

XXIII Commonwealth Auditors General Conference New Delhi, 21 – 23 March 2017

Results Document

1 Conference Theme

1.1 The Comptroller and Auditor General of India (CAG) hosted the XXIII Conference of Commonwealth Auditors General from 21 to 23 March 2017. The Conference, whose main theme was “Fostering Partnerships for Capacity Development in Public Audit”, was attended by 74 delegates from 36¹ countries. The main theme was discussed in the context of the two sub-themes, namely, “Leveraging technology in public audit” and “Environment audit: A Commonwealth perspective”.

2 Conclusions on Conference Theme

2.1 Given that most of the Commonwealth countries follow similar governance structures and share a common working language, the discussions on the two sub-themes reinforced the need for building partnerships among Commonwealth Supreme Audit Institutions for collective benefit. The following conclusions emerged from these discussions:

2.2 Sub-theme 1: Leveraging technology in public audit

2.2.1 To meet the increasing aspirations of its citizenry, Governments are under pressure to improve the efficiency and effectiveness of their service delivery. This has led them to leverage technology to continuously transform the way in which its services are structured and delivered.

2.2.2 This has placed upon the Supreme Audit Institutions the responsibility to develop capacity to not only be able to access and review such systems to assess their impact on the efficiency and effectiveness of business processes, but also to extract and analyse voluminous data with a view to arrive at meaningful audit conclusions.

2.2.3 The Conference observed that most Commonwealth countries have developed basic capacities to undertake audits of information systems. However, there are gaps ranging from lack of resources both in terms of human resource and infrastructure and those stemming from inadequate response from the audited entities. Concerns were

¹ The number of countries participating in the Conference, includes INTOSAI Chair, INTOSAI General Secretariat and 3 British Overseas Territories.

also expressed about the quality of client data which has the risk of compromising the integrity of the audit process.

2.2.4 The Conference also noted that with the advancement of technology, auditors are increasingly faced with mammoth amounts of data. The traditional tool-kit available with the auditors is not adequate to analyse this data for audit purposes. Advanced data analytic tools and techniques are now available which can help in transforming audit approaches, to increase the value of audit to the clients and to improve the efficiency of audit processes. Such tools and techniques enable an auditor to explore each and every transaction, instead of only auditing a sample, which enables a more effective analysis.

2.2.5 The Conference recognised that this presents an opportunity for the Commonwealth Supreme Audit Institutions to share experiences to benefit from emerging knowledge and expertise in all aspects of auditing technology in general, and in the application of data analytics in performance and attest audits in particular. There is scope for pooling of learning and developing group solutions for issues which cut across SAIs.

2.2.6 The Conference also noted that the audit environment was continuously evolving due to advent of new technologies and acknowledged the need to take proactive measures to stay abreast of the learning curve.

2.3 Sub-theme 2: Environment audit: A Commonwealth perspective

2.3.1 All Commonwealth countries are environmentally vulnerable. The preparedness of some of these countries to address and mitigate these effects is also low. It is, therefore, important that Supreme Audit Institutions in these countries focus their attention on these areas to highlight the risks of ineffective approaches to mitigation to their respective Governments.

2.3.2 With the adoption of the Sustainable Development Goals by the United Nations, environmental concerns now sit embedded in all developmental activity. This requires the mainstreaming of environment issues in all types of audit. The papers presented indicate that the Supreme Audit Institutions are aware of the importance of the audit of environmental issues and the audits conducted by them reflect high quality of work being done in this area.

2.3.3 In spite of the significance most of the Supreme Audit Institutions attach to the audit of environmental matters, many Supreme Audit Institutions still face challenges in carrying out such audits. The Conference noted that the main concern in this regard

is the difficulty in evaluating impact of long term Governmental interventions and programmes particularly where there is lack of performance measures. Lack of experienced and trained staff is another challenge which many Supreme Audit Institutions are faced with.

2.3.4 The Conference noted that there was appetite within the Commonwealth SAI community for cooperative audits. There were already instances of such audits having taken place among Commonwealth SAIs. Considering that some of the countries which are most environmentally fragile are also small countries with limited resources (Least Developed Countries, Small Island Developing States etc.), the Conference recognised the value of cooperative audits, especially between SAIs of contiguous countries, in areas which are of high concern for that region.

2.3.5 An increasing number of trainings on audit of environmental issues are being organized, either through the aegis of INTOSAI and regional Working Groups of INTOSAI, or by individual SAIs. The Conference encouraged the Commonwealth SAIs to avail of these opportunities to equip their staff with the knowledge and skills required for carrying out effective environment audits.

3. Independence of Commonwealth SAIs

3.1 In line with the Malta Communique, to understand the extent of independence among Commonwealth SAIs, a database was established to monitor the level of independence of Commonwealth SAIs. The Conference noted the results of the survey carried out to inform the database.

4 Future directions for Commonwealth Auditors General Group

4.1 Considering the unanimous observation that the Commonwealth Auditors General Group plays an important role in fostering partnerships among Commonwealth SAIs, the Conference agreed that it would be beneficial to:

- Establish a mechanism to communicate the outcomes of the Commonwealth Auditors General Conferences to INTOSAI and regional organisations, especially the relevant working groups on IT, Big Data and Environmental audit.
- Continue working with the Commonwealth Secretariat to foster cooperation with key Commonwealth organisations which may include engagement with the Commonwealth Association of Public Accounts Committee (CAPAC) and other parliamentary groups.

4.2 The Commonwealth Auditors General also agreed the triennial conference is a valuable opportunity to foster partnerships. The Conference invited the UK NAO, in its role as Secretariat, to lead development of ways to improve collaboration across Commonwealth SAIs.

5. Renewal of membership contributions

5.1 Recognizing the depletion of the Commonwealth Auditors General Conference Fund, it was agreed in principle that the annual membership contributions will be renewed. The Chair of the Advisory Committee of the Commonwealth Auditors General Fund will write to the Auditors General regarding the modalities of restarting contributions.

6 XXIV Commonwealth Auditors General Conference

6.1 It was unanimously agreed that the XXIV Commonwealth Auditors General Conference will be hosted by the Supreme Audit Institution of Fiji in the year 2020.