary response towards crisis. Besides, shifting critically injured towards hospitals in no time to provide quality care also comes under the jurisdiction of disaster response. Besides, launching short term guidelines and long-term policies based on international protocols and research to meet disaster is critical responsibility of leadership. For instance, lock downs, social distancing wearing masks in public places mandatory as declared by WHO are few measures to limit the spread of COVID 19. These are few response measures to limit the spread of COVID 19. Response is always post disaster situation.

Reconstruction and Recovery

Reconstruction and recovery are final phases of disaster management. For instance; damaged houses were rebuilt and reconstructed as done in Pakistan after post-earthquake situation of October 2006 which claimed more than 70,000 lives. Infrastructure was reestablished and reconstructed. Recovery is final phase of which tantamount to full socioeconomic recovery.

Conclusion

The world has become technologically advanced with repetition of disasters in current times as the mankind is currently afflicted in never ending going through COVID 19. There is need to invest in training individuals in disaster management as natural and manmade disasters are continuing to take toll of human lives. Better preparation against disaster can save world and secure future human generations.

THEME-3

COVID-19 and Role of SAIs: SAI Initiatives towards health measures of staff and Government response: Emergency and post Emergency Phases

ANAO AND BPK PARTNERSHIP

SAI Australia

About the Author



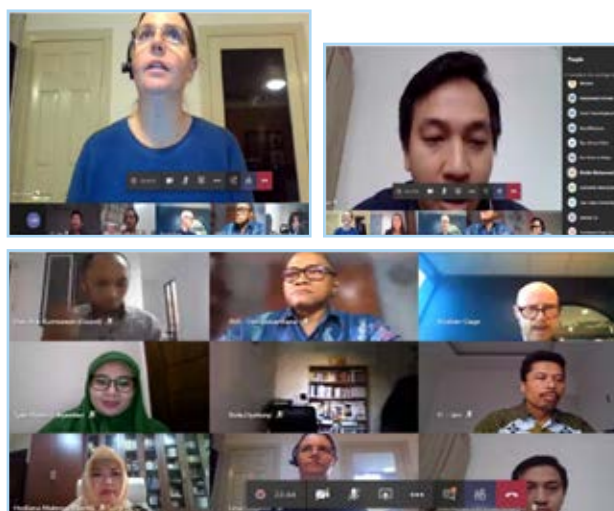
Mr. Kristian Gage
Executive Director,
Australian National Audit Office

He is an Executive Director within the Australian National Audit Office's (ANAO) Assurance Audit Services Group with over 20 years of public sector financial statement audit experience.

He has had extensive financial statement audit experience across a broad portfolio of financial statement audits and across all facets of government.

He commenced as the ANAO's advisor to the Audit Board of Indonesia (Badan Pemeriksa Keuangan (BPK)) in February 2019. This strategic partnership is funded by the Australia Indonesia Partnership for Economic Development (Prospera).

The partnership between the Australian National Audit Office (ANAO) and the Audit Board of Indonesia (Badan Pemeriksa Keuangan (BPK)) is longstanding, commencing in 2006. Funded by the Australia Indonesia Partnership for Economic Development (Prospera) - a grant-funded partnership between Australia's Department of Foreign Affairs and Trade and Indonesia's Coordinating Ministry for the Economy - the bilateral relationship between BPK and the ANAO continues to provide an opportunity to share approaches to auditing, including through the current COVID-19 (pandemic) and its aftermath.



Screenshot from Knowledge Sharing Sessions

In an environment of changing government priorities and rapid response measures to mitigate the impact of the pandemic from a health, societal and economic perspective, the role of the SAI and its ability to provide transparency and accountability across the sector, to the community and to the Parliament, is fundamental. Organizations such as BPK and the ANAO provide a critical service in auditing their respective government's pandemic response

across short and medium term timeframes - providing assurance, transparency and accountability to their parliaments, community and stakeholders.

organizations to COVID-19. This included discussions on organizational considerations, impacts on audit work programs and technical



Screenshot from Performance Audit Coaching

In such a dynamic and changing risk environment, the challenge for SAIs is to find the right balance between pandemic specific work and other work that their parliament and community expects, while also remaining agile and responsive to changing circumstances and risk environments.

The ANAO’s senior advisor to BPK returned to Australia in March 2020 as a result of the pandemic, however the partnership has continued to deliver an agreed program of activities. Activities and assistance have pivoted towards COVID response and recovery, insofar as it impacts SAIs and the work performed to support Parliament to promote transparency and accountability. Similar to all other facets of our lives, the use of remote communication tools such as video conferencing has been fundamental as the primary mode of delivery for activities in the shorter term. These have included a range of meetings, coaching activities and discussions to assist BPK in providing assurance, transparency and accountability to its Parliament, the community and stakeholders. Since the beginning of the pandemic the ANAO and BPK have conducted a number of discussions/activities funded under the PROSPERA program, including:

- Executive dialogues—early in the pandemic the senior advisor facilitated several e-workshop discussions between representatives of BPK and the ANAO as to the response of both

(accounting and audit) impacts;

- Risk Management workshops –two virtual workshops were held that focused on the principles of strategic risk management, including examples of better practice and lessons and insights that could be adapted or adopted in the Indonesian context. This included discussions as to the organizational impact of the pandemic and how the principles of strategic risk management have, or could be, applied;
- Performance Audit coaching – subject matter experts provided coaching to selected BPK performance audit teams at key phases of the scoping and delivery of their performance audits directed towards the Government of Indonesia’s emergency response and recovery measures. Audits across the health, education, innovation and home affairs sectors participated in the activity from planning to reporting of outcomes; and
- Knowledge sharing sessions – a number of bilateral discussions were held between BPK and the ANAO to share insights and promote two-way learning between the two organizations on topics ranging from quality frameworks and approaches by SAIs to assure audit quality in a changed operating environment to the role

that IT audit can play to support financial and performance audits. This incorporated a particular focus on how SAIs could use IT audit to respond in both the immediate and medium term in a changed and dynamic operating environment.

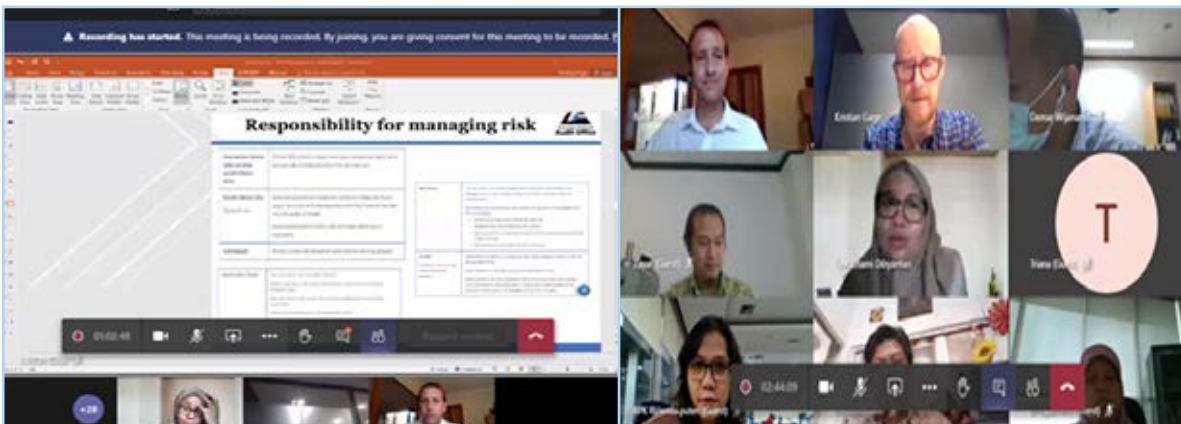
In addition, the ANAO was invited by BPK to participate with other SAIs in a September 2020 webinar on the topic of *Preparation for Auditing on Handling the Impacts of COVID-19 Pandemic “Audit of COVID-19 response: International Experience”* to

assist and support its auditors carrying out audits on handling the impacts of Covid-19 pandemic.

In such a small and specialized field, the bilateral relationship such as that of BPK and the ANAO, can provide an invaluable source to share insights and approaches to auditing and develop critical thinking, including through the pandemic and its aftermath. Activities such as the above provide both SAIs opportunities to draw from and share their respective experiences, and finally, to learn lessons from each other in real time.



Screenshot from Executive Dialogues



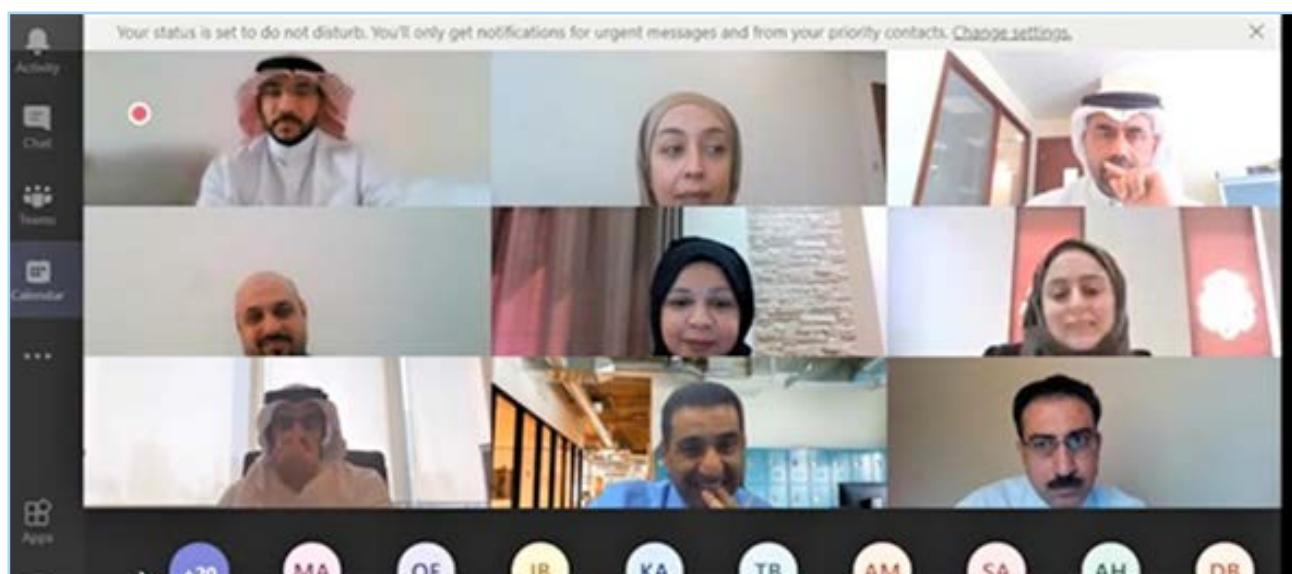
Screenshot from Risk Management Workshops

COVID-19 AND ROLE OF SAI: SAI INITIATIVES TOWARDS HEALTH MEASURES OF STAFF AND GOVERNMENT RESPONSE: EMERGENCY AND POST EMERGENCY PHASES- THE NATIONAL AUDIT OFFICE OF BAHRAIN – INITIATIVES DURING THE COVID-19 PANDEMIC

SAI Bahrain

Following the outbreak of the COVID 19 pandemic, the National Audit Office of the Kingdom of Bahrain (NAO) implemented measures to ensure the health and safety of its employees. It introduced a working from home policy which rotated the presence of employees at the NAO's headquarter throughout the working week. This measure guaranteed that social distancing could be adhered to as only a limited number of personnel were present in the office at

any one time. The NAO provided its employees with the required tools so that they were able to perform their work remotely and efficiently which ensured that work was not disrupted. In addition, the guidance provided by the Bahrain Ministry of Health as to using masks, washing hands and general measurements for keeping safe were applied. The NAO also participated in a workshop on disinfection and sterilisation procedures. Daily cleaning was introduced and weekly



disinfection operations at the NAO's headquarters were conducted by a professional cleaning company.

What's more, throughout the COVID 19 pandemic the NAO has followed through with its commitment to develop the professional and technical capacity of its employees and at the same time ensuring the health and safety of its employees by providing virtual internal training courses for its staff on topics such as "INTOSAI Professional Standards", "Positive Approach in Drafting Audit Reports", "Understanding the Bahrain Legal System "and "General Accounting and the Government's Financial Framework" amongst others.

On top of that, webinars offered through other audit organisations formed also part of the ongoing virtual training of the NAO's employees. Since April 2020 the NAO has taken part in several webinars

organized by INTOSAI, ARABOSAI, the World Bank and other organisations. Most of them dealt with COVID-19 and its implications for Audit. However, the NAO took also part in INTOSAI's webinar on "SAI-civil society cooperation/citizen engagement in the interest of enhanced SAI impact and improved accountability" and the webinar of Saudi Arabia's General Court of Audit: "Measuring impact and added value of audits." Recently, the NAO took part in SAI India's International Centre for Environment Audit and Sustainable Development international webinar on "Climate Change and its implications for Sustainable Development" which included sessions by international speakers on climate change and sustainable development goals and auditing implementation of climate change mitigation and adaptation.

COVID-19 AND ROLE OF SAIS: SAI INITIATIVES TOWARDS HEALTH MEASURES OF STAFF AND GOVERNMENT RESPONSE

SAI Bhutan

It is extremely important for SAI to represent itself as an important stakeholder in the management to fight COVID 19 Pandemic.

Irrespective of the location whether at SAI Headquarter or the Regional Offices, the SAI should get involved as active member in the COVID 19 Task Force and review the sufficiency of the health measures and other control measures put in place to prevent the spread of pandemic in the community.

In case of identification of the Corona Virus positive case, the SAI auditors should review the measures put in place to handle the positive cases and the minimum facility required for handling the positive case should be reviewed. The facilities required for tracing the primary and secondary contact of the Index cases and quarantining them as per the Health protocol should be reviewed for its sufficiency.

The SAI auditors should also ascertain whether the relevant SOPs are developed, standardized as per the World Health Organization (WHO) and applied in the local context. The sufficiency of the health facilities in the Isolation rooms should be reviewed from time to time looking at the requirement trends.

All front liners in the battle against COVID 19 pandemic should be provided with adequate facilities and self-protective gears. There should be an arrangement to make additional manpower in times of need so that people involved in the fight against COVID 19 can do the duty without any interruptions for all 24 hours.

The government has been incurring substantial amount of expenditure in the fight against the COVID

About the Author

Narapati Sharma

Assistant Auditor General

Office of the Assistant Auditor General

Regional Office, Samdrupjongkhar

Phone: 00975 17638289

SAI Bhutan

19 and has succeeded so far in preventing the spread of pandemic. The Government has also cautioned every spending agencies to exercise due diligence in spending and the expenses incurred will be auditable by the SAI of the country. So the SAI has a dual role in guiding the finance controllers in the COVID 19 Task Force at every level to exercise prudence in the expenditure in line with the Financial Rules and Regulations of the country.

SAI as an auditor of the government and member in the COVID 19 Task Force should play active role and note down deficiencies and lapses in their own area and present them to the Task Force Committee for taking immediate corrective measures.

The SAI should consult the Task Force committee regarding the need to conduct concurrent review of the expenditure on activities related to COVID 19 prevention and control measures. It is ultimately the responsibility of the SAI to audit and report on that expenditure.

So as a member in the COVID 19 Task Force, the SAI representative should without hesitation and without fear or favor point out the lapses, deficiencies, deviations and suggest immediate measures to correct the deficiencies. As members of the Task Force, SAI representative should also create the awareness of important requirements such as social distancing, putting on mask, washing hands and control unnecessary travels besides encouraging people to work from home.

The safety and security measures put in place by the Health Sector and other implementing agencies involved in controlling the spread of the COVID 19 pandemic should be verified by the SAI. The SAI should audit the COVID 19 related activities and expenditures and point out the deficiencies and lapses timely and make recommendations for improvement, so that the objectives of the Government to control the virus will be achieved.

On the areas of poverty alleviation, the government should put in place the following:

- i. Identifying the vulnerable groups of people and their basic requirements during the emergencies particularly the medical supplies, food supplies and other essential services as requested;
- ii. Having a system in place to manage supply of essential items to the vulnerable ones and those below poverty line in rural areas during the emergency and ensure sustainability even after emergency;

Post Emergency Phases

After the emergency, SAI as a member should obtain feedbacks from those who were traced and kept under quarantine through a feedback system and provide comments and urge the committee to take corrective measures in future. For those tested positive and kept in isolation there should be a system to collect feedback and suggest for improvement of the facilities for the future. The SAI should evaluate whether proper care has been provided for the ones tested positive and kept in isolation.

In case of any death, the measures taken to help the bereaved family should also be verified and recommendations for improvements made.

SAI also should create awareness on the requirement of compliance to all the systems put in place to prevent and control the spread of pandemics.

Though the systems and processes in towns and cities are proper, the government should equally provide safeguard in the rural areas so that pandemic do not get into the rural community. The SAI, through its involvement as stakeholder and through annual auditing should check the compliance of the system put in place in the rural setting to control the spread of Pandemic.

THE CNAO'S SPECIAL AUDIT OF THE FUNDS AND DONATIONS IN THE COVID-19 PREVENTION AND CONTROL

SAI China

China has attached great importance to the prevention and control of the COVID-19 pandemic. Since the outbreak, the Chinese government has given high priority to pandemic prevention and control. General Secretary Xi Jinping insisted on putting people's life and health first, directed the operations and made work arrangements. Local governments, departments and people from all walks of life mobilized and allocated various resources and funds, made good efforts to guarantee the supply and allocation of key medical supplies, and organized key enterprises to resume work and production, thereby achieving significant strategic achievements. The National Audit Office of the People's Republic of China (CNAO) acted quickly to organize more than 20,000 auditors and conducted a special audit of the funds and donations in response to the pandemic prevention and control, resolutely combined remote big data audit and site verification on key areas, identified problems and urged rectification in a timely manner, providing vigorous support for the implementation of pandemic prevention and control. The CNAO made an audit work report to the Standing Committee of National People's Congress on June 18, 2020 and the audit results were announced to the public according to the law.

I. The CNAO concentrated forces on major task, and took the advantage of the strong organizational leadership, so as to provide strong organizational guarantee for the efficient and smooth implementation of the special audit

Firstly, the CNAO responded quickly to adopt

a comprehensive action plan. After the outbreak of COVID-19, the CNAO immediately set up a Special Audit Leading Group, with Auditor General as the team leader, and established the Leading Group Office (hereinafter referred to as the "Special Office") as "front-line headquarters". Meanwhile, the CNAO issued and distributed the working plan for the special audit over funds and donations for COVID-19 prevention and control. In addition, the chief leaders of the CNAO and provincial audit institutions held a video meeting to mobilize resources for the special audit, explain the audit work plan and provide corresponding training.

Secondly, audit institutions at all levels responded accordingly and implemented work effectively. The audit offices of various regions all established special audit leading groups, with the aim of coordinating and organizing municipal and county-level special audit. Moreover, the audit institutions at all levels had dispatched the auditors familiar with fiscal funds, donations and financial sector to audit the distribution, management and use of funds, donations and loans, and carried out effective investigation on important issues and responsibilities.

Thirdly, the special audit mechanism was improved for more efficient and orderly implementation. The Special Office was set up in the Department of Social Security Audit of the CNAO, and all business departments, regional offices, out-posted offices in ministries and local audit institutions are under the coordination of this special office to carry out the audit. Moreover, the Special Office formulated work procedures, clarified its duties and each team, standardized formulation, distribution and

reporting processes of audit dynamics, special reports and other information, established the mechanism of weekly meeting, ten-days report and monthly report, made prompt communication on the audit plans and progress, clarified on the audit standards to make sure the audit tasks were conducted in an efficient and orderly manner.

II. The CNAO adhered to the principle of integrating centralization and decentralization and penetrating from top to bottom, and strengthened the overall coordination of national audit activities

Firstly, the CNAO coordinated the implementation of projects to ensure the full-coverage audit of funds and supplies. The CNAO strengthened communication and coordination with local audit institutions at all levels, integrated the implementation of the special audit, the real-time audit on the implementation of major national policies, and the audit of departmental budget implementation, and coordinated the audit work between central ministries and local provinces, between regional offices and local audit institutions in the same province, and between audit teams with different auditees, so as to ensure each auditee will only be audited once in this special audit. It also formulated the key instructions for the special audit of fiscal funds, donations and special loans, prepared audit report framework as reference, and compiled relevant regulations to provide professional guidance and support for implementation. Meanwhile, the CNAO also held regular virtual meetings to report the progress, coordinated the work in different audit business sectors and key regions, and provided targeted measures and instructions based on public health condition and the implementation of the special audit. Moreover, the CNAO has been leading the audit institutions to verify the allocation and use of funds at each level and continuously following the final use of funds and supplies, to make sure this special audit can penetrate from top to the bottom and achieve the nationwide coordination in auditing those funds and supplies.

Secondly, the CNAO highlighted the key points of audit to improve the overall containment of the

pandemic. The objectives of the special audit are, to promote the standardized management, efficient use and transparency of funds and supplies, and to ensure the provision of essential medical supplies and daily necessities during the spread of the pandemic. Focusing on the distribution, management and use of funds and supplies, the audit priorities include: the implementation of relevant central government policies and decisions; the implementation of policies on tax and fee cuts, subsidized fiscal and preferential loans; the general situation of the funds, as well as their allocation and usage, arranged by the central and local finance departments at various levels; the overall situation of public donations as well as their distribution and usage. Adhering to the above objectives, the CNAO, at the initial stage, focused on ensuring the provision of emergency supplies, speeding up the lending process of special loans to provide financial support to expand the capacity of key suppliers, buy more pandemic prevention supply, and facilitate the construction of hospitals. And to the second stage, the CNAO paid more attention to the standard management of funds and supplies, with the aim to improve the operation mechanism, increase the performance, prevent the risk and ultimately advance the implementation of relevant policies.

Thirdly, the CNAO improved the audit efficiency by addressing the existing problems and forestalling the potential risks at the same time. The CNAO emphasized that audit institutions must take preventive measures, urge rectifications and improve systems while conducting the special audit, so as to give full play to the role of audit supervision. Audit institutions at all levels were required to timely identify and report the problems, timely urge rectification, and timely help relevant departments or organizations to improve systems and mechanisms, overcome loopholes and improve management. All the audit findings must be resolved in a timely manner. Efforts should be made to promote reform through audit, firmly grasp the main contradiction of ensuring the provision of supplies, timely promote the adjustment and optimization of expenditure structure, speed up the allocation of funds, establish and improve the

lending mechanisms of special loans, clean up the channels for acceptance, allocation and distribution of donations from home and abroad, increase the production and supply of urgently needed medical supplies and daily necessities, so as to guarantee the effective and smooth implementation of the pandemic prevention and control.

III. The CNAO adopted innovative methods to improve audit efficiency and better play the role of the special audit with sound performance.

Firstly, the CNAO strengthened the collection and analysis of electronic data. It has carried out the cross field, cross-level and cross-system data analysis related to the pandemic prevention and control and further organized targeted verification on the audit findings.

Secondly, the CNAO took active in carrying out off-site auditing. It strengthened the coordination and connection between off-site audit and on-site audit resource allocation, and has been encouraging non-contact work, and made full use of the electronic data of business ledgers, accounting, financial account books, payment bills and other information

provided by the auditees for audit and verification. For the audit findings that need to be further verified, video/telephone/email and other methods would be preferred to use to shorten the on-site verification. In this way, we could minimize the interference on the normal work of primary level auditees who have been focusing on pandemic control, while ensuring the audit quality at the same time.

Thirdly, the CNAO has been taking strict follow-up on the audit rectifications. The audit institutions have actively participated in the joint pandemic prevention and control mechanism initiated by health, finance, development and reform departments, responsible for pandemic prevention and control, and promoted the improvement of top-level design and institutional mechanisms, so as to timely and systematically solve the problems found in the audit. The CNAO also has been taking a prudent and objective view on those non-compliances caused by emergency handlings in pandemic prevention and control, adopted on case-by-case approach in reaching the audit conclusions, ensuring all the audit findings would be rectified immediately.

TESTING THE RELIABILITY OF WHEEL OF BALANCE PRINCIPLE: THE CASE OF COVID-19 AND THE ROLE OF SAIS

SAI Indonesia

About the Author

Tjokorda Gde Budi Kusuma

Senior Auditor at the Audit Board of the Republic of Indonesia (BPK)

He completed his bachelor degree at Bandung Institute of Technology in 2003, and master's degree in International and Development Economics at Australian National University in 2012. He is also a Certified Sustainability Reporting Specialist from the National Center for Sustainability Reporting.

Email: Tjokorda.Kusuma@bpk.go.id;

Muhammad Rizkarmen

Auditor at BPK's Representative Office in West Java Province

He completed both his bachelor and master's degrees at Bandung Institute of Technology. He has various working experiences in the area of engineering, finance, and procurement.

He is also a Certified Fraud Examiner from the Association of Certified Fraud Examiners and a national procurement expert from the National Public Procurement Agency of Indonesia.

Email: Muhammad.Rizkarmen@bpk.go.id

Wheel of Balance Principle

In our previous article in INTOSAI Journal for Spring 2020 [1], we introduced the concept of the Wheel of Balance in auditing the Sustainable Development Goals (SDGs) implementation, as shown in Figures 1 and 2.

Figure 1. Sustainability dimensions with problematic gap

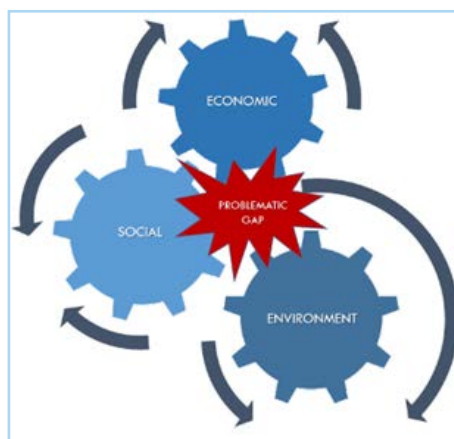


Figure 2. Achieving sustainability by integrating an enabler



Figures 1 and 2 illustrate the potential problematic gaps and how sustainability can be achieved when all stakeholders know the necessary enabler to integrate into economic, environmental, and social objectives. The Wheel of Balance provides a better perspective on sustainability and delivers a framework and approach to improve how governments develop policies that fully embrace the concept more. Moreover, the Wheel of Balance can be used as a basis for Supreme Audit Institutions in preparing SDG audits aimed at ensuring adequate, appropriate audit recommendations [1].

The excellent concept or principle should be applicable in all conditions without compromise. The article shows the reliability of the Wheel of Balance concept to be applied during the COVID-19 pandemic.

their policies with other options, such as large-scale social restrictions, stratify-and-shield, empowered neighborhoods, and mini lockdown.

From the sustainable development approach, COVID-19 has tremendous impacts on social, economic, and environmental aspects. Several studies have shown that the pandemic harms social and economic aspects [3; 4; 5; 6]. However, on the other hand, the COVID-19 pandemic also tends to have a positive impact on environmental aspects at a particular time [7; 8; 9]. This problem seems to conform with the wheel of balance principle and, in general, can be presented in the following figures.

Figure 3 shows that COVID-19 tends to have a positive impact on the environment. However, at

Figure 3. Tends of Covid-19 impacts

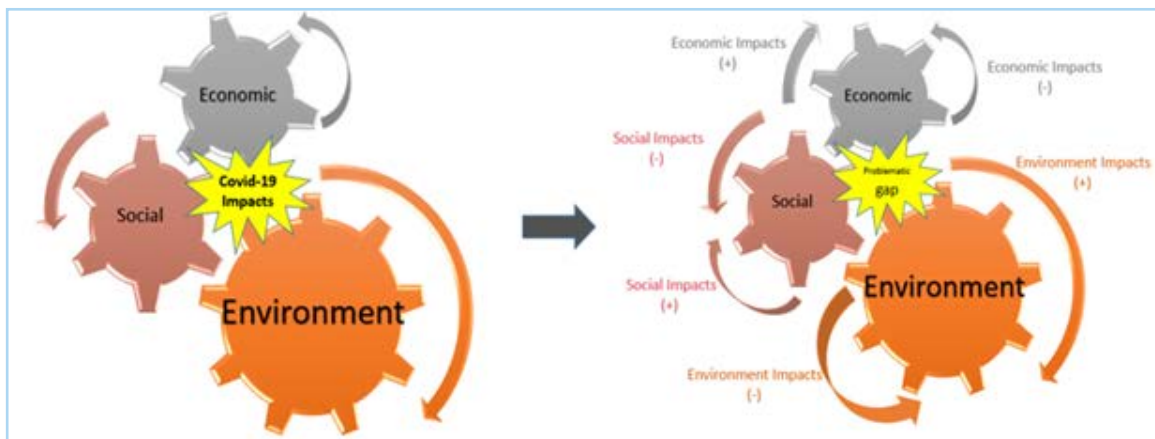
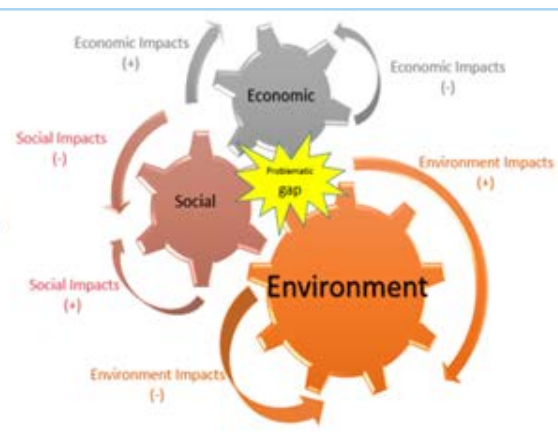


Figure 4. The problematic gap of Covid-19 impact



Currently, the world is facing a complicated problem related to the outbreak caused by the Coronavirus disease 2019 (COVID-19). World Health Organization (WHO) has declared the outbreak of COVID-19 as a global pandemic. This determination is based on facts regarding the alarming level and severity caused by COVID-19. No vaccine has proven toward off this disease, although several countries have tested and gave trials for vaccines. There are two extreme options to control the pandemic, namely through Total Lockdown and Herd Immunity schemes. Since lockdown has more negative impacts on the economy and herd immunity also has some consequences to health [2], some countries modified

a particular time or period, it can also raise several issues in the area. Inversely, COVID-19 raises not only negative impacts on social and economic issues but also positive impacts, as illustrated in Figure 4. This paper briefly shows the impact of COVID-19 using the sustainable development approach and the wheel of balance principle. These impacts are described in detail below.

Economic Impact of COVID-19

COVID-19 pandemic is causing economic disruption at unprecedented speed and scale [4]. Although there is no exact monetary value depicting the economic impact of the pandemic, articles

highlighting how severe the negative impacts of COVID-19 are on the global economy can easily be found. Erin Duffin [5] presented the statistics and

reported that there had been a significant slowdown of growth in emerging economies; some countries were entering or had even already entered into a

Figure 5. Real GDP Growth (Annual percent change 2018)

Figure 6. Real GDP Growth (Annual percent change 2019)

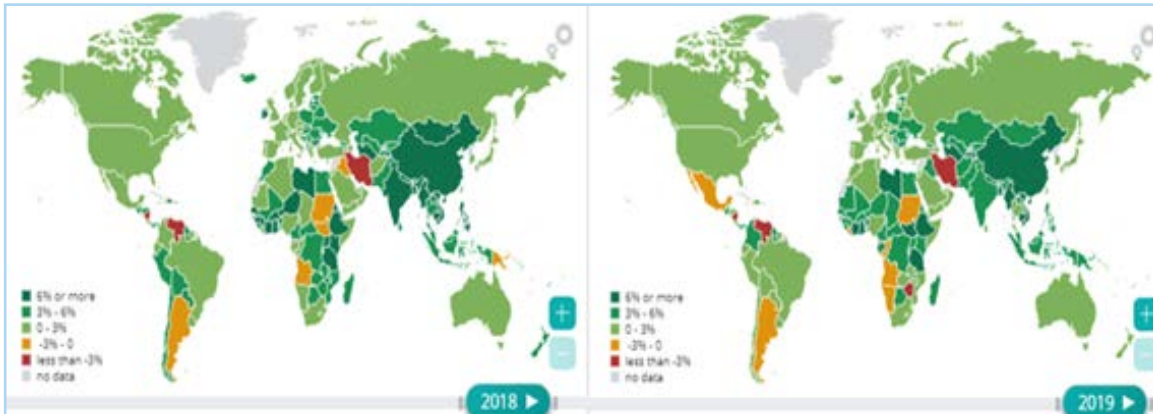
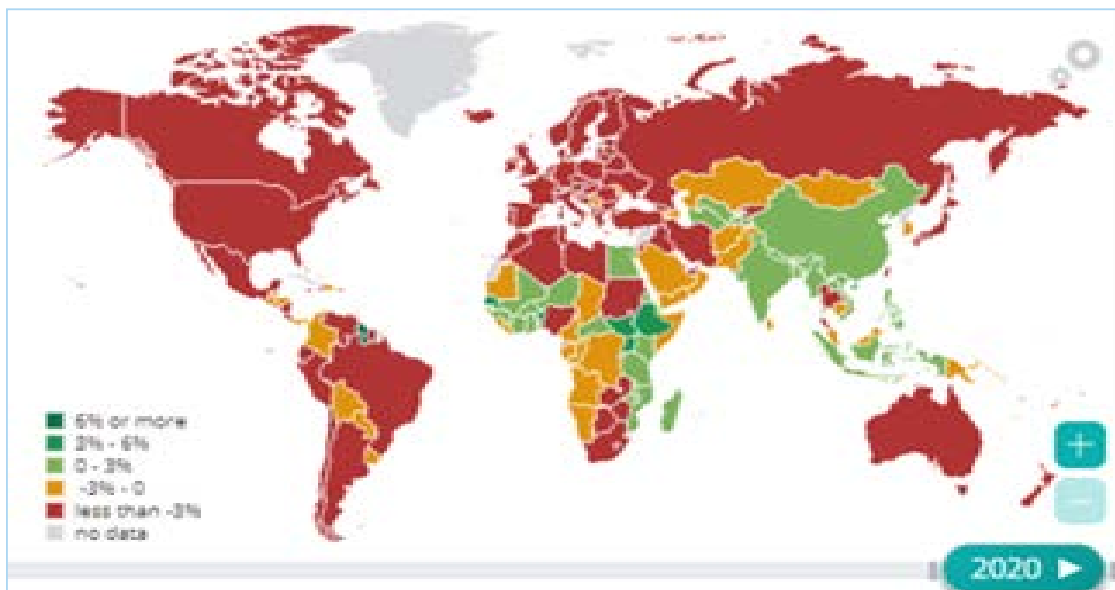


Figure 7. Real GDP Growth (Annual percent change 2020)



Source: International Monetary Fund, accessed August 8, 2020

facts about the impact of coronavirus pandemic on the global economy, while Sophia Chen et al. use the high-frequency indicators to analyze the economic impact of COVID-19 in Europe and the United States during the early phase of the pandemic [6]. IMF

recession [7].

Besides all the negative impacts mentioned above, we can also find recent studies related to the positive impacts of COVID-19 on the economic aspect [10] & [11].

Social Impact

COVID-19 has affected all sectors of society and caused a significant global loss that cannot be estimated [12]. The United Nations of Economic and Social Affairs (UN DESA) mentioned that the COVID-19 outbreak affects all segments of the population and might increase inequality, exclusion, discrimination,

and global unemployment in the medium and long term [13]. It may seem that the pandemic only has negative impacts on the social aspect; however, we can still find some research mentioning the positive and negative social impacts of COVID-19 [14; 15; 16]. Based on these literatures, we summarized COVID-19 impacts on social aspects in the following table.

Table 1. COVID-19 Impacts on the Social Aspect

No.	Negative Impact	Positive Impact
1	Unemployment *	Traffic injuries *
2	Manufacturing demand *	Adaptability to a pandemic situation and the understanding of the ideal social behavior **
3	Psychological effect *	A high level of social cohesion or social conscience to face the difficult situation **
4	The pandemic situation has spread as a global pandemic disease, which is creating fear, stress, stigma, minimizing social networks, etc. **	Strengthen the supply chain network at national and regional levels **
5	A high rate of deaths due to various illnesses or complications of diseases **	May increase the level of innovations amongst the people **
6	Impossible tasks and challenges to the medical staff, supporting staff, social workers, and health administrators at local, domestic, and global levels **	Strengthen the intergenerational social integrity **
7	Some countries such as Italy, Spain, the USA and China, and a few other European countries are facing a much higher disintegration in all subsystems of society **	Developments in sociological tool-kits and social engineering skills to deliver efficient services **
8	Dismantling the family relationship and intimate relationships with relatives, neighbors, various communities, etc. **	The general public may develop some positive attitudes over the special duties performed by various essential services in society, especially health workers, social workers, police and armed forces who are involved in quarantine processes **
9	Some people may face various kinds of stress, social stigma, and depression conditions due to the malfunction of the social system **	Reduction in crimes **
10	Possible social conflicts or conflicts of interests in the subsystems and this may lead towards the social system **	
11	Disruptions in the productions of primary and secondary items in the society **	

Source: [** 14 & *15]

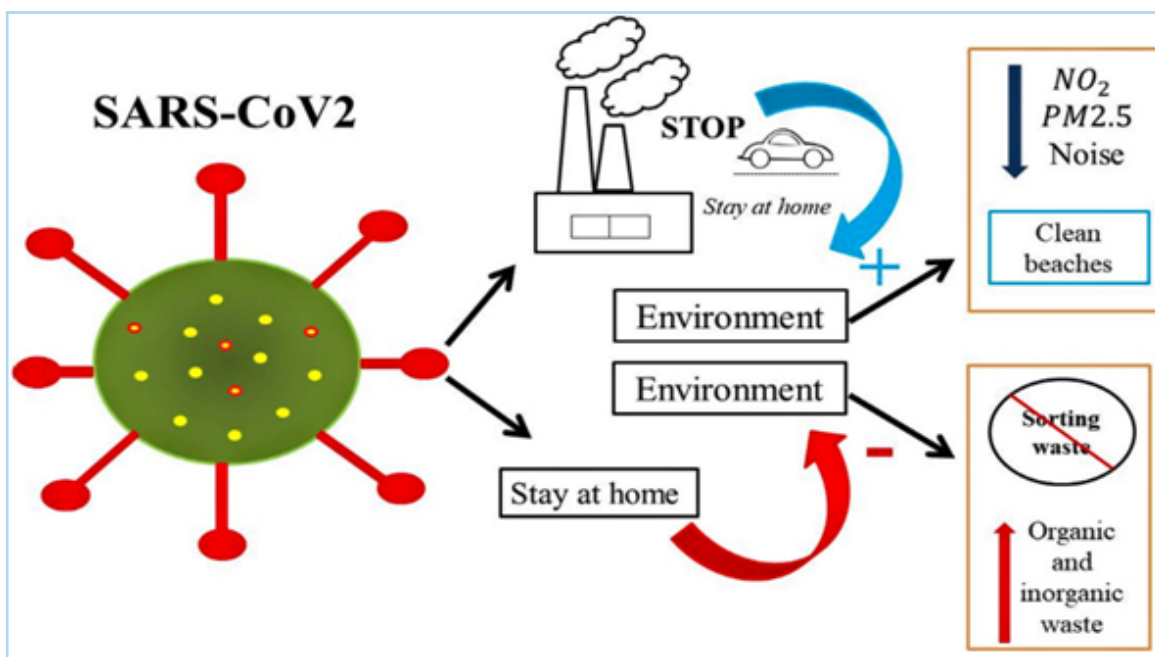
Environment Impact

Many cities worldwide adopted the social distancing directives, lockdowns, quarantines, social restrictions, and border closures that have led to the decrease of commuting travel to reduce the risks of COVID-19. These policies tend to cause (indirect) positive impacts on the environment. Zambrano-Monserrate et al. [7] analyzed the indirect impact of COVID-19 on the environment. They presented the positive impacts of COVID-19 to the environment

(decrease the concentrations of NO₂ and PM 2.5, clean beaches, and environmental noise level reduction) and the negative impacts (increased waste, waste recycling reduction, and other indirect negative impacts to the environment). The graphical abstract of the research is shown in Figure 8.

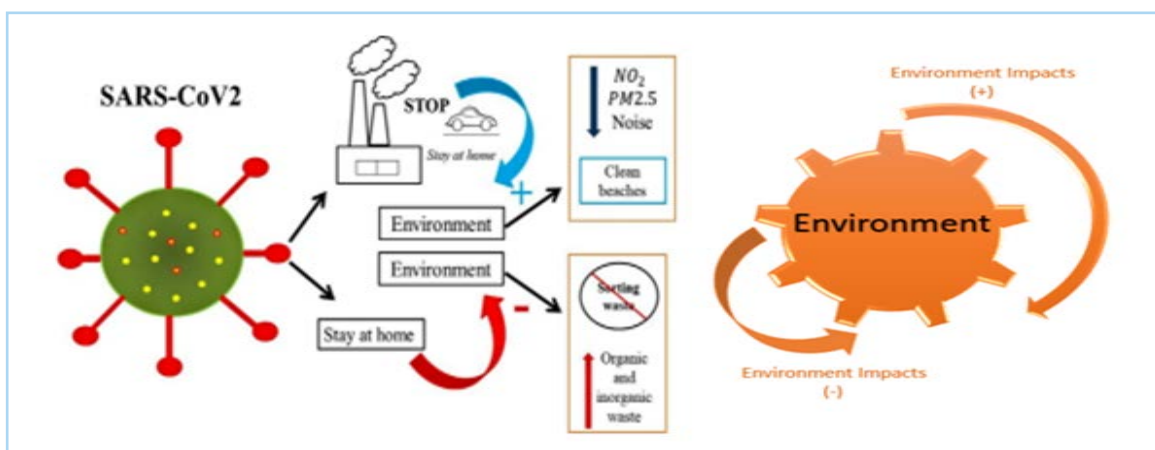
From the figure above, we can find a similar concept with the wheel of balance and elaborate further with the following model shown in Figure 9.

Figure 8. COVID-19 Impacts on Environment Aspect based on Research



Source: Zambrano-Monserrate et al [7]

Figure 9. COVID-19 Impacts on Environment Aspect compared with the Wheel of Balance Principle



From the figure above, we can find the reliability of the wheel of balance principle to the case of COVID-19.

Several types of research about the impact of COVID-19 show a similar result with the previous research mentioned above. Muhammad et al. [8] considered the COVID-19 pandemic as a blessing in disguise and have a positive impact on the environment; Ghahremanloo et al. [9] mentioned the indirect positive impact of COVID-19 in saving lives through the decrease of pollutants from the atmosphere, while Silva et al. [17] highlighted the increase of plastic pollution due to COVID-19 pandemic.

The Role of Supreme Audit Institutions (SAIs)

SAI have an important role in supporting the government in accelerating the recovery process during and after COVID-19. In conducting a performance audit based on the IDI's SDGs Audit Model (ISAM) on Covid-19, we can use the wheel of balance principle simultaneously. The diagram shows that we could start with ISAM's first principle, impact-driven performance audit. If we want to maximize the audit impact, it would be impossible to ask about the effectiveness of government response to the pandemic since the process is still on-going. So, it is better to provide foresight for the government in accelerating the recovery process after the end of the COVID-19 pandemic. The second principle, we need to choose the nationally agreed target related to the SDGs, target 3d, strengthens all countries' capacity or early warning risk reduction, and national and global health risk management. Considering that we try to deliver a forecast for the government, we could combine two performance audit approaches: process-oriented approach in the beginning and result-oriented approach in the long term.

In the process-oriented approach, our audit can focus on how the government establishes its policy, resource mobilization, and monitoring activities. For the COVID-19 topic, it will be related to Goal 16 and Goal 17 of the SDGs in the process. We can use another ISAM principle based on audit criteria

that follow WHO guidance on how the country should prepare for pandemic strikes. WHO has three main criteria: governance, capacities, and resources [18] that the country needs to prepare. On top of that, we can embed it with the principle of the whole of government approach when dealing with governance and capacities. In the process, we need to ensure that the central government, province, and local governments have set up policy coherence and integration. In mobilizing resources, we need to ensure a multi-stakeholder principle that involves government, NGO, philanthropy, and international organizations operating in the country.

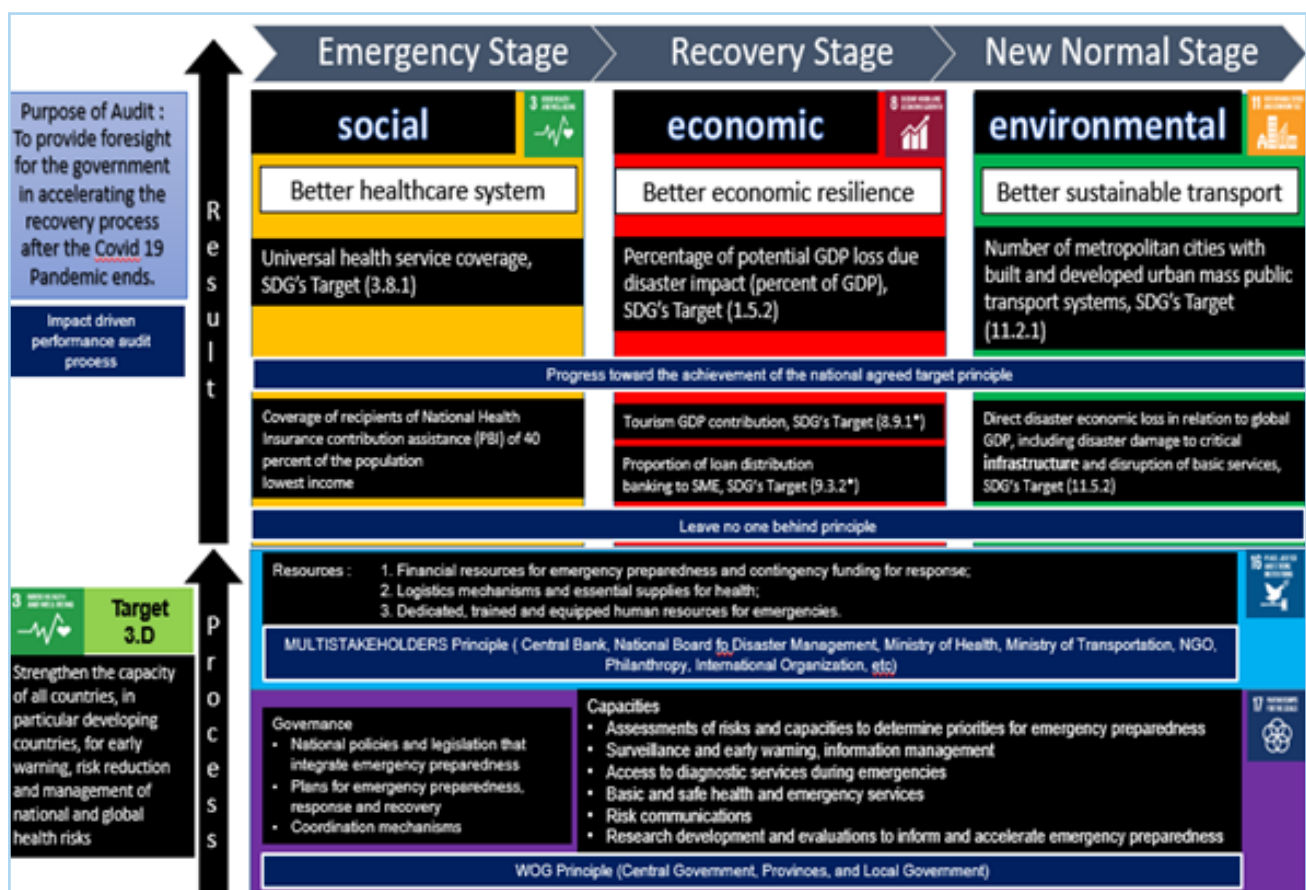
By the time the process-oriented approach ended, we can prepare the result-oriented approach by combining three stages of the pandemic with the wheel of balance principle of SDGs implementation. In the early stage of the emergency stage, the social dimension related to Goal 3, mainly the achievement of Target 3.8.1, universal health service coverage, should be considered the top priority. In the short term, we need to ensure the government used the principle of leaving no one behind. In this case, the National Health insurance contribution assistant's coverage should reach 40% of the population's lowest income. When the health sector is already under control, and the recovery stage has started, the focus should now be on the economic dimension gear. In this stage, the long-term goals are to create a better economic resilience measured with the percentage of potential GDP loss and disaster impact, which is Target 1.5.2. In the economic recovery stage, we need to ensure that the government focuses on leaving no one behind. As we are aware, the most severely impacted in the economic sector is tourism or Target 8.9.1, and small-medium enterprise or Target 9.3.2. Thus, the government should pay more attention to this sector, hoping that when the economic recovery began, they are not left behind.

Finally, by the end of the pandemic, we will enter the new normal stage. In this stage, the government should focus more on the environmental dimension, especially Goal 11, to create better sustainability transport. We need to ensure the progress toward

achieving Target 11.2.1, the number of metropolitan cities with built and developed mass public transport system is on track. During the pandemic, we learned that the most critical infrastructure related to the spread of the virus is designing a transport system. We need such a design that can deal with mass public movement by lowering the risk of the massive spread of the virus in the community, and it is hard to implement. Thus, we need to ensure that the government can lower the direct disaster economic loss to global GDP, including disaster damage to critical infrastructure and disruption of basic services. The audit framework and the simplified model can be seen in the following figure.

scale, making the achievement of SDGs even more urgent [2]. It is concluded that COVID-19 has both positive and negative impacts on the economic, social, and environmental sectors. Karunathilake (2020) mentioned that while COVID-19 had caused more positive impacts on the nations, regions, and the world, particularly to South Asian countries, it should be considered that we still need to find solutions to handle the adverse effects of COVID-19. The wheel of balance of sustainable development can give some perspectives of any problems in terms of economy, social, and environment. Needless to say, this concept or principle is still new, and the reliability still needs to be tested on various issues.

Figure 10. COVID-19 Audit Framework using ISAM



Conclusion

Although the impact of the COVID-19 pandemic will vary from country to country, increased poverty and inequalities will most likely occur at a global

Furthermore, SAIs have important roles through their audits, programs, and recommendations. The role of SAIs is being recognized as crucial to supporting the government response mechanisms

through maintaining public financial management discipline, ensuring transparency and accountability [19], and giving the appropriate recommendations.

This paper re-introduced the concept of a wheel of balance in auditing SDGs and provided an example of an audit framework in the context of the COVID-19-related audit.

References

- [1] Kusuma, Tjokorda Gde Budi, and Muhammad Rizkarmen. "Auditing SDG Implementation: A Wheel of Balance," in *International Journal of Government Auditing (Spring 2020 Edition)*, 2020.
- [2] H.E. Randolph, L.B. Barreiro. *Herd Immunity: Understanding COVID-19. Immunity*, 52 (5) (2020), pp. 737-741.
- [3] "Socio-economic impact of Covid-19". UNDP. [Online]. Available: <https://www.undp.org/content/undp/en/home/coronavirus/socio-economic-impact-of-covid-19.html>. [Accessed August 09, 2020].
- [4] Baldwin, Richard, and Beatrice Weder di Mauro, "Mitigating the COVID EconomicCrisis: Act Fast and Do Whatever It Takes," CEPR Press, 2020.
- [5] <https://www.statista.com/topics/6139/covid-19-impact-on-the-global-economy/>Published by Erin Duffin, June 26, 2020
- [6] Chen, Sophia. Deniz Igan. Nicola Pierri. and Andrea F Presbitero. "Tracking the Economic Impact of COVID-19 and Mitigation Policies in Europe and the United States", in *IMF Working Paper*, 2020.
- [7] M.A. Zambrano-Monserrate, M.A., Ruano, L. Sanchez-Alcalde. "Indirect effects of COVID-19 on the environment". *Sci. Tot. Environ.*, 728, Article 138813, 10.1016/j.scitotenv.2020.138813, 2020.
- [8] Muhammad, Sulaman., Long, Xingle., and Salman, Muhammad. "Covid-19 pandemic and environmental pollution: A blessing in disguise?". *Sci. Tot. Environ.*, 728, Article 138820, 10.1016/j.scitotenv.2020.138820, 2020.
- [9] Ghahremanloo, Masoud., Lops, Yanic., Choi, Yunsoo & Mousavinezhad, Seyadali. "Impact of the COVID-19 outbreak on air pollution levels in East Asia". *Sci. Tot. Environ.*, Article 142226, 10.1016/j.scitotenv.2020.142226, 2020.
- [10] B.N. Ashraf. *Economic impact of government interventions during the COVID-19 pandemic: International evidence from financial markets. Journal of Behavioral and Experimental Finance*, 2020, Article 100371, 10.1016/j.jbef.2020.100371.
- [11] Linares, Pedro. "Can we use the Covid-19 crisis to move towards a more sustainable economy?". *Oxford Energy Forum*. 2020.
- [12] Ali, Imran & Alharbi, Omar M, L,. "COVID-19: Disease, management, treatment, and social impact". *Sci. Total Environ.*, 728, 10.1016/j.scitotenv.2020.138861, 2020.
- [13] The UN Department of Economic and Social Affairs. "Everyone Included: Social Impact of COVID-19". United Nations. [Online]. <https://www.un.org/development/desa/dspd/everyone-included-covid-19.html>. [Accessed October 10, 2020].
- [14] Karunathilake, K. "Positive and negative impacts of COVID-19, an analysis with special reference to challenges on the supply chain in South Asian countries". *Journal of Social and Economic Development*. 1-14. 10.1007/s40847-020-00107-z, 2020.
- [15] Tahir, Muhammad Bilal, and Sohaib, Muhammad, *Social and Environmental Impact of COVID-19: Positive and Negative Aspects* (May 10, 2020). Available at SSRN: <https://ssrn.com/abstract=3612943> or <http://dx.doi.org/10.2139/ssrn.3612943>.
- [16] Supriatna, Encup. "Socio-Economic Impacts of The COVID-19 Pandemic: The Case of Bandung City". *Journal of Governance*, 2020.
- [17] Silva A L P, Prata J C, Walker T R et al. *Increased plastic pollution due to COVID-19 pandemic: Challenges and recommendations. Chem Eng J*; 405: 126683, 2020.
- [18] World Health Organization. "A Strategic Framework for Emergency Preparedness". WHO, 2020.
- [19] World Bank Group. "Covid-19 Role of Supreme Audit Institutions (SAIs) in Government's Response to Covid-19: Emergency and Post Emergency Phases". World Bank, 2020.

AUDIT STRATEGY IN COVID PERIOD: AN APPROACH OF POLITICAL LAW IN INDONESIA

SAI Indonesia

.....

About the Author

Blucer Welington Rajagukguk
*Director General of Legal Affairs at the
Audit Board of the Republic of Indonesia
(BPK).*

*He completed his master's degree in
accounting at Syracuse University in
1999, and his doctoral degree majoring in
management science at Universitas Negeri
Jakarta in 2013.*

Email- blucerrajagukguk@yahoo.com

Muhammad Ramadhani
*Deputy Director of Legal Consultation for
Regional Finance at BPK*

*He has completed his master's degree in
economic law at Universitas Indonesia in
2009.*

Email- mdramadhani@gmail.com

Muh Najib
*Section Head of Legal Consultation for
State Finance at BPK.*

*He completed his master's degree in law at
Trisakti University in 2019.*

Email- muhnajib.sh@gmail.com

.....

ABSTRACT:

The conditions of the Covid-19 pandemic require everyone to always adhere to strict health protocols. For this reason, the Government must make policies, regulations and/or special measures to protect the Indonesian nation from the impact of the Covid-19 pandemic. This condition also affects the audit procedures that can be carried out by the The Audit Board Republic of Indonesia (BPK). Because the audit strategy in normal conditions does not allow it to be implemented thoroughly, the BPK must design an alternative strategy in auditing the handling of the Covid-19 pandemic. This paper provides an overview of the response of the Indonesian Government in dealing with the Covid-19 pandemic, the politics of law in regulations setting, and the audit strategy carried out by the BPK. The methodology used in this paper is descriptive analysis with a normative juridical approach. This paper concludes that the response of the Indonesian Government in dealing with the Covid-19 pandemic on a national scale begins with the establishment of a management structure for handling the Covid-19 pandemic, then issuing Government Regulation (Perppu) Number 1 of 2020 which is later stipulated as Law Number 2 of 2020. The legal politics of enacting Perppu Number 1 of 2020 into Law is to overcome the compelling urgency as a result of the Covid-19 pandemic, so that the Government needs policies and extraordinary steps in the field of state finances in order to save the national economy and financial system stability. With this political-law approach, BPK has designed an audit strategy for handling the Covid-19 pandemic in Indonesia, both in terms of procedure and substance

of the audit, among others by optimizing the use of Information Technology and using the provisions stipulated in Perppu Number 1 of 2020 as stipulated become Law Number 2 of 2020 and its implementing regulations as audit criteria.

KEYWORDS: audit strategy; legal politics; Covid-19; state finances

Background

The issuance of Government Regulation (Perppu) Number 1 of 2020 into Law Number 2 of 2020 and its implementing regulations is to overcome the compelling urgency as a result of the Covid-19 pandemic should not change the concept and principle of state finance policy to be transparant and accountable. Moreover, Audit Board of the Republic of Indonesia (BPK) must adjust this urgency with a more suitable audit strategy.

At the end of 2019, the world experienced the Corona Virus Disease 2019 (Covid-19) pandemic. The Covid-19 virus is a new type of virus that is very rapidly transmitted and a vaccine still has not been found. In just a few months, this virus has spread to almost all countries in the world, including Indonesia. The Indonesian government announced the first case of Covid-19 in Indonesia in early March 2020. As the number of victims of the Covid-19 virus has increased,

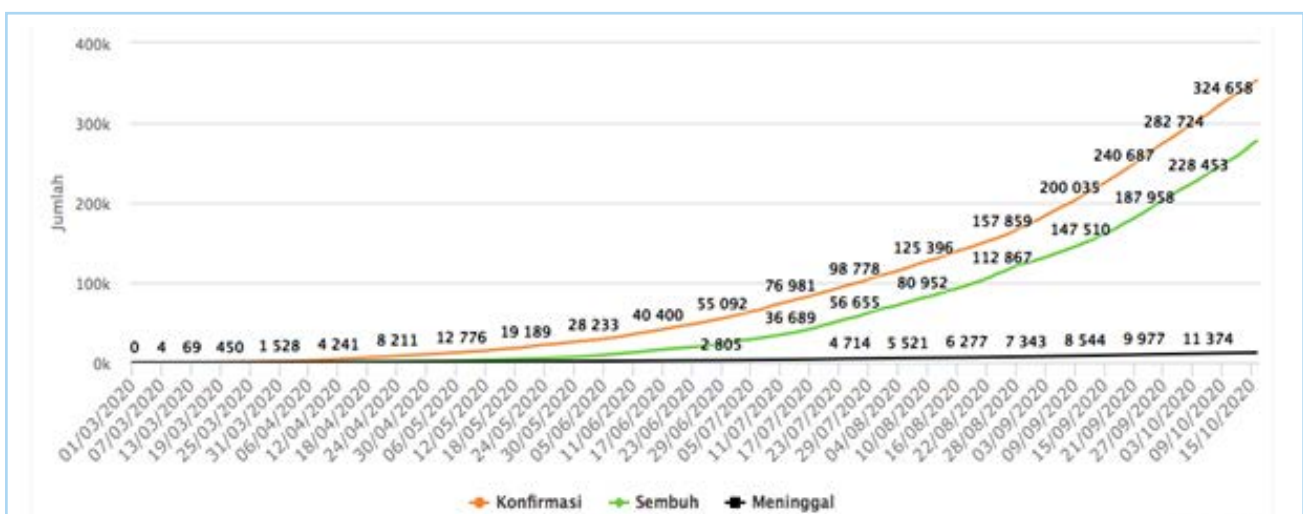
on March 11, 2020, the World Health Organization (WHO) declared Covid-19 a Global Pandemic, after it was discovered that more than 118,000 cases in 114 countries, with 4,291 people losing their lives as a result of the pandemic.

Based on data from the Ministry of Health of the Republic of Indonesia as of October 16, 2020, it shows that there are 353,461 people who have been confirmed positive for Covid-19. Of these, 277,544 people have been declared cured, and 12,347 people died. The graph of the increase in Covid-19 cases in Indonesia can be seen in the following figure.

If this data is compared with data on positive cases of Covid-19 in countries around the world, then as of October 16, 2020 there were 38,789,204 cases of the Covid-19 pandemic in the world with a total death toll of 1,095,097. Data from WHO shows five countries with the highest cases were the United States (7,833,851 cases), India (7,370,468 cases), Brazil (5,160,843 cases), Russia (1,369,313 cases), and Argentina (931,967 cases).

As shown in Figure 1 above, to date the Covid-19 pandemic cases, both confirmed cases and death cases in Indonesia are still showing an increasing trend. The Covid-19 pandemic not only caused a health crisis, but also had economic and social impacts. Restrictions on community activities affect business activities which then have an impact

Figure 1. Development of Cumulative Covid-19 Cases in Indonesia



on the economy. Based on the August 2020 Monthly Social Economic Data Report published by the Central Statistics Agency (BPS), it was stated that Indonesia's economic growth in the second quarter of 2020 was minus 5.32 percent. Previously, in the first quarter of 2020, BPS reported that Indonesia's economic growth only grew by 2.97 percent, down considerably from the growth of 5.02 percent in the same period in 2019. The BPS report also confirmed that the contraction in the second quarter of 2020 was deeper than the Ministry of Finance predicted in the range of minus 3.8 percent. This realization is also worse than the lower limit predicted by the Ministry of Finance of minus 5.1 percent.

In these conditions, a good synergy between the Government and other State institutions is needed to overcome the Covid-19 pandemic in accordance with their respective authorities. This is in accordance with the objectives of the state that have been set by the founding father in the Preamble of the 1945 Constitution, namely "to protect the entire Indonesian nation and all the blood of Indonesia and to advance public welfare, to educate the nation's life, and to participate in implementing world order which is based on freedom, lasting peace and social justice".

The President of the Republic of Indonesia as the holder of government power must make policies, regulations, and / or special measures to protect the Indonesian nation from the impact of the Covid-19 pandemic. To implement this policy, the Government can utilize state finances that have been stipulated in the State Revenue and Expenditure Budget (APBN). In this case, the President as the holder of the power to manage State finances has the authority to determine direction, general policies, strategies and priorities in APBN management. Nevertheless, Government policies that have an impact on APBN adjustment must be discussed together with the House of Representatives (DPR), so that the implementation of these policies has a strong legal basis. Therefore, the DPR has an important role in supporting the successful handling of Covid-19 in Indonesia. In accordance with the provisions of Article 20A paragraph (1) of the 1945 Constitution of the Republic of Indonesia (UUD

NRI 1945), the DPR has a legislative function, a budget function and a supervisory function. Regarding the handling of covid-19, the DPR has a role in forming laws and / or approving Government Regulations in lieu of laws governing the handling of the covid-19 pandemic in Indonesia. In addition, the DPR also has a role in discussing changes to the APBN, as well as supervising the implementation of the Law and the State Budget.

To ensure that the management and responsibility of state finances in handling the Covid-19 pandemic is carried out effectively, transparently and accountably, an audit must be carried out. In accordance with the provisions of Article 23E uud nri 1945, the Supreme Audit Agency of the Republic of Indonesia (BPK RI) has the authority to examine the management and responsibilities of state finances. The audits conducted by the Republic of Indonesia BPK consist of financial audits, performance audits, and audits with a specific purpose. Apart from conducting audits, the BPK can also provide opinions to the DPR and the Government regarding the management and responsibility of state finances.

The existence of the Covid-19 pandemic requires everyone to always adhere to strict health protocols, including wearing masks, maintaining distance, and avoiding crowds. In addition, several government agencies and state institutions have implemented a work from home system. This condition certainly has an impact on the audit procedures that can be carried out by the BPK. Because the audit strategy in normal conditions does not allow it to be implemented thoroughly, the BPK must design an alternative strategy in examining the handling of the Covid-19 pandemic.

Departing from the above background, this paper will discuss three problems. First, what is the response of the Indonesian Government in dealing with the Covid-19 pandemic? Second, the legal politics of establishing Government regulations in handling the Covid-19 pandemic? Third, what is the BPK audit strategy for handling the Covid-19 pandemic after the Government has established regulations in handling the Covid-19 pandemic? This paper aims to provide

an overview of the response of the Indonesian Government in dealing with the Covid-19 pandemic, the politics of law in setting regulations, and the audit strategy carried out by the BPK.

This paper uses a descriptive analysis method with a normative juridical approach, namely by describing the response of the Indonesian Government in dealing with the Covid-19 pandemic, legal politics in setting regulations, and the audit strategy carried out by the BPK, which is analyzed with the prevailing laws and regulations in Indonesia. Sources of data used in this paper are the 1945 Constitution of the Republic of Indonesia, laws and regulations in the field of state finance, literature books, and several articles from print and electronic media.

Discussion

1. The response of the Indonesian government in dealing with the Covid-19 pandemic

As the Covid-19 pandemic spreads across the globe, we are beginning to see the first major impact on the world of business, financial markets and trade with the results of analysts increasingly showing a sense of pessimism about short-term solutions. The situation caused by Covid-19 will of course still continue to develop and have a profound impact on financial and trade markets because it is still in a state full of uncertainty.

In facing the Covid-19 pandemic, several countries in the world are taking steps to accelerate the handling of the pandemic, such as: lockdown, rapid and massive tests, travel band / restriction, physical distancing, work from home, study from home, prohibiting public activities, and giving punishment or fines for citizens who do not comply. The global

Covid-19 pandemic has certainly had an impact on regulations around the world. Travel restrictions, social distancing measures, and economic policies are just a few examples of the responses to regulation that can be observed in different countries.

In the State of Indonesia, steps to deal with the Covid-19 pandemic on a national scale begin with the establishment of a management structure in the context of accelerating the handling of the pandemic because fast, precise, focused, integrated and synergistic steps are needed between ministries / agencies and regional government. This initial step was demonstrated by the issuance of Presidential Decree (Keppres) Number 7 of 2020 concerning the Task Force for the Acceleration of Handling Covid-19 on March 13, 2020, which was later amended by Presidential Decree Number 9 of 2020 concerning Amendments to Presidential Decree Number 7/2020 concerning the Task Force for the Acceleration of Handling Covid-19 on March 20, 2020. Presidential Decree No. 7/2020 as amended by Presidential Decree No. 9/2020 has been revoked in its development by the issuance of Presidential Regulation (Perpres) No. 82 of 2020 concerning the Committee for Handling Covid-19 and the National Economic Recovery on 20 July 2020.

In normal circumstances, the system of legal norms is enforced based on the 1945 Constitution of the Republic of Indonesia and statutory instruments that are officially established to regulate various aspects relating to the implementation of state activities in general. Sometimes, however, it is inconceivable that there will be other circumstances of an abnormal nature, in which the ordinary legal system cannot be expected to be effective in realizing the aims of the law itself. This tendency is not only

Figure 2. Regulation on the Establishment of a Management Structure for Handling the COVID-19 Pandemic



common among ordinary people, but also among the jurists themselves as well.

Therefore, to provide a stronger legal basis for the Government in its efforts to deal with the impact of the pandemic, on March 31, 2020 the President of the Republic of Indonesia issued 3 (three) regulations, namely:

- a. Government Regulation in Lieu of Law (Perppu) Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling Covid-19 Pandemic and / or in the Context of Facing Threats Endanger the National Economy and / or Financial System Stability. In its development, the Perppu has obtained the approval of the House of Representatives (DPR) and was stipulated into Law Number 2 of 2020 concerning Stipulation of Government Regulations in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling Covid-19 and / or in the Context of Facing Threats that Endanger the National Economy and / or Financial System Stability into Law. The law was enacted on May 16, 2020 and promulgated on May 18, 2020.
- b. Government Regulation (PP) Number 21 of 2020 concerning Large-Scale Social Restrictions in the Context of Accelerating the Handling of Covid-19; and
- c. Presidential Decree No.11 of 2020 concerning the Determination of the Public Health Emergency for Covid-19.

In Indonesia, the President's authority to stipulate a Perppu is regulated based on Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia which states that in matters of "compelling urgency", the President has the right to stipulate a Perppu. The matter of "compelling urgency" can be related to the authority of the President to declare a state of danger in accordance with Article 12 of the 1945 Constitution. Furthermore, Article 1 number 4 of Law Number 12 of 2011 concerning the Formation of Legislative Regulations as amended with Law Number 15 of 2019 stipulating that the Perppu is the Legislative Regulation stipulated by the President

in compelling emergency situations.

The position of the Perppu as a subjective norm was also stated by Jimly Asshiddiqie as follows:

"Article 22 gives the President the authority to subjectively assess the state of the country or matters related to the state which cause a law to not be formed immediately, while the need for material regulation regarding matters that need to be regulated is very urgent so that Article 22 of the 1945 Constitution provides authority to the President to establish government regulations in lieu of laws (Perppu)".

Jimly also stated that there are three important elements that together form the definition of a state of emergency, namely:

- a. Element of a dangerous threat;
- b. Reasonable necessity elements;
- c. Element of limited time available.

As quoted by Ibnu Sina Chandranegara in an article entitled Audit of the Perppu related to Inter-State Institutional Constitutional Authority Disputes: A review of the Constitutional Court Decision Number 138 / PUU-VII / 2009, published in the Judicial Journal, Vol. 5 No. 1, April 2012, stated that the objective measure of the issuance of the Perppu was only formulated by the Constitutional Court (MK) in the Constitutional Court Decision Number 138/PUU-VII / 2009.

Based on the Constitutional Court Decision, there are three conditions as a parameter for the existence of "compelling urgency" for the President to enact the Perppu, namely:

- a. There is a situation, namely an urgent need to resolve legal problems quickly based on law;
- b. The law that is needed is not yet available, so there is a legal vacuum, or there is a law but it is not sufficient;
- c. This legal vacuum cannot be resolved by making laws in the usual procedure because it will take a long time while the urgent situation needs certainty to be resolved.

The Constitutional Court Decision Number 138 / PUU-VII / 2009 stated that the Perppu gave birth to a legal norm and as a new legal norm would be able to give rise to: a. new legal status, b. new legal

relationship, and c. the result of the new law. These legal norms were born since the Perppu was passed and the continuation of these legal norms depends on the DPR's decision to approve or not approve the legal norms (Perppu), however before the DPR's decision to approve or not approve the Perppu, the legal norms are valid.

In line with the consequences of the Perppu being enacted, Maria Farida Indrati Soeprapto said that this Perppu has a limited (temporary) period of time because as soon as possible it has to seek approval from the DPR, namely at the next trial. If the Perppu is approved by the DPR, it will become a law. Meanwhile, if the Perppu is not approved by the DPR, it will be revoked. The approval of the DPR is very important because the DPR has the legislative power, and objectively assesses the presence or absence of "compelling urgency". Although the Perppu has not yet been discussed by the DPR, the legal consequences of the Perppu are already there. This means that the Perppu is already in effect, can be implemented, and has an equal position with the Law.

Maria Farida also said that so far laws have always been formed by the President with the approval of the DPR, and under normal circumstances, or according to the Amendment to the 1945 Constitution, they were formed by the DPR and jointly approved by the DPR and the President, and passed by the President, while the Perppu was formed by the President without the approval of the DPR. Because of "a compelling crisis", UU and Perppu in the hierarchy of statutory regulations do have the same position; it's just that they were formed in different circumstances. Laws are formed by the President in normal circumstances with the approval of the DPR, while the Perppu is formed by the President in a precarious situation which forces them without the approval of the DPR. This condition then made the position of the Perppu formed without the approval of the DPR they are sometimes considered to have a position under the law.

In accordance with the provisions of Article 22 paragraph (2) of the 1945 Constitution of the Republic of Indonesia, the Perppu must obtain the approval of the DPR in the following proceedings.

Therefore, after Perppu Number 1 of 2020 was enacted and promulgated on March 31, 2020, the Government submitted a Draft Law (RUU) concerning the Stipulation of Perppu Number 1 of 2020. On May 4, 2020, a Decree of the DPR RI level 1 stating the Bill The stipulation of Perppu Number 1 of 2020 to be brought to the plenary level. Then on May 6, 2020 a working meeting was held with Commission XI, where the Ministry of Finance (Kemenkeu) has delivered various updates and explanations about the Ministry of Finance's policies in the midst of the Covid-19 pandemic, discussion of macro assumptions and posture of the 2020 State Budget. Furthermore, in the 15th DPR plenary session, session period 3, session year 2019/2020, Tuesday, May 12, 2020, the DPR has given approval to enact the Bill on the Stipulation of Perppu Number 1 of 2020 into Law. After obtaining the approval of the DPR, Perppu Number 1 of 2020 was then ratified by President Joko Widodo into Law Number 2 of 2020 concerning Stipulation of Government Regulations in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Covid-19 Pandemic and / or in the context of facing threats that endanger the national economy and / or financial system stability into law, on May 16, 2020, and promulgated on May 18, 2020.

Perppu Number 1 of 2020 which has been passed into Law Number 2 of 2020 contains 5 Chapters and 29 Articles. The main materials regulated in Perppu No.1 of 2020 are state financial policies and financial system stability policies in the context of handling the COVID-19 pandemic and / or facing threats that endanger the national economy and / or financial system stability, which includes:

- a. State financial policies, including:
 - 1) State revenue policies, including policies in the field of taxation;
 - 2) State expenditure policies, including policies in regional finance; and
 - 3) Financing policy.
- b. Financial system stability policies, including policies for handling financial institution problems that endanger the national economy

and / or financial system stability, whether implemented by Bank Indonesia (BI), the Deposit Insurance Corporation (LPS), the Financial Services Authority (OJK), or those undertaken by the Government.

Like the omnibus law which revises several related laws, Perppu No.1 / 2020 also states that several provisions in 12 (twelve) laws are not applicable, as long as they relate to state financial policies for handling the spread of COVID-19 and / or in order to face threats that endanger the national economy and / or financial system stability based on this Perppu.

Furthermore, to implement the provisions stipulated in Perppu Number 1 of 2020 as stipulated in Law Number 2 of 2020, the Government has issued several derivative regulations, consisting of:

- a. 4 (four) Government Regulations, namely:
 - 1) Government Regulation Number 23 of 2020 concerning Implementation of the National Economic Recovery Program (promulgated on May 11, 2020), as amended by Government Regulation Number 43 of 2020 (promulgated on August 4, 2020);
 - 2) Government Regulation Number 29 of 2020 concerning Income Tax Facilities for Handling Corona Virus Disease 2019, which was promulgated on June 10, 2020;
 - 3) Government Regulation Number 30 of 2020 concerning Reduction of Income Tax Rates for Domestic Taxpayers in the Form of Public Companies, which was promulgated on 19 June 2020;
 - 4) Government Regulation Number 33 of 2020 concerning the Implementation of the Authority of the IDIC in the context of Handling Financial System Stability Issues, which was promulgated on July 8, 2020.
- b. 1 (one) Presidential Regulation, namely:
 - Presidential Regulation Number 54 of 2020 concerning Posture Changes and Details of the State Budget for Fiscal Year 2020 (promulgated on April 3, 2020), as amended by Presidential Regulation Number 72 of 2020 (promulgated on June 25, 2020).

- c. 3 (three) Financial Services Authority Regulations;
- d. 11 (eleven) Regulations of the Minister of Finance; and
- e. 1 (one) Regulation of the Minister of Home Affairs.

Based on these laws and regulations, the Government has carried out refocusing and budget reallocation activities for handling the Covid-19 pandemic as well as additional state / regional spending and the National Economic Recovery Program (PEN) scheme.

2. Legal Politics of the Establishment of Indonesian Government Regulations in handling the Covid-19 pandemic

Law and politics are subsystems in the social system. Each of them performs a specific function to move the social system as a whole and synergistically. Broadly speaking, the function of law is to carry out social control, dispute settlement and social engineering or innovation. Meanwhile, political functions include system maintenance and adaptation (socialization and recruitment), conversion (rule making, rule application, rule adjudication, interest articulation and aggregation) and capability functions (extractive regulative, distributive and responsive) (Oka Mahendra, 2004).

The relationship between law and politics is that the existing law (in the sense of positive law) is a political decision. The Constitution in Indonesia is made by the MPR, which is a political institution. Likewise, other laws and regulations as the implementation of the Basic Law are also political decisions. Therefore, discussion of legal politics is focused on positive laws or laws in force at that time, which were made or stipulated by the state through state institutions or authorized officials.

According to Prof. Dr. Bintan R. Saragih, political law is defined as a "policy" taken (pursued) by the state (through its institutions or officials) to determine which laws need to be replaced, or which need to be changed, or which laws need to be maintained, or which laws regarding what needs to be regulated

or issued so that with this policy the administration of the state and government can take place properly and in an orderly manner so that the objectives of the state (such as the welfare of the people) can be realized gradually and in a planned manner.

Meanwhile, according to Prof. Dr. Moh. Mahfud MD, political law is a "legal policy or line (policy) official regarding the law that will be enforced either by making new laws or by replacing old laws, in order to achieve the goals of the country". Thus, legal politics is a choice of laws that will be enforced as well as choices about laws that will be repealed or not enforced, all of which are intended to achieve the goals of the state as stated in the Preamble to the 1945 Constitution. Legal politics adheres to the principle of double movement, namely Apart from being a framework for formulating policies in the field of law (legal policy) by competent state institutions, it is also used to criticize legal products that have been promulgated based on the legal policy.

In the Indonesian government system, the birth of a legal product, in the sense of positive law, cannot be separated from the influence of the political system prevailing at that time. The influence of the political system on the birth of the legal product creates a thesis which states that "law is a political product". According to Prof. Dr. Moh. Mahfud MD., With the assumption that "law is a political product", then law is seen as the dependent variable (affected variable), while politics is placed as the independent variable (influential variable). The placement of law as a dependent variable on political or political determinants of law is easy to understand by looking at the reality that in fact law in the sense of being an abstract rule (imperative articles) is a crystallization of interacting and competing political wills. The parliamentary session with the government to form a Law (UU) as a legal product is essentially a contestation scene so that the interests and aspirations of all political forces can be accommodated in political decisions and become laws. The law that was born out of this contestation is seen as a political product.

As we know that Perppu No.1 / 2020 was enacted by President Joko Widodo on March 31,

2020, in which the government system in Indonesia adheres to a presidential system. Meanwhile, the political system adopted at that time was a democratic political system. After the 1999 General Election, the role of political parties in the political system in Indonesia has strengthened again, because there is no one party that controls a simple majority in the MPR and DPR, and also because the climate of democracy has pervaded political life in Indonesia.

From a democratic political configuration, but there is no single party that controls a simple majority in the DPR, it is difficult for a faction to pass its program without forming a coalition with other factions until a simple majority is achieved in the institution. Likewise with the executive, it is difficult for the President to pass the bill he has submitted to the DPR without compromising with the large factions in the DPR. Theoretically, legal politics that results from a political system and a democratic political configuration are legal politics that bring the legal system closer to social or legal social realities. The legal politics of a government or regime can usually be observed from:

- 1) The cabinet program that was formed;
- 2) Considerations formulated in each resulting statutory regulation, especially Law;
- 3) General explanation of each statutory regulation produced, especially Laws.

Based on the considerations formulated in Perppu No.1 of 2020, it can be seen that the birth of this Perppu was motivated by the spread of Covid-19 which was declared by WHO as a pandemic in most countries around the world, including in Indonesia. The implications of the Covid-19 pandemic have had an impact on, among others, a slowdown in national economic growth, a decrease in state revenues, and an increase in state spending and financing, so that various government efforts are needed to save health and the national economy, with a focus on spending on health, social safety nets (social safety net), as well as economic recovery, including for the business world and the affected communities. In addition, the implications of the Covid-19 pandemic have also had an impact on the deterioration of the financial system, as indicated by the decline in various domestic

economic activities so that it needs to be jointly mitigated by the Government and the Financial System Stability Committee (KSSK) to take forward looking actions in order to maintain sector stability. finance. Therefore, the Government and related institutions need to immediately take extraordinary policies and steps in order to save the national economy and financial system stability through various relaxation policies related to the implementation of the State Revenue and Expenditure Budget (APBN) in particular by increasing spending on health, spending on social safety nets, and economic recovery, and strengthening the authority of various institutions in the financial sector. According to the Government, this condition has met the parameter of compelling urgency that gives the President the authority to stipulate the Perppu as stipulated in Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. These policies and steps are very soon necessary, it is necessary to stipulate a Government Regulation in lieu of a Law on State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic and / or in the Context of Facing a Threat That Endangered the Economy National and / or Financial System Stability.

In the general explanation of Perppu No.1 / 2020, it is stated, among other things, that "State financial and fiscal policy responses are needed to deal with the risk of the Corona Virus Disease 2019 (COVID-19) pandemic, which includes increased spending to mitigate health risks, protect the public and maintain business activities. Pressure on the financial sector will affect the 2020 State Budget, especially the financing side". Furthermore, in paragraphs 7 and 8, the General Elucidation of Perppu Number 1 of 2020 is stated as follows:

"The spread of the Corona Virus Disease 2019 (COVID-19) pandemic, which has an impact and threatens Indonesia's economic growth, is due to, among other things, declining state revenues and global economic uncertainty, requiring policies and extraordinary steps in the field of state finances, including in the tax sector. and regional finance, and the financial sector, which the Government and related

institutions must immediately take to overcome this urgent condition in the context of saving health, the national economy, with a focus on health spending, social safety nets, and restoration of the business world. that is affected. Therefore, adequate legal instruments are needed to provide a strong foundation for the Government and related institutions for making such policies and steps. In accordance with the Decision of the Constitutional Court Number 138 / PUU-VII / 2009, the aforementioned conditions have met the parameter of compelling urgency in the context of enacting Government Regulations in Lieu of Law, including:

- a. because there is an urgent need to quickly resolve legal problems based on the Act;
- b. The required law does not exist yet, resulting in legal vacuum or inadequacy of existing laws; and
- c. a legal vacuum that cannot be resolved by making a law in a normal procedure which requires a long time while the urgent situation needs certainty to be resolved.

Based on these general considerations and explanations, it can be seen that the legal politics in the issuance of Perppu No.1 of 2020 is to save the national health and economy due to the deteriorating financial system due to the impact of the Covid-19 pandemic. For this reason, the Government needs policies and extraordinary measures in the field of state finances in the context of saving the national economy and financial system stability through various relaxation policies related to the implementation of the State Budget, among others in the form of increased spending to mitigate health risks and protect the public. and maintain business activities. The legal basis for the issuance of the Perppu is based on the provisions of Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia which states that "In compelling crises, the President has the right to stipulate government regulations in lieu of laws". Thus, it can be understood that the policies regulated in Perppu No.1 of 2020 were taken in connection with the compelling crises as a result of the Covid-19 pandemic.

As explained above, Perppu No.1 of 2020 was later passed by the DPR to become Law Number 2 of 2020. In the discussion of the Draft Law on the Stipulation of the Perppu No.1 of 2020, of the 9 factions in the DPR, only one faction, namely the PKS Faction, rejected the stipulation of the Perppu. Number 1 of 2020 becomes law. This shows that the majority of factions in the DPR support the policies taken by the Government.

If we look at the general considerations and explanations contained in Law Number 2 of 2020, the formulation is not much different from the preamble formulation and general explanation contained in the Perppu No.1 of 2020. This shows that the legal politics of stipulating Perppu Number 1 of 2020 becomes Laws are the same as legal politics in the formation of the Perppu, namely to overcome the compelling urgency as a result of the Covid-19 pandemic, so that the Government needs policies and extraordinary steps in the field of state finances in order to save the national economy and financial system stability. In this case, it seems that the DPR fully supports the Government's policies contained in Perppu No.1 of 2020, because there is not the slightest revision or amendment to the provisions stipulated in Perppu No.1 of 2020.

3. BPK Audit Strategy for Handling the Covid-19 Pandemic

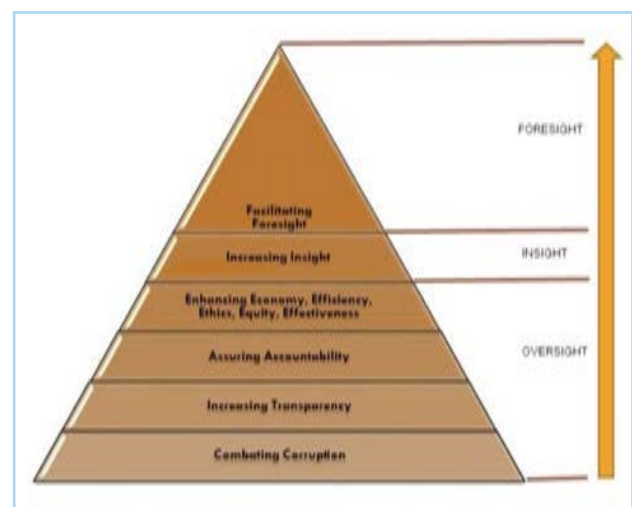
The conditions of the Covid-19 pandemic have changed the order of people's lives, both in the aspects of health, economy, social, culture and education. Likewise, in the management and accountability of state finances, it has also changed. In this case, several regulations have been issued that regulate the management of state finances in handling the Covid-19 pandemic. In accordance with the provisions stipulated in Article 27 paragraph (4) of Law Number 17 of 2003 concerning State Finances, in an emergency situation the Government can make expenditures for which no budget is available, which is subsequently proposed in the draft revision of the State Budget and / or submitted in the Budget Realization Report.

Changes in the order of people's lives,

including regulatory changes in the management and accountability of state finances, as a result of the emergence of the Covid-19 pandemic above also have an impact on the audits conducted by the BPK. In terms of inspection procedures, in a situation with the Covid-19 pandemic, it is difficult for BPK inspectors to implement a comprehensive audit procedure. The application of health protocols in the audit process must always be given priority. Likewise, in terms of the substance of the audit, audit of the handling of the Covid-19 pandemic can no longer apply the regulations that apply under normal conditions as audit criteria. Therefore, a strategy is needed to design alternative procedures in examining the handling of the Covid-19 pandemic.

BPK's strategic plan has considered aspects of organizational maturity according to the Accountability Organization Maturity Model developed by the international inspection agency organization or the International Organization of Supreme Audit Institutions (INTOSAI). This model is designed to assist Supreme Audit Institutions (SAI) in order to improve the effectiveness of financial supervision (oversight), insight into public policy (insight), and an overview of alternative future options (foresight) in accordance with the Organizational Maturity Model as presented in Figure 3 below.

Figure 3. The Accountability Organization Maturity Model



The role of oversight is carried out to ensure that government entities carry out good state financial governance and comply with applicable laws and regulations. BPK has a role in preventing fraud, fraud, waste, abuse and mismanagement in the management and responsibility of state finances. This function is carried out by encouraging efforts to eradicate corruption, increase transparency, ensure the implementation of accountability, and increase the economy, efficiency, ethics, the value of justice and effectiveness.

As an insight, BPK is expected to provide opinions on programs, policies and operations that are performing well; suggest best practices to serve as a reference; suggests institutional efforts to improve cross-sectoral relations within government as well as in better and more suitable match between government and non-governmental partners to achieve important outcomes for the state and society. This function is carried out by exploring public policies and issues.

Its role as a foresight, namely by providing a foresight by highlighting the long-term implications of current government decisions / policies and identifying key trends and challenges facing the state and society before they emerge into crises. This function is carried out to assist the community and decision makers to choose future policy alternatives. This function can be carried out by exercising the authority to provide BPK opinions regarding the selection of public policies (policy settings) in development programs.

From the elaboration of the roles above, currently BPK has covered the first four layers (oversight function) although there are still many in the bottom three layers. For the fulfillment of the top two layers, the function of insight has begun to be carried out through thematic and investigative audits of national policies and issues. However, for the foresight function there is no output provided by BPK to the public and decision makers that are useful to assist in the selection of future policy alternatives. The audit conducted by the BPK on the handling of the Covid-19 pandemic is an implementation of the insight function. In this case, the BPK audit was carried out by exploring public policies and problems in handling the

Covid-19 pandemic.

Based on the provisions of Article 4 of Law Number 15 Year 2004 regarding State Financial Management and Accountability Audit, the types of audits conducted by the BPK consist of financial audits, performance audits, and audits with specific purposes. BPK's audit of the handling of the Covid-19 pandemic in Indonesia includes three types of audits in question. Therefore, this audit is carried out comprehensively by involving all related work units in the BPK. In accordance with the provisions of Article 5 of Law Number 15 of 2004, this audit is carried out based on the audit standards stipulated in BPK Regulation Number 1 of 2017 concerning State Financial Audit Standards (SPKN). In this case, the BPK does not have a special audit standard in an emergency. Therefore, the SPKN is applied both for audits in normal and emergency conditions.

In conducting audits, BPK uses audit criteria as benchmarks in examining and assessing key matters. In accordance with the SPKN, the inspection criteria can be sourced from the provisions of laws and regulations, standards issued by certain professional organizations, contracts, policies and procedures stipulated by the audited entity, or criteria communicated by the auditor to the party responsible. In examining the handling of the Covid-19 pandemic, the regulations that have been set by the Government are very important for the BPK to be used as audit criteria.

As explained above, the legal politics of setting regulations in handling the Covid-19 pandemic in Indonesia is to overcome the compelling urgency as a result of the Covid-19 pandemic, so that the Government needs policies and extraordinary steps in the field of state finances in order to save the national economy and financial system stability. In line with this legal politics, in carrying out an audit of the handling of the Covid-19 pandemic, BPK must prioritize the provisions stipulated in Perppu Number 1 of 2020 as stipulated in Law Number 2 of 2020 along with its implementing regulations as audit criteria rather than using statutory regulations, that applies under normal conditions. This is so that the Government's goals in

overcoming the Covid-19 pandemic can be achieved in accordance with the ideals of the nation and there is no abuse of power.

Because the conditions of the Covid-19 pandemic did not allow the BPK to carry out a thorough audit, the strategy that could be carried out by BPK was to optimize the use of Information Technology. The use of Information Technology carried out by BPK in examining the handling of the Covid-19 pandemic, among others:

- a. Creating a BPK covid portal as a data bank, which stores audit data obtained from entities. In this case all auditors input the data obtained from each examined entity into the portal. These data are then processed to obtain a big picture of the handling of Covid-19 in Indonesia.
- b. Use the zoom meeting media to discuss among the team of auditors, interview, and confirm with the auditee.
- c. Using e-mail facilities to send correspondence and / or supporting documents for the audit.
- d. Utilizing application Group and Telegram media for coordination and information sharing among BPK auditors.

In the event that the use of Information Technology has not provided sufficient confidence to draw a conclusion, the BPK auditor can carry out observation procedures or physical checks in the field while still applying health protocols. Face-to-face audit procedures can also be performed in the event that it is necessary to sign a Mutual Agreement Text and / or an Audit Minutes between the BPK Auditor and the audited entity.

The audit strategy by prioritizing the use of Information Technology is of course inseparable from the risk of inspection. Risks that occur include inadequate data, evidence of inadequate audit legally, and / or ineffective audit time due to waiting for data to be sent from the auditee. Therefore, to minimize this risk, BPK needs to anticipate it, among others by:

- a. Request a statement that has been signed by the competent official that the data submitted to the auditor is valid and up to date.
- b. Every proof of audit obtained in soft copy

must be scanned and signed by the authorized official. If necessary, these documents can be accompanied by a statement letter from the competent official that the documents submitted to the auditor are in accordance with the original.

- c. The confirmation process or interview with the auditee needs to be recorded and set out in the minutes that are co-signed by the auditor and the auditee.
- d. Make an audit time schedule that is mutually agreed upon between the auditor and the auditee.

The expected results from the BPK's audit of handling the Covid-19 pandemic are the results of audits that provide conclusions on the effectiveness and compliance of the entity in handling the Covid-19 pandemic, and / or provide recommendations to the agencies being examined to resolve any problems found. Apart from that, from this audit, it is hoped that the BPK will also be able to provide opinions to the Government and the DPR in order to optimize the handling of the Covid-19 pandemic.

Summary

Based on the above discussion, it can be concluded as follows:

1. The legal politics of stipulating Perppu Number 1 of 2020 to become Law Number 2 of 2020 was born out of a democratic political system and configuration. Based on the formulation of the preamble and general explanation, it is known that the legal politics of stipulating the Perpu Number 1 of 2020 into a Law are the same as the legal politics in the formation of the intended Perpu, namely to overcome the compelling urgency as a result of the Covid-19 pandemic, so that the Government needs policies and extraordinary steps in the field of state finances in the context of saving the national economy and financial system stability.
2. With this legal politics approach, BPK needs to design an audit strategy for handling the Covid-19 pandemic in Indonesia, both from

the procedural and substance aspects of the audit. The audit procedures carried out by the BPK during the Covid-19 pandemic included optimizing the use of Information Technology, including:

- a. Creating a BPK covid portal as a data bank, which stores audit data obtained from entities.
 - b. Use the zoom meeting media to discuss among the team of auditors, interview, and confirm with the auditee.
 - c. Using e-mail facilities to send correspondence and / or supporting documents for the audit.
 - d. Utilizing discussion group and Telegram media for coordination and sharing of information between BPK auditors.
3. In terms of the substance of the audit of the handling of the Covid-19 pandemic, BPK must prioritize the provisions stipulated in the Perppu Number 1 of 2020 as stipulated in Law Number 2 of 2020 along with its implementing regulations as audit criteria rather than using prevailing laws and regulations in normal condition. This is so that the Government's goals in overcoming the Covid-19 pandemic can be achieved in accordance with the ideals of the nation and there is no abuse of power to achieve the transparent and accountable state finance policy in emergency situation.

References

Books:

Ashiddiqie, Jimly. *Hukum Tata Negara Darurat*. Jakarta: PT RajaGrafindo Persada, Rajawali Pers, 2008.

Badan Pusat Statistik (BPS). *Laporan Bulanan Data Sosial Ekonomi*. Agustus 2020.

Mahkamah Konstitusi Republik Indonesia. "Putusan Nomor: 138/PUU-VII/2009 atas nama Saor Siagian, dkk dalam perkara Permohonan Pengujian Perppu Nomor 4 Tahun 2009." Jakarta, 1 Februari 2010.

MD, Moh. Mahfud. *Politik Hukum di Indonesia*. Jakarta: Raja Grafindo Persada, Ed. Revisi 2017.

P., Trubus Rahardiansah. *Pengantar Ilmu Politik; Paradigma, Konsep Dasar dan Relevansinya Untuk Ilmu Hukum*. Jakarta: Universitas Trisakti, 2006.

Saragih, Bintang Regen. *Politik Hukum*. Bandung: CV.

Utomo, 2006.

Soeprapto, Maria Farida Indrati. *Ilmu Perundang-Undangan: Dasar-Dasar dan Pembentukannya*. Yogyakarta: Kanisius, 1998.

Syaukani, Imam dan A. Ahsin Thohari. *Dasar-Dasar Politik Hukum*. Jakarta: Raja Grafindo Persada, 2011.

Journals:

Chandranegara, Ibnu Sina. "Pengujian Perppu terkait Sengketa Kewenangan Konstitusional Antar-Lembaga Negara: Kajian atas Putusan MK Nomor 138/PUU-VII/2009". *Jurnal Yudisial*, Vol. 5 No. 1, April 2012.

Ozner, Jonathan, Bryce Friedman and Karen Hsu Kelley, Simpson Thacher and Bartlett LLP, *Covid19 Legal Issues: Company Obligations and Risk Harvard Law School Forum on Corporate Governance*, April 2, 2020.

Portes, Alexandre San Martim, *Chloroquine and the politics of health regulation in times of COVID-19*, *Yale Journal on Regulation*, July 4, 2020.

Laws and regulations:

Undang-Undang Dasar Negara Republik Indonesia Tahun 1945.

Undang-Undang Nomor 17 Tahun 2003 tentang Keuangan Negara

Undang-Undang Nomor 15 Tahun 2004 tentang Pemeriksaan Pengelolaan dan Tanggung Jawab Keuangan Negara.

Undang-Undang Nomor 15 Tahun 2006 tentang Badan Pemeriksa Keuangan.

Undang-Undang Nomor 12 Tahun 2011 tentang Pembentukan Peraturan Perundang-Undangan sebagaimana telah diubah dengan Undang-Undang Nomor 15 Tahun 2019.

Undang-Undang Nomor 2 Tahun 2020 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara Dan Stabilitas Sistem Keuangan Untuk Penanganan Pandemi Covid-19 dan/atau Dalam Rangka Menghadapi Ancaman Yang Membahayakan Perekonomian Nasional Dan/Atau Stabilitas Sistem Keuangan Menjadi Undang-Undang.

Peraturan Pemerintah Pengganti Undang-Undang (Perpu) Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara Dan Stabilitas Sistem Keuangan Untuk Penanganan Pandemi Covid-19 dan/atau Dalam Rangka Menghadapi Ancaman Yang Membahayakan Perekonomian Nasional Dan/Atau Stabilitas Sistem Keuangan.

Peraturan Pemerintah Nomor 21 Tahun 2020

tentang Pembatasan Sosial Berskala Besar dalam Rangka Percepatan Penanganan Corona Virus Disease 2019 (COVID-19).

Peraturan Presiden RI Nomor 82 Tahun 2020 tentang Komite Penanganan Corona Virus Disease 2019 (COVID-19) dan Pemulihan Ekonomi Nasional.

Peraturan BPK RI Nomor 1 Tahun 2017 tentang Standar Pemeriksaan Keuangan Negara.

Keputusan Presiden RI Nomor 7 Tahun 2020 tentang Gugus Tugas Percepatan Penanganan Corona Virus Disease 2019 (COVID-19).

Keputusan Presiden RI Nomor 9 Tahun 2020 tentang Perubahan atas Keputusan Presiden Nomor 7 Tahun 2020 tentang Gugus Tugas Percepatan Penanganan Corona Virus Disease 2019 (COVID-19).

Keputusan Presiden RI Nomor 11 Tahun 2020 tentang Penetapan Kedaruratan Kesehatan Masyarakat Corona Virus Disease 2019 (COVID-19).

Keputusan Presiden RI Nomor 12 Tahun 2020 tentang Penetapan Bencana Nonalam Penyebaran Covid-19 Sebagai Bencana Nasional.

Keputusan BPK RI Nomor 7/K/I-XIII.2/12/2015 tentang Rencana Strategis Badan Pemeriksa Keuangan

Tahun Anggaran 2016 sampai dengan Tahun Anggaran 2020

Internet Script:

Haryanti Puspa Sari, "DPR Sahkan Perppu Stabilitas Ekonomi untuk Penanganan Covid-19 Jadi UU", <https://nasional.kompas.com/read/2020/05/12/16362121/dpr-sahkan-perppu-stabilitas-ekonomi-untuk-penanganan-covid-19-jadi-uu>, diakses 27 Juni 2020

Sekretariat Kabinet Republik Indonesia, "DPR Setuju Perpu Nomor 1 Tahun 2020 Jadi Undang-Undang", <https://setkab.go.id/dpr-setuju-perpu-nomor-1-tahun-2020-jadi-undang-undang>, diakses 27 Juni 2020.

<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-COVID-19-11-march-2020>, diakses 20 September 2020.

<https://COVID19.who.int/table>, diakses pada tanggal 17 Oktober 2020.

Pemantauan kasus COVID-19 Indonesia update terakhir 16 Oktober 2020 jam 16:00 <http://pusatkrisis.kemkes.go.id/COVID-19-id/>, diakses tanggal 17 Oktober 2020.

MEASURING THE EFFECTIVENESS OF GOVERNMENT HEALTH EMERGENCY RESPONSES TOWARDS COVID-19 PANDEMIC IN HIGH DIVERSITY NATION

SAI Indonesia

.....

About the Author

Ajie Amiseno

Auditorat the Audit Board of the Republic of Indonesia (BPK RI).

*He completed his master's degree in accounting at Universitas Padjadjaran in 2019.
Email- andry.sheva01@gmail.com*

Andi Wira Alamsyah

Head of Public Relations and Administration Subdivision atBPK's Representative Office in South Sulawesi Province

*He has completed his master's degree in accounting at Universitas Padjadjaran in 2018.
Email- wira.alamsyah@bpk.go.id*

Ida Irawati

Director of Auditorate VI.B of the BPK RI

*She completed her master's degree in public administration at School of Public Administration, National Agency for State Administration (STIA LAN) in 2011.
Email- ida.irawati@bpk.go.id*

.....

The COVID-19 pandemic has become a Global Pandemic causing 44 million of the world's population to be confirmed positive and 1.17 million of them have died. The government must act quickly to overcome this pandemic. Thus, the government needs SAI's role of insight and foresight. SAI must be able to measure the level of effectiveness of the government's response to the pandemic and provide recommendations for improvements during pandemic, post-pandemic, and strengthen the country's preparedness to deal with future pandemic threat. However, SAI in a highly diverse nation will deal with major challenges. In this case, SAI must be able to provide appropriate recommendations at the national, regional, and local government levels. Big data analytics such as association rules and cluster analysis can help SAI in exploring regional and local government issues with efficient audit samples. Moreover, the weighted average and AHP can be used to summarize the effectiveness of Government Health Emergency Responses toward the COVID-19 pandemic. Finally, SAI should build valuable audit recommendations to deal with possible future pandemics.

Keyword : COVID-19 Pandemic, Big Data Analytics, Effectiveness, Performance Audit

Introduction

Since the beginning of 2020, COVID-19 has become a world health issue. It begins with information from the World Health Organization

(WHO) on December 31, 2019, which stated that there were cluster cases of pneumonia with unclear etiology in Wuhan City, Hubei Province, China. This case continues to develop until there are reports of deaths and imports outside China. On January 30, 2020, WHO designated COVID-19 as a Public Health Emergency of International Concern (PHEIC). (Djalante et al., 2020) On February 12, 2020, WHO officially designated the novel coronavirus disease in humans as Coronavirus Disease (COVID-19). Until October 2020 the number of confirmed cases of COVID reached 43,540,739 (rounded to 44 Million) with a death rate of 1,160,650 (rounded to 1,17 million) (WHO, 2020b).

All countries in the world are racing against time to deal with the COVID-19 pandemic. Speed is the key in dealing with the COVID-19 Pandemic. Many nations are working to learn from each other in order to strengthen their strategies to deal with COVID-19. (Janssen & van der Voort, 2020) However, for a nation that has a high level of diversity at the regional and local governments, especially with diverse geographic conditions, this will present its own challenges. Remote interregional laboratory access, time-consuming distribution of medical supplies, uneven distribution of health facilities and health personnel, as well as

different social engineering approach in each region pose new issues. Thus, the role of insight and foresight from Supreme Audit Institution (SAI) is needed to provide audit recommendations for Government response improvement against COVID-19 pandemic.

Result and Discussion

COVID-19 is an infectious disease caused by a newly discovered coronavirus (WHO, 2020a). We are not truly defenseless and unprepared against any new emerging disease such as COVID-19. We already have the International Health Regulation (IHR) of 2015 to deal with emerging diseases. IHR 2015 is a legally binding instrument of international law that aims for international collaboration “to prevent, protect against, control, and provide a public health response to the international spread of disease in ways that are commensurate with and restricted to public health risks and that avoid unnecessary interference with international traffic and trade (WHO, 2020a). IHR obliges all state members to strengthen their core capacities in surveillance, response, and point of entry surveillance. Joint External Evaluation (JEE) helps any state member who wishes to evaluate their national capacities and gain any improvement through JEE recommendation (MoH of RI, 2018). JEE evaluates the following technical areas:



Source: <https://pixabay.com/>;

1. **Prevent** consists of national legislation, coordination, communication, advocacy, antimicrobial resistance, zoonotic diseases, food safety, biosafety, biosecurity, immunization;
2. **Detect** consists of National Laboratories System, Real-Time Surveillance, Reporting, and Workforce Development;
3. **Response** consists of Emergency Preparedness, Response Operation, Linking Public Health with security authorities, medical countermeasures and personal development, Risk Communication; and
4. **Other IHR Hazard and Point of Entry** consists of Point of Entry, Chemical Event, and Radiation Emergencies.

During pandemics, WHO also suggests a global strategy to respond to COVID-19 pandemics (WHO, 2020a), namely:

1. **Mobilize** all sectors and communities to ensure that every sector of government and society takes ownership of and participates in the response and in preventing cases through hand hygiene, respiratory etiquette and individual-level physical distancing.
2. **Control** sporadic cases and clusters and prevent community transmission by rapidly finding and isolating all cases, providing them with appropriate care, and tracing, quarantining, and supporting all contacts.
3. **Suppress** community transmission through context-appropriate infection prevention and control measures, population level physical distancing measures, and appropriate and proportionate restrictions on non-essential domestic and international travel.
4. **Reduce mortality** by providing appropriate clinical care for those affected by COVID-19, ensuring the continuity of essential health and social services, and protecting frontline workers and vulnerable populations.
5. **Develop safe and effective vaccines and therapeutics** that can be delivered at scale and that are accessible based on need.

Performance audit is the most likely suitable audit model to provide any insight into the effectiveness of government programs. Performance audits can also deliver any foresight about emerging issues (INTOSAI, 2007). Since time is so important, any improvement to enhance government agility (WBG, 2020) will be valuable and can be provided by SAI insight roles by conducting a performance audit. Foresight role of SAI also will be valuable for recovery after pandemics such as health system recovery, strengthen the national capacity core of IHR, and enhance our early warning system for any possible pandemics.

However, dealing with pandemics in High Diversity nation such as Russia, Indonesia, China, and the Philippines is really challenging. With huge demographic and geographic differences, many points of entry-surveillance is very difficult, national laboratories and referral systems must be spread evenly to ensure its agilities to support surveillance systems, disease control, and suppression through social engineering is not quite simple due to different culture and local law system.

SAI will be challenged to enhance specific audit recommendations to improve government response at the national and regional levels. Since SAI will have relatively short time to quickly detect any weakness and develop audit recommendations due to the nature of pandemics, team management and audit sampling will be important to discuss. Data analytics utilization can assist SAI to better manage the audit team and distribute any audit samples to ensure its sample is adequate to provide suitable audit recommendations for different regional governments across the nation. Since SAI will deal with high diversity, big data analytics will be the primary requirement. Big data is data whose scale, distribution, diversity, and/or timeliness require the use of new technical architectures, analytics, and tools in order to enable insights (Elgendy & Elragal, 2015). In order to use big data analytics, SAI must start data mining as fast as possible, for example through real-time access to any government agencies databases.



Source: <https://pixabay.com/>

Implementation of big data analytics will help SAI in multiple audit stages as follows:

1. Determining Potential Area of Audit

Multiple issues across the nation will arise during COVID-19. Since COVID-19 is the new emerging disease, we will use IHR and WHO Global Strategy (WHO-GS) issues as the Audit Area. Big data will categorize any issues related to IHR 2015 and WHO Global strategic issues. In this case, association rules will greatly help the categorization process. For the example:

- a. JEE-National Legislation, Coordination, and Communication association rules should be past experience of unharmonized legislation system, the channel of coordination system between national level, regional level, and local level;
- b. JEE-Detect will determine the early preparedness of the national laboratory and referral system. The association rules algorithm should be:
 - 1) Time required for transporting specimens (longer time indicates National laboratory and referral system preparedness is low);

- 2) Time required for processing specimens in laboratories (longer time or high standard deviation among laboratories required time to process any specimens indicates National laboratory and referral system preparedness is low);
 - 3) Surveillance system detection rate; and
 - 4) Laboratories and referral system growth rate.
- c. JEE-Response association rules will be determined by the speed of Response Operation activation;
 - d. JEE-Other IHR Hazard and Point of Entry will determine early preparedness point of entry surveillance. The association rules algorithm should be number of airports, seaports, and ground crossing, growth rate of Influenza-like illness, or COVID-19 positivity rate (higher number and rate indicates a point of entry surveillance is weak and unprepared);
 - e. WHO-GS Mobilization and Suppression association rules will be determined by social engineering violation rate.
 - f. WHO-GS Control association rules will be determined by positivity rate, isolation area growth, and isolation inspection capacity;

- g. WHO-GS Reduce Mortality association rules will be determined by the amount of Health Facilities, Bed Occupancy Ratio, and Mortality rates;
- h. WHO-GS Vaccine, to ensure vaccination process effectiveness, association rules algorithm should be number of Health Facilities, number of Vaccine Quality Control Equipment and Transportation, past other diseases immunization coverage, and population of citizen.

2. Designing audit samples

After using association rules, SAI considers key audit areas from the potential area. For example, SAI selects the following key audit areas:

- a. JEE National Legislation, Coordination, and Communication;
- b. JEE-Detect;
- c. WHO-GS Control;
- d. WHO GS Suppress;
- e. WHO GS- Mortality Reduction
- f. WHO GS Vaccine;

However, with six key audit areas, different combinations of issues occurs in many regional or local level governments. To ensure that audit samples represent all national diversity, we can use cluster analysis such as:

a. Hierarchical clustering

Hierarchical clustering works by grouping data objects into a tree of clusters. Hierarchical clustering methods can be further classified into agglomerative



Source: www.kkpmerauke.com

and divisive hierarchical clustering (Rani & Rohil, 2015). Hierarchical clustering will be useful if there are any information on a specific audit issue. For example, the laboratory time requirement of processing specimens is the potential issue of pandemic response. Then we can perform hierarchical clustering to detect regional/local government clusters based on the time requirement of processing specimens. For example, we have the following dataset:

Table 1. Average Time Requirement of Processing Specimens at local government level

Cities	Average Time
City A	24 hours
City B	73 hours
City C	55 Hours
City D	34 Hours
City E	74 Hours
City F	35 Hours

Then the hierarchical clustering should be:

Figure I. Hierarchical Clustering of Table 1



Figure I shows that there are two cluster samples. Conducting audit towards laboratories in city D will represent cluster I and conducting audit towards laboratories in City E will represent cluster II.

b. Centroid-based clustering

Centroid-based algorithm represents all of its objects onpar of central vectors which need not be a

part of the dataset taken (Uppada, 2014). The clustering problem is related to the partition of an analyzed set of samples into a settled number of pairwise disjoint classes or clusters, where samples in the same cluster are more similar to each other than those samples of other clusters. Center-based clustering methods group the samples based on some measure of distance from cluster centers. In this context, the center of a cluster can be a medoid or a centroid. A medoid is the most representative point of a cluster, while a centroid is usually calculated as a minimizer of an optimization problem, with a measure of distortion as the objective function. The choice of a proper measure of similarity or dissimilarity (distance) is a key factor in cluster analysis, since the performance of clustering algorithms greatly relies on this choice (Sarmiento et al., 2019).

Using a dataset of recent big data analytics, we can use the centroid-based algorithm directly for each key audit area. Figure II is the example of using centroid-based clustering based on Indonesia Provinces Level.

Figure 2. Centroid Based Clustering



For example, since there are complex laboratory referral systems, the centroid-based will help optimization of mobile laboratory placement for specific provinces. Taking the n samples of the N population using Slovin or Lameslow in each cluster will represent each cluster condition.

c. Distribution-based Clustering

Distribution-based clustering produces complex models for clusters that can capture correlation and dependence between attributes (Ghuman, 2018).

Using a distribution-based clustering, auditor might capture the correlation between any variables for the examples amount of point of entry personnel and positivity rate.

3. Measurement of Effectiveness

After clustering takes place, we have stratified audit samples for each regional/local government level. In the next step, auditor will build audit questions and criteria based on key audit areas selection. These are examples of effectivity measurement of audit question and criteria:

- a. JEE National Legislation, Coordination and Communication.
 - 1) Regulation/legislation is prepared for the National Health Emergency
 - a) Regulation is harmonized at national, regional, and city level.

If there are 10 samples in a local government level and 5 local government regulations are not harmonized with regional or national level regulation, then the audit score should be 50% effective. Auditor may recommend the local government regulations to be harmonized;

- b) Regulation adopts the latest research result at national, regional, and city level.

If there are 10 samples in a local government level and 4 local government regulations do not contain the latest research result or WHO standards, then the audit score should be 60% effective. Auditor may recommend the local government to update its regulations.

- 2) Regulation contains adequate coordination and communication system at national, regional, and city level.

- a) Regulation states clear coordination system between national, regional, and local level government.

If there are 10 samples in local government level and 3 local government regulations have overlapping role or null, then the audit score should be 70% effective. Auditor may recommend the local government to improve their division of role.

- b) Regulation states clearcommunication system between national, regional, and local level government.

If there are 10 samples in local government level and 7 local government regulations do not match with agency's communication system, the audit score should be 30% effective. Auditor may recommend the local government to improve the communication system that is matched with regional and national level regulation;

- b. JEE-Detect mainly focused on speed;thus the audit sub-question and criteria should be:

- 1) National Laboratories and referral system is agile to confirm the COVID cases.

- a) All local governments can access the laboratories and referral system in less than 24 hours.

If there are 10 samples of local government level and 8 local governments has more than 24 hours access, then the audit scores should be 20% effective. Auditor may recommend strengthening the laboratories and referral system by building new laboratories or rearranging the laboratory referral system.

- b) Laboratories and referral system can confirm the COVID cases in less than 72 hours.

If there are 10 samples in local government level and 6 local government laboratory referral systems confirm the case more than 72 hours, then the audit scores should be 40% effective. Auditor may recommend strengthening the capacities of laboratories such as increasing laboratory staff, equipments, or maintaining adequate laboratory supplies.

- 2) Surveillance system based on confirmed cases is agile to trace down new cases.

- a) All local governments can track at least 36 contact traces from a confirmed case.

If there are 10 samples of local government level and 3 local governments can trace case less than 36 contact traces, then the audit scores should be 70% effective. Auditor may recommend strengthening the capacity of surveillance such as increasing surveillance staff, improvement tracing method, or improvement of tracing system.

- b) All local governments can track confirmed case in less than 48 hours.

If there are 10 samples of local government level and 5 local governments can trace cases for more than 48 hours, then the audit scores should be 50% effective. Auditor may recommend strengthening the capacities of surveillance such as increasing surveillance staff, improvement tracing method, or improvement of tracing systems.

SAI can build an audit conclusion using weighted average scoring or Analytical Hierarchy Process (AHP). Since AHP is able to weight audit questions and criteria based on expertise perspective, the weight may differ for each audit question and criteria.

4. Audit Recommendation

Since IHR's renewal in 2005, only 4 diseases have grown into pandemics. All of them are Severe Acute Respiratory Diseases (SARD) such as Avian Influenza(MacKenzie, 2005), Swine Influenza, MERS-Cov(de Groot et al., 2013), and COVID-19. Building valuable audit recommendations to deal with possible future pandemics should aim to:

- a. Improve legislation, coordination, and communication system for early warning system of SARD or during SARD pandemics;
- b. Improve and maintain National Laboratory and Referrals System. Since 4 pandemics are caused by RNA Viruses, improvement and maintenance of RT-PCR or TCM-based laboratory referral system is crucial to deal with future RNA Virus pandemic threat. To also ensure availability of supplies, SAI should encourage the Government to produce RT-PCR and TCM laboratory supplies;
- c. Improvesurveillance system and data management; and
- d. Improve vaccination management and coverages.

Audit recommendation should be applied at the local, regional, and national level.

Conclusion

SAI's insight and foresight roles should improve Government Health Emergency Responses toward

COVID-19 pandemic. SAI in high diversity nations can utilize Big Data Analytics approach such as association rules and cluster analysis to help SAI explore regional and local government issues with efficient audit samples. Moreover, the weighted average and AHP can be used to summarize the effectiveness of Government Health Emergency Responses toward the COVID-19 pandemic. Finally, SAI should build valuable audit recommendations to deal with possible future pandemics.

References

- de Groot, R. J., Baker, S. C., Baric, R. S., Brown, C. S., Drosten, C., Enjuanes, L., Fouchier, R. A. M., Galiano, M., Gorbalenya, A. E., Memish, Z. A., Perlman, S., Poon, L. L. M., Snijder, E. J., Stephens, G. M., Woo, P. C. Y., Zaki, A. M., Zambon, M., & Ziebuhr, J. (2013). Middle East Respiratory Syndrome Coronavirus (MERS-CoV): Announcement of the Coronavirus Study Group. *Journal of Virology*, 87(14), 7790–7792. <https://doi.org/10.1128/jvi.01244-13>
- Djalante, R., Lassa, J., Setiamarga, D., Sudjatma, A., Indrawan, M., Haryanto, B., Mahfud, C., Sinapoy, M. S., Djalante, S., Rafliana, I., Gunawan, L. A., Surtiari, G. A. K., & Warsilah, H. (2020). Review and analysis of current responses to COVID-19 in Indonesia: Period of January to March 2020. In *Progress in Disaster Science* (Vol. 6, p. 100091). <https://doi.org/10.1016/j.pdisas.2020.100091>
- Elgendy, N., & Elragal, A. (2015). Big data analytics: a literature review. *Journal of Management Analytics*, 2(3), 175–201. <https://doi.org/10.1080/23270012.2015.1082449>
- Ghuman, S. S. (2018). Text Clustering Techniques A Review. *International Journal of Computer Sciences and Engineering*, 6(6), 1091–1099. <https://doi.org/10.26438/ijcse/v6i6.10911099>
- INTOSAI. (2007). *Building capacity in Supreme Audit Institutions: A Guide*. Guide. http://www.carosai.org/wp-content/uploads/2013/01/download_item_1341174748.pdf
- Janssen, M., & van der Voort, H. (2020). Agile and adaptive governance in crisis response: Lessons from the COVID-19 pandemic. *International Journal of Information Management*, 55(5), 26–29. <https://doi.org/10.1016/j.ijinfomgt.2020.102180>
- MacKenzie, D. (2005). Pandemic-causing “Asian flu” accidentally released. *NewScientist*, April 2005, 2–5. <https://www.newscientist.com/article/dn7261-pandemic-causing-asian-flu-accidentally-released/>
- MoH of RI. (2018). National Action Plan of IHR.
- Rani, Y., & Rohil, H. (2015). A study of hierarchical clustering algorithms. *2015 International Conference on Computing for Sustainable Global Development, INDIACom 2015*, 3(11), 537–541.
- Sarmiento, A., Fondón, I., Durán-Díaz, I., & Cruces, S. (2019). Centroid-based clustering with $\alpha\beta$ -divergences. *Entropy*, 21(2), 1–19. <https://doi.org/10.3390/e21020196>
- Uppada, S. K. (2014). Centroid Based Clustering Algorithms- A Clarion Study. *International Journal of Computer Science and Information Technologies*, 5(6), 7309–7313. <https://citeseerx.ist.psu.edu/viewdoc/summary?doi=10.1.1.658.3904>
- WBG. (2020). Agile Treasury Operations During COVID-19. Agile Treasury Operations During COVID-19. <https://doi.org/10.1596/33649>
- WHO. (2020a). COVID-19 Strategy Update. April, 18. www.who.int/emergencies/en
- WHO. (2020b). COVID-19 Response Fund Europe COVID-19 Response Fund. World Health Organization, COVID-19 Dashboard, 1–7. <https://covid19.who.int/>

MAINTENANCE OF PUBLIC INTEGRITY FOR EFFECTIVE COVID-19 RESPONSE AND RECOVERY

SAI Pakistan

.....

About the Author

Muhammad Afnan Alam

Head of Auditor General of Pakistan's International Relations & Coordination Wing

Worked in areas where in his inputs have been actually translated into redesigning of PFM systems in the country. He is a regular Contributor to International Monetary Fund (IMF) Public Financial Management Blog and Public Finance Focus (CIPFA UK) on issues about Fiscal Policy and Institutional framework; Budgetary and Statistical Reporting; Budget Transparency and Accountability.

He is a World Bank Scholar and did his Master of Public Administration from the London School of Economics and Political Science. He was also an internee at the House of Commons Public Accounts Committee and Research Associate with International Growth Center, London.

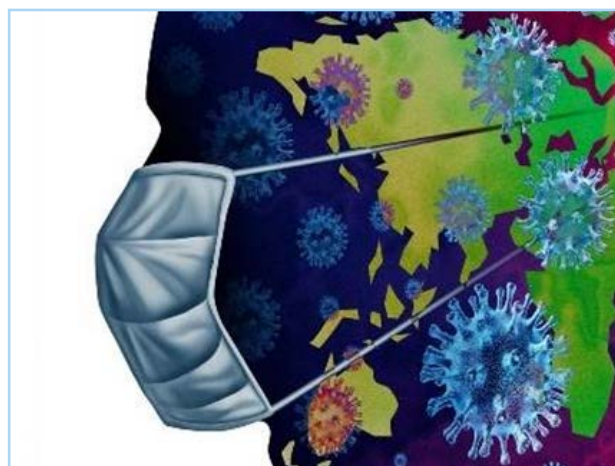
Email-afnanalam@gmail.com

.....

The COVID-19 crisis is obliging governments to make quick decisions and implement drastic measures to protect communities at risk and limit the economic consequences that will follow. Past crises have shown that emergencies and subsequent rapid responses create opportunities for integrity violations, most notably fraud and Corruption, severely weakening the effectiveness of government action. Although fraud and Corruption are not new phenomena, early evidence shows that they are occurring during the current crisis. At the same time, experience suggests that their effects will likely be intensified in the near future.

For example, there are instances of contracts for personal protective equipment being awarded to dubious companies; price gouging of essential medication and healthcare equipment; doctors stockpiling treatments for friends and family; or various types of online fraud, amongst others. (Delić and Zwitter, 2020; Babinec, 2020)

.....



Also, as government's transition from addressing the immediate crisis to focusing on economic recovery, integrity violations may continue to erode and undermine recovery efforts. It is the reform imperative that fundamental safeguards of integrity, including transparency and accountability of the public finances, are not weakened or disregarded in both the immediate response as well as the longer-term recovery from COVID-19.

The following three issues deserve particular attention, as they have a high impact on the success or failure of current and future government interventions:

- Integrity challenges in public procurement.
- Accountability, control and oversight of the economic stimulus packages.
- Increased risks of integrity violations in public organizations.

1. Integrity challenges in public procurement

Fraud, Corruption, price gouging, and managing suppliers

The COVID-19 crisis has created three main integrity challenges for governments in the area of public procurement. First, governments urgently procured large quantities of goods and services, such as hospital equipment, medical ventilators, hand sanitizers, facemasks, and health services, to meet the immediate needs of the health sector and affected communities.

To address this, many governments enacted or reinforced their emergency procurement procedures, using provisions that authorize and specify special procedures for emergencies. These provisions allowed to procure necessary supplies directly from or via a pre-approved list of suppliers, without going through the standard, albeit lengthy, procurement processes.

This increases the integrity risks of procuring services and goods that do not meet quality standards and/or that are procured through corrupt means. While risks of fraud and Corruption are always present in public procurement, they are elevated in emergency procurement processes. Past health and humanitarian

crises, such as Hurricane Katrina in 2005 or the Ebola outbreak in 2014-16, have shown how these processes can be abused at the expense of those most in need of said goods and services (Schultz and Søreide, 2008). Without the proper integrity and transparency safeguards in place, such emergency processes are vulnerable to abuse.

A second integrity consideration emerging from the COVID-19 crisis is the lack of stockpile preparedness across many countries, leading to increased competition for necessary supplies globally. In this situation, the mechanics and bargaining powers of the public and the private sectors are reversed. Thousands of contracting authorities and private institutions scoured the market for the same products that are produced by only a small number of suppliers. Furthermore, production in some of these companies was suspended or severely affected by the lockdown measures.

This exacerbates competition among public agencies and introduces haphazard practices in what is being described as an extremely chaotic market (Tanfani and Horwitz, 2020). Additionally, many countries introduced export curbs to satisfy their national needs, which affects product availability on a global scale.

Given market dominance, many transactions took place off-book, and price volatility is extreme, with often significant advance payments required by vendors (Folliot Lalliot, 2020). This could contribute to a paradigm shift in corrupt schemes, as buyers could now corrupt sellers to receive essential goods and services—thereverse of what typically happens. Further, this risk could diffuse throughout the supply chain, since many of the supplies needed to rely on scarce raw materials.

Finally, besides the procurement of goods and services required to address the current COVID-19 crisis directly, governments also had to manage ongoing public contracts. They must identify those particularly at risk and provide adequate responses for suppliers severely affected by the crisis and its impact on economic development.

Governments, alongside their contracting

authorities, must ensure that the suppliers most at risk are in a position to resume normal contract delivery once the Outbreak is contained.

Public procurement legislation often provides exceptional measures for paying ongoing contracts in emergencies, for example, allowing specific advance payments or exempting suppliers from penalties for the deficient performance of contracts. Such derogations to established practices that govern contractual relationships could open the door to corrupt practices, should those derogations not be subject to transparent guidelines communicated to all contracting authorities.

Some governments developed strategies, regulations and guidelines in place to help their contracting authorities manage their supplier's portfolio, and making sure that fair, transparent and equitable mechanisms continue to govern contractual relationships. For example, the central purchasing body of Ireland, the Office of Government Procurement, developed an information note on good practices for contracting authorities during the COVID-19 Outbreak (Office of Government Procurement, 2020).

Similarly, the Ministry of Internal Affairs and Communications of Japan issued "Measures to be taken for public procurement by local governments in response to COVID-19" (Ministry of Internal Affairs and Communications of Japan, 2020). In the United Kingdom, the Cabinet Office issued a procurement policy note on "Supplier relief due to COVID-19" (Cabinet Office, 2020). To ensure business and service continuity, the policy note provides that contracting authorities should pay all suppliers as quickly as possible to maintain cash flow and protect jobs. The note also emphasizes that contracting authorities and suppliers should work collaboratively to ensure the retransparency during this period. Suppliers in receipt of public funds on this basis and during this period must agree to operate according to an 'open book' policy. This means they are required to make any data, including from ledgers, cash-flow forecasts, balance sheets, and profit and loss accounts, available to the contracting authority as requested, to demonstrate that payments have been made to the supplier under

contract in the manner intended. Similarly, France and Italy also developed and implemented new emergency procurement laws or guidance that dealt specifically with the

COVID-19 crisis (Dentons, 2020; Brenot, Billery and Feroldi, 2020).

1.1 Short-term measures to ensure integrity in ongoing procurement processes

The current crisis required governments to take several measures to ensure integrity in public procurement processes. These include:

- i. **Maintaining and retaining documentation of procurement processes:** Basic documentation and record-keeping requirements should apply, including the recording of information about procurement proceedings, any departures from or modifications of standard procurement procedures, the solicitation and submission of bids, recording of the grounds for any use of non-competitive procedures, information on bidders, evaluation of bids and contract awards.
- ii. **Developing detailed guidelines on procurement strategies under a crisis,** which deal not only with the procurement of emergency products but also with good practices to document the management of ongoing contracts or procedures.
- iii. **Putting further emphasis on contract management** so that established procedures are applied to reinforce accountability and transparency.
- iv. **Favouring existing collaborative procurement instruments such as framework agreements** whenever possible to avoid awarding contracts without any competition and conduct emergency procurement within an already established contractual framework.
- v. **Ensuring maximum openness of information, including open data,** as well as full disclosure of the measures used and their destination, stored in an accessible location.
- vi. **Setting up a central price and supplier tracking system for critical products and**

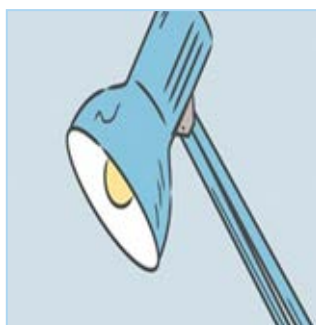
services that helps with identifying red flags, collusion, price gouging, counterfeits and other misbehaviours.

- vii. **Subjecting all emergency procurement processes to audit and oversight.**
- viii. **Adapting audit and oversight strategies**, as well as analysis of potential corrupt patterns to the COVID-19 situation, where bargaining powers of the public and the private sectors are drastically reversed, including effects on competition.
- ix. **Respecting the sunset clauses** in place for the emergency procurement rules and extending only after applicable approvals (e.g. parliamentary oversight).

1.2 Long-term measures to improve emergency preparedness in public procurement processes



The COVID-19 crisis is already revealing gaps in existing emergency procurement plans, with some countries lacking the ability to respond quickly. Governments have had to rush to prepare



legislation and policies to ensure they can secure the required goods. Similarly, the lack of available stock piles shows vulnerability in preparedness. These issues present multi-faceted challenges, including those related to integrity and transparency. To address integrity challenges in the long term, once

the immediate emergency is over, governments can consider the following:

- i. **Reviewing existing emergency procurement legislation** to ensure that it is relevant for future global health emergencies, thereby avoiding the need to create new legislation or guidelines under tight timeframes.
- ii. **Using or expanding existing e-procurement platforms** to record transactional information on the procurement of emergency items. A database could be created to analyse bidding patterns and identify potential red flags, signalling risks posed to integrity.
- iii. **Allowing remote access by auditors and oversight bodies** to all procurement records, to ensure that audits can continue despite restrictions on carrying out physical inspections and paper-based reviews.
- iv. **Ensuring an appropriate cadre of trained public officials** who have the skills to carry out an emergency procurement procedure.
- v. **Preparing mechanisms to address future supply-chain disruptions for critical goods or services** that are becoming evident in the crisis, for example, the provision of personal protection equipment, since a shortage in supply is creating more potential for Corruption. The European Union has already decided to develop a stock pile of emergency medical equipment in this regard (European Commission, 2020).
- vi. **Creating digital and easily accessible tools to allow the public to track all emergency purchases** undertaken in line with emergency procurement measures (Salazar, 2020). Accountability, control and oversight of the economic stimulus packages

High risks and low controls

To mitigate the economic recession caused by COVID-19, governments are developing significant economic stimulus packages. Previous experiences with economic stimulus packages, most notably the one following the 2008 global financial crisis, show that the breadth and scope of such measures

offer opportunities for and high risks of Corruption, fraud, waste and abuse (Zagorin, 2020; Office of the Auditor General, 2010). Paradoxically, governments are relaxing controls to urgently spend funds, further amplifying these as well as strategic and operational risks, which can undermine the effectiveness and efficiency of such programs.

This context puts pressure on public financial management systems and more specifically, internal control systems within public organizations. For instance, the pace of implementation of the economic stimulus packages requires adapting or relaxing routine control measures and ex-ante due diligence. This can also involve simplifying requirements, such as limiting or delaying reporting, to allow managers time to focus on delivering services to the public.

Moreover, this situation was exacerbated by disruptions to the institutions that are typically responsible for accountability and oversight in government. These include internal audit functions, supreme audit institutions and parliamentary oversight committees.

For example, in some cases, parliamentary oversight committees were suspended, due to public health concerns or concerns over expediency. Many supreme audit institutions (SAIs) were also facing difficulties conducting audits and postponed the publication of audit reports.

Despite the pressures facing internal control, internal audit and oversight functions within government, it is vital to recall that these actors play a critical role in ensuring that public integrity is not compromised in the management of the economic stimulus packages and that these, in turn, produce the intended economic benefits. For example:

- i. Internal auditors can act as backstops to address any temporary control gaps and flag risks to management as controls and requirements change, and can provide real-time assurance on the validity of transactions as a result of emergency measures, using data matching and other analytical methods.
- ii. SAI can keep a breast of the modifications made to the public financial management systems

and identify potential risk areas (Gurazada et al., 2020) and, where necessary, adapt their routine end-of-year report audit activities, due to the volume of additional demands on the SAI's audit capacity.

- iii. Internal audit functions, SAIs and other oversight bodies can help promote transparency and high-quality open data to enlist the public in holding government officials accountable. The 2008 financial crisis and the subsequent recession offer useful examples for the current circumstances, demonstrating the mutual dependencies of transparency and accountability. In the United States, the Recovery Accountability and Transparency Board, which coordinated the work of the inspectors general monitoring the implementation of the American Recovery and Reinvestment Act of 2009, created an analytical platform that could identify recipient anomalies and then tasked the inspector general for the particular program to address issues. This had the dual benefit of preventing both fraud and Corruption, while also building the capacity of the inspector general functions within the line ministries (Zagorin, 2020). The public platform, Recovery.gov, allowed journalists and citizens to track their taxpayer money and see how the government was spending it.

Both internal and external auditors are also well placed to support governments in managing risks in the short term. For instance, they can provide useful insights to decision-makers on the integrity risks associated with emergency measures, such as cash outflows to businesses and individuals.

2.1 Short-term measures to ensure accountability, control, and oversight in the management of economic stimulus packages

To ensure that the internal control, internal audit and oversight functions can exercise effective accountability and supervision of the economic stimulus packages, several measures could be taken immediately. These include:

- i. **Ensuring that SAIs and internal audit**

functions have the resources they need: For instance, the United States' stimulus package also allocates funding to the Government Accountability Office (GAO), the SAI, enabling it to assist Congress in conducting oversight of overspending concerning the current crisis. As such, governments can allocate, where necessary, the appropriate funding to ensure the required resources for conducting real-time audits of the economic stimulus packages.

- ii. **Establishing or leveraging existing legislative committees:** For example, in New Zealand, a bipartisan parliamentary oversight committee has been developed and given the task of overseeing the government's response to the current crisis, including the economic stimulus package. The Committee meets remotely via video conferencing platform and publishes these meetings online to ensure transparency.
- iii. **Establishing specialized oversight bodies, while ensuring they have a clear and coherent mandate relative to existing accountability actors:** For instance, the Pandemic Response Accountability Committee was established to provide oversight of the economic stimulus package in the United States. To avoid duplication and draw on existing capacities, the Committee will be made up of independent Inspectors General with responsibilities for conducting and coordinating audits and investigations to provide accountability and identify waste, fraud, and abuse in crisis-related spending (Committee on Oversight and Reform, 2020).
- iv. **Articulating clear responsibilities and lines of communication to ensure that all public officials are accountable for their actions** (NSW ICAC, 2020): As noted, the COVID-19 crisis and economic downturn creates risks for the public financial management system and the standard policies and processes for internal control and risk management. While some controls may be relaxed to meet immediate

needs, and the work environment has temporarily changed due to social distancing measures, managers remain a critical "first line" of assurance. Programme management can reinforce this individual responsibility and at the same time, communicate the expectations to all staff of the need for continued vigilance over public funds.

- v. **Ensuring that the appropriate integrity risk assessments are carried out:** Given the rapid pace at which these programs are required to be rolled out, it may not be feasible to conduct a comprehensive integrity risk assessment. Public officials can, at the very minimum, be encouraged to document and report any obstacles and work around as they arise (NSW ICAC, 2020). This can include documenting changes to control activities to accommodate short-term objectives.

2.2 Long-term measures to leverage the role of external oversight to prepare for the recovery

External oversight bodies can be a key partner for governments as they transition from the immediate crisis and prepare for the long-term repercussions. In particular, auditors can highlight the potential for emerging integrity risks associated with longer-term recovery measures. For instance, auditors can report to decision-makers on ex-post lessons learned to improve policy-making, especially on preparedness for future crises. Performance audits can give a broader perspective than just the financial and compliance aspects, and provide insights about the effectiveness, efficiency and economy of the programme, thus fulfilling their obligation to be "a credible source of independent and objective insight and guidance to support beneficial change in the public sector" (INTOSAI, 2013[26]).

SAIs can also adopt a risk-based and data-centered approach while going beyond oversight to offer insights and foresight for better managing both the crisis and its aftermath. In particular, SAIs can support the center of government and other public

organizations to identify and interpret evidence that can shape policies and improve the government's capacity to act in real-time in the face of evolving issues and risks.

3. Increased risks of integrity violations in public organizations

Economic downturns lead to more Corruption and occupational fraud

While the majority of public sector employees have high standards of integrity, evidence from past recessions has shown that economic downturns lead to increased occupational fraud, embezzlement, bribery of public officials, and other integrity violations (Association of Certified Fraud Examiners, 2016; Ivlevs and Hinks, 2015; Gugiu and Gugiu, 2016). Such risks increase when the following three factors are at play, which is particularly the case in sudden economic downturns: financial pressure, opportunity and rationalization (ACFE).

As an immediate and longer-term consequence of the COVID-19, many individuals and especially small and medium enterprises will be facing increased financial shortcomings which may trigger corrupt behavior or fraud. At the same time, mass redundancies that are especially pervasive during a recession create gaps in organizations' internal control and audit systems, leaving them more vulnerable to internal fraud and corrupt practices. Given the pressures, individuals may also rationalize wrongdoing through justification such as "everybody does it" or "if I don't take the opportunity, others will" (OECD, 2018).

Emerging corruption cases and scandals may also negatively have impact on citizens' perceptions of Corruption and thereby undermining support for government measures and reform. In the worst case, they also provide a further rationalization for wrongdoing (Corbacho et al., 2016). In turn, an increased level of Corruption at various levels and areas raises the transaction costs of doing business. It will have a negative impact on the resilience of economies after the crisis and be an obstacle to economic recovery (Ormerod, 2016).

3.1 Short- and long- term measures to strengthen integrity in the public sector

In anticipation of this, public sector organizations can proactively improve controls that would prevent and detect Corruption and occupational fraud during the recession. This could include:

- i. **Review and strengthen existing public integrity systems in public organizations.** In the post-COVID-19 economic recession, this will require a risk-based approach to identify which public organization employees may be at higher risk and identify targeted mitigation measures. The OECD Recommendation of the Council on Public Integrity provide sample guidance on how to apply a systematic approach to fraud and Corruption, building a culture of integrity and ensuring effective accountability (OECD, 2017).
- ii. **Ensuring core internal controls,** such as management certification of financial statements, anti-fraud policies, surprise audits, and job rotations are in place, fit-for-purpose, and communicated to employees (ACFE, 2018).
- iii. **Leveraging and improving digital tool stop remote integrity and accountability,** primarily by ensuring that relevant government data is available in an open and re-usable way allowing for social control or by providing the effectiveness of online reporting mechanisms.
- iv. **Establishing or supporting employee counseling or financial assistance programs,** to help employees in addressing the increased financial pressures and feelings of helplessness that stem from economic crises (ACFE, 2018).
- v. **Raising awareness of integrity standards,** to ensure that all staff continue to abide by the rules and uphold public sector values to a high standard.

References

ACFE (2018), *Report to the Nations: 2018 Global Study on Occupational Fraud and Abuse*, https://www.acfe.com/uploadedFiles/ACFE_Website/Content/rtnn/2018/RTTN-Government-Edition.pdf.

ACFE (n.d.), *Occupational Fraud: A Study of the Impact of an Economic Recession*, <https://www.acfe.com>.

com/uploadedFiles/ACFE_Website/Content/documents/occupational-fraud.pdf(accessed on 14 August 2020).

Association of Certified Fraud Examiners (2016), Report to the Nations on Occupational Fraud And Abuse: 2016 Global Fraud Study, <https://www.acfe.com/rtn2016/docs/2016-report-to-the-nations.pdf>(accessed on 21 August 2020).

Babinec, A. (2020), Kyiv Cancels \$2.2 million Deal for Thermal Cameras, OCCRP, <https://www.occrp.org/en/daily/12097-kyiv-cancels-2-2-million-deal-for-thermal-cameras>(accessed on 19 August2020).

Brenot, V., H. Billery and B. Feroldi (2020), COVID-19: Adjustment of the Rules of Public Procurement, <https://www.august-debouzy.com/fr/blog/1465-coronavirus-and-public-procurement-flash-2>(accessed on 14 August 2020).

Cabinet Office (2020), Procurement Policy Note - Supplier relief due to COVID-19, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874178/PPN_02_20_Supplier_Relief_due_to_Covid19.pdf.

Committee on Oversight and Reform (2020), Coronavirus Package Includes Oversight and Accountability Measures, <https://oversight.house.gov/news/press-releases/coronavirus-package-includes-oversight-and-accountability-measures>(accessed on 10 August 2020).

Corbacho, A. et al. (2016), "Corruption as a Self-Fulfilling Prophecy: Evidence from a Survey Experiment in Costa Rica", *American Journal of Political Science*, Vol. 60/4, pp. 1077-1092, <http://dx.doi.org/10.1111/ajps.12244>.

Cray, C. (2005), "Disaster Profiteering: The Flood of Crony Contracting Following Hurricane Katrina", *Multinational Monitor*, Vol. 26/9.

Dell, A. and M. Zwitter (2020), Opaque Coronavirus Procurement Deal Hands Millions to Slovenian Gambling Mogul, OCCRP, <https://www.occrp.org/en/coronavirus/opaque-coronavirus-procurement-deal-hands-millions-to-slovenian-gambling-mogul>(accessed on 19 August2020).

Dentons (2020), "Italy's "Cura Italia" decree introduces new public procurement measures", *Official Gazette* 70, <https://www.dentons.com/en/insights/articles/2020/march/19/italys-cura-italia-decree-introduces-new-public-procurement-measures>(accessed on 10 August 2020).

European Commission (2020), COVID-19: Commission creates first ever rescEU stockpile of medical equipment, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_476(accessed on 10 August2020).

Folliot Lalliot, L. (2020), La concurrence entre États sur l'achat de matériel médical et sanitaire aggrave le problème, *Le Monde*, https://www.lemonde.fr/idees/article/2020/03/30/la-concurrence-entre-etats-dans-les-chaines-d-appvisionnement-public-aggrave-la-crise-sanitaire_6034848_3232.html(accessed on 10 August 2020).

Fyfe, W. (2020), "Coronavirus: 'Unprecedented' number of scams linked to virus", *BBC News*, <https://www.bbc.com/news/uk-wales-52296936>(accessed on 19 August 2020).

Gabler, E. (2020), "States Say Some Doctors Stockpile Trial Coronavirus Drugs, for Themselves", *The New York Times*, <https://www.nytimes.com/2020/03/24/business/doctors-buying-coronavirus-drugs.html>(accessed on 19 August 2020).

Glencorse, B. (2020), Why Tackling Corruption Is Crucial to the Global Coronavirus Response, *WPR*, <https://www.worldpoliticsreview.com/articles/28689/why-tackling-corruption-is-crucial-to-the-global-coronavirus-response>(accessed on 19 August 2020).

Gugiu, M. and C. Gugiu (2016), "Economic Crisis and Corruption in the European Union", *Journal of Methods and Measurement in the Social Sciences*, Vol. 7/1, pp. 1-23.

Gurazada, S. et al. (2020), "Getting government financial management systems COVID-19 ready", *World Bank Blogs*, <https://blogs.worldbank.org/governance/getting-government-financial-management-systems-covid-19-ready>(accessed on 10 August 2020).

INTOSAI (2013), ISSAI 12 - Value and Benefits of SAIs - making a difference to the life of citizens, <https://www.issai.org/pronouncements/intosai-p-12-the-value-and-benefits-of-supreme-audit-institutions-making-a-difference-to-the-lives-of-citizens/>(accessed on 11 September 2018).

Ivlevs, A. and T. Hinks (2015), "Global economic crisis and corruption", *Public Choice*, Vol. 162/3- 4, <http://dx.doi.org/10.1007/s11127-014-0220-0>.

Kupperman Thorp, T. (2020), "To Defeat the Coronavirus, Stop Corruption", *FP News*, <https://foreignpolicy.com/2020/04/06/defeat-coronavirus-stop-corruption-humanitarian-crisis-disaster-response-emergency-medical-supplies/>(accessed on 19 August 2020).

LaFraniere, S. and C. Hamby (2020), "Another Thing to Fear Out There: Coronavirus Scammers", *The New York Times*, <https://www.nytimes.com/2020/04/05/us/politics/coronavirus-scams-fraud-price-gouging.html>(accessed on

19 August 2020).

Ministry of Internal Affairs and Communications of Japan (2020), *Measures To Be Taken for Public Procurement by Local Governments in Response to Covid-19*, https://www.soumu.go.jp/main_content/000673056.pdf(accessed on 10 August 2020).

NSW ICAC (2020), *Managing Corrupt Conduct During the COVID-19 Outbreak*, <https://www.icac.nsw.gov.au/prevention/corruption-prevention-publications/latest-corruption-prevention-publications>(accessed on 14 August 2020).

OECD (2018), *Behavioural Insights for Public Integrity: Harnessing the Human Factor to*

Counter Corruption, OECD Public Governance Reviews, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264297067-en>.

OECD (2017), *OECD Recommendation of the Council on Public Integrity*, OECD, Paris, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>.

Office of Government Procurement (2020), *Information Note – Covid-19 (Coronavirus) and Public Procurement*, <https://ogp.gov.ie/information-note-covid-19-coronavirus-and-public-procurement/>(accessed on 10 August 2020).

Office of the Auditor General (2010), *2010 Fall Report of the Auditor General of Canada*, https://www.oag-bvg.gc.ca/internet/English/parl_oag_201010_01_e_34284.html(accessed on 14 August 2020).

Ormerod, P. (2016), "Corruption and economic resilience: recovery from the financial crisis in western economies", *Economic Affairs*, Vol. 36/3, pp. 348-355, <https://doi.org/10.1111/ecaf.12198>.

Salazar, C. (2020), "Monitoring COVID-19 emergency procurement with data", *Open Contracting Partnership Blog*, Open Contracting Partnership, <https://www.open-contracting.org/2020/03/25/monitoring-covid-19-emergency-procurement-with-data/>(accessed on 14 August 2020).

Schultz, J. and T. Søreide (2008), "Corruption in emergency procurement", *Disasters*, Vol. 32/4, pp. 516-536, <http://dx.doi.org/10.1111/j.1467-7717.2008.01053.x>.

Steingrüber, S. et al. (2020), *Corruption in the time of COVID-19: A double-threat for low income countries*, U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute, <https://www.u4.no/publications/corruption-in-the-time-of-covid-19-a-double-threat-for-low-income-countries>(accessed on 19 August 2020).

Tanfani, J. and J. Horwitz (2020), "Special Report: The Mask Middlemen - How pop-up brokers seek big paydays in a frenzied market", *Reuters*, <https://www.reuters.com/article/us-health-coronavirus-masks-specialreport/special-report-the-mask-middlemen-how-pop-up-brokers-see-big-paydays-in-a-frenzied-market-idUSKBN21132E>(accessed on 10 August 2020).

Vittori, J. (2020), *Corruption Vulnerabilities in the U.S. Response to the Coronavirus*, CARNEGIE, <https://carnegieendowment.org/2020/03/20/corruption-vulnerabilities-in-u.s.-response-to-coronavirus-pub-81336>(accessed on 19 August 2020).

Zagorin, A. (2020), "He Oversaw \$787 Billion in Stimulus Spending. Here Are His Lessons on Spending Coronavirus Recovery Effectively", *POGO*, <https://www.pogo.org/analysis/2020/04/he-oversaw-787-billion-in-stimulus-spending-heres-his-lessons-on-spending-coronavirus-recovery-effectively/>(accessed on 19 August 2020).

THE ROLE OF SUPREME AUDIT INSTITUTIONS IN GOVERNMENTS RESPONSE TO THE GLOBAL COVID-19 PANDEMIC: EMERGENCY AND POST EMERGENCY PHASES

SAI Palestine

.....

About the Author



Mohammad A. A. Zaid

He has PhD in Accounting major and received the PhD degree from Dongbei University of Finance and Economics, Dalian, China.

He is a Financial Auditor at State Audit & Administrative Control Bureau, which represents the supreme audit institution of the State of Palestine.

His research interests are mainly in the areas of corporate governance, corporate disclosure, IFRS, and corporate social responsibility. In this vein, Zaid is an experienced corporate

governance-IFRS expert with extensive knowledge in the latest accounting and regulatory developments in financial reporting. He has published many researches in highly-ranked and top-tier journals such as Journal of Cleaner Production, Journal of Global Responsibility, Corporate Social Responsibility and Environmental Management, and Corporate Governance: The international journal of business in society

He has also been working as a reviewer for international accounting journals which are published by Elsevier and Emerald.

Further, he was elected as a member in the editorial board of Journal Global Responsibility-United Kingdom.

.....

Abstract:

Following the recent calls to contemplate and articulate the role of supreme audit institutions (SAI) in government's response to COVID-19, this study intends to investigate the indispensable role of SAIs in light of COVID-19 during the emergency and post-emergency phases. To the best of the author knowledge, most of the earlier studies have not yet

provided a profound analysis of the role of SAIs in the current public health crisis. Thus, working on this sensitive and contemporary topic merits tremendous attention. This study contributes to the SAI and global health crisis literature by providing in-depth insights about the actions that SAIs should follow during emergency and post-emergency stages of COVID-19. Furthermore, this study offers valuable and proposed hints on how SAIs can effectively respond to COVID-19 crisis and how to be prepared for unforeseen crises in the foreseeable future. More importantly, this study can draw policy-makers' attention all over the world to meet the increasing need for updating the strategies, regulations, policies, and approaches of the SAI to promote the efficiency of auditing practices in times of social distancing. In this context, this study enriches the literature beyond the prior narrow ideas and creates a fertile ground for further investigation.

Keywords: COVID-19, Corona virus, supreme audit insinuations, SAI, public health crisis, emergency phase, post-emergency phase.

1. Introduction

Under the global COVID-19 crisis, there is a plausible consensus that both developing and developed countries are severely affected by the frightening and rapid spread of COVID-19 pandemic. This unforeseen disaster presents a serious health, social, and economic dilemmas and predicaments that the global world is grappling and striving with. Besides, COVID-19 is largely expected to affect audit procedures and quality (Albitar et al.2020).

Given the aforementioned, the supreme audit institutions (SAIs) around the globe are significantly and acutely affected by corona virus (COVID-19) in performing their duties and responsibilities in an effective manner. The audit methodology of SAIs is not ready for the threats of COVID-19. Moreover, the traditional audit techniques are tailored to be effective in the stabilized period. Accordingly, there is an imperative need to reshape and restructure the traditional audit techniques to stay aligned with accelerated changes in today's uncertain

environment. More precisely, audit operation should be performed remotely. In this vein, Castka, et al. (2020) indicate that during the COVID-19 epidemic, on-site auditing is severely restricted by official calling for lockdown and social distancing. In the same direction, a contemporary report prepared by World Bank, (2020) articulates that virtual-working arrangements will supersede face-to-face meetings. It is clear that the limited access to information and an inability to physically visit and verify activities are the key driving factors behind working-from-home. Consequently, audit plans and programs designed prior to COVID-19 will need holistic revision by taking into consideration the accelerated and unpredicted changes that the COVID-19 pandemic has created. In light of the foregoing, SAIs have to respond to the challenges arising from COVID-19 by adjusting the traditional way of work and casting a bright light on the remote audit to execute audits process in a safe and timely manner.

In the epidemic context, government has the responsibility to protect the interests of society and slow the increasing prevalence of COVID-19, responsibilities including but are not limited to the anti-epidemic quarantines, mandated physical distancing (Gupta, et al. 2020), delivery of high-quality health care and health-related services, moving to apply digital healthcare strategy "Tele health" by the ministry of health (Fagherazzi, et al. 2020; Kapoor, et al. 2020; Budd, et al. 2020; Ting, et al. 2020), and support low-income and impoverished families as they will undoubtedly be the hardest hit by this crisis (Power, et al.2020).

From a practical standpoint, SAIs have an inevitable role in preventing the prevalence of the alarming COVID-19 battle by investigating the governments' responses to the COVID-19 epidemic. In the strict sense of the word, SAIs are expected to be more agile and dexterous in overseeing the government activities during the emergency and post emergency phases. In times of crises, particularly unprecedented public health crisis, SAIs have to pay immense attention to relook the way they are working and use their audits to add value to the emergency

response measures with the aim of ameliorating the strategies towards a more effective response to unexpected crises in the foreseeable future. In doing so, we can maintain to a great extent a more inclusive and prosperous future. In this context, auditing is not an end in itself; it is about the contribution of audits to concrete improvements in effectiveness, accountability and inclusiveness of public sector institutions, leading to better societies (Gørrissen, 2020).

Although SAIs are confronting a stream of restrictions during the emergency stage, the responsibility of assessing risks linked with government activities fall squarely on SAIs' shoulders. In a more precise language, SAIs have the responsibility to scrutinize and evaluate the performance of government bodies in using public funds efficiently and effectively. Furthermore, SAIs play a significant role in auditing of donors' funds in order to provide the donors agencies a high level of affirmation that their funds and grants have been used for the agreed purpose. In this regard, a recent study conducted by World Bank, (2020) denotes that prior public health crisis shows the risk of unscrupulous abuse of "fraud and corruption" of the emergency fund and assistance, particularly in countries with inefficient and sketchy corporate governance mechanisms.

Moving to post-emergency phase, the government activities will gradually return to the normal situation and public resources will allocate to boost the recuperation. Accordingly, considerable amount of attention should be paid by SAIs to ensure a high level of transparency and accountability. Furthermore, SAIs must provide assurance about the way that governments' post-emergency activities are working.

The contribution to the knowledge of this novel study provides fruitful insights into COVID-19 and the role of supreme audit institutions literature. First, to the best of the author knowledge, this is the only study that analyzes the role of SAIs in governments' response to the global COVID-19 pandemic after the World Bank report which is published in June 2020.

In other words, investigating the role of SAIs during and post-emergency phases of COVID-19 was

predominantly neglected by the prior research and has not yet well-examined by the ancestors. *Second*, the existing literature on the auditing has struggled to provide conspicuous and cogent view about the effect of COVID-19 epidemic on the vital role of SAIs in monitoring the governments' response to this unprecedented catastrophe. Further, the crushing majority of research efforts have been solely devoted to investigating the effect of COVID-19 crisis on audit operation without shedding light on the role of SAIs.

In light of the aforesaid, this study's main purpose is to pursue these principal objectives: *First*, to provide a brief view about the Supreme Audit Institutions. *Second*, to discuss how the role of SAIs is affected by COVID-19 epidemic during the emergency phase. *Third*, to suggest comprehensive approach of SAI Audits during the post-emergency phase.

To achieve these key objectives, a systematic review of the audits of previous disasters activities, such as Ebola pandemic in West Africa, was performed by the author to take lessons about the role of SAIs' engagement in assuring the government responses mechanisms during and post emergency phases. Moreover, to enrich the situation beyond the narrow perspectives, we conducted an interview with a number of SAI audit staff.

The remainder of this research paper is organized as follows. *Section 2* displays a brief overview of Supreme Audit Institutions. This is followed by a discussion about COVID-19 and the Role of SAI during the emergency phase in the *Section 3*. The subsequent section presents a comprehensive spectacle of the role of SAIs during the post emergency stage. The conclusions, limitations and recommendations are given in the final section.

2. Supreme Audit Institution at a Glance

Supreme Audit Institutions (SAI) are independent and professional national surveillance bodies. In the stricter sense, SAI is a government entity responsible for auditing government revenue and spending. Their structure, legal mandates, reporting relationship, and effectiveness somewhat

vary, reflecting different governance regime and government policies. However, their main purpose is to monitor the management of public funds and quality and credibility of government reported financial data to ensure full transparency and accountability of the government’s budgets and programmes (Stapenhurst & Titsworth, 2002). In a nutshell, a conclusion can be drawn that SAIs play a remarkable role in ensuring financial accountability, guaranteeing the soundness of government performance, and strengthening public bodies.

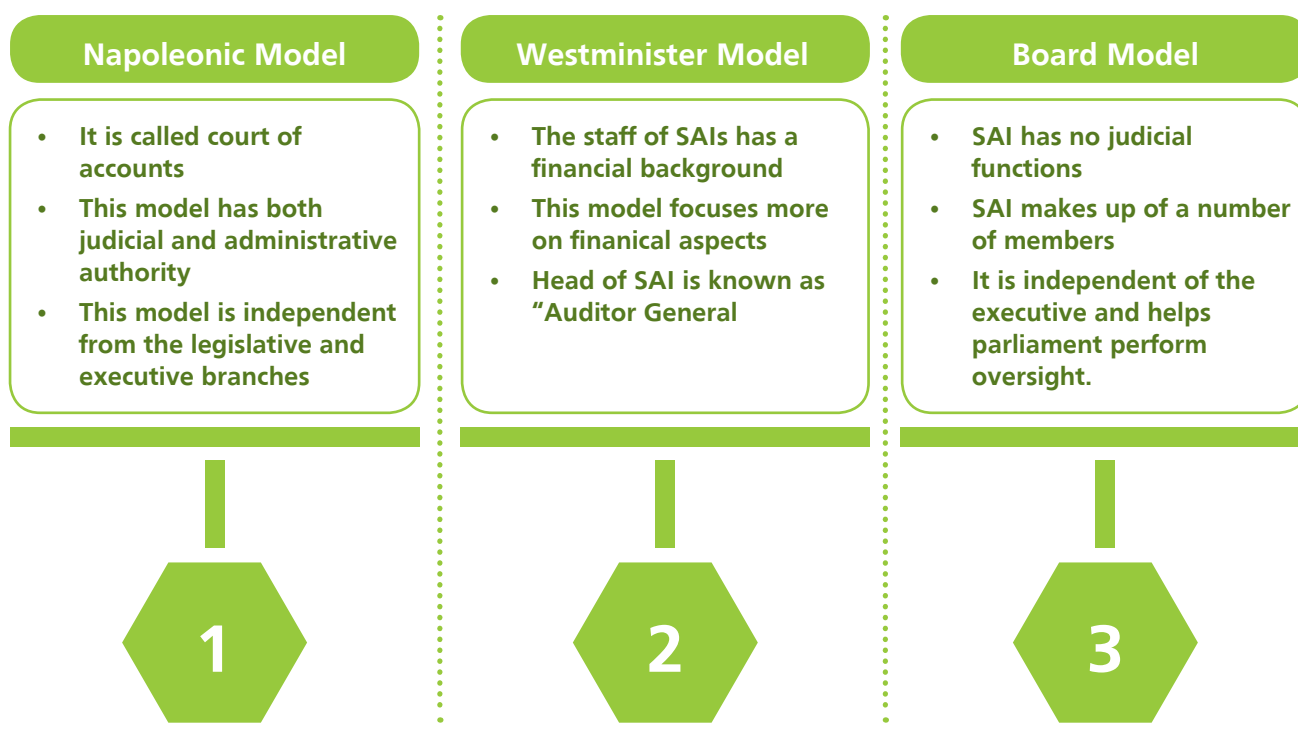
From the structural point of view, there are different types and models of supreme audit institutions; Judicial or Napoleonic model, Westminster model, and board or Collegiate model. **Figure 1** below illustrates and summarizes the various types of supreme audit institutions:

The Napoleonic also called the *cour des comptes* (Court of Accounts or Court of Audit) this model is used in The Latin countries of Europe and some extent in South America and Africa. In the

Napoleonic system, the SAI is part of the judiciary and has a large number of magistrates who enjoy judicial independence. Accordingly, this model has both judicial and administrative authority and is independent from the legislative and executive branches (Dye and Stapenhurst, 1998; Stapenhurst & Titsworth, 2002). The court of accounts has the competence and ability to impose penalties where illegal transactions are found (Blume and Voigt, 2011).

Westminster system, also known as the Anglo-Saxon model, and is used in the United Kingdom and most Commonwealth countries including many in sub-Saharan Africa, some European countries such as Ireland and Denmark, Austria, Finland, Poland, and Latin American countries such as Mexico, Peru, Chile, Colombia. In this model, the office of the auditor general is an independent body that reports to parliament. The staff of SAIs under this model has a financial background and are “professional auditors and accounting experts” (Blume and Voigt, 2011). Furthermore, this system sheds more light on financial

Figure 1. Different types of SAI



Source: Author

aspects with less concentration on legal compliance than in the Napoleonic model (Stapenhurst and Titsworth, 2002).

Moving to the board or collegiate model, the SAI has no judicial functions. Thereby, the basic structure of the board model is very similar to the Westminster model (Blume and Voigt, 2011). In this system, the work is not handled by single person, but by a board with its own chairperson. In this sense, SAIs are made up of a number of members which constitutes the governing board and take decisions jointly (Van Zyl, et al. 2009). Consequently, the audit board tends to analyze government spending and revenue and report its results to parliament. This model is widely used in certain European countries including Netherlands and Germany, and in some Asian countries including Japan, the Republic of Korea, and Indonesia (Bhatnagar and Sharma, 2016).

3. COVID-19 and SAI Role during the Emergence Phase

In time of public health crisis, government interventions and actions are more likely to be significant. For example, Meng and Berger (2008) investigated the dimensions of government intervention in crisis management "2003 SARS epidemic in China". The findings contend that the growing international alarm about the SARS prompted the Chinese government to change its crisis-response strategies to cope with this tremendous dilemma. Under such circumstances, it is inevitable and obligatory that SAI should be more effective and responsive to oversight the government's actions. This argument could be attributed to the fact that the risk of corruption and fraud tends to increase during the emergency stage (World Bank, 2020). More specifically, unfair distribution of relief aid, bribery in provision of medical services (UNODC, 2020), and unscrupulous abuse of emergency funds are the most probable COVID-19 related risks.

It is noticeable that there are a series of standards on auditing during and post-disaster phases,

more specifically auditing on disaster-related aid.

According to the ISSAI 5500 and 5520, disasters¹-related aid is defined as "a humanitarian aid designed to save lives, alleviate suffering and protect human dignity, but also includes aid which is non-humanitarian (e.g. to protect wildlife). Disaster-related aid may be from public or private sources and can be donated to governments, communities and individuals affected by the disaster". This aid must be delivered to support poor families to meet their basic needs. Hence, a conclusion can be drawn that government bodies have a great responsibility to effectively manage the relief distribution networks and adopt new strategies to reach the hardest hit by the loss of jobs and income.

In general, International Organization of Supreme Audit Institutions (INTOSAI) developed ISSAI 5500 series, to provide practical guidance on auditing disaster-related issues. The structure of the series is as follows: ISSAI 5500 introduction the 5500 series on disaster-related aid and INTOSAI GOV 9250; ISSAI 5510 the audit of disaster risk reduction; ISSAI 5520 the audit of disaster related-aid; ISSAI 5530 adapting audit procedures to take account of the increased risk of fraud and corruption in the emergency phase following a disaster; ISSAI 5540 use of geospatial information in auditing disaster management and disaster-related aid.

Given the aforementioned discussion, integrity, transparency and accountability of the public sector deemed the most vital factors for preventing COVID-19 related corruption risks. In this light, the intrinsic and conspicuous role that SAIs can play in these uncertain times will lead to mitigate the crises-related fraud risks. In more precise words, SAIs play a decisive role in holding governments to account. Further, SAIs can largely help to restrict the detrimental effect of the public health disaster by auditing disaster-related aid. More interestingly, the value of auditing during the emergency phase will lead to reduce the cost of post-emergency auditing activities.

¹ UNISDR defines **disaster** as "a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources"

The following points below summarize the main actions that SAI should follow during the emergency phase:

- Increase the awareness of COVID-19 among SAI staff.
- Ensuring the effectiveness of public awareness campaigns about COVID-19.
- Pay a higher level of attention to control the management and using of public funds in efficient and effective manner.
- Moving from a traditional audit to a remote audit "virtual audit".
- Ensuring that aid is accessible to those for whom it is intended.
- Keep effective communication with wide range of stakeholders.
- Support SAI independence by insisting on the highest standards of independence.
- Conducting real-time audits of compliance with new regulations and polices related to COVID-19 protective activities.
- The SAI audit teams should be aware that there is a higher risk of fraud and corruption arising due to the urgency of the situation.
- Adjusting the materiality level because risk of corruption and fraud tends to increase during the emergency stage.

4. COVID-19 and SAI Role in the Post-Emergency Phase

During the post-emergency phase, the government activities will gradually return to the normal situation and public resources will allocate to improve the recuperation. In this vein, prior public health crises "Ebola & SARS" revealed that disaster-related funds and rehabilitation activities subject to prevalent abuse patterns and high level of crisis-related corruption risks. Post-emergency cases of fraud and corruption are more likely to occur in countries with sketchy government mechanisms, no anti-corruption measures, and ineffective government response. Moreover, a study conducted by Bevan and Cook (2015) indicate that there is a stream of challenges and risks can be attributed to the additional stress

and time limitations facing governments during post-emergency stage.

Empirically, a colossal array of preceding studies has been performed by professional bodies and academicians to analyze government's actions during the post-disaster phase (Bevan and Cook, 2015; Labadie, 2008). Nevertheless, so far, no prior studies have been devoted to investigate the role of SAIs in conducting their duties during the post-COVID-19 phase. In this context, after a comprehensive review of the reports and articles published by international organizations, including but are not limited to World Bank and International Organization of Supreme Audit Institutions (INTOSAI), the author of this current study suggests the following actions that SAI must fulfill during the post-emergency phase of COVID-19 which help to bridge the gap in the existing literature and goes beyond the narrow and pre-conceived perspectives:

- Reshaping the auditing procedures to be flexible enough to accommodate unprecedented events related to post-emergency environment.
- Moving to adopt new approaches to track and oversee the disbursement of recovery funds from central to local government.
- Using adequate tracking mechanisms of post-emergency expenditures, since they are off budget and not accounted for, thereby tracking them is notoriously difficult.
- Ensuring auditee preparedness for auditing by constantly communicating with them to smoothly conduct the audit operation.
- Managing and monitoring public expenditures-related to COVID-9. In this context, SAI should investigate the classification and presentation for each expenditure group.
- Take advantage of technology to easily perform audit on digital transactions, since the COVID-19 pandemic has changed the traditional way of payment.
- The SAI audit teams should keep in their mind that recovery and rehabilitation activities have a potential higher risk of fraud and corruption arising from the unusual activities.

- Pay a rigorous attention to rehabilitation activities carried out in the aftermath of disasters to help countries be better prepared for a future catastrophe
- The SAI staff assigned to conduct the audit should have sufficient information about the auditing of post-disaster recovery.
- Ensuring if the goals of recovery projects have been plainly defined and achieved.

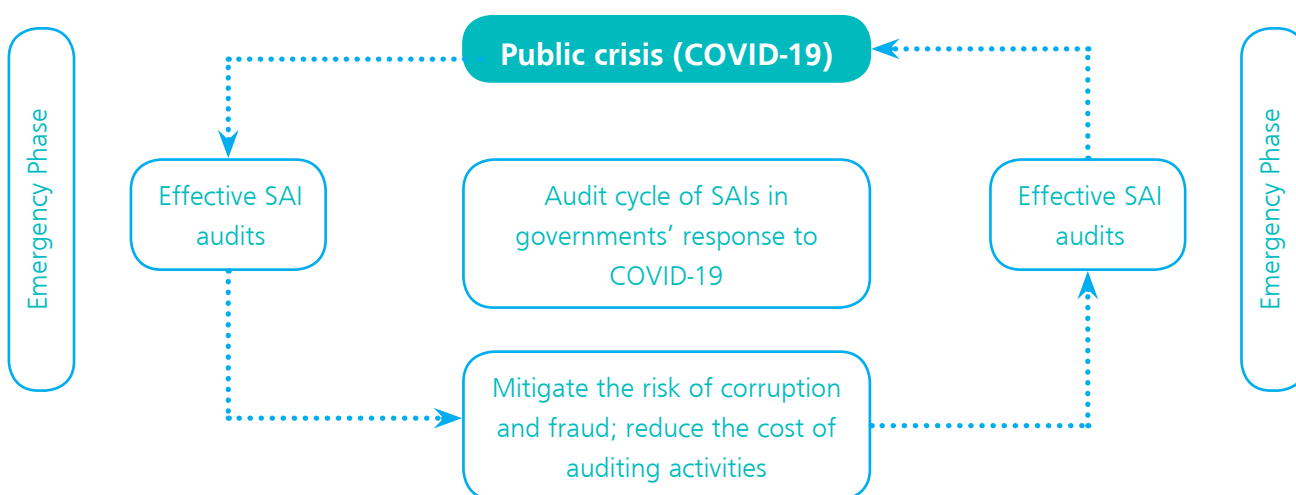
Considering the above discussion, the author assumes that the effective role of SAI during the post-emergency phase is contingent on its role during the emergency stage.

Figure 2 graphically demonstrates the main idea of the interaction between SAI role during emergency phase and post-emergency phase:

and post-emergency phases. In this vein, this research seizes the opportunity to increase the SAIs agility to become more elastic in the future in confronting unprecedented public crises.

From the study analyses, it manifestly appears that SAIs should take the sensitivity of crisis period into consideration when it designs and plans an audit approach. The entrenched logic behind this argument is that risk of corruption and fraud inclines to increase during times of crisis, particularly in countries with weak and sketchy governmental mechanisms. A somewhat marvelous argument of this study is that the effectiveness of auditing of post-emergency recovery and rehabilitation activities is contingent on the auditing during the emergency phase. More explicitly, SAIs have a magnificent responsibility to

Figure 2. Audit cycle of SAIs in governments' response to COVID-19 epidemic



Source: Author

5. Conclusion

Motivated by the desire to deeply understand how supreme audit institutions (SAIs) contribute to the current global crisis COVID-19, this novel study provides a profound analysis and offers rich ideas and proposed directions to SAIs in monitoring governments' response to the global COVID-19 pandemic during emergency and post emergence phases. Accordingly, this study made a distinction between the actions of SAIs during the emergency

significantly change their way in performing the audit operation by taking advantage of technology, which, in turns, makes real-time audits more helpful and fruitful. This will generate super-quick feedback on how government's emergency activities are working. In this context, a conclusion can be drawn that when SAIs have the sufficient ability to adapt quickly to the accelerated and unpredicted changes that the COVID-19 Pandemic has created, the detrimental effects of this global crisis will conspicuously diminish.

Although this article attempts to provide a holistic view of the role of SAIs in governments' response to the global COVID-19 pandemic, we acknowledge that this study has a few limitations that open the door for further research. In light of this, one of the most critical limitations encountered during this study is the novelty of the study idea. More clearly, this topic has not yet examined by ancestors. Moreover, this study was restricted to theoretically analyze the role of IASs in governments' response to COVID-19; therefore, no attempts were made to examine this idea in practice. The underlying logic behind this is the absence of data availability.

Finally, this study can serve as a basis for future research pertaining to COVID-19 and SAI role. More specifically, this current study encourages the researchers for empirical future studies on auditing in times of public crisis. Furthermore, to gain a holistic understanding and deeply-rooted insights of the role of SAIs in restricting the increasing prevalence of COVID-19, this study catalyzes researchers to investigate the effect of readiness SAI in performing high quality audit operations.

Declaration of competing interest

The authors declare that they have no conflict of interest.

Acknowledgement

I would like to express my sincere appreciation to the State Audit Administrative Control Bureau (SAACB) which represents the supreme audit institution of Palestine for giving me the opportunity to participate and submit my scholarly study to this research competition.

ORCID

Mohammad A. A. Zaid: <https://orcid.org/0000-0002-9743-3448>References

World Bank. (2020). *Role of Supreme Audit Institutions in Governments' Response to COVID- 19: Emergency and Post Emergency Phases*.

Gørrissen, E. (2020). *The role of the INTOSAI Development Initiative (IDI) in strengthening the capacity*

and performance of supreme audit institutions in developing countries. Journal of Public Budgeting, Accounting & FinancialManagement.

Albitar, K., Gerged, A. M., Kikhia, H., & Hussainey, K. (2020). *Auditing in times of social distancing: the effect of COVID-19 on auditing quality. International Journal of Accounting & Information Management.*

Castka, P., Searcy, C., & Fischer, S. (2020). *Technology-Enhanced Auditing in Voluntary Sustainability Standards: The Impact of COVID-19. Sustainability, 12(11), 4740.*

Fagherazzi, G., Goetzinger, C., Rashid, M. A., Aguayo, G. A., & Huiart, L. (2020). *Digital health strategies to fight COVID-19 worldwide: challenges, recommendations, and a call for papers. Journal of Medical Internet Research, 22(6),e19284.*

Kapoor, A., Guha, S., Das, M. K., Goswami, K. C., & Yadav, R. (2020). *Digital healthcare: The only solution for better healthcare during COVID-19 pandemic?.Indian Heart Journal.*

Budd, J., Miller, B. S., Manning, E. M., Lampos, V., Zhuang, M., Edelstein, M., & Short, M.

J. (2020). *Digital technologies in the public-health response to COVID-19. Nature medicine, 1-10.*

Ting, D. S. W., Carin, L., Dzau, V., & Wong, T. Y. (2020). *Digital technology and COVID-19. Nature medicine, 26(4), 459-461.*

Power, M., Doherty, B., Pybus, K., & Pickett, K. (2020). *How COVID-19 has exposed inequalities in the UK food system: The case of UK food and poverty. Emerald Open Research, 2.*

Gupta, S., Nguyen, T. D., Rojas, F. L., Raman, S., Lee, B., Bento, A., ... & Wing, C. (2020). *Tracking public and private responses to the COVID-19 epidemic: Evidence from state and local government actions (No. w27027). National Bureau of Economic Research.*

Stapenhurst, R., & Titsworth, J. (2002). *Features and functions of supreme audit institutions.*

Dye, K. M., & Stapenhurst, R. (1998). *Pillars of integrity: the importance of supreme audit institutions in curbing corruption. Washington, DC: Economic Development Institute of the World Bank.*

Blume, L., & Voigt, S. (2011). *Does organizational design of supreme audit institutions matter?*

A cross-country assessment. European Journal of Political Economy, 27(2), 215-229.

Van Zyl, A., Ramkumar, V., & De Renzio, P. (2009).

Responding to the challenges of supreme audit institutions: Can legislatures and civil society help?. U4 Issue, 2009(1).

Bhatnagar, P. S., & Sharma, S. (2016). *Enhancing Transparency, Accountability and Effectiveness of Supreme Audit Institutions of India Through Communication Networks. Indian Journal of Public Administration, 62(1), 101-110.*

Meng, J., & Berger, B. K. (2008). *Comprehensive dimensions of government intervention in crisis management: A qualitative content analysis of news*

coverage of the 2003 SARS epidemic in China. China Media Research, 4(1), 19-28.

UNODC. (2020). *Guidelines on Prevention of Corruption during the Covid-19 Pandemic. Bevan, D., & Cook, S. (2015). Public expenditure following disasters. The World Bank.*

Labadie, J. R. (2008). *Auditing of post-disaster recovery and reconstruction activities. Disaster Prevention and Management: An International Journal.*

Other Articles

CASE STUDY ON LEVERAGING BIG DATA ANALYSIS TO PROMOTE THE STABLE PRODUCTION AND SALES OF KEY MEDICAL SUPPLIES

SAI China

In view of the prominent problems about the provision of medical supplies during the COVID-19 pandemic, the National Audit Office of the People's Republic of China (CNAO) made use of industrial and commercial data to establish the industrial chain model for key medical supplies such as medical masks and protective suits, focusing on balancing the demand and supply of inputs needed for medical supplies production and enhancing the production capacity of key raw materials. Thereby, targeted recommendations for problems in the business operation were proposed.

I. Name of the Case

Leveraging Big Data Analysis to Promote the Stable Production and Sales of Key Medical Supplies.

II. Background

Since the outbreak of COVID-19, the Chinese government has emphasized that local governments and relevant departments should take effective measures to resolutely prevent and control the pandemic. The CNAO timely conducted special audit on funds and supplies used for the pandemic control, and required that the audit institutions at all levels must put people's life and health first, and in the spirit of shoring up confidence, strengthening unity, ensuring science-based control and treatment and imposing targeted measures, to strengthen monitoring over the implementation of decisions and arrangements made by the central governments.

Stage 1: The COVID-19 pandemic spread

rapidly in China, but key medical supplies such as medical masks and protective suits were in short supply. There was an urgent need to strengthen the supply-demand coordination among medical manufacturers, equipment manufacturers and raw material suppliers, and promote the efficient operation of the whole industrial chain of medical supplies.

Stage 2: After the production capacity of medical masks had been expanded, many manufacturers were forced to suspend production or shut down due to the lack of raw materials such as melt-blown non-woven fabric. Because of the limited processing capacity of complete production equipment and key spare parts for the production of melt-blown non-woven fabric, it was difficult to increase melt-blown non-woven fabric output significantly in a short period, and the normal production of mask enterprises has been restricted.

III. Essential Thoughts and Methods

In view of the above-mentioned background, two sub-cases were analyzed, namely, balancing the supply and demand of inputs needed for medical supplies production and increasing the production capacity of key raw materials such as melt-blown non-woven fabric.

1. Optimize supply-demand coordination in medical supplies production:

Due to the impact of many factors, such as logistics, labour force and industrial layout, the medical supply industry in China faced uneven geological distribution, with medical mask manufacturers and raw

materials suppliers concentrated in different regions. Due to travel restriction during COVID-19, many medical mask manufacturers suspended production due to shortage of raw materials, which dragged the efficient operation of the whole industrial chain. The analysis were as follows:

(1) Analyzing and sorting out the medical mask industrial chain and its weaknesses. For instance, the CNAO analyzed the main raw materials of medical mask production, manufacturing techniques and representative enterprises; manufacturers of production equipment and key spare parts in each process, etc.

(2) Combining the industry and commerce data, the CNAO analyzed the geographical distribution of medical mask manufacturers and suppliers of key raw materials and spare parts, collected the purchase and sales data, and figured out the domestic market shares.

(3) Based on the public health status of different regions and the power consumption data, the CNAO analyzed the production resumption of medical mask manufacturers in lower-risk regions, as well as the provision of raw materials and equipment spare parts, in order to get an updated understanding on the production and supply conditions.

2. Increasing the production capacity of key raw materials such as melt-blown non-woven fabric:

Through the investigation and correlation analysis of the enterprises engaged in the purchase and sales of melt-blown non-woven fabric production equipment, it was found that the relevant manufacturers of package equipment and key spare parts failed to resume production completely, and that's become the bottleneck that held back the production capacity of melt-blown non-woven fabric.

The analysis was as follows:

(1) Sorting out the package equipment and spare parts purchased by melt-blown non-woven fabric manufacturers, including the name of buyer, the name of seller, commodity name and amount, etc.

(2) Analyzing the production resumption of equipment manufacturers and spare parts providers,

and discussing with those enterprises that failed to achieve full resumption of production based on the sales of previous years, and trying to figure out the real challenges.

(3) Analyzing the procurement data of melt-blown non-woven fabric equipment manufacturers, identifying the bottleneck that holds back the production capacity of key spare parts, and proposing audit recommendations.

IV. Results

1. **Guaranteeing the production capacity in specificities will be conducive to improve the overall supply of medical masks.** Data analysis indicate that medical mask manufacturers and raw materials suppliers were more concentrated, and where they locate enjoy a relatively good condition in this pandemic. It was suggested that targeted policy should be provided to help enterprises in these regions to resume work and production as soon as possible, and improve the supply capacity of key medical supplies.

2. **Melt-blown non-woven fabric equipment manufacturers and key spare parts suppliers failed to resume production with the same pace, which has been a disadvantage to shorten the production supply cycle.** The data analysis results indicate that the key bottlenecks that hinder the production capacity expansion of melt-blown non-woven fabric equipment manufacturers include, the insufficient resumption of supporting enterprises, the key spare parts such as spinneret template and spinning nozzle, which are critical to the melt-blown non-woven fabric production, also confronted the bottleneck in capacity expansion. The audit recommendation suggests that high priority should be given to ensuring the production resumption of key enterprises and the provision of key spare parts, timely providing melt-blown non-woven fabric manufacturing equipment, and promoting the stable production of medical masks and other necessary supplies in pandemic prevention and control.

Note: The views expressed by the author are personal.

SELECTING AN OPTIMAL COMPOSITION OF AUDIT TEAMS IN SUPREME AUDIT COURT OF THE ISLAMIC REPUBLIC OF IRAN USING GENETIC ALGORITHM

SAI Iran

.....

About the Author

Golamreza Bazgosha
Shahriar Shokri
Supreme Audit Court of the Islamic Republic of Iran

.....

Performance audit is an 'audit of operational performance' from the perspective of efficiency, economy and effectiveness. In view of its focus on the 3Es, it is labeled 'value for money' auditing. SAIs having mandated to audit public money are intrinsically inclined to this type of auditing as it offers immense opportunities for intensive exploring and commenting on the utilization of resources by public managers in a holistic and multi-dimensional manner. The subject has a global appeal and it would not be out of place to look for a globally acceptable definition of performance auditing before we delve deep into the topic at hand. INTOSAI has told us that "performance auditing carried out by SAIs is an independent, objective and reliable examination of whether government undertakings, systems, operations, programs, activities or organizations are operating in accordance with the principles of economy, efficiency and/or effectiveness and whether there is room for improvement."⁴ The U.S. Government Auditing Standards consider that performance audits provide "objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitated decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability".

The justification for performance auditing was succinctly summed up when it was acknowledged that, "managers and policy makers, particularly in

⁴ ISSAI 3000/17, INTOSAI Framework of Professional Pronouncements

government, want-and- need more from auditors *than stereotyped opinions on financial statements*. They want independently and objectively obtained and evaluated information on operations and performance *and expert advice* on such things as how improvements can be made, how money can be saved or used to better advantage and how goals or objectives can be achieved in better fashion and at less cost."On a lighter note, performance auditing seems to be thriving on the inherent limitations of the regularity (financial) auditing! Since these needs and requirements are not ordinary, the corresponding audit type, viz. performance audit, cannot be deemed ordinary and just a run of the mill type of audit work. A typical performance audit assignment is built in to extract and exhaust energies of all those involved in its planning, execution, evidence collection, reporting and, in all likelihood, will stretch to limits the limited resources of the audit establishment. Performance auditors, being part of the public sector, have to wake up to the reality of this huge cost involved in carrying out performance audit assignments and exercise judicious discretion when deciding the quantum of performance audit work of a given year. *Not all subjects require a performance audit while some subjects do require it!* The SAIs need to understand the difference and avoid conducting performance audit of all the subjects because that would be neither possible nor desirable. Audit managers, cognizant of this reality, generally do make an effort by scanning the audit universe, identifying, and deciding, doubly assured, that a particular government program, project, directorate, activity, initiative, or service *actually does require* a performance audit. This double assurance means that we become crystal clear in our thinking that the traditional financial attest and compliance with authority audit objectives, approach, methodology and reporting framework would be viewed *inadequate* by the audit clientele

and stakeholders who may perceive performance auditing in that particular area to be a necessity. *It is only after this due diligence* that we can conclude, with documented assurance that performance audit of ABC is required and that of XYZ can be done away with, at least for the time being. *Without this due diligence*, there is a likelihood that SAI may conduct audit of XYZ instead of ABC and this may well affect the standing, stature and relevance of the SAI, internally and externally and may also result in loss of potential learning opportunities to the audit staff and additionally will deprive the broader audit community of a valuable² performance audit report.

'What to audit and what not to audit' should not be a decision which creates a problem for the SAI for the SAI since they enjoy a lot of discretion in selection of topics. National Audit Office of the UK notes that, "While MPs or the Chair of PAC sometimes ask us to examine a particular topic, most of our VFM studies cover subjects *that we ourselves have identified*."⁵ Office of Auditor General of Canada may "consider requests received from parliamentary committees. However, the final decision about what to audit is made by the auditor general."⁶ Some SAIs, however, may not have much flexibility in the selection of subjects or topics for performance audits. General Audit Office of the US, as an example, "carry out a larger volume of performance audit engagements each year, and that the majority of the engagements we carry out are requested by Congress and not self-initiated."⁷ The bottom line is SAIs have this luxury, in most or some of the cases, to a great extent or to some extent, to select topics independent of the stakeholders. |The onus is on them to make a judicious selection because "if the selection of audit topics is not done well, all the audit work that follows will have little chance of producing satisfactory results."⁸ Each SAI, therefore, should better ask: How is it selecting performance audit topics? What leads it

⁵ Para 2.3 Value for Money Handbook , National Audit Office, UK(emphasis added in Italics)

⁶ Para 3.2 the Office of the Auditor General of Canada Beyond Bean counting, available at https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/201171E

⁷ Ibid, page-3

⁸ Para 2.1, Value-for-Money Audit Manual, Office of the Auditor General of Canada, 2004

to select topic A and reject topic B? Does it follow a structured process about documents, the logic behind selection and rejection? SAI may well be surprised to see its experienced audit managers having a *look at* the list of potential subjects, picking 'A' and throwing the rest into the proverbial wastebasket of the editors. Notwithstanding the importance of professional judgment, its 'off-hand' application, by all means, is a naïveté and the sooner we put an end to that, the better for the SAI to remain relevant and stand tall in an environment where audit universe is expanding and there are growing expectations from SAIs to 'do more'. This is all the more important when "the SAI lacks the resources to carry out audits of all entities each

Year, then it *will need to make it clear how it prioritizes which audits to undertake.*⁹ The way to do it is to channel our professional judgment through adoption of a structured approach when faced with tough choices in the myriad of programs, projects, systems, entities, activities and situations.¹⁰ This would furnish assurance to the audit patrons that SAI is employing its allocated resources in areas where there is a high likelihood of it *creating a difference*.

Each SAI operates in a unique environment and we should not expect to have a 'one-size-fits-all' type of a decision making instrument albeit it may have some common indicators. Examples could be: materiality, relevance of the topic to SAI's strategic audit themes, issues of national importance, issues having (or perceived to be having) significant risks in terms of efficiency, economy and effectiveness; current and future areas of interest to the legislature, innovations or new initiatives in public governance, impact on the general public, relevance to the country's international commitments and obligations, the nature of the subject and so on. This list obviously is not exhaustive. Any one or all of these have potential to assist the SAI in making an informed choice and

fill in the yearly performance audit basket. Above all SAI needs to have confidence that only performance audit methodology would do justice with the topic/issue or theme. Let us now put these indicators to action in two models, simple-to-use, to provide much needed vital base to the professional judgment of the decision-makers.

Single Indicator Model (SIM)

Assume the SAI has to undertake performance audit of a number of government programs and projects in year x. Since there are hundreds of such projects and programs, the SAI may decide to use 'materiality' as the single indicator to choose most appropriate projects and programs for conducting performance audit. *Materiality* here is definitely in financial terms but it does not equate with the concept of materiality as is understood in case of regularity (financial) audit. Therefore, the term 'materiality' denotes an error or sum of errors that is big enough to influence the decision of the users of financial statements. Materiality at the time of topic hunting for potential performance audits mean the monetary threshold beyond which the relative strength of our indicator would change. This is in line with the 80-20 rule¹¹ and we would be lucky if we are able to identify and pick 20% of the projects consuming some 80% of the budgetary outlays. To do that, we need to determine flooring and ceilings. These terms are primarily used in Economics and here we have ventured to employ these in place of *materiality* to avoid confusion. 'Flooring' means the minimum threshold amount below which a project may not be considered worthy to be performance audited by the SAI. Ceiling(s) may have several levels with appropriate scores assigned: higher the ceiling, bigger the score and greater the chance of selection and *vice versa*. SAI would do well by: (a) having these score cards prepared separately for projects pertaining

⁹ Para 4.11, *Strengthening Supreme Audit Institutions, A Guide for Improving Performance, a publication of INTOSAI (emphasis added in italics)*

¹⁰ Para 2.18, *Performance Audit Manual of the Department of the Auditor General of Pakistan mentions that, "Performance auditing can be carried out at the level of an organization, a program or a project. It can also be a government-wide study of a particular issue."*

¹¹ *The 80-20 rule, also known as the Pareto Principle, is an aphorism, which asserts that 80% of outcomes (or outputs) result from 20% of all causes (or inputs) for any given event.*

to health, education, food, communication, finance, environment etc. in order to compare apples

(<https://www.investopedia.com/terms/1/80-20-rule.asp>)with apples and (b) determining the ceilings realistically as per sectoral data profile. Consider this illustration. Based upon project outlays, the SAI measured 35 programs/projects/initiatives of the health sector against flooring and ceilings and documented the results below:

other one may embrace either project A or B with a view that audit *results and findings* may lead to better and more informed decision- making in new projects. Whatever the choice, it should be logical, convincing and not arbitrary and whimsical.

A. Multiple Indicator Model (MIM)

The second mode of selecting a performance audit topic is to scan the environment and identify a

Table I. Using floorings and ceilings to identify material topics

Programs/Project/Initiatives			
Ceilings ¹²	Score (Assigned by SAI)	Project Category	Result (No. of projects)
PKR 10 billion & above	5	A	3
PKR 7.5 billion-PKR 10 Billion			
PKR 5.0 billion-PKR 7.5 Billion	4	B	4
PKR 4.0 billion-PKR 5.0 Billion	3	C	5
PKR 3.0 billion-PKR 4.0 Billion	2	D	6
PKR 3.0 billion-PKR 4.0 Billion	1	E	7
Floor			
Below PKR 3.0 billion	0	F	10

If the SAI has the resources and can audit three (03) health- related assignments, the problem is solved. Category- A would be the logical choice. However, SAI has a resource crunch and for now can audit only one health-related project. How to select one out of the three fulfilling the criteria? This may force the SAI to develop a side but related indicator showing, for instance, the life span of the three projects with those recently completed (A) nearing completion (B), past the mid- term (C). A variety of responses are expected. One SAI may be inclined towards project C with the objective that audit *recommendations* have high likelihood of adding value during the tenure of the project period. The

number of 'issues'. We may call these '*current issues, high-risk issues, significant issues, audit issues, or simply issues of national importance*'. These are the issues, which, in the colloquial audit parlance, have a '*scope*'. These may be free-floating or may flow from the strategic audit themes concluded by the SAI in consultation with stakeholders. Here the SAI will not be selecting projects or programs *per se* as was the case in Single Indicator Model. The primary interest rests now on an identified issue and foremost objective is to conclude *on the issue itself*. These issues may flow from public sector procurement, utilization of resources in emergencies, poverty-alleviation initiatives like provision of cash and non-cash subsidies, drinking

¹² Assignment planners need to be appreciative of the data profile before they determine the threshold/ ceilings. These should be neither too broad nor too narrow lest these defeat the very objective of having the indicator.

water, medicines, school books, shelter, commodities; management of finances, community services like fire-fighting, water and waste management; energy and power sector issues, communication-related initiatives, etc. These are just for illustration purposes and actual issues may well be in a fluid state and new issues quickly taking up the place of old issues. Challenge for the audit management is less to identify and prepared a list of issues and more to develop objective criteria *to allow these perceived to be significant issues compete among themselves* and help SAI make an informed choice. This however is not a simple desk job and requires application of collective decision making tools and techniques like hackathons, brainstorming, Delphi or nominal group technique, etc. In addition to identification and selection of topics, these activities offer additional benefits of promoting a culture of transparency and are expected to boost the institutional memory.

In the next step, let us brainstorm again and this time come up with a list of *significant issues*. Assign appropriate scores (1, 2, 3) to these issues depending upon indicator intensity (low or nominal, moderate or medium, high or very high, direct or indirect). The session would conclude with a list of issues, having assigned scores, ranked, and made available for audit as the resources permit. Remember that it is

a structured decision-making process and all these tasks have to be performed *within* the brainstorming sessions. Also note that Multiple Indicator Model is not concerned with sectors but issues. Hence, a new or up-graded public health facility may struggle to get high score under materiality benchmarks but may well top many or all the other indicators making its candidature strong viz. other subjects.

Conclusion

Selecting an appropriate subject for performance audit is far from making a 'snap judgment'. It requires structuring the professional judgment of the SAI. Single and Multiple Indicator Models have immense potential to do this job for the audit planners. These tools are *not* in addition to the professional judgment but are meant to substitute raw application of professional judgment. The decision to conduct or ignore the audit should logically flow from the application of these tools. If some issue appeals to the whims but is found lacking in the Multiple Indicator Model, we would reject the assignment without any regrets and stick to our basic principle that an issue would be performance audited *only* when it competes and gets comparatively higher score and those who lag behind, we will say, *thanks*, and move on.

ENVIRONMENT PROTECTION IN DEVELOPMENT PROJECTS (IN IRAN):THE ROLE AND RESPONSIBILITIES OF GOVERNMENT

SAI Iran

.....

About the Author

Hadi Favachi

Judge at Supreme Audit Court of the Islamic Republic of Iran

Mehri Haghighi

Law Expert at Supreme Audit Court of the Islamic Republic of Iran

.....

Civil and political rights are the first generation of human rights,⁵ known as the right to liberty. Economic, social and cultural rights are treated as equality rights in the second generation. In the second generation, economic, social and cultural rights are treated as equal⁶. These two generations rely more on the individual aspect of rights, but in the third generation of human rights,⁷ fraternity rights, as its name implies, has absorbed more attention to issues that have a collective and participatory aspect and it is called solidarity rights as well. It includes the four categories of right to peace, right to development, right to the environment and right to the common heritage of humanity. In the case of solidarity rights, and especially environmental rights, the status of demand and its role has changed relative to other generations of human rights, and while people expect the government to address and prevent environmental or destructive pollutants, the people themselves as individuals and members of human society, both have a responsibility to protect the environment and are responsible for preventing environmental damage. Iran is located in an extremely geopolitical region, and particularly is confronted with different environmental challenges with its neighbors as regards water resources, rivers and biological waterways, air and dust, and the like and for a country like Iran it makes clear the significance of the environment in the field

.....

⁵ *International Covenant on Civil and Political Rights, adopted on December 16, 1966*

⁶ *International Covenant on Economic, Social and Cultural Rights, adopted on 16 December 1966*

⁷ *1972 Stockholm Declaration*

of diplomacy and international law.⁸ Principle 1 of the 1972 Stockholm Declaration provides: Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears a solemn responsibility to protect and improve the environment for present and future generations. "The right to the environment"⁹ means the right to a healthy environment, which like freedom and equality, is a fundamental human right.¹⁰ Because of its sensitivity, the 1993 Treaty of Maastricht on European Union provided for the integration of the environment into other policies.

Before the Islamic Revolution there was no specific reference to the issue of environment or citizens' enjoyment of a healthy environment. It was after the victory of the Islamic Revolution that the Council of Experts unanimously ratified article 50 of the Constitution encompassing the right of citizens' enjoyment of a healthy environment. Writing style, content and requirements of this article indicate it as one of the most advanced environmental principles in the Constitution, which places the task of "protecting" and preserving the environment on the "general public".

Therefore, environmental protection is a public duty that embraces everyone, whether government or citizens.¹¹ It can be said that the task of protecting the environment is generally both preventive and affirmative; That is, the environment should not be harmed and should be prevented from harm, and if necessary, any action required to preserve it should be taken. As regards to the responsibility of the government, like other fundamental rights,¹² the provision of this right and duty is both preventive and affirmative. It means that the government is

obliged to create the conditions for the realization of this fundamental right for its citizens either through the adoption of necessary laws and regulations or through any action that is conceivable in line with this task and protection of the environment. Whereas, the government itself is obliged to comply with the requirements arising from the protection of the environment, either preventively by dealing with natural and legal persons harmful to the environment or refusing to object harm to the environment through itself. The government itself should not destroy the environment in any way and under any title that the perception of approved laws and regulations will confirm. The sovereignty and domination of the government in all matters is achieved through the executive agencies¹³, some of the executive agencies are interrelated to the environment in various types and forms in some way. However, some of them are directly related to the environment, including Iran fisheries organization, natural resources, rangelands, and forestry organization which their duties are particularly related to how exploit the environment, but others, are only responsible for the protection and monitoring of the activities of other agencies, including the Department of Environment. However, many agencies indirectly deal with the environment and environmental harms, which their activities can be divided into minimum and maximum levels. There are executive agencies that due to less connection with environment generally have fewer responsibilities and rights regarding environmental protection, for example Ministry of education. However, other agencies face challenges due to having more activities in the environment and implementation of their development projects, such as the Industry, Mining and Trade Organization, the Ministry of Energy, the

⁸ Mashhadi, Ali, (2010) "The right to a healthy environment in French law", *Journal of Legal Research*, Volume 9, Number 18, pp. 277-296

⁹ *Environmental rights*

¹⁰ Carolyn London, (2010) *International Trade and Environment*, translated by Ramezani Ghavamabadi, Mohammad Hossein, Shahr-e-Danesh Publications, 2010 p. 20

¹¹ Aminzadeh, Elham (2015), "Benefiting from a healthy environment in the shadow of citizenship rights", www.magiran.com

¹² Since the right to the environment is a human right, the right to a healthy environment is both preventive and affirmative for the government, which has been considered in Dr. Hashemi's book in relation to other human rights, including freedom of expression and so on. For further reading, refer to Hashemi, Seyed Mohammad, (2005) *Human Rights*, First Edition, Mizan Publishing

¹³ The definition of executive agencies in Article 5 of the Civil Service Management Act stipulates: "The Industrial Development and Renovation Organization of Iran, the Central Bank, banks and government insurance are called executive agencies."

Ministry of Roads and Urban Development, etc. In the end, it should be noted that almost all executive agencies deal with the environment in some way and are related to it, without considering the level of relationship either directly or indirectly; so they will have

rights and obligations in this respect. Implementation of development plans and projects are among the subjects that are related to environmental issues in some executive agencies - some as their inherent duties and some as a case-by-case activity¹⁴.

¹⁴ For example, the School Renovation and Equipment Organization has an inherent duty to implement construction projects related to education and training, but the executive agencies, such as the Court of Audit, have tasks other than implementing construction plans and projects, but due to the need at some point and time should build a building ;

FACELESS PUBLIC AUDITING: A FUTURE PLAN OF SAI NEPAL

SAI Nepal

.....

About the Author



Mr. Ramu Prasad Dotel
Deputy Auditor General (Special Class), in the Office of the Auditor General (OAG) of Nepal.

He has completed a Master Degree in Business Administration. With more than 30 years of experience in Public Auditing including performance audit, financial audit, information technology audit, project audit, procurement audit, revenue audit, audit of central treasury and accountability assessment of the Government of Nepal,

He has been involved in developing public sector audit guides and handbook such as performance audit guide, disaster audit guide, environment audit guide, financial audit manual, quality assurance handbook, financial

accountability assessment index.

As a representative of the Supreme Audit Institution of Nepal, he has participated in various national and international trainings and workshops including the Senior Executive Development Programme and Quality Assurance Review Workshop.

He has also delivered national and international training on public auditing and public financial management as a resource person.

He was instrumental in developing 1st, 2nd, and 3rd Strategic Plan to strengthen OAG Nepal.

Currently, as a coordinator of the Quality Assurance Committee of the OAG Nepal, he is monitoring, directing, and managing the quality assurance function in the Office.

He is also a member of the Institute of Chartered Accountant of Nepal and had previously served as a board member of the Nepal Accounting Standard Board during 2015-2017.

Currently, he is a member of the PEFA Steering Committee of Nepal.

He is awarded Suprawal Janasewa Shri III by President for his recognition of the contribution to the public sector.

.....

1. Background

The audit evaluates and provides independent opinions on the accounts and documents related to the acquisition and use of public resources. The public auditors are required to evaluate regularity, economy, efficiency, and effectiveness in the use of financial resources. In this context, public audit has a crucial role in maintaining transparency, accountability, and integrity in public financial management. The reliability of the audit depends on the quality of the work performed by the audit institution and its officials. Moreover, the methodologies and procedures to be followed are important to maintain the quality of the audit. There have been ample study and research on the methodologies and procedures of the audit. Normally, the major processes of audit include detailed planning and programming, execution and collection of evidence, reporting, and follow up. It is the responsibility of the auditor to perform an audit based on this process. Due to the huge volume of work to be completed within the limited timeframe, an audit is conducted assessing the underlying risks. However, with the development of technology, audit standards and procedures are also going to be modernized. This article deals with conducting audit remotely by using modern technology in auditing.

2. Concept of Faceless Audit

At present in Nepal, except very few activities all other audit activities are performed on the spot in the presence of the concerned authority. However, with the development of technology and the challenge posed by the pandemic of COVID 19, the concept that the auditor should be physically present for audits in the premises of the audited office has been changed. Currently, a method of auditing by using information technology has been developed. Faceless Auditing is the audit that is performed invisibly using information technology from a distance without being physically present in the premises of auditing entity. It is also called remote auditing or virtual auditing because it is conducted without being present physically.

Under this concept, an Integrated Data Centre of Information Technology is set up in the auditing

institutions where information analysis and auditing software is installed. Information are migrated from all types of government databases in this data centre. The government uses computerized accounting systems to manage payments and maintain government accounts, wherein, all kinds of invoices, receipts, documents, decisions, agreements, and other details and information are uploaded. Since the data centre of the auditing institution has access to all those information systems of the government, the auditor performs the work related to the audit residing in the same data centre by using his computer. After the completion of the audit, the draft report is shared through the system itself, and based on the response received; the final report and audit opinion are also issued. Using information technology, discussions can be held through virtual meetings with the officials of the auditing entities as per the requirements. This process is called a faceless audit in which the audit is carried out from a distance without going to the premises of the audited entity. As this is only a methodology of auditing, all standards, guidelines, and procedures issued for auditing by the standard-setting body are applicable in this auditing system.

3. International Standards on Auditing and Faceless Auditing

In the case of public sector audit, the International Organization of Supreme Audit Institution (INTOSAI) issues audit standards to manage and maintain the quality of audit. Such auditing standards for the public sector are called the International Standard of the Supreme Audit Institution (ISSAI). Currently, such ISSAIs are being transformed into the INTOSAI Framework for Professional Promotion (IFPP). The standards and procedures used in public sector audits are also based on the International Audit Standards prepared by the International Auditing and Assurance Standards Board (IAASB) which is the apex body to determine auditing standards for the private sector auditing professionals.

As per international auditing standard and principle, the audit starts from the planning. The auditor understands the entities to be audited and

identifies risks and controls involved in the operation of the financial management of the audited entities. A detailed audit program is prepared by determining the matter to be tested to minimize the risks inherent in the audit. Audit schedule and manpower are key components of a detailed audit plan. As it is not possible to test all the documents even in the case of test of detail, the standard has made an arrangement to select the sample transactions. According to the standard, the audit is designed to test the assertions. Such assertions are Accuracy, Completeness, Existence, Valuation, Right and Obligation, Presentation and Disclosure. While testing these assertions and gathering evidence, the auditor applies test of controls, the analytical procedures, and the test of details procedures. As per standard, the auditor should collect relevant, competent, adequate, appropriate and reliable evidence.

Audit observations are generated when deviations are found based on the evidence collected. The auditor has to issue the audit report. The standard suggests to hold an exit meeting and send a preliminary report on the audit observations identified during the audit and also to provide the audit opinion by issuing the final report based on the response given by the audited entities. Following up on the issues identified in the past audit is also the main process of audit. Quality control is an essential element during the audit. Supervision and review of the work at each stage of the audit by the higher authority of audit institutions is the main thrust of quality control. Standard also suggests to review the audit quality independently considering whether all the stages of the audit have been performed complying with the plan, policy, and standard. Strict adherence to standards is important for the quality and reliability of the audit. Now the question arises how is it possible to follow the standard in faceless auditing? Attempts have been made to discuss in this regard as follows.

3.1 Audit Plan:

It is not required to present in the concerned offices to get information about the audited entity for the preparation of the audit plan. All the information

including rules, regulations, laws, procedures, programs, target and achievement, etc. can be obtained by accessing the information collected in the past from the entity or logging to the website and system of the audited entity. If any additional information is required, it can be requested through the information technology system. After getting access to all the software of the government such as accounting system, budgetary system, revenue information system, management information system, electronic procurement system, performance reporting system, etc., risk can be identified by analysing the budget, revenue, expenditure, work progress, procurement information received from different perspectives. Risks are also determined by comparing and analysing trends of expenditures and revenue, considering the nature of the transaction and its complexity. Segregation of duty, performance measurement, internal control system, and its effectiveness are also key factors for assessing control. Besides, information can be obtained by preparing a checklist for identifying controls and testing its effectiveness. In the case of Nepal, even now, risk assessment is done keeping in view the experience, nature of expenditure, the materiality, and complexity of the transaction. Although full access to information technology is not established, the plan is prepared by collecting information at the central level. Once full access is established through information technology, there will no problem in preparing audit plans and risk assessment invisibly.

3.2 Audit Execution:

Audit is carried out focusing on the incidents of irregularities or inconsistencies in the transaction by analysing available data. After the risk assessment, evidence is collected and analysed to substantiate the issues that need to be evaluated in detail. For this, audit procedures should be the test of control, analytical procedures, and test of details are executed. The audit management and analysis software developed in the audit office will have a search engine to search and analyse the criteria-based data by establishing access to the software of various government agencies.

Based on analysis, vouchers that required further tests to verify the facts are identified. As all the vouchers and related documents will be uploaded in the system, it will not require to go to the office even for vouching and verification. Therefore, all the tasks of audit execution can be performed invisibly.

3.3 Use of Audit Techniques:

It is not required to present in the office of the audited entity to perform reasonable test, ratio analysis, trend analysis, and other analytical tasks under the analytical procedures because all information are available in the online platform. Similarly, when conducting audits under the test of detailed procedures, mainly comparison, calculation, comparison, analysis, confirmation, discussion, questionnaire, interview, inspection, physical observation, and other methods are performed. Out of these methods, except inspection and physical observation, all other methods can be performed remotely. While conducting the study on the audit procedures, it is found that more than 90 percent of the audit works do not require inspection and physical observation. Such methods are used only in the audits of high-risk, physical construction, infrastructure development, and large-scale supply of goods. Considering this fact, there is a basis to implement the concept of remote audit or faceless audit.

Currently, while studying the government audit process in Nepal, the audit of most of the spending units does not require physical observation and inspection techniques. Particularly, the existence of inventory can be verified by inspection reports provided by entity and internal audit reports. At present, due to geographical difficulties and time limitations, only a small number of physical observations and inspections have been carried out, especially in the projects of physical infrastructure. A few decades ago, it was the practice in Nepal for the operational level office to prepare two copies of the accounts and send one copy to the central level office. The audit was conducted in the central level office without attending in the operational level offices. The concept of faceless audit at present is similar to the previous system of sending

accounts and documents to the central level office for the audit, in which audit is completed by reviewing the accounts and related documents uploaded in the system through the use of information technology.

3.4 Communication with Auditee:

As per auditing standard, adequate communication and relation should be maintained between the auditor and the audited entity. In order to manage such a communication system, a communication portal can be set up in software designed for auditing. In which the questionnaires, forms, information, and details required for the audit are kept in advance to the audited entity. The audited office has to provide such information on time. Entrance and exit meetings can be organized virtually.

The SAI (Supreme Audit Institution) Nepal is in the process of designing the audit management and analysis software, which will have features to communicate audit observations, audited entities are also required to send requests for the settlement of audit observation, and audit observation settlement letters will be generated through an online system. Thus, direct presence will not be required even for the follow-up.

3.5 Quality Control:

In order to enhance the quality of the audit, the audit management and analysis system will be prepared in such a way that the internal review and monitoring will be performed through the system. The audit working paper, audit evidences collected during the audit, the matter of inquiry, instructions of the supervisor, audit plan, and edition of observations, and other activities carried out during the audit are also recorded in the system. So, the quality control and review can be done regularly in an invisible manner.

Based on the above analysis, it is obvious that physical presence is not required to carry out all the activities to be performed as per the auditing standard during audit after extensive use of information technology. Even if physical presence is required for some minimal work, it can be managed through short-term visits. Thus, it is not necessary to formulate

a general policy to be present in the premises of the audited entity to conduct an audit.

4. Necessity of Faceless Auditing:

After the development of technology, the methods and procedures of auditing have been improved a lot. When the concept of digital government was implemented through the use of information technology, the audit could not remain in isolation. As all government services including accounting systems are digitalized, requesting handwritten documents for audit is likely to cease soon. In this situation, the concept of remote audit is getting importance in Nepal. Its necessity and importance are described as follows.

- 4.1 It is challenging to increase the manpower as expected with the increase in the workload of the SAI Nepal. In addition, there is also an obligation to reduce the reporting time by completing the audit on time. In such situation, it is essential to save time and manpower by performing the audit work efficiently by using the latest technology.
- 4.2 Due to an increase in the budget and complexity of transactions, the audit cannot be performed by examining thousands of vouchers with the physical presence in the audited office. It will be easier to report irregularities or differences in a short period by identifying risk areas and analysing the information obtained through information technology with the help of data analysis and artificial intelligence techniques.
- 4.3 When all records and documents of government entities are digitalized, it is not possible to enquire or find handwritten accounts and documents. In such case, the auditor has to complete audit through verifying digitally available documents by using information technology from a distance.
- 4.4 The audit standard states that the audit should be conducted economically and efficiently. Since the number of on-site visits made during the faceless audit is very few, it will help to reduce the audit cost or perform audit economically.
- 4.5 There is always a familiarity risk in auditing. It is a risk of violating the code of ethics by conducting audits in the physical presence of a familiar person. In such a situation, the public auditors are facing various allegations. In order to control this, the face to face meetings or intimation that takes place during the audit should be reduced. Inquiries, discussions, and even requests for detailed documents can be made through information technology. If physical presence to audit is reduced, no one can criticize or take action against the public auditor on the basis of their personal behaviour.
- 4.6 Since the test is done based on the documents available in the system without having a presence to the office. There will be no time limitation for auditing, it can be done at any time and place. The discrepancy can be pointed out by constantly monitoring the situation from home or office or some time from abroad. It makes easier to manage time and detect irregularities.
- 4.7 All the documents required to verify the revenue and expenditure will be uploaded in the system. In such cases, the Central office or regulatory body can monitor the transaction at any time. Therefore, changing and falsification of the documents after the preparation of accounts may not be possible. Thus, most of the irregularities and misuse will be self-controlled. Consequently, the workload of the auditor is also reduced.
- 4.8 In the present situation, the minimal audit observations are arising from physical observation and inspection. It is noted that an on-site audit conducted in most of the offices has not been so fruitful. In this context, it is appropriate to conduct an on-site audit only in the most fruitful sector on a selective basis and faceless audits are to be conducted in all other entities.
- 4.9 As the concerned offices can request the SAI Nepal for a follow-up audit at any time as soon as the evidence is available, in case of a faceless

audit, it is easy to settle audit observations in timely manner.

- 4.10 In case of the assignment is risky which cannot be completed without on-site inspection and physical observations, those issues can be identified and a short-term on-site visit program can be prepared. This saves time and resources, and even in the case of infrastructure construction and large-scale procurement, it is not difficult to test and verify the quality of the audit.
- 4.11 It is necessary to conduct the audit in a faceless manner to the audit entities with a huge workload or geographically widespread of the auditing entities or large audited entities having central and operational level offices like the government.
- 4.12 While conducting an audit, it is necessary to communicate with those charged with management from the planning to the reporting stage. But due to the busy schedule during office hours, the official could not be visited. If online communication is available, the requested information can be provided at any time through the communication portal established.
- 4.13 In the absence of information management in online systems, it is difficult to assess risk by studying all manually recorded information. Similarly, it is not possible to test and verify all vouchers and documents. Thus, the sample is selected. As a result, the risk of the auditor may increase. If the vouchers and documents are managed in the information technology system, it is easy to determine the vouchers to be tested based on the queries related to search through risk engine, no matter how much data are there. In some cases, the repeating task can be automated through robotic process automation.
- 4.14 It is advisable to work remotely in case of epidemics and important to secure documents relating to accounting and auditing.

5. Challenges:

Remote auditing using technology is the main tool to bring economy and efficiency in auditing. Its importance in public sector auditing is even greater. As this is a new concept, its implementation is equally challenging. The first challenge is to persuade the traditional workforce to work in a new system. It is necessary to develop the capacity of the manpower and make them able to work on an online platform. Another important challenge is to improve Nepal's government accounting system. Many attempts have been made to improve it. At present, a computerized government accounting system has been implemented. However, the accounting system has not yet been fully computerized. Vouchers and related documents are not still uploaded to the system. The accounting system is entirely manual based. Faceless auditing is not possible unless it is shifted from manual to the paperless accounting system. Therefore, the integrated financial management information system, which is going to be developed by the Financial Comptroller General of Nepal should adopt the concept of the paperless accounting. It is the prerequisite and major challenge of faceless auditing.

Even though the Electronic Transactions Act has been enacted, the system related to the electronic signature has not been implemented. For the implementation of faceless auditing, an electronic signature system should be implemented effectively. Moreover, as there is a problem to run such systems due to lack of manpower and poor internet connectivity in some remote areas, it is essential to address such problems.

It is a common problem that the auditee does not provide documents in timely manner. Thus, another major challenge in a faceless audit is to get all the documents and information on time. However, some more information required can be requested and sent reminders repeatedly asking for the necessary information to address this challenge.

The definition of *account-related documents* in the audit act includes the documents required for audits such as bills, receipts, bank statements, agreement, norms, measurement and performance

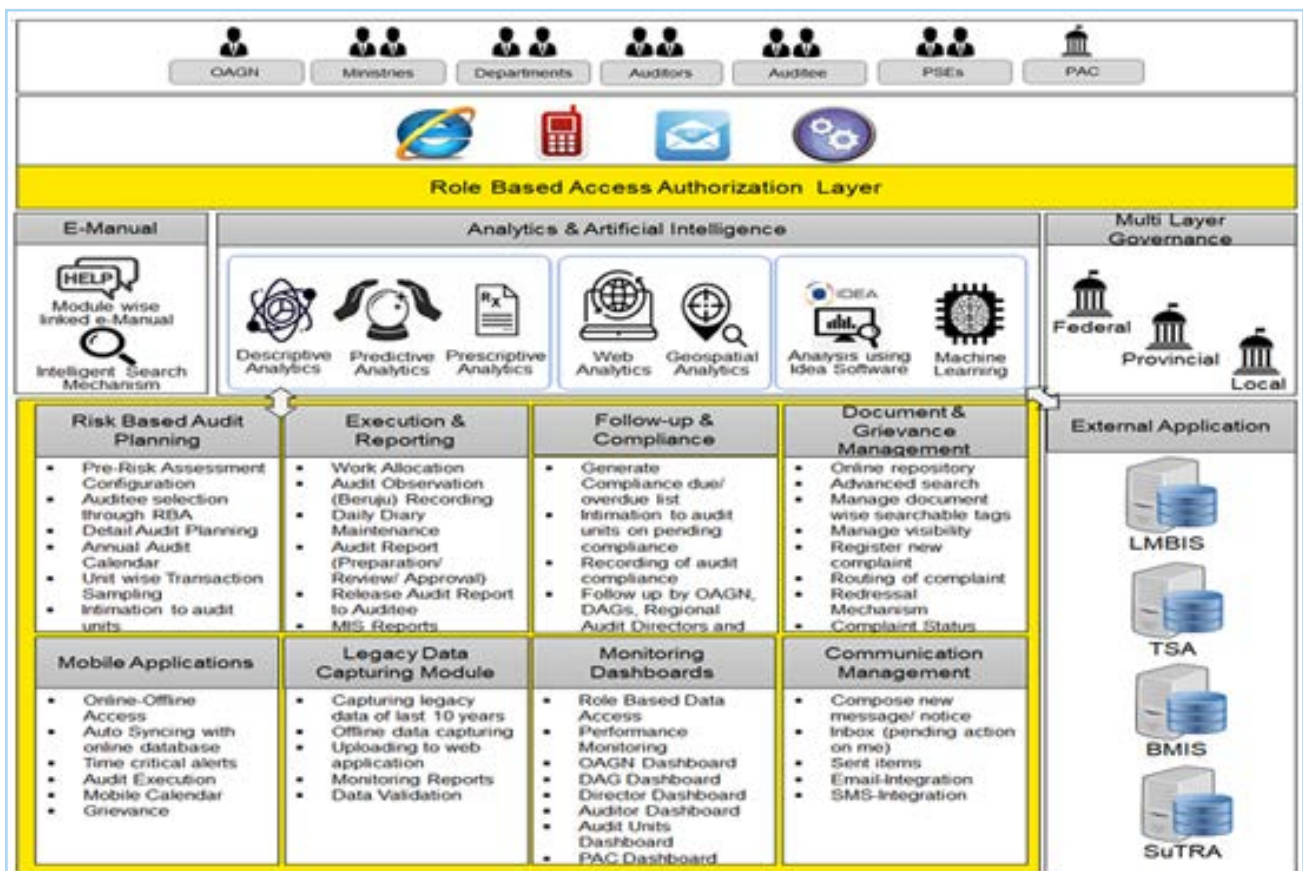
reports, plan, program, progress, decision, instructions, monitoring report, etc. It is also a challenge to upload all these documents to the system and make them understandable to the auditor. In some cases, there is a problem that the auditor does not understand the evidences and documents. This challenge can be exacerbated in faceless auditing. Therefore, there should be an effort to clarify the unclear issues by establishing regular communication with the officials of the auditing entity through information technology. It is necessary to orient the concerned officials in this regard as well.

Audit is an activity performed by a combination of various methods such as comparison, calculation, verification, analysis, confirmation, discussion, questionnaire, interview, inspection, physical observation, etc., as required. Stakeholders may question the credibility of the audit if certain methodologies are not used. Therefore, the limited number of on-site visits should be continued in the

context of the office, where physical observations and inspection are compulsory including in the case performance audit.

Conclusion:

The practice of auditing using information technology is increasing in the world today. The many Supreme Audit institutions in the world have been conducting auditing using information technology for long years ago. However, the name has not been given as faceless or remote auditing. While conducting the audit, the Supreme Audit Institutions including Norway, UK, Russia, Japan have established access to information technology software of all government bodies and conducted audits without presence to the premises of concerned entities. The International Organization of the Supreme Audit Institution has also announced that the Supreme Audit Institution should promote the use of information technology and artificial intelligence in auditing. Even the tax



departments of India and Pakistan have decided to adopt a faceless taxation system from this year to discourage taxpayers from being harassed in tax assessment. On the same basis, the current audit seems to be oriented towards faceless or remote auditing. In the current era of global pandemics, this method is still in a priority. The SAI Nepal is going to design the Nepal Audit Management System. It is planned to make the audit paperless by establishing access to the software of the auditing entity, to send the audit report online, to send request letter and evidence to settle observations through online, and

to send audit observations clearance letter from the system, which will pave the way for faceless auditing. Once the system is designed and implemented, most of the auditing activities will be digitized. The concept of faceless audit will not be so difficult to implement if the Financial Comptroller General Office restores the system of manual accounting and adopts a paperless accounting system by uploading documents related to all accounts, and this is the prerequisite for today. In this age of information technology, the SAIs in a globe need to shift on faceless auditing.

CONFLICT MANAGEMENT

SAI Pakistan

.....

About the Author



Dr. Shafique Rahman
Deputy Director Audit,
IRS&C Karachi

He is from 38th Batch of Pakistan Audit and Accounts Service and currently working as Deputy Director Inland Revenue Service and Customs Audit in SAI Pakistan's Karachi office. Email- shafiquemailbox@gmail.com

.....

Studying conflict management in the perspective of organization

Conflict management is serious disagreement between the peoples and parties within the organization due to divergent background of peoples, ideologies, culture and perceptions .It is also psychological state of dilemma in which one party perceives that it is being negatively affected by the actions of another party. Moreover, organization is an association of persons working together for achieving common goals and objectives. The word conflict is derived from Latin word "conflictus" which means to "strike hard". Conflicts are common within public and private organizations. Conflicts are common at workplaces due to variation in human nature. Conflicts are natural, universal and inevitable within the organizations due to difference of human nature How to solve conflicts effectively and timely within the organization is the subject of conflict management. This is the core responsibility of management and leadership within the organization. Conflicts have tendency to cause negative disruption if not handled properly within the organization. The subject of conflict management comes under the jurisdiction of organizational behavior.

Impacts of conflict

Conflicts tend to have both positive as well as negative impacts. Positive impacts include overall enhanced group performance resulting in better performance of organization. Moreover, working environment and relationship among team members is improved due to exploration of issue and simultaneous solution. Unresolved conflict has the price to be paid by the organization. Leadership becomes task oriented and serious in solution of problems. Poor performance of organization, anxiety, demotivation, depression and frustration among members are the end results of

negative impacts of conflict within the organization.

Conflict and role of management within organization

Conflicts tend to arise frequently among the employees in large organizations, companies and departments and timely solution of issues is the prime responsibility of persons at the helm of affairs. Effective solution of issues within the organization is mandatory for improved performance and achievement of organizational goals. Therefore, it is core duty of bosses and managers to timely intervene for solution of problems between peoples and groups in an organization in order to enhance its output. Effective leader within an organization is always proactive to prevent the occurrence of conflict. Remaining in state of denial and not taking essential measures to prevent and deal conflict may lead to adverse consequences within the organization resulting in poor performance and decreased output which may become liability for managers. Study of conflict management subject is essential for managers as it is useful tool to boost the skills of managers to manage organization effectively.

Views of conflict management

Traditional view lays stress upon avoidance of avoidance conflict and says it is essentially harmful for organization. Human relation view entails that conflict among humans is natural and unavoidable. Interactions view believes that conflict is positive force and leads to better performance within organization.

Reasons of conflict within the organization

There is always possibility of clash of interests between conflicting parties within the organization. Moreover, miscommunication and misinterpretation between the persons, groups and parties in an organization always lead to conflict. Further, lopsided organizational structure, expression of authority by few individuals within the organization is the other reasons leading to conflict in the organization. Moreover, incompatibility of goals, clash of interests between individuals and variation in personal values

of persons tend to enhance the gravity of conflict. Further, limited resources within the organization lead towards fight and competition among the individuals within the organization. The culture of favoritism in organization and discouraging the system of merit, too, create favorable ground for friction, misconceptions and conflicts between the individuals within the organization. Over expectations of either boss from employees or vice versa is also the reason of conflict and clash within the organization.

Types of conflict

Conflicts have various types. Intrapersonal conflict is the reason of frustration, stress and anxiety within an individual. This results in decreased productivity of employee and adversely affecting the organization. Interpersonal conflict, more common within an organization, is due to clash between two employees negatively affecting organization, if remains chronic is quite dangerous for organization. Role conflict is also common when single individual is entrusted with multiple tasks simultaneously which becomes difficult for him to perform effectively, efficiently resulting in stress, anxiety and depression for employee. Role conflict is quite common in public organizations. Goal conflict is the one when goal is not achieved resulting in distress in an individual. External conflict is due to adverse atmosphere and surroundings. Relationship conflict is quite common among life partners.

Stages of conflict

Latent stage

In this stage, participants and top management of organization are unaware of conflict. Conflicting goals, fight for scarce resources within organization tend to become breeding grounds for conflict. If the situation is not properly handled at this stage, it leads to perceived stage.

Perceived stage

Warring parties become aware of conflict. Sometimes, latent stage is missing in the conflicts and clash is directly converted into perceived stage which

becomes first stage of conflict directly. In this stage, communication between the warring parties becomes minimized.

Felt stage

In this stage, conflict is perceived and cognized. Personalization of conflict occurs resulting in psychological stress and anxiety between warring parties within the organization

Manifest stage

At this stage, conflict becomes wide open. Behavior of peoples, parties and groups within the organization become violent and aggressive. All within and outside organization can witness the conflict. The parties continue to degrade each other. Subsequently, apathy, sabotage activities become common within the organization which can be evident in this stage.

Aftermath stage

This is the last stage of conflict which may either result in functional conflict resulting in enhanced performance of organization or dysfunctional conflict resulting in poor performance of organization.

General guidelines for conflict management within the organization

Ask for negotiations, talks and dialogue between warring parties and this is the responsibility of management within the organization. Timely intervention by management is essential to promote and protect the interests of organization. Call to moderator or neutral party is also essential for de-escalation between the battling parties. If the conflict is within organization, clashing persons should be called in person privately to hear their viewpoint and then they should be made to sit together by bosses so that reconciliation is made. Follow up after rapprochement should also be made so that future conflict between the parties be prevented and avoided. Expansion of resources within organization is ensured by management so that interests of aggrieved party are protected. Moderator and neutral

party making rapprochement has the responsibility to remain calm, composed and considerate and must be in possession of set of strong communication skills. Besides, warring parties should have empathy for each other. Moderators should use soft tone, talk with logic, reason and DE emotionalize themselves while defusing the situation. The moderators should always concentrate on problem solving rather than on person and should search for common interests and grounds among conflicting parties.

Techniques of dealing with conflict management

Avoidance

Avoidance is the first technique to deal and manage conflict. Warring parties and persons tend to stay away from the problem. This policy is not suitable for long term and detrimental to the interests of organization. Issues or problems tend to get exacerbate in its intensity due to negligence on the part of fighting parties. Things are left on their own to take difficult shape in the future course. In this technique, unassertive behavior is displayed by fighting parties. It is absolutely wrong to use this technique in large-scale wars.

Competing

Conflicting parties tend to fight and compete with each other displaying use of force to achieve their specific interests. Direct and indirect aggression is displayed by both parties. This is selfish approach if pursued by parties which results in negative consequences for organization. In this technique, assertive behavior is displayed by both parties for achieving their goals.

Compromising

Conflicting parties leave settled positions. This is either win-win or lose-lose situation for both parties. Compromise is considered to be positive technique and leads towards achievement of organizational goals. It looks like deal has stricken between the parties.

Collaborating

Both parties display great concern for each other during the course of conflict. Both parties search for common grounds and solutions which are acceptable to all.

Forcing

One party displays power and bullying tactics to other party. One party imposes authority over the other. Force is displayed by one party as tactic to intimidate the other party.

Conclusion

Conflict is common at workplace within the organizations. Constructive conflict results in growth of organization whereas, destructive conflict results in stagnation of organization. Therefore, the role of managers is absolutely vital in handling and managing the conflict. Effective management of conflict within no time is essential for achieving the organizational goals.

PARADIGM SHIFT IN INFORMATION SYSTEMS AUDIT

SAI Pakistan

.....

About the Author



Mr. Muhammad Imran
Assistant Director (Information Systems Audits) in the Department of Auditor General of Pakistan.

His areas of professional interest include Public Sector Audit Policy Formation, Strengthening of Governance and accountability framework, Public Sector Financial Management, Planning and implementing Information Systems and auditing, and Data analytics.

.....

Introduction

In the age of twenty-first century, digital technology is everywhere. We no longer live in a world where the dynamics of the company, its financial assets, business process, and policies can be determined without using Information Technology Systems. In such type of working arena, it can be said that change is inevitable and constant. As a result, Information Technology is rushed in every enterprise functions of an organization that has not enhanced the Information Systems (IS) audit functions in order to provide the sufficient assurance scheme for the organization to proceed with functions and policies but also made the job of IS auditor of immense importance.

The history stands evident that the IS audit is continuously evolving over the period of time. As the burst of major technology based innovations has had an immense effect on the IS auditing, i.e., the inception of Information Technology in the world of accounting systems has numerously changed the method of input, output, and storage of the transactions. Initially, all the audit activities were executed around the computer that does not need sufficient knowledge of computers. Afterwards, there was a need for auditors to become extensively familiar with the concepts of Electronic Data Processing (EDP) in the business processes. Subsequently, the auditors pondered to develop their Generalized Audit Software (GAS)¹⁵ in 1968, where Big Eight¹⁶ Accounting firms involved in the development of the software.

With the passage of time, when the technology

¹⁵ Pedrosa, I., Costa, C. J., & Aparicio, M. (2019). Determinants adoption of computer-assisted auditing tools (CAATs). *Cognition, Technology & Work*, 1-19.
¹⁶ Arthur Andersen, Arthur Young, Coopers & Lybrand, Deloitte Haskins & Sells, Ernst & Whinney, Peat Marwick Mitchell, Price Waterhouse, and Touche Ross. These firms were called Big eight in most of the times in 20th century.

rapidly changed from mainframe to microcontrollers, coupled with communication devices and the Internet that welcomed numerous unethical practices and attacks on the IS such as September 11, 2001. It is believed that there were more than a dozen such types of activities taken place before the IS audit become an integral part of the formal audit process. Now, it not only complements the IS auditor's role in the IS audit execution but also supports the decision made and its quality by the Information systems.

In order to analyze how IS audit is changed over the period of time, one has to start from the IS audit universe. The IS audit universe can be pronounced as an aggregate of all Information System activities available to be audited within an organization¹⁷. The elements of the universe may be as under:

- Internal Controls of the Application
- IT Governance and Maintenance
- IS Acquisition and Development
- IS Operations and Business Resilience
- Information Systems' Assets Security and control

a. Internal Controls of the application:

Auditing internal Controls of the application does mean pervasive controls and different supporting technologies that are part of the holistic Information Systems. The purpose of this component of the IS audit is to unleash the implicit foundations on which the whole application has built. Reviewing application systems usually covers the evaluation of the application controls, including input, output, processing, and storage controls. It also includes determining the level of dependence on the Information System renders by the organizations and the risk involved in each and every transaction executed by the application.

This type of audit requires in-depth knowledge of the different IS technologies adopted by the organization and thorough knowledge of the business operations of the organization for whom the IS audit is being carried out. As the technologies are advancing at a great pace, the auditing of such controls is

becoming a great challenge for the IS auditors. Thus, nowadays, organizations tend to outsource or co-hire consultants and auditors to perform the assessment of internal control for their company.

b. IT Governance and Maintenance:

This component of IS auditing covers the IT-related framework, standard policies, and procedures, organization structure, architecture of the organization, risk management performed by the organization, maturity models, and Information Technology management. However, one cannot provide reasonable assurance to any organization without considering this aspect.

As Information System auditors have to tackle the tricky task of evaluating the complexity of the IS assets' governance, heterogeneity, and constant advancement in the technology, where most organizations are making it outsource that makes the job of IS auditor even harder. Such as, it would be challenging, if not impossible, for organizations to hire and maintain an IS auditor who has in-depth knowledge of IBM zOS, CISCO networks, SQL server databases, WebSphere application server, and middleware. Therefore, instead of hiring one internal /external IS auditor, organizations are now hiring a firm or a consortium to analyse/evaluate all these aspects for their company.

c. Information Systems acquisition and development:

The purpose of this type of activity is to evaluate the acquisition of the Information System and its development and to analyse whether these are serving the purpose of three Es, i.e., Efficiency, Economy, and Effectiveness. The activity does not require a thorough knowledge of the IS systems, but superficial knowledge is enough. Usually, these types of IS audits revolves around a particular set of code/rules such as, in Pakistan, it is Public Procurement and Regulatory Authority (PPRA) that instantiated a detailed set of rule called PPRA rules¹⁸. With the passage of time and Development in Information

¹⁷ Certified Information Systems Audit manual 27th edition

Systems, update knowledge with market dynamics are the critical factors that play an essential role in executing this type of activity within the domain of IS audits.

d. IS Operations and Business resilience:

An IS audit activity that evaluates Data governance, System performance governance, Problem and incident management, IT service level management, and Database management comes under the head of IS operations. Apart from this, the activity also analyses whether the Information Systems are resilient enough when it comes to data backup, storage and restoration, Business continuity plan, and disaster recovery plans.

A detailed look at the aforementioned IS operations and an understanding of the IS auditor's job would seamlessly impose an important role for the IS auditor to play within this type of activity. This new role is believed to catalyse better value delivery to organizations from the highly competent Information System audit function and would provide great development opportunities to IS auditors. With the emergence of the complicated technologies within IT governance implementations, IS auditors are expected to become partners with senior management who provide an independent assessment of the effect of IT decisions on the business and to do so as early as possible.

e. Information Systems' Assets Security and Control:

It has been seen that over the years, in today's business landscape, part or all the Information System functions are outsourced, and it has become a major trend in business after the IT revolution. This situation implies that IS auditors must understand the potential risks and reasons for transferring data and process ownership to a third party or outsourced organization. Besides the normal IS audit coverage areas like application security, network security, physical and

environmental security, audits of outsourced IT services should include assessment of the controls in place that mitigate the risks of such relationships and continuous assessment of whether the relationship is providing the intended benefits.

Moreover, the controls of the outsourced organization should also be analysed in order to have a complete picture of system security. For example; if a high profile company having secret data of its clients, stores its data into a third party data house whose security is prerogative of the third party and suppose the security protocols of the third party are compromised by any means, then the whole system of the company that is taking the services of the third party is compromised. Therefore, a holistic examination of Information Security has become an essential part of the IS auditor.

Conclusion

The write-up in hand has examined various elements of the IS audit universe that are constituted from Internal Controls of the application, IT Governance and maintenance, IS acquisition and Development, IS Operations and Business Resilience, and Information Systems' Assets Security and Control and change factors within each element were highlighted. Moreover, the overall effort was induced to emphasize the effect these changes made on IS audit and the effort put on by the IS auditors in order to evaluate Information Systems nowadays. For example, IS auditors in the arena of IS audit is dwindling due to the increased complexity of IT environments and the continuous reliance on the specialized external consultant for assurance. Likewise, in IT governance and maintenance audit, the role of IS auditors is getting more significant due to the importance of IT management practices in providing the basis of assurance for any IT environment. Furthermore, the emergence of some management practices like Information Systems acquisition, proactive involvement of IS auditors in IS projects, and outsourcing is giving more opportunities to IS auditors to contribute value to organizations.

¹⁸ <https://www.ppra.org.pk/>

QUALITY OF AUDIT AND PROFESSIONAL DEVELOPMENT - PAKISTAN'S EXPERIENCE

SAI Pakistan

.....

About the Author



Raheela Saad
Director General HRM,
SAI Pakistan

Worked in the PAAS service for 25 years with special focus on performance audit and emerging audit areas

As DG HRM, managing the capacity development program for SAI Pakistan. She is a Certified training Specialist.

.....

Supreme Audit Institutes as per their mandate supervise the implementation of government budgets and evaluate the use of administrative resources to ensure that public funds are used wisely, economically, and effectively. Quality government audit involves reviewing policies according to local and international standards and providing insight, predictions, and warnings to related organizations. The feedback of governmental auditing services not only reflects how the government functions but also influences how people view the government and its executive branches. Thus, ensuring audit quality becomes an important approach to enhance the value of resources, stimulate economic development and give direction to development. SAIs audit quality also plays an essential role in enhancing the quality of public sector governance and public service for the benefits of their citizens. Therefore, in today's dynamic and demanding economic environment, professional auditors need to maintain competence and knowledge of current developments alongside auditing skills to enable them to act with due skill and care in providing this feedback.

Professional development is a learning process that can promote personal growth, improve auditing skills, revolutionize working procedures, and increase audit report quality as the same depends on the quality of auditor judgments during all stages and procedures of audit. The maintenance of professional judgment and hence competence requires a continuing awareness and understanding of relevant technical, professional and business developments. It is no longer about learning of audit techniques but also developing industry specialization which has become an element

to not only enhance audit quality but also maintain competitiveness. An organization can promote long-term efficacy and survival development through proper knowledge management as knowledge is essential for maintaining competence.

As stated by David Megginson¹⁹ in his book *Continuing professional development*, some of the key principles for CPD include the following;

- Professional development is a continuous process across the working life.
- Individuals are responsible for controlling and managing their professional development.
- Learning targets should reflect the needs of employers, clients as well as the individuals themselves.
- Learning is affective only of integrated in the work activity, rather than making it additional burden.

Auditors can advance their professional development through continuous learning to increase their knowledge, open-mindedness, sensitivity to fraud detection, to set career goals, and to promote peer learning. Continuing professional development (CPD) enables a professional auditor to develop and maintain the capabilities to perform competently within the professional environment²⁰.

The Department of the Auditor General of Pakistan (DAGP) - the Supreme Audit Institution (SAI) of Pakistan- is entrusted under Constitutional provisions, with the audit of all the revenues, receipts and expenditures of Federal and Provincial Government departments, autonomous bodies, corporations, institutions, etc., financed by or working under their administrative control. The Reports of the AGP are discussed/deliberated upon by the respective Public Accounts Committees.

To honor these responsibilities in a befitting manner, the DAGP has been striving to upgrade its capabilities, improve quality of audit and maintain competence in line with challenging demands of accountability and expanding governance environment.

In 2012-14, SAI Pakistan undertook a comprehensive review exercise in the backdrop of these challenges coming from the ever changing complex governance environment and growing reliance on information and communication technologies (ICTs) employed in the public sector. Also emerging areas such as privatization, public debt management, disaster management, energy management, gender issues, public private partnerships, enhanced accountability demands, etc. needed to be considered for the meaningful audit. The review was conducted in accordance with the INTOSAI's Strategic Planning Handbook framework that suggested needs assessment by a Supreme Audit Institution (SAI) before strategic planning. The DAGP completed needs assessment, according to the detailed road map given in INTOSAI's Capacity Building Needs Assessment (CBNA) 2009. This included taking stock of the prevailing situation and identification of gaps with the involvement and participation of all tiers of DAGP. The CBNA identified performance gaps that served as the base line for first Strategic Plan 2015²¹ which is being implemented presently. Goal 2 of the plan focuses on Development of professional and institutional capacity. The key activities planned under the Goal 2 included building capacity and competency in current, emerging and future issue areas in public governance and audit methodologies; training in use of existing audit manuals, guidelines, Code of Ethics; and developing capacities in IS auditing. Professional development and training being a cross-cutting activity, also appeared under Goal 3: **Developing communication and cooperation with internal and external stake holders, and Goal 4: Use of modern audit techniques and technologies.**

To promote long-term efficacy, competency and survival concerted efforts were made towards proper knowledge management. The natural outcome of this reform was development and implementation of continuous professional development (CPD) program, focusing on understanding which skills and experiences were needed by a SAI's staff, what skills

¹⁹ David Megginson, *Vivien Whitaker, Continuing Professional Development*, Kogan Page Publishers, 22-Jan-2007 - Business & Economics - 176 page

²⁰ Vivian Kloosterman, *The importance of continuing professional development*, <https://continuingprofessionaldevelopment.org/why-is-cpd-important/>

²¹ *Strategic Plan 2015-21, Department of the Auditor General of Pakistan*

and experience they already had and what needed to be done to build on current capability and bridge any gaps. The program included professionalization not just of audit staff but all staff in a SAI.

The portfolio CPD program represents the entire gamut of the SAIs operations across present and future challenges. Besides supporting the SAIs in core audit disciplines and computer related skillsets, the program covers areas like Strategic and Operational Planning, Management and Leadership Development, Human resources, ethics etc. The proposed CPD Program is divided in to three parts, namely:

- (a) Mandatory CPD Training
- (b) Training for bridging skill gaps
- (c) Training in emerging audit areas

DAGP started operation of the CPD program in 2020. A total of 76 professional courses were identified which were required to be developed. With focus on internal capacity enhancement and mentoring, officers having relevant degrees in the subject from reputable institutions were identified. Following INTOSAI's model, these officers after being given professional training as master trainers and course designers were asked to design the courses. The course design and content were then reviewed by Subject Matter Experts. Even in the times of COVID, 28 courses have been designed and 8 courses conducted by these training experts. By providing a mix of mandatory and optional professional development courses, the CPD empowers the officers to develop expertise in areas of their interest while maintaining the minimum professional benchmark. So far 08 courses have been conducted. All these courses have been conducting through the Zoom software as COVID related precautionary measures does not allow face to face interaction.

The CPD program follows all the principles as stated above. It provides a range of courses for not only different seniorities but also for all cadres

within the department. The mix of mandatory and non-mandatory courses ensure that there is flexibility yet minimum benchmarking, thus making the individual responsible for steering her/his professional development. Trainings in emerging audit areas provides an opportunity to be client focused. All these courses, with all relevant training materials have been made available at the Audit and Accounts Training Academy to ensure their continuous availability to the staff of the SAI as and when required.

The professional development of auditors is central to the work of Supreme Audit Institutions (SAIs). In describing the role of SAIs, International Standards for Supreme Audit Institutions (ISSAI) 12 introduces public sector auditing "as championed by the Supreme Audit Institutions (SAIs), is an important factor in making a difference to the lives of citizens and represents an early milestone in INTOSAI's quest for further professionalization. One of the 12 principles of ISSAI 12 confirms the importance of ongoing learning and knowledge sharing as a means of ensuring that each SAI has (and continues to have) appropriately competent people to handle its unique mandate and therefore professional development becomes a core activity²².

However, the success of any professional development program is linked directly to its relationship with rewards and promotions²³. SAI has to strive to compensate staff in a manner that is fair, consistent and reflective of the effort in personal and professional growth. The CPD program being implemented by SAI Pakistan focuses on esteem and self-actualization as the primary drivers of trainings where the trainers are expected to design and conduct courses as they are considered to be the most professional in that specific skill or knowledge area. However, Maslow's hierarchy of needs places self-actualization as the last point of the pyramid²⁴. Unless these are linked to rewards that fulfill lower level

²² INTOSAI, AFROSAI-e. *Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution (SAI): Utilizing the INTOSAI competency framework to develop public sector audit professionals in the most context-appropriate way*

²³ Brown, R. *A framework for continuing professional development for library and information services staff, 1992. British Library, London (United Kingdom), Research and Development Dept*

²⁴ Douglas T. Kenrick, Vladas Griskevicius, Steven L. Neuberg, and Mark Schaller. *Renovating the Pyramid of Needs: Contemporary Extensions Built Upon Ancient Foundations, Perspect Psychol Sci. Author manuscript; available in PMC 2011 Aug 25.*

needs. This includes steps such as linking professional development to lucrative/ high profile assignments, promotions and placements²⁵.

Performance is used to refer to the individual's ability to be creative, innovative, inspiring, and take on challenging tasks to achieve organizational goals for the greater good. Therefore, audit authorities must create an environment where achieving high quality through professional performance is valued

and supported. A learning organization embraces a culture of lifelong learning, enabling all employees to continually acquire and share knowledge²⁶. SAI Pakistan has taken an initiative to become a learning organization through the CPD program with the hope that this initiative contributes to the objective of providing high-quality audit services as per our mandate.

²⁵ *Human resource Strategy 2016. Department of the Auditor General of Pakistan*

²⁶ *Raymond A. Noe, Employee Training and Development, 2010, McGraw Hill*

ESTABLISHING QUALITY CONTROL SYSTEM FOR DEVELOPING SAIS

SAI Tajikistan

.....

About the Author

Navruzshoh Muhiddinzoda

Specialist – Department for audit quality control

Accounts Chamber of the Republic of Tajikistan

.....

As a newly created government entity, the Supreme Audit Institutions (SAI) of Tajikistan is at reforming stage. The implementation of SAI of Tajikistan Development Strategy 2019-2023 led to understanding the need for creating a new and independent division – Department for audit quality control as a basis for strengthening capacities of the SAI of Tajikistan.

Audit quality remains important for INTOSAI community and its stakeholders. Best practices of INTOSAI community, especially International Standards for Supreme Audit Institutions (ISSAIs), international organizations' and other SAIs' experiences shortcut

the procedure of implementing audit quality control system for the SAI of Tajikistan.

Monitoring the audit reports plays an important role for public trust, be it citizens, government, parliament or a third party, whose decisions are based on SAI audit reports. Quality of audit reports and the performance of our SAI is of prime focus of the Department for audit quality control. Although SAI has a competent, skilled and experienced staff, who perform sufficient work, it is as well crucial to assure stakeholders that the performance of the SAI and its audit works are under due control.

The full monitoring of audit reports by Department for audit quality control is at launching phase. In a short period of time, SWOT analysis of its audit reporting system and other relevant works have been studied. The SAI's being aware of strength, weaknesses, opportunities and threats allowed us to make a better engagement and enhance our quality control system to the desired level.

To conclude, the efforts on enhancing the quality of audit reports and other engagement done by the SAI of Tajikistan, benefit citizens of our country and people of neighboring countries as well, allowing the achievement of National Development Goals and UN's Sustainable Development Goals 2030.

NEW HEADS of SAIs

SAI INDIA



Mr. Girish Chandra Murmu
Comptroller and Auditor General of India

Mr. Girish Chandra Murmu assumed office as the Comptroller and Auditor General of India on 8th August 2020.

Prior to this, Mr. Murmu was the first Lieutenant Governor of the Union Territory of Jammu and Kashmir. Before moving to Jammu and Kashmir, Mr. Murmu served in various capacities in Government of India such as Secretary of the Department of Expenditure, Special and Additional Secretary in the Department of Financial Services and Department of Revenue, and Joint Secretary in the Department of Expenditure. Before his tenure at the Centre, Mr. Murmu has served on important assignments in the State Government of Gujarat. He has wide experience in administrative, economic and infrastructure fields.

Mr. Murmu is a postgraduate in Political Science from Utkal University. He holds an MBA degree from the University of Birmingham. He belongs to Indian Administrative Service of Gujarat cadre, 1985 batch.

Mr. Murmu was born on 21st November 1959 in Mayurbhanj District of Odisha. He is married to Dr. Smita Murmu. They have a daughter Ruchika Murmu and a son Ruhaan Murmu.

In his spare time Mr. Murmu likes to listen to Indian classical/sufi music, Amateur photography and sketching/painting. He also follows his routine gym regimen.

SAI NEW ZEALAND

PASAI welcomes new Chief Executive

*The Pacific Association of Supreme Audit Institutions (PASAI) Governing Board welcomes **Esther Lameko-Poutoa**, who began her new role as PASAI Secretariat Chief Executive on June 8, 2020. Esther is a Chartered Accountant who has worked in Samoa's public sector for 25 years, including positions at the Office of the Controller and Auditor General. She recently served nine years as Chief Executive Officer of the Samoa National Provident Fund.*

She brings a wide range of experience to PASAI in auditing, financial management, governance, public policy, business strategy and development and has been instrumental in implementing positive change while building performance and capacity of the entities she has served.

The Governing Board bids farewell and expresses great appreciation to outgoing Chief Executive, Tiofilusi Tiueti, for his commitment and dedication and recognizes the significant Secretariat achievements under his leadership. The Governing Board wishes Tio well on his future endeavors and is pleased that for now he remains as Specialist Advisor in the PASAI Secretariat using his vast skills to contribute to SAI development in the Pacific region.

SAI IRAN



Dr. Mehrdad Bazrpash ***New Senior President of SAI Iran***

In an open session on Wednesday, July 22, 2020, Dr. Mehrdad Bazrpash was elected by members of the Iranian Parliament (the Islamic Consultative Assembly) as the new Senior President of the Supreme Audit Court (SAC) of the Islamic Republic of Iran.

Dr. Bazrpash was born in Tehran on August 11, 1980. He holds a B.Sc. degree in Industrial Engineering (Sharif University of Technology), an M.A. in Executive Management (Allameh Tabatabaee University), and a Ph.D. in Technology Management (Allameh Tabatabaee University). Besides, Dr. Bazrpash is a faculty member of the department of management in IRIB University. It is noteworthy that Dr. Bazrpash has had some other important responsibilities in the Iranian executive and supervisory circles including Vice President and Head of Iran's National Youth Organization, Member of the Presidium of the Iranian Parliament (round 9), Advisor to the President of I.R.I on Social Affairs, CEO of SAIPA (automobile manufacturer) and Advisor to the Mayor of Tehran.

INTOSAI News

1. 12TH KSC STEERING COMMITTEE MEETING

The 12th Steering Committee meeting of the INTOSAI Knowledge Sharing and Knowledge Services Committee (KSC SC) was held virtually on 21 September 2020. The meeting saw participation from all the members of the Steering committee, viz., Chair of all Working Groups under KSC, SAI France as Project lead on "SAI Independence", Representatives of Chair of Professional Standards Committee, representatives of Chair and Vice Chair of Capacity Building Committee and the four observers of KSC, viz., INTOSAI General Secretariat, INTOSAI Development Initiative (IDI), Forum for INTOSAI Professional Pronouncements (FIPP), INTOSAI Journal on Government Auditing (IJGA) and SAI Malaysia. There were about 53 participants in the meeting. Some of the takeaways of the meeting are as follows:

- Understanding the importance of internal scanning exercise in the development of the INTOSAI Strategic Plan 2023-2028.
- Appreciating the relevance of KSC survey in gauging the satisfaction level of user of KSC deliveries, members agreed to contribute to the formulation of survey questions for the KSC Survey.
- Going by the given project funding proposals, as per KSC scheme for utilization of KSC portion of Goal Chair Allocation and the approved format for submitting project funding proposals.
- Taking note of the creation of an Expert Group for COVID-19 by the Supreme Committee for Emerging Issues (SCEI), the members and observers agreed to take part in the SCEI COVID-19 Initiative actively.
- Considering the immense potentialities of the INTOSAI Community Portal, the Working Groups agreed to promote the features of the INTOSAI Community Portal within their member SAIs.
- The 13th KSC Steering Committee meeting in 2021 will be hosted by the Accountability State Authority of Egypt (SAI Egypt).

2. WGITA WEBINARS

The country paper presentation as part of the 29th assembly of the members of WGITA was conducted on 16 October 2020, where six SAIs made presentation on the following topics:

- Cloud Technology – Risks Assessment and Mitigation (SAI Afghanistan),
 - Strengthening information security measures of local governments by the Government (SAI Japan),
 - Data analytics to mitigate risks in the audit of procurement (SAI Malaysia),
 - Cybersecurity audit of Electronic Banking and payment methods of the Mexican government financial system (SAI Mexico),
 - Results from e-Governance projects Pilot Audits (SAI Turkey) and
 - System Automation Initiative in Audit of Revenue Receipts (SAI India).
- The webinar was held in close cooperation with SAI Hungary.
- A Seminar on 'Strengthening Digital Awareness - IT Audit - Learning, Audit, Guidance', was also held

in November 4th, 2020.

Under the WGITA Workplan 2020-2022, SAI India and GAO USA are co-leading Project on organizing Quarterly Webinars on IT Audit. As part of

this activity, the first quarterly webinar was organized by USA GAO on "IT and Cybersecurity audit work on the 2020 United States Census" on 6th – 7th October, 2020.

3. WEBINARS OF INTOSAI SUPERVISORY COMMITTEE ON EMERGING ISSUES (SCEI)

The International Organization of Supreme Audit Institutions (INTOSAI) Supervisory Committee on Emerging Issues (SCEI) established an Expert Group on the Strategic Role of Supreme Audit Institutions (SAIs) in Addressing Challenges Posed by the COVID-19 Pandemic as a long-term response to the crisis and continuation of the INTOSAI PFAC COVID-19 Initiative.

The group was intended to be a focal point for practices, technologies and response measures adopted by SAIs, INTOSAI and the entire audit community to address the challenges of the pandemic. It is important to hear the voice of everyone, to find out exactly how SAIs in different regions are tackling the consequences of the pandemic.

From June to October Expert Group held four webinars on following themes:

1. "Priorities of the SAIs in the COVID-19 pandemic: audit themes, methods and techniques":

2. "Remote auditing: technological challenges and solutions":
3. "Openness of SAIs and ensuring inclusiveness in emergency conditions":
4. "INTOSAI online transition: how can organizations adapt to the new normal of tele-working?"

Apart from the webinars, SCEI Expert Group carried out an opinion survey. 70 countries responded to the questionnaire, which provided a rather representative image of what had been going on in the audit world during the previous 6 months. The aim was to create a document that would generalize the experience of our community during this pandemic from various perspectives, help define areas for further improvements, as well as provide a clear guidance on how to keep our organization successful and operational under challenging conditions.

4. MEETINGS OF THE TASK FORCE ON STRATEGIC PLANNING (TFSP)

The Governing Board approved the formation of the INTOSAI Task Force on Strategic Planning at the XXIII INCOSAI in Moscow. The Task Force functions under the auspices of the Policy Finance

and Administration Committee (PFAC) to develop the INTOSAI Strategic Plan 2023- 2028. The Task Force includes the current and incoming INTOSAI Chair, all PFAC members, the Secretary General, the Chairs and

Secretaries General of the Regional Organizations, and the INTOSAI Development Initiative.

The Task Force made significant progress in the strategic planning during the last year. At the inaugural meeting in February 2020, Task Force members provided insight into global challenges and trends that will affect the work of INTOSAI and SAIs, best practices in gathering INTOSAI member input, and recommendations on creating task force operational efficiencies. Following the initial teleconference meeting in February, the Task Force held quarterly staff-level meetings in March, June and September.

The Task Force is committed to an open, inclusive

approach through external outreach, internal and external environmental scanning and careful review of existing INTOSAI activities, governing documents and agreements. To that end, in September of this year, the Task Force distributed an online internal scan questionnaire to all INTOSAI members and associate members to obtain their views on INTOSAI's strengths, internal and external challenges, and emerging issues. TFSP will continue to solicit questionnaire responses throughout this calendar year, in an effort to obtain a robust response rate. The input will provide an important input for the next strategic plan.

5. 17TH ANNUAL CAS VIRTUAL MEETING 2020

The 17th meeting of the INTOSAI Compliance Audit Subcommittee (CAS) was held virtually on 23rd November 2020. Representatives from 17 SAIs participated in the meeting, apart from AFROSAI – E and IDI. Owing to the current pandemic situation, which has disturbed the planned audit programs and thrown up challenges to compliance with audit mandate of the SAIs, it was decided to hold the annual CAS meeting virtually, to facilitate sharing of experiences by CAS members about how they are coping with the challenging situation and the approach being followed in auditing COVID-19 initiatives of their governments. To that effect, the theme of the virtual meeting was 'Audit of COVID-19 efforts – a compliance audit perspective'.

Mr. Girish Chandra Murmu, Comptroller &

Auditor General of India and Chair of Compliance Audit Subcommittee welcomed the participants and delivered his opening remarks. Ms. Vani Sriram, Additional Deputy Comptroller & Auditor General and Acting Chair of CAS briefed CAS representatives about the activities of the subcommittee since last meeting of CAS which was held in 2019. Detailed presentations were made in this meeting on the theme of the meeting by SAIs of Azerbaijan, Brazil, European Court of Auditors, India, Norway and Romania. INTOSAI Development Initiative (IDI) also made a detailed presentation on audit of Transparency, Accountability and Inclusiveness of Use of Emergency Funding for COVID-19 (TAI Audits) and briefed the CAS representatives about this compliance audit initiative.

ASOSAI News

55TH MEETING OF THE ASOSAI GOVERNING BOARD HELD VIRTUALLY ON 27TH JULY 2020

The 55th Meeting of the ASOSAI Governing Board was held virtually on 27th July 2020. The Secretariat of ASOSAI, SAI China expressed the importance of the spirit of GBM which turned online and introduced the virtual meeting etiquette.

The meeting discussed the strategic objectives and priorities for ASOSAI Strategic Plan for the next period .i.e, 2022-2027 onwards; Work Plan of the ASOSAI Working Group on Environmental Audit for 2020-2022; Report of the Special Committee on SDGs and the role of ASOSAI in supporting member SAIs to respond to COVID-19 pandemic.

The 5th ASOSAI Strategic Planning Management Task Force meeting held on 24th July, 2020 discussed

matters concerning the ASOSAI Strategic Plan for 2016-2021 including the mid-term evaluation report with a KPI analysis as a performance assessment tool, the drafting of ASOSAI Strategic Plan 2022-2027, and the Terms of Reference of the Strategic Plan Task Force for 2022-2027.

ASOSAI Capacity Development Committee Meeting held on 24th July 2020 outlined the way to re think the conducting the capacity development activities in times of the pandemic of COVID-19. ASOSAI Capacity Development Needs survey was conducted for gathering of information of member SAIs regarding COVID-19.

INITIAL STEPS TAKEN TOWARDS ESTABLISHMENT OF ASOSAI WORKING GROUP ON EMERGENCY RESPONSE AND MANAGEMENT

ASOSAI Secretariat took the initiative of creating a new ASOSAI Working Group on Emergency Response and Management. The activities of the proposed Working Group prioritized on developing actions and projects under the new ASOSAI Strategic Plan 2022-2027 to achieve the ASOSAI value of “Responsiveness” and address the “Cross-cutting priority of Responding

to emerging issues and emergent situations and organizing programs for knowledge sharing in the areas of crisis and emergency management, in coordination with the ASOSAI Capacity Development Administrator, enabling the ASOSAI member SAIs to exchange their audit experiences and lessons learned during the crisis.

7TH WORKING MEETING OF ASOSAI WGEA HELD VIRTUALLY ON 7TH SEPTEMBER, 2020

The 7th Working Meeting of ASOSAI WGEA was held online on 7th September, 2020. SAI China, the Secretariat of ASOSAI WGEA, organized the meeting, and more than 60 representatives from 17 member SAIs attended the meeting.

The Secretariat presented the work progress since the last Working Meeting in January 2018 *which included the completion of the 1st Cooperative Audit and Research Project, preparation of 8th Seminar and organization of 9th Environmental Audit Survey*. The secretariat also presented the revised Concept Note for the Green Vision Award of ASOSAI

WGEA and Selection Rules for 2020 Green Vision Award of ASOSAI WGEA, which were approved at the meeting. SAI Vietnam proposed and presented the cooperative Environmental Audit on the water resource management in the Mekong River Basin in line with the implementation of SDGs. The Secretariat proposed to launch pilot project of “online and face-to-face” blended themed training on Environmental Audit, and reported the implementation plan. The Secretariat also proposed to hold 8th seminar, face to face or online depending on the COVID-19 pandemic.

Activities in Member SAIs

BPK HOLDS INTERNATIONAL SEMINAR ON AUDIT OF COVID-19 RESPONSE

SAI Indonesia

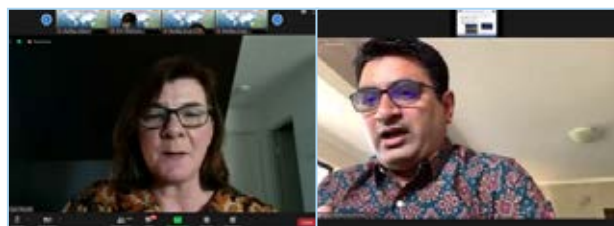
To gain comprehensive knowledge and understanding on auditing standards in a time of crisis as well as other SAIs' experiences in COVID-19 audit, the Audit Board of the Republic of Indonesia (BPK) organized a virtual international seminar on Auditing COVID-19 Response on Thursday, October 1, 2020. Attended by more than 750 participants from BPK and the ASEAN Supreme Audit Institutions (ASEANSAI) community, the seminar was opened by BPK Vice Chairman and presented speakers from the Australian National Audit Office (ANAO), Office of the Comptroller and Auditor General of India (CAG), Office of the Auditor-General of South Africa (AGSA), INTOSAI Development Initiative (IDI), and the Supreme Audit Office of Poland (NIK).

In his opening remarks, BPK Vice Chairman Agus Joko Pramono expressed deep concerns for the pandemic and emphasized that SAIs continue to have an important role in ensuring transparency and accountability, even in this time of crisis.

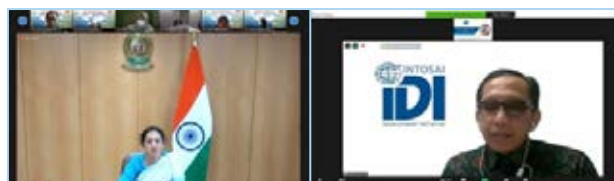


Representing the ANAO, Jane Meade (Group Executive Director of Professional Services and Relationships Group) stated that the COVID-19 pandemic has affected the performance of the

Australian Government as well as the ANAO. "In this period, remote auditing and IT systems are vital in minimizing the risk of being exposed to COVID-19," she said. Additionally, Rahul Tejani (Executive Director of Assurance Audit Services Group) mentioned challenges faced when conducting audits, especially when the government has its focus on delivering emergency response measures. He also emphasized that while audit on handling the impacts of COVID-19 is important, ensuring auditors' safety should be the main consideration.

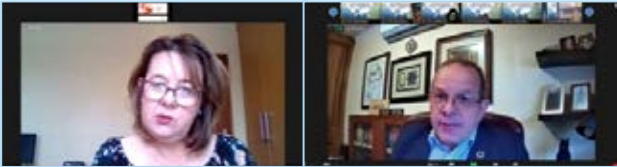


Keerti Tewari (Director General of the CAG) shared her experience in auditing the procurement of drugs and medical equipment for handling COVID-19. While Yudi Ramdan Budiman (Manager of the IDI) encouraged SAIs to stay relevant during COVID-19 by overseeing the use of emergency fund. He also conveyed IDI's continuous commitment in supporting SAIs through its various publications and programs.



Also presenting in the seminar were Jan van Schalkwyk (Corporate Executive) and Linda le Roux (Business Executive: Audit Research and Development) from the AGSA. Van Schalkwyk discussed the INTOSAI

P-12 which emphasizes the important role of SAI in ensuring accountability, especially during such crisis. Further, le Roux shared insights on real-time audit on COVID-19 comprising of 3 components: prevention, detection, and reporting. Government support, a multidisciplinary team focusing on high risk areas, and SAI leadership are among the lessons learned from the audit so far.



Lastly, Piotr Miklis (Director of the NIK Regional Branch in Katowice, Poland) shared the current development of COVID-19 case management in Poland and how it had also been affecting their audit process. To solve this, the NIK introduced new methods in their business processes, new audit approaches, and new

research tools during this pandemic. As a result, they could now operate faster, more flexible, focus on protecting lives and human rights, and continuously learn and cooperate with others.



The virtual seminar was a great success for collaboration and sharing knowledge among SAI. We truly appreciate all the support we received from SAI Australia, SAI India, SAI South Africa, SAI Poland, and the IDI, as well as fellow ASEANSAI members for joining.

NEW INTERNATIONAL TEAM AT SAI NEW ZEALAND

SAI New Zealand

The Office of the Auditor-General in New Zealand has established a new International Team to work on our international work programme. Since early 2020 SAI New Zealand now has 2 full time dedicated staff to provide support to the Pacific Association of Supreme Audit Institutions (PASAI) Secretariat, support the Auditor-General in his role as Auditor-General of the Governments of Niue and

Tokelau, work with twinning partners SAI Cook Islands and SAI Samoa, and coordinate SAI New Zealand's international engagement with all other INTOSAI bodies. The team look forward to connecting with international SAI colleagues from around the world.
EMAILS- international@oag.parliament.nz
Sarah.Markely@oag.parliament.nz

AUDITOR GENERALS OF PAKISTAN AND CHINA ATTEND THE VIRTUAL BI-LATERAL SEMINAR ON IMPROVING AUDIT QUALITY

SAI Pakistan



The Department of the Auditor General of Pakistan and the National Audit Office of China jointly hosted the video-conference Seminar on Audit Quality Control and Assurance on 22 October 2020. The Seminar marked continuity of the tradition and practice of technical cooperation between the Auditor General Offices of both countries in the areas of public sector auditing, which has helped both institutions in knowledge development and continued professional growth of public sector auditors.

The Auditor General of Pakistan Javaid Jahangir was the head of the Pakistan delegation. Pakistan delegation comprised of Additional Auditor General Farrukh Hamidi, Deputy Auditor General Sardar Azmat Shafi, Director Generals Jawad Zaka Khan and Hasan Masud and Afnan Alam, Director International Relations, Mr. JIANG Haiying, Director General of Department of International Cooperation, Ms ZHANG Xinfang, Deputy Director-General, Ms. ZHANG Xin,

Director and Deputy Directors Ms WANG Rui and Ms. DING Yue.

The Auditor General of Pakistan in his inaugural address reiterated that the ongoing collaboration between two institutions is a model of state-to-state relations with different social systems and historical background. Mr Javaid Jahangir congratulated Mr Hou Kai on his appointment as Chinese Auditor General and expressed his confidence that under the new Auditor General's stewardship, the relations will continue to foster in years to come.

Auditor General of Pakistan briefed the Chinese Auditor General about the progress on the ongoing institutional reform process in the country's Supreme Audit Institution. Pakistan's delegation made a comprehensive presentation on the agenda of reforms to improve the quality of its audit reports. The Auditor General of Pakistan further stressed that the improvements during the last three years have

mainly been possible owing to the government's continuous support to strengthen the accountability and transparency of public spending.

Auditor General of Pakistan also briefed the Chinese delegation on Auditor General's department efforts in implantation of an integrated Audit Management Information System (AMIS) and integrating it with other relevant information systems, such as the Human Resource Management Information System (HRMIS). The adoption and roll-out of these ICT systems, the Department of Auditor General of Pakistan believes will help minimize human intervention and inconsistency in audit planning, execution and reporting. Also, it will help in standardization and archiving of audit working papers, which will facilitate improved / consistent quality assurance and control procedures in an efficient manner.

Pakistan's delegation reiterated the role of Supreme Audit Institutions (SAIs) as crucial to supporting the government response mechanisms through maintaining public financial management discipline and ensuring transparency and accountability. Supreme Audit Institutions (SAIs) demonstrate ongoing relevance to their citizens, parliament and

other stakeholders by being responsive to changing environments and emerging risks. The current situation of Covid-19 has altered the environment of SAIs and resulted in new threats. SAIs need to respond to such a case, in the short, medium and long-term. SAI Pakistan is also undertaking an audit of "Whole of the Government approach" in COVID-19 including the unprecedented fiscal stimulus plan launched by the Government of Pakistan.

Both the Auditor-Generals maintained that SAIs could help assure the public that the massive increases in expenditure are being managed well, which builds trust between citizens and their governments. SAIs have a vital role in efforts to ensure that rules aren't bent in ways that fuel fraud and corruption.

The Auditor General of China appreciated Pakistan's government's efforts in controlling the pandemic. Also, both the Auditors reaffirmed that China and Pakistan will continue to hold high the banner of friendship and cooperation and jointly build a China-Pakistan community of shared prosperity in the new era, to make China-Pakistan relations always at the forefront of relations between nations.

16TH MEETING OF THE ARABOSAI INSTITUTIONAL CAPACITY DEVELOPMENT COMMITTEE

SAI Palestine

The Bureau participated in meeting 16 of the ARABOSAI institutional capacity development committee held on 15th May, 2020, which intended to set an exceptional plan draft to control activities that fall under theme 1 of the plan. The latter involves reprogramming training courses and workshops to take into account the new needs of member SAIs, with COVID-19 crisis into spotlight. The committee includes

SAIs of Palestine, Oman, Egypt, Iraq, Morocco, Jordan, Kuwait, Qatar and Lebanon.

The Bureau was represented in the meeting by head of planning and development unit Yusuf Hantash and head of training department Samar Dwekat. The meeting was remotely held via BlackBoard Collaborate platform.

ARABOSAI ASSIGNS SAACB TO AUDIT FINANCIAL STATEMENTS

The State Audit & Administrative Control Bureau (SAACB) has finished on 24.04.2020 the audit of ARABOSAI financial statements of 2019, as per resolution of the general assembly to assign the Bureau and SAI of Yemen with financial statements audit of 2019/2020/2021.

Report of the financial audit committee (an independent auditor) was presented to head and members of the ARABOSAI executive council. The Bureau was represented by economy audit manager Muauya As'ad.

SAACB AT OECD SEMINAR HELD ON JULY 23, 2020

A seminar was held July 23, 2020 about public sector integrity at times of crisis, organized by OECD and MENA management program.

The Bureau talked about its role and modes followed to enhance audit in the wake of COVID-19

pandemic.

Lana Assi from public relations unit gave a brief about how the Bureau acted, achievements and reports released during the COVID-19 pandemic, in addition to challenges that face the Bureau as a result.



SAACB AT 'SHARAKA' PROGRAM MEETING

SDGs Audit team (head Saleh Musleh, communication officer Majdi Maitani) has attended the first meeting of Sharaka program 3, held Tuesday September 29, 2020. The program is supervised by

Dutch Court of Accounts, and several Arab SAIs were present. Achievements of the team and influence of COVID-19 pandemic on audits were presented, besides discussion of future activities.



MEETING WITH SNAO



A Zoom meeting was held on September 15, 2020 between representatives of SNAO and performance audit department of the Bureau, as part of progress follow up of cooperation agreement signed between the two.

Several topics of the agreement were discussed, such as modes of performance audit enhancement,

and incorporating them into the Bureau's strategic plan. Institutionalizing of department and its manual, with associated worksheets and templates, were also discussed. The Swedish team was informed about audit reports in progress and time estimated to finish them.

SAACB, POLISH SAI DISCUSS TWINING PROJECT - 5TH OCTOBER, 2020



Counselor Eyad Tayyem headed a meeting to discuss how the Polish SAI will react towards existing conditions, and proposed actions regarding twining project financed by the European Union. Future modes of action and the best ways that enable SAACB to get trainings will be provided by Polish experts have been discussed, besides key challenges that might face the project in light of COVID-19 pandemic and proposed

solutions. It has been agreed to initiate the project early 2021.

Representatives from EU in Palestine, counterparts from Polish SAI, deputy president Amal Faraj, Esmat Abu Rabea from infrastructure audit department, Yusuf Hantash from planning unit and Lana Assi from public relations unit were present.

SAACB AT PMF WORKSHOP, KUWAIT- 13.02.2020



Head of the Bureau president office Mr. Faisal Masri represented the Bureau at the 'SAIs measurement framework' workshop, held in Kuwait from 9-13 February, 2020 in cooperation with the World Bank under the IDI umbrella. Representatives from SAIs of Saudi Arabia, Jordan, Qatar, Bahrain and

Oman have been to the workshop.

Performance measurement framework of SAIs, how SAIs and stakeholders use measurement reports and how to link PMF with values and benefits of SAIs were discussed.

SAACB AT 14TH MEETING OF THE ARABOSAI'S PROFESSIONAL AND AUDIT STANDARDS COMMITTEE, HOSTED BY SAI QATAR

The meeting took place on 05.02.2020.

Mr. Shehada Alawneh represented the Bureau to the meeting, where representatives from SAIs of Kuwait, Oman, Morocco, Tunisia, Iraq, Jordan and ARABOSAI general secretary were also present.

The committee intends to support members

SAIs in applying professional standards, documenting audits and establishing quality systems. It also proposes projects and initiatives to endorse good audit practices, to help enhance impact and value added of SAIs work.



‘MIND THE GAP’ WORKSHOP HELD JANUARY 16, 2020 IN STOCKHOLM, SWEDEN.



The Bureau has been to ‘Mind the Gap’ workshop held January 16, 2020 in Stockholm, Sweden. The workshop addressed the exchange of experience among SAIs in setting performance reports and interviewing techniques. Mr. Qastal Masri and Mr. Hisham Ghannam from performance audit department represented the Bureau.

Swedish National Audit Office (SNAO) held a workshop on January 08, 2020 in Stockholm about

performance audit design, techniques of quantitative/qualitative data analysis and techniques of holding and analyzing interviews. Head of performance audit department Mr. Majdi Maitani represented the Bureau.

The workshop came as part of the agreement signed between the Bureau and SNAO, which includes several components, mainly enhancing the performance audit capacity.

QUALITY ASSURANCE REVIEW



It was held at Muscat on 08.01.2020 – SAACB, represented by Ms. Majdoleen Samour from the performance audit department, has been to the audit report quality assurance meeting, held in Oman.

A quality assurance review was done to the

report the Bureau set about university grants in Ministry of High Education, and also reports made by participating SAIs.

The review was done with INTOSAI standards-based performance audit quality assurance tool.

EMAIL / WEBPAGE ADDRESSES OF MEMBER SAIs

SAI	Email address	Webpage
Afghanistan	saoaf.int@gmail.com, naderahmadi1358@gmail.com	http://sao.gov.afinfo.saoa Twitter Account of the SAO_Afghanistan
Armenia	intrel@armsai.am	www.coc.am
Australia	External.Relations@anao.gov.au	www.anao.gov.au
Azerbaijan	office@sai.gov.az, international@sai.gov.az, hilal_huseynov@yahoo.com	www.ach.gov.az
Bahrain	info@nao.gov.bh, tr.ir@nao.gov.bh	www.nao.gov.bh
Bangladesh	international@cagbd.org	www.cagbd.org
Bhutan	info@bhutanaudit.gov.bt, tashilhamo@bhutanaudit.gov.bt; hrird@bhutanaudit.gov.bt	www.bhutanaudit.gov.bt
Brunei Darussalam	info@audit.gov.bn, nora.jahali@audit.gov.bn	www.audit.gov.bn
Cambodia	ir.audit@naa.gov.kh	www.naa.gov.kh
China	cnao@audit.gov.cn, hyjiang@audit.gov.cn	www.audit.gov.cn
Cyprus	cao@audit.gov.cy; mmavromichalis@audit.gov.cy, akikas@audit.gov.cy	www.audit.gov.cy
Georgia	iroffice@sao.ge, kgigilashvili@sao.ge	www.sao.ge
India	cag@cag.gov.in, ir@cag.gov.in. singhkulwant@cag.gov.in	www.cag.gov.in
Indonesia	international@bpk.go.id, wahyudi.bpk99@yahoo.co.id	www.bpk.go.id
Iran	pria@dmk.ir, PRIA.SAC@YAHOO.COM	www.dmk.ir
Iraq	bsa@d-raqaba-m.iq, bsairaq@yahoo.com	www.d-raqaba-m.iq
Israel	sco@mevaker.gov.il, int_relations@mevaker.gov.il, sagi_e@mevaker.gov.il, rachel_t@mevaker.gov.il	www.mevaker.gov.il
Japan	liaison@jbaudit.go.jp	www.jbaudit.go.jp/english/index.html
Jordan	info@ab.gov.jo, fawwaz.odaibat@ab.gov.jo	www.ab.gov.jo
Kazakhstan	int.rel@esep.gov.kz, a.durmenova@esep.gov.kz	www.esep.kz
Korea	koreasai@korea.kr	www.bai.go.kr

Kuwait	IR@sabq8.org, suadz@sabq8.org, IR@SAB.GOV.Kw	www.sabq8.org
Kyrgyzstan	kyrsai@mail.ru, esep@esep.kg, b.toktasunova@esep.kg, tbarchynai@gmail.com	www.esep.kg
LAO-PDR	ird.sao.la@gmail.com	
Malaysia	international@audit.gov.my ag@audit.gov.my	www.audit.gov.my
Maldives	info@audit.gov.mv, niyazy@audit.gov.mv, inaeem@audit.gov.mv	www.audit.gov.mv
Mauritius	aud@govmu.org, philisetse@gmail.com	www.nao.govmu.org
Mongolia	mnao@audit.gov.mn, info@audit.gov.mn	www.audit.mn
Myanmar	auditorgeneral@mptmail.net.mm, kkadec@gmail.com	
Nepal	oagnep@ntc.net.np, hrd_ir@oagnep.gov.np, sharmatm@gmail.com	www.oagnep.gov.np
New Zealand	enquiry@oag.govt.nz, margaret.graham@oag.govt.nz	www.oag.govt.nz
Oman	chairman@sai.gov.om, intr@sai.gov.om	www.sai.gov.om
Pakistan	saipak@comsats.net.pk	www.agp.gov.pk
Palestine	facb@saacb.ps, pr@saacb.ps;	www.saacb.ps
Papua New Guinea	agopng@ago.gov.pg CAdiunegiya@ago.gov.pg	www.ago.gov.pg
Philippines	mgaguinaldo@coa.gov.ph, cadelacruz2017@gmail.com, danilocabug@gmail.com, jbmcoa@yahoo.com, scontarciego@gmail.com	www.coa.gov.ph
Qatar	info@sab.gov.qa, tech.dep@sab.gov.qa	www.sab.gov.qa
Russia	intrel@ach.gov.ru, terehina@ach.gov.ru, inorg@ach.gov.ru	www.ach.gov.ru/en/
Saudi Arabia	ird@gab.gov.sa	www.gab.gov.sa
Singapore	ago_email@ago.gov.sg, Sarah_Foo@ago.gov.sg	www.ago.gov.sg
Sri Lanka	gamini2@hotmail.com, ag@auditorgeneral.gov.lk, addlag.cgse@auditorgeneral.gov.lk,	www.auditorgeneral.lk

Tajikistan	interdep@sai.tj, chairman@sai.tj, info@sai.tj	www.sai.tj
Thailand	int_rela@oag.go.th, sutthisun@gmail.com, prajuck_b@oag.go.th	www.oag.go.th
Turkey	int.relations@sayistay.gov.tr, yusufada@sayistay.gov.tr,	http://www.sayistay.gov.tr
U.A.E.	president@saiuae.gov.ae, IR@saiuae.gov.ae	www.saiuae.gov.ae
Vietnam	vietnamsai@hn.vnn.vn, vietnamsai@sav.gov.vn, vietnamsai@gmail.com	www.kiemtoannn.gov.vn , www.sav.gov.vn
Yemen	tech_coop2007@yahoo.com, gogo13026@gmail.com	www.coca.gov.ye

Electronic communication between Supreme Audit Institutions is increasing rapidly. In view of this, a list of e-mail and World Web Site Address of ASOSAI members (as available with us) have been compiled and shown in the above table. It is requested that

addresses of those SAIs that do not in appear in the table may please be intimated to the Editor for incorporating in the future issues of the Journal. Please also let us know in case there are any modifications to the addresses listed above.

OTHER IMPORTANT EMAIL/WEBPAGE ADDRESSES

Email address		Webpage
INTOSAI	intosai@rechnungshof.gv.at	www.intosai.org
ASOSAI	gs@asosai.org	www.asosai.org
EUROSAI	eurosai@tcu.es	www.eurosai.org
OLACEF	relacionesinternacionales@contral (Executive Secretariat, SAI of Chile) PresidenciaOLACEFS@asf.gob.mx (Presidency of OLACEFS, SAI of Mexico)	www.olacefs.comoria.cl
PASAI	enquiry@oag.govt.nz	www.pasai.org
ARABOSAI		www.arabosai.org
INTOSAI Development Initiative (IDI)	idi@idi.no	www.idi.no
INTOSAI Working Group on IT Audit (WGITA)	ir@cag.gov.in	www.intosaiitaudit.org
Working Group on Environmental Auditing	info@wega.org	www.environmentalauditing.org
Working Group on Privatization, Economic regulation and Public Private Partnership (PPP)	Tim.burr@nao.gsi.gov.uk	www.nao.gov.uk/intosai/wgap/home.htm
International Journal of Government Auditing	intosaijournal@gao.gov	www.intosaijournal.org
Asian Journal of Government Audit	ir@cag.gov.in	http://www.asosaijournal.org

TENTATIVE SCHEDULE OF ASOSAI CAPACITY DEVELOPMENT ACTIVITIES FOR 2020-2021

Year	Date	Event	Venue
2020	October 28 (end date to be determined)	Instructors' Design Meeting for ASOSAI Pilot Capacity Development Program on "Audit on Implementation of Sustainable Development Goals(SDGs)"	Online
	December 1-4	ASOSAI Seminar on "Audit on Implementation of Sustainable Development Goals(SDGs)" and "SAI's responses to COVID-19"	Online
	(TBD through 2022)	Activities for "IDI-KSC- ASOSAI Cooperative Audit of SDG Implementation"	(TBD)
2021	(TBD)	eLearning Course of ASOSAI Pilot Capacity Development Program on "Audit on Implementation of Sustainable Development Goals (SDGs)"	Online
	(TBD)	Sub-Regional Audit Planning Meeting for ASOSAI Pilot Capacity Development Program on "Audit on Implementation of Sustainable Development Goals(SDGs)"	China and Turkey (TBD)
	(TBD)	Regional Audit Review Meeting for ASOSAI Pilot Capacity Development Program on "Audit on Implementation of Sustainable Development Goals(SDGs)"	(TBD)
	(TBD)	ASOSAI Seminar on "Improvement of Audit Process for More Effective Audit"	Laos (TBD)

- ⁱ <https://sustainabledevelopment.un.org/post2015/transformingourworld>
- ⁱⁱ IDI's SDGs Audit Model, (ISAM), Pilot Vision, June 2020
- ⁱⁱⁱ SDGs: Sustainable Development Goals
- ^{iv} [file:///D:/180%20Guidance%20on%20Auditing%20Preparedness%20Version%200%20\(1\).pdf](file:///D:/180%20Guidance%20on%20Auditing%20Preparedness%20Version%200%20(1).pdf), pp 64
- ^v <https://sustainabledevelopment.un.org/post2015/transformingourworld>
- ^{vi} <https://www.investopedia.com/terms/s/sustainability.asp>
- ^{vii} <http://audit.gov.ly/home/intosai/12.pdf>
- ^{viii} <https://sustainabledevelopment.un.org/vnrs/>
- ^{ix} <http://audit.gov.ly/home/intosai/5130.pdf>
- ^x <file:///F:/300.pdf>
- ^{xi} <http://audit.gov.ly/home/intosai/300.pdf>
- ^{xii} <http://audit.gov.ly/home/intosai/3000.pdf>
- ^{xiii} <https://www.teamgant.com/blog/raci-chart-definition-tips-and-example>
- ^{xiv} [https://www.psa.gov.qa/en/knowledge/Doc/QNV/%D8%AA%D9%82%D8%B1%D9%8A%D8%B1%20%D8%A7%D9%84%D8%A7%D8%B3%D8%AA%D8%B9%D8%B1%D8%A7%D8%B6%20%D8%A7%D9%84%D9%88%D8%B7%D9%86%D9%8A%20%D8%A7%D9%84%D8%B7%D9%88%D8%B9%D9%8A%20%D9%84%D8%B9%D8%A7%D9%85%202018%20\(landscape\).pdf](https://www.psa.gov.qa/en/knowledge/Doc/QNV/%D8%AA%D9%82%D8%B1%D9%8A%D8%B1%20%D8%A7%D9%84%D8%A7%D8%B3%D8%AA%D8%B9%D8%B1%D8%A7%D8%B6%20%D8%A7%D9%84%D9%88%D8%B7%D9%86%D9%8A%20%D8%A7%D9%84%D8%B7%D9%88%D8%B9%D9%8A%20%D9%84%D8%B9%D8%A7%D9%85%202018%20(landscape).pdf)
- ^{xv} IDI's SDGs Audit Model, (ISAM), Pilot Vision, June 2020, pp 68
- ^{xvi} IDI's SDGs Audit Model, (ISAM), Pilot Vision, June 2020

