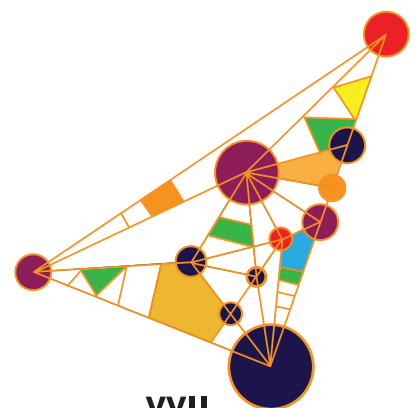


Moscow, 2022



Best Practice Cases of Strategic Approach to Public Auditing



XXII
INCOSAI
2019 RUSSIA

Contents

Introduction.....	3
Practice 1. Risk-Based Audit Planning of Financial Assistance (Grants) in Australia.....	4
Practice 2. Forest Management Audit in Azerbaijan.....	6
Practice 3. Audit of Publicity, Transparency and Access to Public Information in Bulgaria.....	7
Practice 4. Audit of the Federal Ministries' Implementation of the Sustainability Strategy in Germany.....	10
Practice 5. Audit of Open Data in Denmark.....	13
Practice 6. Audit of the Effort Made to Engage Vulnerable Young Adults in Education in Denmark.....	15
Practice 7. Assessment of Spending on COVID-19 in Egypt.....	16
Practice 8. Audit of Management of Storm Water in India.....	17
Practice 9. Assessment of Achieving National Development Goals in Indonesia.....	19
Practice 10. Review of Preparedness to Implement the SDGs in Jordan.....	22
Practice 11. Audit of Job Centers' Performance in Italy.....	24
Practice 12. Risk-Based Performance Audit Planning in Canada.....	27
Practice 13. Audit of Climate Change in Canada.....	29
Practice 14. Digital Audit Transformation in Mexico.....	31
Practice 15. Audit of Management of the Wage Subsidy Scheme in New Zealand.....	33
Practice 16. Audit of Public Private Partnerships in the National Health Service in Portugal.....	35
Practice 17. Evidence-Based Policy Award among State, Regional and Municipal Officials in the Russian Federation.....	37
Practice 18. Application of Risk-Based Approach to SAI Work in the USA.....	40
Practice 19. Study on Problems of Public Sector Programs (Fragmentation, Overlap, and Duplication) in the USA.....	43
Practice 20. Audit of Achieving the SDGs in Turkey.....	45
Practice 21. Audit of the Missionary Electrification Development Program in Philippines.....	46
Practice 22. Institutional Accountability in Ecuador.....	51
Practice 23. Review of Economic Support Measures under COVID-19 in Estonia.....	53
Practice 24. Audits of Initiatives on the Olympic and Paralympic Games in Japan.....	55

Introduction

[The Moscow Declaration](#) endorsed at the XXIII INCOSAI in 2019 emphasizes that to benefit the public, Supreme Audit Institutions (hereinafter – SAIs) and INTOSAI should use all opportunities to generate value and benefits, i.e. by applying new methods, approaches and technologies in public auditing, responding to emerging national and global challenges, changing practices of public governance.

According to the Moscow Declaration, the future directions for public auditing depend on the SAIs' and INTOSAI's strong commitment to:


- 1) providing independent external oversight on the achievement of nationally agreed targets including those linked to the Sustainable Development Goals (hereinafter – SDGs),
- 2) responding effectively to opportunities brought by technological advancement,
- 3) enhancing the impact that SAIs make on public management accountability and transparency.

By 2022, the provisions of the Moscow Declaration continue to be relevant in the unprecedented conditions of the ongoing COVID-19 pandemic, the impact of its consequences, the persistence of inequality, the outbreak of armed conflicts, increasing uncertainty and instability. In times of turbulence, the role of SAIs in ensuring accountability only increases, but even after they are completed, the task of rethinking work practices, increasing flexibility, searching new opportunities to confirm the value and relevance of public auditing will remain on the agenda of SAIs.

We rely under these conditions on the principles of INTOSAI's activities under the motto "Experientia mutua omnibus prodest" ("Mutual Experience Benefits All"). We asked SAIs to share cases and best practices of a strategic approach to auditing and, thanks to their responses, we were able to prepare this paper. The focus of the paper is the experience of SAIs in forecasting and proactive researching of problems and challenges of national importance, identification of systemic risks of achieving strategic goals, as well as the use of research methods, data analytics, engagement of experts and key stakeholders.

We believe that the cases and practices contained in the paper will help SAIs and INTOSAI in developing a strategic approach to auditing.

Practice 1. Risk-Based Audit Planning of Financial Assistance (Grants) in Australia

Type of practice	Approach to audit planning	 (English)
SAI's country	SAI Australia (Australian National Audit Office, ANAO)	
Year	2018-2022	
Focus	Data analytics	
Moscow Declaration	#2. Responding effectively to opportunities brought by technological advancement #3. Enhancing SAIs' impact on public management accountability and transparency	

Description

To achieve transparency and public accountability, government entities administering grants must comply with public reporting requirements set under the Commonwealth Grants Rules and Guidelines (hereinafter – [CGRGs](#)) and Public Governance, Performance and Accountability Rule 2014 ([PGPA](#)).

In 2021, SAI Australia published an information report, [Australian Government Grants Reporting](#), to provide transparency of, and insights on, government grants expense and Australian Government entities' self-reporting of grants on a whole-of-government web-based facility [GrantConnect](#) for centralised publication of forecast and current Australian Government grant opportunities and awards. In compiling this information report, SAI Australia drew upon multiple data sources relevant to grants to provide insights in the following areas: Whole-of-Government grant awards; entities' administration of grants; entities' self-reporting on GrantConnect and how it is aligned with the CGRGs reporting requirements; characteristics of grant award recipients; and Whole-of-Government grants expense.

As part of the process of producing this report, SAI Australia developed an efficient approach that aims to provide data-driven risk identification and audit planning for future grants related audits.

Identifying high risk grants

Analysis of the Whole-of-Government grants time series data can provide insights on high-risk grants – grants with high value and/or high frequency of variations, inconsistency in selection processes against the guidelines, and potential non-compliance with the CGRGs etc. For example, the data analysis shows the highest-value award as of March 2021 was

funded via an ad hoc/one-off selection process to the Great Barrier Reef Foundation by the Department of Agriculture, Water and the Environment in 2018. SAI Australia audited the grant administration and implementation processes regarding this award in [2018–2019](#) and [2020–2021](#).

A data match between grants opportunities and grants awards datasets can be used to help auditors to check the compliance with CGRGs, target the high-risk grants and ask specific questions when obtaining the audit evidence. It was applied in a recent performance [audit on Department of Health’s Management of Financial Assistance under the Medical Research Future Fund](#).

Comparing the different dates during the grant administration process can help identify cases of grants approved before their relevant opportunity closing dates for competitive selection processes that involve the assessment with reference to the comparative merits of other applications. SAI Australia identified a few such cases. The aggregated risks identified using this and other criteria can inform auditors of the high-risk grants for potential audit topic selection and form specific audit criteria at the planning phase.

Identifying theme-based grants

Meaningful analysis can be undertaken by creating a theme-based group by pre-defined characteristics or key words, such as entities administering grants, selection process, recipient types, intended outcomes of the grants, etc. COVID-19 related awards could be identified by selecting those grants containing ‘COVID’ or ‘coronavirus’ in their described purpose, activity, or program name. SAI Australia identified that grants related to COVID-19 represent 22 per cent of the total value of grants approved between March 2020 and June 2021. In 2022, SAI Australia conducted a performance [audit on COVID-19 support to the Aviation Sector](#).

Additional SAI Australia’s audit cases related to financial assistance (grants)

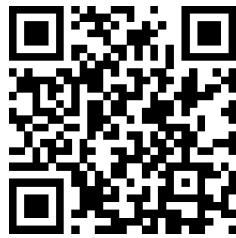
[Operation of Grants Hubs \(2022\)](#)

[Award of funding under the Safer Communities Fund \(2022\)](#)

[Award of funding under the Building Better Regions Fund \(2022\)](#)

[Award of funding under the Supporting Reliable Energy Infrastructure Program \(2021\)](#)

Practice 2. Forest Management Audit in Azerbaijan

Type of practice	Audit case	 (Azeri)
SAI's country	SAI Azerbaijan (Chamber of Accounts of the Republic of Azerbaijan)	
Year	2020	
Focus	Audit criteria	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

SAI Azerbaijan aimed to assess forest management activity of the Forestry Development Service under the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan relevant to SDG 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

SDG 15 sets targets, some of which were used as audit criteria by SAI Azerbaijan, particularly:

15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements,


15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally,

15.B Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

Results

SAI Azerbaijan assessed forest management activity, inter alia, on the basis of indicators 15.1.1 and 15.2.1 defined for targets 15.1 and 15.2 of the SDGs 15 in [Global forest resources assessment 2020: Main report](#) of the Food and Agriculture Organization of the United Nations (FAO). Indicator 15.1.1 (“Forest area as a proportion of total land area”) remained unchanged at 12 % during 2010–2020, while indicator 15.2.1 (“Progress towards sustainable forest management”) remained at the low level due to poor forest management. Indicator 15.2.1 also considered the forest area under independently verified forest management certification schemes. Forest management certification in Azerbaijan was evaluated as unsatisfactory.

Practice 3. Audit of Publicity, Transparency and Access to Public Information in Bulgaria

Type of practice	Audit case	 <p>(Bulgarian)</p>
SAI's country	SAI Bulgaria (Bulgarian National Audit Office, BNAO)	
Year	2019, 2021	
Focus	Open data	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

Bulgaria adheres to the principles of open government. Thus, in 2009, the portal of advisory councils of Bulgaria was created, designed to increase transparency and accountability of government entities. In 2011 Bulgaria joined the [Open Government Partnership](#). The adoption of the National Development Program “Bulgaria 2020” confirmed the commitment to these principles.

Laws “On Access to Public Information” and “On Electronic Government” were adopted, as well as special provisions on standard conditions for the reuse of public sector information and its publication in an open format, general requirements for information systems.

Examples of the implementation of the principles of open government are the [open data portal](#), which has been operating since 2014, as well as the publication of any legislative initiative on the [public consultation portal](#), which was created to involve citizens in the legislative process.

SAI Bulgaria aimed to evaluate the efficiency of the Council of Ministers, all ministries and the State Agency of Electronic Government in terms of their activities to ensure publicity and transparency and providing access to public information for the period from 01.01.2016 to 30.06.2018, by focusing on the following questions:

- Are the conditions created for efficient management of the process to ensure publicity, transparency and access to public information?
- Do the central executive authorities provide sufficient publicity and transparency of activities, as well as free access to public information on websites?
- Are the actions to create a platform for access to public information and the functioning of the portal of advisory councils efficient?

- Are the actions to create, operate and develop the open data portal efficient?
- Are citizens and businesses satisfied with the publicity and transparency of public administration, as well as access to public information?

Methodology

SAI Bulgaria applied a combination of result-oriented and system-oriented approaches to audit, using the information contained on the websites of the Apparatus of the Council of Ministers, the State Electronic Government Agency, 17 ministries, the advisory board portal and the open data portal.

The following methods were used:

- review of public documents and information: strategies, initiatives, policies, plans, roadmaps and programs; request for documents; study and verification of documents,
- gathering information by filling out questionnaires, conducting interviews and monitoring the administration and functioning of the websites of authorities, the advisory council portal and the open data portal,
- a sociological survey to study the satisfaction of citizens and businesses with the publicity and transparency of public administration and access to public information.

Results

The following shortcomings in the process of organizing open access to public information in some government entities were identified:

- some government bodies have not appointed responsible persons and have not established internal rules for access to public information,
- there is a shortage of trained personnel,
- some government entities do not apply and do not ensure consistent compliance with the requirements of the law on mandatory publication of public information,
- the lack of a timely adopted and published regulatory framework with clear requirements and predefined criteria has led to significant differences in the visual display of websites, as well as in the practice of their development and functioning, making it difficult to use and access websites,
- the formats used do not always allow the reuse of information and data,
- accessibility for people with disabilities, as well as people who do not speak the official language, is not provided everywhere,
- compliance with the general requirements for information systems, registers and electronic administrative services was not ensured by the State Electronic Government Agency.

The results of the conducted study of public satisfaction with the transparency and publicity of the activities of public administration bodies, as well as access to public information, show the opposite attitudes of the population and experts to public institutions. There is a prevailing negative attitude towards public institutions in terms of publicity and transparency among the population, which is also reflected in the assessment of the relevance and usefulness of public information on their websites. Experts expressed high overall satisfaction with the public information provided by government agencies due to its usefulness (meeting their needs) and relevance (timely updating) of information. The majority of the population and specialists demonstrated lack of awareness and insufficient use of the open data portal, but expressed sensitivity about this idea and a high propensity to use the capabilities of the information system and actively gave recommendations for improving existing systems.

Recommendations


SAI Bulgaria recommended:

- create common standards/rules for ensuring regular technical support of government websites in accordance with regulatory requirements, including responsibility for timely updating of content and efficient control of completeness and compliance, unified user interfaces and navigation tools used, adaptive web design and structure, convenience for general use, including version for the visually impaired and the English version,
- ensure regulation of the reporting procedure using a format that allows reuse information,
- the State Electronic Government Agency should conduct periodic inspections for compliance with official requirements and standards and report the results annually to the Council of Ministers,
- improve planning by developing targeted operational plans that include clear goals, deadlines, responsible persons and performance indicators, as well as monitoring and public reporting the results,
- all open data manuals should be available through the open data portal.

In 2021, SAI Bulgaria checked the implementation of the audit recommendations.

Two recommendations related to the need to assign and define the responsibilities of the administrator of the portal of advisory councils and the introduction of clear requirements for specifying the date of the last data update were not implemented.

Practice 4. Audit of the Federal Ministries' Implementation of the Sustainability Strategy in Germany

Type of practice	Audit case	 (German)
SAI's country	SAI Germany (Bundesrechnungshof)	
Year	2021	
Focus	Sustainable development	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

The federal government set in the Sustainability Strategy, that achieving the SDGs is a guiding principle to be applied in all policy decisions.

The Federal Chancellery has a key responsibility for sustainable development. The central body for implementing the Sustainability Strategy is the State Secretaries' Committee for Sustainable Development. The Committee includes all federal ministries responsible for implementing the Sustainability Strategy within their remit (departmental autonomy principle).

Methodology

SAI Germany conducted a horizontal audit by surveying more than 50 audit reports on projects and programmes to explore whether the federal ministries have implemented the Sustainability Strategy within their remit.

Findings

SAI Germany concluded that the government departments performed poorly with respect to sustainable development. For instance, the ministries didn't take a customised approach to implementing the Sustainability Strategy. Next, sustainability aspects were not consistently embedded in projects and programmes: sometimes programme targets were not specified, and the methodologies that the ministries used were not suitable for incorporating sustainability aspects. In addition, progress towards the targets was not monitored or monitored inadequately.

According to SAI Germany, there are various reasons for these shortcomings, namely:

- sustainability aspects were deliberately ignored (for example, decisions had already been made at the preliminary stage or decision-making was biased because of policy interests),
- government departments were not aware of the relevant rules and suitable methods for embedding sustainability aspects in their work,
- the adverse impact of ignoring the sustainability aspects was not duly considered.

The Federal Chancellery should engage with the State Secretaries' Committee for Sustainable Development to ensure that within their respective remit the federal ministries:

- develop their own departmental strategies and approaches for implementing the Sustainability Strategy,
- present relevant rules and suitable methods for embedding sustainability aspects and ensure their application,
- put into place the structures needed for consistently implementing the Sustainability Strategy.

Additional SAI Germany's audit cases related to sustainable development

- [Federal Chancellery needs to strengthen sustainable action](#) (2021)
- [Implementation of the "Sustainability Action Programme" by the Federal Ministry of Education and Research](#) (2020)
- [EU taxonomy in sustainable development](#) (2020)
- [Domestic progress towards the SDGs](#) (2019)
- [Bonn Declaration of Sustainability and contribution of German audit institutions to the sustainable development goals](#) (2018)
- [Audit of the Compensation fund for youth with disabilities in working life](#) (2016)

SAI Germany's audit cases related to COVID-19 pandemic

- https://www.bundesrechnungshof.de/SharedDocs/Downloads/DE/Berichte/2020/finanzen-der-gkv-volltext.pdf?__blob=publicationFile&v=1 (2020)
- [Budget funding earmarked to combat the impact of the coronavirus pandemic/ key figures of the supplementary budget for 2020](#) (2020)
- [Special purpose report on the public hearing of the Budget Committee of the German Parliament deliberating the second 2020 supplementary budget](#) (2020)
- [Need for better governance of the proposed COVID-19 grants for Deutsche Bahn](#) (2020)
- [Furlough money: Government to mitigate the risk of fraud](#) (2020)
- [COVID-19 related funding needs of Deutsche Bahn group and headroom for federal governance](#) (2020)
- [Trends in federal public finance – A long way to go before the crisis is over](#) (2020)

SAI Germany's audit cases and practices related to responding to opportunities brought by technological advancement

- [Auditing Machine Learning Algorithms: A White Paper For Public Auditors](#) (2021)
- [Using text mining methods to analyse public communication of auditees](#) (2021)
- [Interior Ministry does not make use of opportunities offered by digitised planning, construction and operation of federal buildings](#) (2019)


SAI Germany's audit cases related to open data and open government

- [Limitation on audit scope: Deutsche Bahn refuses to provide information on the sale of electricity to private customers](#) (2019)
- [Transparency of the standardisation procedure](#) (2017)
- [Transparency of Federal Government Sponsorship Reports](#) (2016)

Additional SAI Germany's audit cases related to other issues

- [Energy transition](#) (2021)
- [Impulses for parliament and government: seizing opportunities in the new electoral term](#) (2021)
- [Cost and performance accounting in the Federal Administration \(cross-sectional examination\)](#) (2020)
- [Documentation and evaluation of major grant programmes](#) (2019)
- [Implementation of the smart health card and the telematics infrastructure](#) (2019)
- [Provision of real estate for the accommodation of asylum seekers and refugees](#) (2018)
- [Compensation fund Federal Ministry of Labour and Social Affairs uses funds in violation of applicable regulations](#) (2016)
- [Federal Foreign Office improves its programme results evaluations](#) (2015)

Practice 5. Audit of Open Data in Denmark

Type of practice	Audit case	 (English)
SAI's country	SAI Denmark (Rigsrevisionen)	
Year	2019	
Focus	Open data	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

Government authorities can contribute to economic growth and increased transparency in government administration by opening their data to the public. The data collected by the authorities can create additional value, if it is re-used by citizens and businesses.

Government authorities can also increase the transparency of their work by opening data on their activities, for instance, details on government tenders or the expenses of individual authorities.

The SAI Denmark audited the government's work on open data.

Methodology

SAI Denmark reviewed reports and other documents from the Ministry of Finance, the Ministry of Industry, Business and Financial Affairs and the Ministry of Higher Education and Science, conducted interviews, created a mapping of the barriers to opening government data perceived by the ministries.

Using indicators developed by the World Bank, SAI Denmark benchmarked all the ministries against each individual indicator and summed up and rated their performance on a scale going from 0 to 100, indicating the degree to which the relevant ministry is working systematically with open data.

Next, the ministries submitted information on all the open datasets that they were responsible. Subsequently SAI Denmark tested whether the individual datasets meet the four criteria of the definition of open data. The four criteria that SAI Denmark used to define open data were inspired by the definitions made by the World Bank, the Organisation for Economic Co-operation and Development and the Dutch Supreme Audit Institution.

Recommendations

According to SAI Denmark, the responsibility for the cross-ministerial open data effort should be clearly assigned, and funding barriers should be overcome to provide a gateway to establish the “open by default” principle for government data, following the international trends. All ministries would be required to open their data, unless they have good reasons not to do so (for instance, if the opening of data is not expected to add value).


The Ministry of Finance and relevant partners should consider expanding the data catalogue to give the users a complete overview of all open data across government.

The Ministry of Finance should also consider exercising the authority granted to the ministry and make it mandatory for the individual ministries to update the data sets included in the data catalogue regularly.

Additional SAI Denmark’s audit case related to open data and open government

[Transparency of climate change assistance provided to the developing countries](#) (2021)

Practice 6. Audit of the Effort Made to Engage Vulnerable Young Adults in Education in Denmark

Type of practice	Audit case	 <p>(English)</p>
SAI's country	SAI Denmark (Rigsrevisionen)	
Year	2020	
Focus	Inclusiveness	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

In 2019, approx. 60,000 young people in Denmark received financial support for education. The Ministry of Employment has estimated the cost of an average programme for a young adult receiving financial support for education in 2019 at DKK 140,000 plus derived costs.

The purpose of the SAI Denmark's study was to assess whether the Ministry of Employment and the Ministry of Children and Education have made a satisfactory effort to ensure that vulnerable young adults get an education.

Methodology

SAI Denmark performed review of data and cases from relevant databases, including government agreements and reforms, guidelines, analyses and key figures, relevant strategy and planning documents, reports prepared in connection with inspections made by the Ministry of Children and Education and relevant reports prepared by the Ministry of Employment and the Ministry of Children and Education. SAI Denmark supplemented the information and data obtained through these channels with random samples of programmes set up for approximately 300 vulnerable young adults.

Findings

SAI Denmark found out that the effort made by the Ministry of Employment and the Ministry of Children and Education to ensure that vulnerable young adults complete an education, had not been satisfactory. This increases the risk that the young adults do not obtain a qualification and a firm foothold in the labour market. SAI Denmark's study found that, in the period 2015–2019, only 15% of 8,000 vulnerable young adults that started on a qualifying education in accordance with the obligation imposed on them by the municipalities, completed their education.

Practice 7. Assessment of Spending on COVID-19 in Egypt

Type of practice	Audit case
SAI's country	SAI Egypt (Central Auditing Organization)
Focus	COVID-19
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency

Description


SAI Egypt audited the targeted spending of funds allocated during the COVID-19 pandemic from the reserve fund (5% of the country's annual budget) to support the health system, industry, tourism and air travel, providing the population with basic food commodities, etc.

SAI Egypt is guided by ISSAIs. SAI Egypt used its powers to audit all departments of the administrative and management bodies, public organizations, municipal authorities, and other economic agents in order to ensure a comprehensive approach to audit of spending in emergency conditions.

During the fiscal year, SAI Egypt prepares periodic reports with key results of auditing the targeted expenditure of budget funds in the amount of 100 billion Egyptian pounds allocated to combat the pandemic, a report on the state budget and of its constituent budgets of the administrative and management bodies, budget organizations and budgets of municipalities, as well as a report on the audit of the Ministry of Finance's activities, annual financial statements of enterprises and public sector organizations.

SAI Egypt presents the results of its annual work to the President, the Prime Minister and the lower house of Parliament.

Practice 8. Audit of Management of Storm Water in India

Type of practice	Audit case	 (English)
SAI's country	SAI India (Comptroller and Auditor General of India)	
Year	2021	
Focus	Data analytics	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs #2. Responding effectively to opportunities brought by technological advancement	

Description

A growing public awareness of environmental issues has elevated water issues to the forefront especially in the context of water as a resource, its conservation, its management and impact on quality of life in urban spaces. Storm water is water flowing over ground surfaces and in natural streams and drains as a direct result of rainfall over a catchment and consists of rainfall runoff and any material mobilised in its path of flow. Storm water management examines how this can best be managed from source to the receiving water bodies.

The SAI India's study was focused on analysing the past, present and future of storm water management in the urban area of Bengaluru. This required analysis of superficial aquifer, drainage channels, drains installed, potential to recharge the superficial aquifer. With urban, commercial or industrial development, the area of impervious surfaces has increased dramatically which means less infiltration, the potential for more local runoff and a greater risk of pollution. Hence, SAI India's study also covered land use dynamics and the river-lake networks.

The SAI India's study attempted to examine the physical, ecological, financial and governance structures aimed at storm water management in addition to the traditional objective of local flood protection, improved water quality management, protecting ecosystems and providing comfortable living spaces.

The main objectives of the audit were to ascertain the adequacy of mechanism for collection and conservation of storm water; efficiency and effectiveness of required infrastructure in terms of planning, designing and construction; effectiveness of monitoring of storm water management systems; economy and efficiency of funds utilised for storm water management.

Methodology

Spatial databases containing building footprints, road network, lakes, drainage network and sewer lines in vector format were used for the analysis. This spatial information about natural and artificial features helped us create (update) time series data of lakes, drains, roads, buildings, vegetation and open land layers to understand the changes in land use patterns.

SAI India also used High Resolution Imagery, e-Procurement database.

The work was done by way of superimposition of Satellite Images of 1960 (Corona imagery), 2008 satellite imagery and 2016–2017 satellite imagery and identifying and quantifying the changes in land use and land cover. Shape files (.shp files) of natural and artificial feature layers – built up layer, roads layer, lakes and tanks layer, drainage network layer and open lands layer were created/updated. Details of counts, lengths and areas of these features were generated by way of summaries and statistics of the geospatial features using tools available in the ArcGIS.

During this study, several points for joint inspection were identified from the imagery such as drains existing but not shown in departmental maps, possibility of mixing of sewage lines and storm water drains etc. The time series data of land use changes were prepared from the layers so created for decrease in water bodies and drains, increase in impervious layer, decrease in wetlands (open lands) etc., which have impacts on flooding.

Findings

SAI India's Report served to evaluate the impact on the ecosystem; storage capacities and drainage networks that causes flooding; risks to public health and safety; and served to strengthen coordination and approach.


This innovation empowered audit by offering a viable alternative to the problems of inaccuracy (incompleteness) of physical maps. This “single-source of truth” helped raise scientific, indisputable audit observations. Inhouse analysis enabled building capacity in the application of this new-age technology in SAI India's audit processes. In addition, the Performance Audit Report is replete with videos in the form of QR code and YouTube links to facilitate better understanding amongst the stakeholders.

Additional SAI India's audit cases related to sustainable development

[Preparedness for the Implementation of SDGs \(2019\)](#)

[Hospital Management within SDG 3: Ensure healthy lives and promote well-being for all at all ages \(2019\)](#)

Practice 9. Assessment of Achieving National Development Goals in Indonesia

Type of practice	Audit case	 <p>(English)</p>
SAI's country	SAI Indonesia (Audit Board of Indonesia, Badan Pemeriksa Keuangan)	
Year	2021	
Focus	Systemic Risks	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

Indonesia's Medium Term National Plan (hereinafter – RPJMN) are the five yearly goals established by the Ministry of National Development Planning to be adhered by all ministries and local government institutions in Indonesia. Since 2015, the RPJMN was being aligned with the SDGs as an attempt to localize the 17 goals, following Indonesia's commitment on the SDGs implementation.

The Ministry of National Development Planning requested SAI Indonesia to conduct review about Voluntary National Review of SDGs (2021) (hereinafter – VNR). Based on the request, SAI Indonesia has conducted a review toward the process and documents of the VNR. The objective of the review was to assess whether the Ministry of National Development Planning, as the coordinating ministry for SDGs implementation in Indonesia, had prepared the VNR in accordance with the Handbook for the Preparation of VNR.

Methodology

SAI Indonesia studied its related audit reports and reviewed reports and other documents relevant to the SDGs to support review's findings, draw the conclusion and suggest recommendations.

Considering that the assignment was a review instead of regular audit, the team did not conduct any internal control assessment as a mechanism for identifying systemic risks. The auditors adopted systemic risks from SAI Indonesia's risk registers and applied some analytical procedures to nominate certain risks which, by the result of analysis, may have been occurring in the Ministry of National Development Planning as well. Each of the nominated risks was then assessed for the impacts and the frequency of incidents, if such a risk occurs.

Findings

SAI Indonesia found out a risk that the goals, as adopted in the RPJMN were not cascaded down sufficiently among the relevant ministries. Hence, there is a risk that the report establishing the achievement of these goals by the Ministry of National Development Planning might not reflect the actual degree of achievement as implemented by the relevant ministries. The team traced back the achievement from the audit reports at 15 different ministries regarding the relevant goals for the year 2019–2020. The audit result confirmed that due to technical consolidation and data integration, certain goal achievements were not yet sufficiently reported.

Hence, SAI Indonesia identified three systemic risks in regards to the achievement of the RPJMN.

Risk 1 is in the orange area (high): the RPJMN is not sufficiently cascaded down among the relevant ministries.

On one hand, the possible impact for not sufficiently cascading down the RPJMN among the ministries is significant. The ministries might establish contradicting policies toward one another, hindering the achievement of all national development goals.

On the other hand, such a risk only occurs occasionally. Despite the impact, some points of RPJMN, such as healthcare and education, can be designated exclusively to certain ministries – for example the Ministry of Health and the Ministry of Education, respectively, with limited interaction with other government institutions. Hence, lowering the risk of misinterpretation of RPJMN during the devolvement to the ministerial and local government levels.

Risk in the orange area needs to be mitigated properly. The risk is not extremely high (red area), however, the SDGs and the RPJMN are long term processes. It is crucial that every step of improvement is done correctly so that the long term goals can be achieved satisfactorily. Considering these circumstances, SAI Indonesia decided to conduct a review, instead of full audit, on the achievement of the SDGs (RPJMN).

Risk 2 is in the yellow area (moderate): the RPJMN is not adequately translated into the expected implementation by the ministries.

The possible impact for not adequately implementing the RPJMN at the ministerial and the local government level is moderate. The ministries might implement policies in a different direction than what the RPJMN are. This will prolong the process for achieving all national development goals. Such a risk, however, occurs only occasionally. Since certain ministries – for example the Ministry of Health and the Ministry of Education, are exclusively responsible for the implementation of the RPJMN with only limited interaction with other government institutions, the risk that the implementation is not aligned with the RPJMN is quite low. Combined, the risk of misinterpretation of RPJMN during the implementation is moderate.

Risk in the yellow area (moderate) is mitigated through limited endeavors. Hence, it was decided that, to respond to this risk 2, SAI Indonesia would suggest that the Ministry of National Development Planning to establish some guidelines (manuals) for more informed RPJMN so that the ministries can have better understanding on implementing the Medium Term National Plan.

Risk 3 is in green area (omittable): the timelines for budgeting and the establishment of the RPJMN is too tight with little room for a stretch.


The possible impact for not establishing the RPJMN timely is moderate. However, the possibility for such an event to occur is also infrequent. Combined, such a risk is quite low, hence, is omittable.

Recommendations

SAI Indonesia recommended that the Ministry of National Development Planning:

- Improve the database reliability by completing the One Data Indonesia policy, which has been established since 2019 but has not yet been advanced in the implementation, and
- collaborate with SAI Indonesia to provide regular assessment on the national development goals achievement at ministerial and local government levels to mitigate the lack of authority and resources of the Ministry of National Development Planning over other government institutions.

Practice 10. Review of Preparedness to Implement the SDGs in Jordan

Type of practice	Audit case	 <p>(English)</p>
SAI's country	SAI Jordan (Audit Bureau of the Hashemite kingdom of Jordan)	
Year	2018	
Focus	Seven-step model for reviewing government preparedness for the SDGs	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

The SDGs represent important and necessary goals for Jordan to achieve development and prosperity in all economic sectors. Therefore, SAI Jordan decided to review the procedures taken by the Jordanian Government in implementing the SDGs.

Methodology

SAI Jordan performed the review in accordance with [a seven-step model for reviewing government preparedness for the SDGs](#) through the following steps:

- political commitment,
- public awareness and dialogue with stakeholders,
- responsibility, resources, and accountability,
- preparing implementation goals,
- designing and establishing measuring and monitoring systems,
- setting baselines against which to gauge progress made throughout the SDG life cycle, and
- monitoring and reporting arrangements.

Findings

The results of SAI Jordan's review showed that the Government of Jordan is reasonably prepared to implement its political commitment to the SDG. It managed to develop the regulatory and institutional framework to achieve the SDGs with the participation of representatives of all relevant stakeholders, along with the allocation of responsibilities for the implementation of these goals at the ministerial level and the adoption of the necessary strategic plans and associate it with a good share of statistical data necessary for the

implementation of the indicators of these goals. The national monitoring and control system to follow up progress towards the SDGs was at the final stage of development.

SAI Jordan indicated multiple challenges, the most important of which are:

- insecurity and political instability in the countries of the neighboring region, and
- a lack of financial resources to implement the SDGs, especially after Jordan has received large numbers of Syrian refugees who have drained the Treasury.

Recommendations

SAI Jordanian formulated the following general recommendations:

- clarify the direct link between the goals and indicators of the Executive Development Program and the goals and indicators of the Sustainable Development in order to facilitate monitoring and control of the implementation of the political commitment of the Government to implement the SDGs,
- clarify the implementation distribution of the SDGs, and the target values of their indicators, over the period of time for implementing these goals,
- commitment to the direct identification of the responsibilities for the SDGs that are jointly implemented and establishing an effective mechanism for the coordination and follow-up of the implementation among the entities,
- emphasize the importance of linking the Strategic Plans of the Ministries and Government departments with the SDGs, as well as preparing Action Plans for it,
- establishing accountability procedures and arrangements for the implementation of the SDGs among all related entities,
- consider clarifying the executive responsibilities of the SDGs at the governorates and municipalities level,
- activate the international efforts to secure the necessary support to provide financial allocations for the implementation of the SDGs in Jordan,
- activate the tasks of the working teams of the Supreme National Committee for Sustainable Development in coordinating and following up the commitment of Government agencies to implement what is required,
- expedite the preparation of the action plan for the dissemination of public awareness of the SDGs and to increase the number of workshops and target groups, as well as expanding the involvement of stakeholders in the follow-up of the Government's commitment to the implementation of the SDGs, and
- emphasize the importance of finding appropriate solutions to secure the lack within the indicators for which data are not yet available.

Practice 11. Audit of Job Centers' Performance in Italy

Type of practice	Audit case
SAI's country	SAI Italy (Court of Audit)
Focus	Policies and programs
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs

Description

The Citizenship Income (Reddito di cittadinanza) has been introduced as a key measure within the Government's actions in the labor market. The Citizenship Income is an income support scheme for poor households accompanied by measures to encourage beneficiaries to engage in the labour market and find employment.

SAI Italy focused on the implementation of the Citizenship Income measure. The audit has been carried out at central and local level with the participation of the Audit Regional chambers.

Methodology

The audits, both at central and regional level, have been carried out via specific questionnaires and interaction with the national and regional institutions involved in the regulation and organization of the public employment services offices. In this regard, it must be underlined that the topic of the audit has been massively affected by the pandemic and the correlated lockdown measures, with a relevant impact on the recruiting procedures of the Job Centers and on their actual functioning.

Findings

The results of the audit appear to be largely unsatisfactory and confirm the forecast expressed by SAI Italy during the parliamentary hearing on the Citizenship Income measure.

The available data shows that as of 10 February 2020 the beneficiaries of the scheme who found a job after the approval of their application are about 40 thousand. Above all, there are no signs of a greater dynamism of the Job Centers than in the past.

This data shows that there is still a great deal of room for improvement in Italy, in the services sector, to increase the efficiency of matching labour supply and demand and that the worthwhile challenge of improving Job Centers in Italy has yet to be won.

Recommendations

The most frequent SAI Italy's recommendations are stated below.

- Recruitment procedure should be carried out on a timely, transparent, and uniform manner.

The procedure has to be defined in a timely manner and with uniform criteria throughout the regions, so as to ensure that the offices can efficiently and effectively support job seekers and companies, taking into account the need for transparency in the recruitment of qualified personnel. It should be advisable to actually implement the logic of “case management” that characterizes efficient and effective systems of active labor policy, in line with the targets of the recent years' reforms.

- Staff units should be efficiently allocated.

The distribution of staff resources among the various public employment offices should reflect the actual needs of the territory, in order to provide qualitatively homogeneous services all over the country.

- Proper staff training should be continuously provided.

In close connection with the previous point, it will be necessary to ensure a system of continuous staff training, both newly hired and already in force. It should not be forgotten, in fact, that supporting job seekers, especially if unemployed from long time, requires highly qualified personnel with strong competences in the orientation, psychological and legal domain, together with deep knowledge of information systems.

- The role of the newly hired “Navigators” should be clearly defined.

“Navigators” are pivotal and their role should be clearly defined also to minimize the risk of possible disputes and legal actions.

- Recommendations related to Technological infrastructure.

IT investments must be safeguarded and conducted in line with the latest regulatory provisions, with a view to the principle of sound management of public resource. Particular attention should also be paid to the use and exchange of data with private parties, especially in the light of the legislation on the protection of personal data. The cooperation with the national bodies responsible for the development of the single information system of labour policies should be ensured.

- Single public employment services offices' performance recommendations.

Public employment offices should also focus their efforts in providing adequate support and hiring services to companies and, more generally, to employers, so that they can find in the employment offices a concrete and reliable subject that intermediates demand and supply of work and that supports them in the recruiting process. Minimum performance standards have to be met by all Job Centers, through a comprehensive assessment of the beneficiaries' results. Customer satisfaction surveys have to be carried out at the individual office level, so as to better understand the needs of local undertakings and to trigger the necessary corrective measures.

- Proper anti-fraud mechanism should be built up.

Due to the relevant level of financial resources, both national and European, proper internal audit safeguards for the public employment services offices should be developed to prevent, detect, and correct conflicts of interest, corruption and fraud, and to avoid double funding initiatives.

Practice 12. Risk-Based Performance Audit Planning in Canada

Type of practice	Approach to audit planning	
SAI's country	SAI Canada (Office of the Auditor General of Canada, OAG)	
Focus	Risks	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	
		(English)

Description

Long range planning in SAI Canada is based on identifying risks facing federal and territorial governments' programs and activities. Such planning helps determine the performance audit work that needs to be done to fulfill the responsibilities of SAI Canada. A risk based approach helps ensure that resources are focused on the areas of greatest significance and relevance to Parliament and legislative assemblies.

Audit selection begins by identifying significant risks – both internal and external – facing government departments and agencies and the government as a whole. The audit team may select audit topics that are important to the achievement of organizational or governmental goals for which the risk is assessed to be high. Areas that are important, but where the risk is assessed to be low, might also be selected because even if the risk is low, any deviation could be important to the entity or to its stakeholders.

Strategic audit planning is the risk-based assessment that SAI Canada uses to select topics for future audit work. A risk based assessment is a process to identify, assess, and prioritize risks, in order to be able to identify areas to audit.

The team may assess the importance of, and risks associated with, the entity's or area's activities by considering factors such as:

- economic, social, and environmental impact – programs, activities, or processes affecting a large segment of the population or vulnerable populations, or which impact environmental sustainability, may be considered to be more important to the entity,
- relevance to stakeholders – the interest shown by the legislature or other governing bodies, by management of the entity or by the public may indicate the importance of the activity to stakeholders,
- diversity, consistency and clarity of the entity's objectives and goals – diverse or inconsistent objectives increase the risk that the entity's activities or programs are not operating with due regard to one or more of the principles of economy, efficiency, effectiveness and environment and sustainable development. Entity objectives and goals that are not clearly defined may increase the risk that they will not be achieved because they are not understood by employees,


- complexity of operations – an increase in the complexity of an entity’s operations, through increased variety and type of programs, functions and activities may increase the risk that the entity does not achieve its objectives and goals or that they are not achieved efficiently, economically or with due regard to the environment or sustainability,
- complexity and quality of management information and control systems – complex systems may be more difficult to develop, enhance and maintain. When adequate management information systems are not maintained, proper control may not be exercised,
- impact of environmental or organizational change – changes in an entity’s environment or organization can impact the continuity of operations and the understanding of priorities and processes by employees. This may increase the risk that the entity’s goals and objectives will not be achieved. Environmental changes include new government priorities, significant budget amendments and changes to enabling legislation. Organizational changes include changes in leadership, reorganization, new initiatives and staff turnover,
- financial magnitude and nature of transactions –large dollar amounts, high transaction volumes and transaction complexity and flow may create increased risks to the entity,
- management response to previously identified deficiencies – areas where management has not made adequate improvements to address important issues raised in prior performance audits or other studies may be more important and higher risk,
- organizational structure – centralization and decentralization of key activities such as budgeting, payroll, disbursements, human resources management and facilities management each create their own operational risks. Similarly, program delivery through agents carries different risks than those associated with direct program delivery, and
- program delivery method –programs in the public sector may be delivered by policy instruments such as expenditure, regulation and revenue-raising; may provide goods or services directly or may redistribute income; and may be delivered directly or by using agents. The amount of associated risk may vary depending on the delivery method.

The objective of the strategic audit planning process is to help identify areas of significance or of a nature that should be brought to the attention of Parliament.

The process allows the teams to efficiently and effectively identify potential audit topics that:

- add value, meaning that they focus on important gaps, outcomes, or areas for improvement in federal or territorial programs,
- address federal or territorial programs’ effects on individual Canadians and other stakeholders,
- can be audited, meaning that:
 - the subject matter is capable of consistent measurement or evaluation against the applicable criteria,
 - suitable criteria exist,
 - the evidence needed to support the conclusion can be obtained, and
 - the work conducted will lead to recommendations that are reasonable, able to be implemented, and can be directed to an entity that has the responsibility and authority to act on them.

Practice 13. Audit of Climate Change in Canada

Type of practice	Audit case	 (English)
SAI's country	SAI Canada (Office of the Auditor General of Canada, OAG)	
Year	2018	
Focus	Cross-cutting issues and approaches	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

Provincial, territorial, and federal governments have committed to taking significant steps to tackle climate change. Among other things, Canada has committed to meeting international agreements to reduce greenhouse gas emissions by certain levels by 2030. The federal government has also worked with provinces and territories to create the Pan-Canadian Framework on Clean Growth and Climate Change, which is intended to provide a national plan to meet Canada's 2030 emission reduction target. Canadian governments have stated that creating an effective response to climate change requires the collaboration of all levels of government across Canada. This work includes:

- creating long-term detailed action plans,
- actively involving partners and stakeholders in developing and implementing these action plans,
- implementing policies and practices across governments, and
- monitoring and reporting on progress.

Methodology

To assess climate change action in Canada, almost all provincial auditors general, partnered with the federal Commissioner of the Environment and Sustainable Development and SAI Canada, which carried out audit work for the three territories in its role as independent auditor for Canada's northern legislatures.

The overall objective of this collaborative project was to assess whether the federal, provincial, and territorial governments had met their commitments to reducing greenhouse gas emissions and adapting to climate change.

The collaborative approach draws on methodology developed for international collaborative audits as well as previous work completed in Canada in 2010, where six provincial audit offices and the federal audit office conducted audit work on electronic health records. The approach was a flexible model whereby each participating audit office chose its own objectives and incorporated a set of common questions to report on its government's climate change actions, including adaptation strategies, and targets for reducing greenhouse gas emissions.

Although each audit office performed its work independently, the offices worked together to develop a set of common questions related to climate change action to be included in the auditors' individual reports. This is the first time that so many legislative audit offices in Canada coordinated their work in this way.

Findings

SAI Canada found that most governments in Canada were not on track to meet their commitments to reducing greenhouse gas emissions and were not ready for the impacts of a changing climate. Meeting Canada's 2030 target will require substantial effort and actions beyond those planned or in place. Most Canadian governments have not assessed and, therefore, do not fully understand what risks they face and what actions they should take to adapt to a changing climate.


Additional SAI Canada's audit cases related to sustainable development

- [Draft Federal sustainable development strategies' review](#) (2021)
- [Implementing the SDGs](#) (2021)
- [Implementing sustainable development strategies](#) (2020)
- [Preparedness to Implement the SDGs](#) (2017)
- [Gender-based analysis](#) (2015)

Additional SAI Canada's audit cases related to other issues

- [Procuring complex information technology solutions](#) (2021)
- [Early childhood to grade 12 education in the Northwest Territories](#) (2019)
- [The Beyond the Border Action Plan \(the Perimeter Security and Economic Competitiveness Action Plan\)](#) (2016)

Practice 14. Digital Audit Transformation in Mexico

Type of practice	Digital transformation in SAI	 (Spanish)
SAI's country	SAI Mexico (Superior Auditor of the Federation)	
Year	2020	
Focus	Data analytics	
Moscow Declaration	#2. Responding effectively to opportunities brought by technological advancement	

Description

Digital transformation is the process by which SAI Mexico plans and implements a strategy to use advanced technologies for increasing operational efficiency, expanding coverage and achieving better results.

In September 2020, the [Digital Transformation Program](#) of SAI Mexico was published, aimed at facilitating the use of technologies for audit development, providing strategic directions with advanced information technology and technological development services so that SAI Mexico performed its functions quickly, efficiently and effectively.

This program follows a strategic line that is developed through short cycles and clear deliverables, which allow to obtain digital data and generate automated flows.

Implementation of data analysis methods

As part of a new strategic audit concept, and where modern information technologies make it possible to generate and analyze large amounts of data, SAI Mexco has made progress in creating a basis for data analysis methods and tools in recent years.

In 2018–2019, SAI Mexico concluded agreements with the Tax Administration Service, the Ministry of Finance and Public Credit, and the Ministry of Economy on providing access to information.

In 2019, SAI Mexico signed a contract with INFOTEC (Center for Research and Innovation in Information and Communication Technology) to store and process information referred to in the abovementioned agreements, at the INFOTEC data processing center, which has the TIER III Uptime Institute certificate guaranteeing the highest standards of security access.

In 2019, a working group was formed, which began to create a basis for analyzing the available information and using tools for analyzing large amounts of data.

In 2021, a pilot exercise was conducted that identified suppliers/contractors with signs of possible atypical behavior for more detailed examination during audits.

Feedback on the results obtained during the consideration of these cases will, on the one hand, strengthen and/or reorient subsequent data analysis activities within the public resources audit, and on the other hand, develop guidelines for wider use of data in more audits.

In the medium term, it is planned to fill the existing databases with additional information held by other state institutions relevant to the identification of new cases, and to promote the introduction and use of software and technologies that allow processing unstructured information and using data available on the Internet.

Practice 15. Audit of Management of the Wage Subsidy Scheme in New Zealand

Type of practice	Audit case	 (Английский язык) (English)
SAI's country	SAI New Zealand (Office of the Controller and Auditor-General of New Zealand)	
Year	2021	
Focus	COVID-19	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

The Government of New Zealand introduced the Wage Subsidy Scheme as one of its responses to Covid-19. The Government paid businesses more than \$NZ13 billion through the Scheme. The Government has estimated that the Scheme indirectly supported about 1.8 million employees.

The government chose a “high-trust” approach to operate the Scheme. This meant approving applications based on limited pre-payment verification and a declaration from applicants that they met the eligibility criteria. The systems to do this were established quickly and processes operated efficiently. Meanwhile, there was a risk that ineligible businesses would receive payments that they were not entitled to

Findings

SAI New Zealand found that reviews of applications were made consisted mainly of verbal confirmation of information from employers and, in some cases, employees. In most cases, these reviews did not involve substantiating the facts using independent, or at least documented, information. SAI New Zealand was not persuaded that the reviews have identified all applications that need further investigation.

Recommendations

SAI New Zealand recommended:

- test the reliability of a sample of reviews against evidence from applicants, and
- prioritise its remaining enforcement work, including pursuing prosecutions to recover funds and hold businesses to account for any potential fraud or abuse.

With similar policies an option in future crises, SAI New Zealand recommended that the organisations involved with the Scheme (the Ministry of Social Development, Inland Revenue, the Ministry of Business, Innovation and Employment, and the Treasury) should evaluate its development, operation, and impact to inform lessons for future support programmes.

SAI New Zealand's recommendations were accepted. Action has been taken to implement changes to the review processes. There have also been prosecutions for abuse of the Scheme.

There was an extensive media coverage of SAI New Zealand's findings both at the time SAI New Zealand issued the report and ongoing media reference to SAI New Zealand's recommendations when the Scheme was recommenced and reactivated for later periods of lockdown.


SAI New Zealand identified the following key challenges and lessons:

- recognising the very significant achievements of the public sector in developing and delivering the Wage Subsidy Scheme and making payments quickly during the very difficult period early of the pandemic while also raising in SAI New Zealand's report key areas for improvement,
- additional data checking steps had to be added to the audit process. This resulted in some delays in the completion of the SAI New Zealand's audit, and
- because of the need to complete this work quickly, so that action could be taken and the Scheme revised and improved ready for use in future lockdowns, close involvement of the senior leadership of the SAI New Zealand's was required throughout the audit process.

Additional SAI New Zealand's audit cases related to other issues

- [Auditor's review of family violence and sexual violence \(2021\)](#)
- [Literature review of family violence and sexual violence \(2021\)](#)

Practice 16. Audit of Public Private Partnerships in the National Health Service in Portugal

Type of practice	Audit case	 (Portuguese)
SAI's country	SAI Portugal (Portuguese Court of Auditors, TdC)	
Year	2021	
Focus	Public-private partnerships	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

Between 2014 and 2019 SAI Portugal issued audit reports on the execution of the management contracts of Public-Private Partnerships (hereafter – PPP) in the National Health Service.

The development of the hospital network using PPP started in 2001. Within the scope of the program, 4 hospitals were built in the PPP model, and their management was also included in PPP through 10-year contracts.

SAI Portugal decided to perform audit work in view of relevance and importance of the subject matter.

Methodology

In the context of the COVID-19 pandemic, SAI Portugal practiced the following during the audit:

- using the main findings and recommendations from previous reports,
- collection and analysis of public information on the performance of hospitals managed under PPP,
- collection and analysis of reports produced by State entities on the same subject, for example, reports of the Technical Unit for Monitoring Projects and the Health Regulatory Authority, and
- collection and analysis of contract performance data, with updated information from previous audit reports.

Findings

The evaluation of the performance of PPP in hospital management was positive from the perspective of the State, the contracting entity, as well as the independent external evaluations.

The users of hospitals managed in the PPP model benefited from more demanding quality standards than those applied in the monitoring of public managed hospitals.

The contractual matrices of performance evaluation stand out, which comprise broad universes of performance indicators for results and services, regularly audited, which, when are not fulfilled, result in financial penalties for private partners.

There was a divergent interpretation between the parties on contractual provisions, in terms of the management of the establishment, some of which remain unresolved, and in certain cases these divergences originated formal procedures for resolving disputes.

SAI Portugal highlighted several challenges for hospitals managed in the PPP model:

- adjustment of the contracted annual production to the health service needs of the population in the area of influence of each hospital,
- application and monitoring of performance indicators of expected results within the PPP contracts to all National Health Service's hospitals, adapting them to the acquired experience,
- widespread application and monitoring of user and professional satisfaction surveys within the PPP contracts to all National Health Service's hospitals,
- the evaluation of the mechanisms associated to the quality management system, mandatory for the establishments managed in PPP, in order to consider their generalization to the ensemble of hospital units in the National Health Service,
- the evaluation of the divergences and disputes that occurred in the execution of the current contracts, as well as the difficulties in the operationalization of some performance indicators, in the configuration of new management contracts, and
- the adequate reasoning for the decision between traditional public contracting and PPP, based on cost-benefit analyses, in order to ensure the best application of public funds to meet collective needs, in compliance with the principles of economy, efficiency and effectiveness of the public expenditure.

Additional SAI Portugal's audit cases related to COVID-19 pandemic

- [Risks in the use of public resources in emergency management](#) (2020)
- [Impact of the measures adopted under COVID-19 on Local Government entities in the Mainland](#) (2020)

Additional SAI Portugal's audit case related to other issues

- [Audit of municipal plans for the defense of forests against fires](#) (2019)

Practice 17. Evidence-Based Policy Award among State, Regional and Municipal Officials in the Russian Federation

Type of practice	Best practices in state and local governments	 (Russian)
SAI's country	SAI Russia (Accounts Chamber of the Russian Federation)	
Focus	Data analytics	
Moscow Declaration	#2. Responding effectively to opportunities brought by technological advancement #3. Enhancing SAIs' impact on public management accountability and transparency	

Description

The Accounts Chamber of the Russian Federation defined data analysis as one of the strategic directions in the Development Strategy for 2018–2024. In recent years, different data analytics methods such as quasi-experimental methods (difference-in-differences, panel regressions, propensity score matching), microsimulation methods, CGE-modeling, etc. have been introduced into practice of audits. The results of data analysis are often used together with other evidence, such as document analysis or sociological research.

Evidence-based policy helps to understand whether programs work, under what circumstances and to decide how to efficiently allocate resources.

The idea of using scientific evidence for decision-making in public administration came from medicine: clinical trials are conducted to prove the efficiency and safety of new drugs (e.g., vaccines). The approach is now used to improve the efficiency of budget expenditures and transparency of decision-making.

In 2021, SAI Russia launched an Annual evidence-based policy award among state, regional and municipal officials with a purpose to identify the best practices and initiatives of evidence production and use and to form a repository of them.

In 2022, the nominations were built around five areas:

1. “Problem analysis” – identification a problem, which should be addressed by programs, projects, public policy measures (including the data collection and analysis on the problem, the assessment of its scope);
2. “Forecasting and prospective evaluation” – socio-economic forecasting to assist in decision-making or to evaluate / forecast the expected effects of projects, programs, public policy measures;

3. “Data analysis for process modernization” – data-driven identification of problems in the processes implementation of individual projects, programs, public policy measures, and development of mechanisms for solutions of such a problems;
4. “Economic analysis” – evaluation of costs and benefits generated by a project, program, public policy measures (e.g., cost-benefit analysis, cost-effectiveness, cost-utility analysis), and
5. “Impact evaluation” – impact evaluation of a program, project, public policy measures, as well as initiatives for piloting and conducting experiments for evaluation purposes.

The expert panel responsible for assessment of applications consists of methodologists and subject-matter experts of the Accounts Chamber of the Russian Federation, as well as invited experts on the evaluation of programs and application of data analysis for evaluation of public policies. Decisions on the award finalists are made by the expert panel in a collegial manner and are based on the predefined provision, which minimizes the risks of conflicts of interest.

All applications are subject to expert evaluation according to the following criteria:

- clarity of goals and objectives,
- transparency and consistency in the description of data collection and analysis methods,
- correctness of data collection and analysis methods, and
- clarity of results, their value for management decision-making.

Best practices and initiatives are published in a repository.

In support of the award the Accounts Chamber of the Russian Federation recorded an introductory course on evidence-based policy, its employees keep a telegram channel for telling about the best world practices, current research articles, seminars and conferences.

Results


In 2022, SAI Russia received more than 80 applications from 64 teams at the federal, regional and municipal levels. The applications encompassed a whole range of approaches: from focused data collection for evaluating programs and projects to the use of quasi-experimental methods to obtain information for decision-making.

For example, the Economic Development Department of the Lipetsk Region assessed the expediency of replacing benefits for housing and communal services with fixed payments. The results showed that this measure would worsen the situation of a significant part of beneficiaries and would require additional regional budget expenditures (the proposed reform was rejected).

Federal Labour and Employment Service (Rostrud) evaluated the impact of additional professional education on employment and wages using quasi-experimental methods. The results showed that additional professional education has a positive impact on employment and income of beneficiaries, though it is necessary to take into account the peculiarities of regional labour markets when forming training programs. The application won in the nomination “Impact Evaluation”.

Cooperation between public agencies and the scientific community often leads to optimal solutions in provision of evidence. For example, the cooperation of the team of the Ministry of Forestry and Wildlife Protection of Primorsky Krai with the World Wildlife Fund and the Far Eastern Institute of Oceanology made it possible to predict the boundaries of territories with high fire risks based on spatial analysis of satellite data. The initiative won in the nomination “Forecasting and perspective evaluation”.

Practice 18. Application of Risk-Based Approach to SAI Work in the USA

Type of practice	Foresight Audit planning approach High Risk List	 (English)
SAI's country	SAI USA (U.S. Government Accountability Office, GAO)	
Year	2018-2023	
Focus	Data analytics	
Moscow Declaration	#2. Responding effectively to opportunities brought by technological advancement #3. Enhancing SAIs' impact on public management accountability and transparency	

Description

Foresight

SAI USA created a Center for Strategic Foresight in 2018 to serve as the agency's principal hub for identifying, monitoring, and analyzing emerging issues facing policymakers. The Center reflects SAI USA's mandate to provide Congress with reliable, fact-based information for overseeing federal agencies and programs.

The Center has non-resident Fellows who are leading experts in foresight, planning, and futures thinking from around the world. Collectively, their wide range of experience and expertise spans government agencies, the private sector, non-governmental organizations, and academic institutions.

SAI USA's Strategic Planning and Foresight team helps SAI USA's management understand and plan for the agency's future. The team helps SAI USA provide its congressional clients with expertise, products and analysis that are relevant and forward-looking.

The foresight program consists of an ecosystem that touches every part of the SAI USA's enterprise. Key components include a quadrennial strategic planning process, annual plans for prioritizing audit resources, environmental scanning, and consultation with advisory boards comprised of important external stakeholders.

SAI USA also facilitates workshops and trainings that enable staff to incorporate forward-looking approaches into their work.

SAI USA participates in numerous U.S. and global external networks that focus on strategic foresight and emerging issues. These networks bring together organizations from the public, private, and nonprofit sectors, including academia, to discuss trends and emerging

issues that shape government and society and, ultimately, the work SAI USA does for Congress.

Key programs and initiatives include:

- **Environmental Scanning:** A continuous, structured process that identifies emerging issues, risks and opportunities through participation in foresight peer networks, literature reviews, and agency-wide scanning by SAI USA's staff, and
- **Priorities Framework:** Provides an internal planning tool and process to build consensus within mission team management and SAI USA's executive leadership to prioritize allocation of resources, update key efforts and shape Congressional outreach in the following year.

Planning

SAI USA's strategic plan provides a comprehensive roadmap for increasing accountability across the full range of federal government operations.

To carry out its mission, SAI USA has four overall strategic goals that focus on the well-being and financial security of the American people; threats and challenges associated with national security and global interdependence; transforming the federal government to address national challenges; and maximizing the value of SAI USA as a leading practices federal agency.

[Strategic Plan Goals and Objectives](#) form the foundation of the plan and outline our long-term strategies and goals.

[Key Efforts](#) are near-term priorities in support of longer-term mission to provide the Congress with timely and fact-based analyses on the most important national issues. Key Efforts denote substantial areas of focus and bodies of work that will contribute to the successful accomplishment of SAI USA's strategic objectives and performance goals.

[Trends Affecting Government and Society](#) provide the strategic context for SAI USA's plan through an exploration of eight trends having a major impact on the nation and its government. This includes emerging issues in global and national security, the federal government's fiscal condition, demographics, science and technology, and preparing the workforce of the future.

By exploring trends, key uncertainties, and their implications, SAI USA can better highlight national issues of greatest concern to the Congress and the American people in the years and decades ahead. Taking a longer view also helps SAI USA define the strategic context for their work and better address crosscutting and interconnected challenges that will require sustained collaboration and innovation.

Foresight tools like trend analysis are essential to help inform decision making and long-term planning to serve the Congress.

[SAI USA 's annual performance plan](#) covers activities for each of SAI's strategic goals. It not only shows the relationship between SAI USA's strategic goals and strategic objectives, but also shows major themes that could potentially affect SAI USA's work.

[SAI USA's Performance and Accountability Report](#) describes the agency's performance measures, results, and accountability processes for the fiscal year. In assessing SAI's performance, SAI USA compares actual results against the targets and goals that were set in our annual performance plan and performance budget to help carry out SAI's strategic plan.

Addressing high risks

In 1990, SAI USA began a program to report on government operations that the agency identified as "high risk." Since then, generally coinciding with the start of each new Congress, SAI USA have reported on the status of progress to address high-risk areas and update the [High Risk List](#).

Overall, the High Risk List has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. Since our program began, the government has taken high-risk problems seriously and has made long-needed progress toward correcting them. In a number of cases, progress has been sufficient for SAI USA to remove the High Risk designation.

The key elements needed to make progress in High Risk areas are top-level attention by the administration and agency leaders grounded in the five criteria for removal from the High Risk List, as well as any needed congressional action.

The five criteria are:

- Leadership Commitment – demonstrated strong commitment and top leadership support,
- Capacity – agency has the capacity (i.e., people and resources) to resolve the risk(s),
- Action Plan – a corrective action plan exists that defines the root cause, solutions, and provides for substantially completing corrective measures including steps necessary to implement solutions SAI USA recommended,
- Monitoring – a program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures, and
- Demonstrated Progress – ability to demonstrate progress in implementing corrective measures and resolving the high-risk area.

In 2015, SAI USA began illustrating progress in high risk areas using a five-pointed star. The star visibly indicates whether each of the five criteria have been met, partially met, or not met for that high risk area.

Practice 19. Study on Problems of Public Sector Programs (Fragmentation, Overlap, and Duplication) in the USA

Type of practice	Study on problems of public sector programs	 (English)
SAI's country	SAI USA (U.S. Government Accountability Office, GAO)	
Year	2021	
Focus	Calculation of financial benefits from actions	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

SAI USA issues [annual reports](#) on federal programs with fragmented, overlapping, or duplicative goals or activities. In those reports, SAI USA suggested hundreds of ways to address those problems, reduce costs, or boost revenue.

Congress and agencies have fully or partially implemented many of the actions SAI USA suggested. SAI USA estimates that this will likely lead to more than half a trillion dollars (\$515 billion) in cost savings and revenue increases. Fully addressing the remaining 441 actions could save tens of billions more dollars and improve government services.

To calculate the total financial benefits resulting from actions already taken (addressed or partially addressed) and potential financial benefits from actions that are not fully addressed, SAI USA reviewed available data and estimates for all of the actions to determine the amount of actual financial benefits and (or) estimate potential financial benefits for each action and area. Each actual and potential financial benefit calculation was reviewed by one of SAI USA's technical specialists.

SAI USA's audit cases related to sustainable development

[Assessment of issues related to justice, equity, diversity and inclusion](#)

SAI USA's audit cases related to COVID-19 pandemic

[Review of the federal response to the COVID-19 pandemic and oversight of related spending](#)

SAI USA's audit cases related to open data and open government


[Blog on the Freedom of Information Act – how open is public access to government data \(2021\)](#)

[Federal spending transparency \(2021\)](#)

SAI USA's audit case related to other issues

[A Century of strategic evolution to meet congressional needs \(2021\)](#)

Practice 20. Audit of Achieving the SDGs in Turkey

Type of practice	Audit case	 (English)
SAI's country	SAI Turkey (Turkish Court of Accounts)	
Year	2020	
Focus	INTOSAI Development Initiative's SDGs Audit Model	
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs	

Description

An audit was carried out in the framework of sustainable development principles by using [ISAM](#) (INTOSAI Development Initiative's SDGs Audit Model) published by the as well as national and institutional guidelines.

Both global and national indicators were used to evaluate whether the goals have been achieved.

The audit was carried out in the framework of the basic questions below:

- Was the policy framework formed properly to ensure the implementation of the SDGs?
- Were the processes – for gathering data, analysis and reporting results for monitoring the SDGs and relevant indicators – built so as to operate effectively?
- Is there an established system that evaluates and reports the implementation of the SDGs at the national level?

Additional SAI Turkey's audit case related to strategic approach to planning

[SAI Turkey's Strategic plan \(2019–2023\)](#)

Practice 21. Audit of the Missionary Electrification Development Program in Philippines

Type of practice	Audit case
SAI's country	SAI Philippines (Philippine Commission on Audit)
Year	2021
Focus	Whole-of-government approach
Moscow Declaration	#1. Providing independent external oversight on the achievement of nationally agreed targets including those linked to the SDGs

Description

SAI Philippines performed an audit of Missionary Electrification Development Program (hereafter – MEDP) to determine whether a government policy on reduction or graduation of electricity rates is instituted and implemented to address the inequitable and high cost cross subsidies provided by the government, among others.

Methodology

The focus area of the audit has been identified through the agency-level risk assessment process. The identification of the MEDP as a risk area was predicated by the fact that this represents the largest retained function of the National Power Corporation. In addition, this is the largest revenue and expense driver of the agency.

From 2017 to 2019, there are a number of risk areas that have been identified by the audit team:

- inequitably high cross-subsidies,
- exposure to further losses,
- foregone revenue,
- higher True Cost of Generation and higher Universal Charge for Missionary Electrification,
- low market competition,
- sustainability risk, and
- erroneous computation of the Return on Rate Base.

The above risk areas were identified in the context of the following underlying considerations:

- affordability,
- social equity,
- policy implementation, and
- sustainability.

The audit involved the review and evaluation of pertinent historical financial information from the National Power Corporation. The audit team also conducted various on-site inspections.

Findings

At the policy level SAI Philippines noted exceptions or issues that relates to the non-achievement of certain policy objectives and other relevant authoritative policy issuances.

At the regulatory level issues pertained to regulatory lapses.

At the implementation level SAI Philippines noted adverse effect of actions or inaction of the National Power Corporation as the implementing agency of the program.

Audit impact

The MEDP plays a vital role in ensuring access to affordable, reliable, sustainable, equitable, clean and modern energy for all, that is in line with SDG 7. The multi-layered approach in auditing the MEDP highlights the relative significance of the total privatization objective to the cross-subsidy policy through the Universal Charge for Missionary Electrification.

The audit has been instrumental in advancing some policy improvements as evidenced by the following.

In 2018, the Department of Energy issued an exposure draft of the “Omnibus Guidelines in Ensuring the Security, Reliability, Adequacy, Quality and Affordability of Electric Power Service in Missionary Electrification through Private Sector Participation, Compliance to Technical Standards and Adoption of Appropriate Tariff and Subsidy Policies”.

The exposure draft provided, among others a section that covers the rationalization on tariffs and phase out of the Universal Charge for Missionary Electrification subsidy in missionary areas.

However, in 2019, when the final Circular was issued, the Department of Energy pronounced that the Department shall “study and formulate new policies and programs to rationalize existing tariffs in off-grid areas, including the removal of the Universal Charge for Missionary Electrification subsidy in consultation with the concerned stakeholders”.

In 2021, the Department of Energy issued an exposure draft of a Circular entitled “Mandating the National Transmission Corporation as Small Grid System Operator in Off-Grid Areas”.

Key challenges

SAI Philippines encountered a number of key challenges during the audit.

There was no standard criterion for “commercial viability” yet devised by the Department of Energy that could have been used as a conclusive basis for subsidy graduation.

The audit team did a non-representative household survey in the remote areas of Palawan to roughly assess the living conditions, ability to pay, and obtain an understanding of the consumer’s electricity consumption. However, the audit team lacked the technical expertise to do a comprehensive economic welfare analysis (in terms of social surplus) of the potential impact of the gradual reduction of subsidy.

A sensitivity analysis can also be done to evaluate the demand effect(s) of imposing a transition period and index to the unviable areas enrolled in the program and examine the sensitivity of benefits and costs when subsidies are reduced or eventually phased out.

Administrative decisions in the implementation are highly dependent on the policy-making timetable. Without authority from regulators and policy-makers, certain policy measures cannot be implemented by the National Power Corporation. There were observed significant lags in the regulatory timetable by the Department of Energy and the Energy Regulatory Commission.

The audits provide recommendatory measures but can be limited in materializing policy changes. The National Power Corporation management implemented most of the SAI Philippines’ recommendations. However, the SAI Philippines’ recommendations have to some extent influence on the evaluation side of the policy process, but the real policy changes in the design, implementation and monitoring are primarily and significantly influenced by the exercise of administrative discretion of policy-making and regulatory agencies.

With the foregoing considerations, it would be best that a “whole-of-government approach” to auditing be used by the SAI Philippines. In the context of the MEDP, this entails the involvement of various government agencies.

Consequently, the inclusion of the analysis of the intersectionality of the different regulatory oversight functions of these agencies and the design of holistic approaches to evaluate the effects of the policy intervention in a large-scale would provide a more responsive and enhanced audit scoping that would address the whole-of-government approach.

Additional SAI Philippines’ audit practices related to responding to opportunities brought by technological advancement

SAI Philippines ensured that its operational systems are at its optimal level. New means are developed and implemented for auditors to adapt to changing work arrangements and environments brought about by the pandemic disruptions and halts. SAI Philippines developed and implemented short, medium, and long-term ICT Plan that includes the following tools and systems application, among others:

- Audit-Related Data Information System (ARDIS) – an audit tool to collect and monitor audit results used by the auditors assigned in various government agencies,
- Agency Records Custodial Information System (ARCIS) – a tool for remote audit that is an electronic filing of auditees’ financial and other documents turned-over to the auditors as custodian of these financial records,
- COA Order of Execution Management Information System (COEMIS) – jurisdictional control online tool to collect and integrate data on the final and executory decisions at all levels of adjudication, and
- [Project Monitoring Infrastructure Scheduling and Monitoring](#) (PRISM) – features a web and mobile application for both auditors and the public, a visual dashboard, analytics, geotagging, and open data-sharing. The PRISM mobile application enables citizens to participate in audits of infrastructure projects by sharing data and images, which feed in to the visual and analytical dashboards of the PRISM Portal.

SAI Philippines also developed [MIKA-EL](#) (Machine Intelligence, Knowledge-based Audit and Experience Learning). Through MIKA-EL audited agencies can submit documents to their auditors and the auditors can accept audit documents without physical interaction.

Additional SAI Philippines’ audit cases and practices with citizen participatory

[The Citizen Participatory Audit](#) is a mechanism for strategic partnership and sharing of aspirations, goals, and objectives between SAI Philippines and civil society.

To support the principle of “inclusiveness” and “leaving no one behind”, SAI Philippines conducts citizen participatory audit on a regular basis.


Examples of completed [citizen participatory audits](#):

- DepEd elementary and secondary school buildings and other facilities in Metro Manila (2020),
- Barangay health centers (2018),
- Water, sanitation, and hygiene project (2017),
- Tourism road infrastructure program (2016),
- Farm-to-market road project (2016),
- Local disaster risk reduction and management fund (2016),
- Solid waste management program (2014), and
- KAMANAVA Flood control project (2014).

Additional SAI Philippines' audit cases and practices related to sustainable development

- [Preparedness for implementation of the SDGs](#)
- [National health insurance program](#) (2021)
- [National greening program](#) (2019)
- [Government assistance to private education](#) (2018)
- [Bureau of fire modernization program](#) (2018)
- [School-based immunization program](#) (2017)
- [Health facilities enhancement program](#) (2017)
- [Conditional cash transfer program \(Pantawid Pamilyang Pilipino Program\)](#) (2017)
- [Disaster preparedness programs of Quezon City and Malabon City](#) (2017)

Practice 22. Institutional Accountability in Ecuador

Type of practice	SAI's accountability	 (Spanish)
SAI's country	SAI Ecuador (The State Comptroller General)	
Year	2020	
Focus	Surveys	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

The focus of the institutional accountability process is on reporting on the institutional governance of SAI Ecuador with the active participation of citizens, promoting public transparency and including the various actors with which the SAI is linked. The process was designed as interlinked and interdependent phases, from the publication of the preliminary report to the implementation of the recommendations made by citizens.

Methodology

To implement this process at the national level, 482 surveys were conducted: 118 online and 364 offline. The preliminary accountability report was published on the SAI Ecuador's website, followed by a face-to-face discussion on the SAI Ecuador's accountability report. This event was attended by citizens represented, inter alia, by youth and adolescents, the elderly, university students, persons with disabilities, entrepreneurs, indigenous organizations. Participants had the opportunity to hear a report on the SAI's governance and, in addition, to ask several questions from different governance areas. They were also provided with a form for ideas, comments and suggestions.

The event was followed by the publication of the final accountability report on the SAI Ecuador's website. The SAI implemented key comments and suggestions of citizens collected throughout the institutional accountability process.

The establishment of virtual and face-to-face channels for informing, collecting information and discussing issues ensured the involvement of various social actors in the accountability process. In addition to the face-to-face phase, virtual media were used to disseminate the management report recorded during the face-to-face event, to be known and analyzed by a large number of citizens, as well as to collect their recommendations, impressions and suggestions. This contributed to the wider dissemination and consolidation of materials aimed at improving institutional governance. The link to the accountability video published on the SAI Ecuador's website was sent by email to 7,000 registered contacts.

Until June 11, 2021, when the video remained published, 1,664 views were recorded, indicating a good perception of the process by citizens.

Results

SAI Ecuador is becoming a public institutional benchmark for the application of due accountability process and methodology in Ecuador, that is, a model to be followed (the main impact). Another impact is the diverse and representative participation of society, since SAI Ecuador contributed to the establishment of virtual and face-to-face channels of interaction with society. Finally, this process has a direct impact on the continuous improvement of institutional governance through the implementation of recommendations made to SAI Ecuador.

Additional SAI Ecuador's audit practice related to accountability issues

[Checking of the implementation of recommendations given during the control actions, ad hoc reviews related to various systems and subsystems, programs and projects of audited entities](#)

Additional SAI Ecuador's audit case related to COVID-19 pandemic


[Report on public control, including for the period of the public health emergency caused by COVID-19 \(2020\)](#)

Additional SAI Ecuador's audit cases related to sustainable development

[Preparedness for implementation of the SDGs, in particular SDG 1: End poverty in all its forms everywhere \(2021\)](#)

[Preparedness for implementation of the SDGs, in particular SDG 5: Achieve gender equality and empower all women and girls \(2019\)](#)

Practice 23. Review of Economic Support Measures under COVID-19 in Estonia

Type of practice	Audit case	
SAI's country	SAI Estonia (National Audit Office of Estonia)	
Year	2021	
Focus	Data analytics	
Moscow Declaration	#2. Responding effectively to opportunities brought by technological advancement #3. Enhancing SAIs' impact on public management accountability and transparency	
		(English)

Description

At the beginning of the COVID-19 crisis the Estonian Government introduced several measures to support the economy, including temporary wage subsidy by the Estonian Unemployment Insurance Fund, support of Enterprise Estonia for rent payments to commercial and service enterprises, support measure for the tourism sector, and support measure for small enterprises. In addition, KredEx and the Estonian Rural Development Foundation commenced with issuing extraordinary loans and loan guarantees to enterprises. In total, these measures cost about 745 million euros in 2020.

The Government of the Republic decided to launch the measures as soon as possible, and so there was little time to assess the business situation to precisely target the measures and develop legislation. The agencies that implemented the support measures had little time to develop the processes for this purpose.

SAI Estonia saw a risk that regulations drawn up on the basis of insufficient preliminary work and hastily created work processes might not ensure that support measures reach the entrepreneurs in areas of activities where the impact of the crisis is the most serious. During the preparation of the overview, SAI Estonia examined whether the national support measures reached these areas.

Methodology

The review was a large-scale data analysis in nature, since monthly data on sales turnover, labour taxes and employee statistics across all Estonian companies were enquired from the Tax and Customs Board.

For performing a cross-analysis, data on the beneficiaries of various state crisis support measures was requested from agencies implementing the schemes.

Findings

The results of the analysis were presented via interactive Tableau dashboards on the SAI Estonia's website – a first-ever data-intensive review performed and published in such a manner. Data visualizations were complemented by a standard audit report, centred around the observations and conclusions based on the data analysis.

The SAI Estonia's analysis showed that, for the most part, the support measures benefited enterprises in areas of activity that were the most affected by the crisis and who did worse based on economic indicators than those who did not receive support or loans. In general, temporary wage subsidy reached enterprises that were hit harder by the crisis. As such, the risk that crisis measures might benefit enterprises that do not need them did not, as a rule, materialise.

Key challenges and lessons learned

The review provided SAI Estonia with important information about the varying quality as well as the length of the process of obtaining public sector data, helping SAI be better prepared for similar projects in the future. Furthermore, SAI Estonia also identified various areas for potential closer cooperation with Statistics Estonia, a governmental agency responsible for producing official statistics.


SAI Estonia is a relatively small institution and does not house a separate dedicated data unit, making collaboration with the governmental data agency an attractive prospect – SAI could save significant amount of time and focus primarily on output and conclusions.

A silver lining of the otherwise rather challenging pandemic situation is the push towards innovative thinking and problem-solving it has generated within SAI Estonia. Interactive solutions and reconceptualization of the outputs of audits as well as the automation of monitoring and parts of the audit process are certainly keywords at the centre of attention in the coming years. As a concrete development area, real-time connection with most important public sector databases via the Estonian data exchange layer [X-Road](#).

Additional SAI Estonia's audit cases related to COVID-19 pandemic

- [Procedure for loan applications related to the corona crisis at the Rural Development Foundations](#) (2021)
- [Crisis loan procedure for nationally important projects at KredEx](#) (2021)
- [Brief overview of the implementation of crisis measures of the Rural Development Foundation](#) (2020)
- [Overview of the use of the emergency reserve for COVID-19 by the Government of the Republic as at 31 July 2020](#) (2020)
- [KredEx extraordinary measures for companies to relieve the impact of corona crisis](#) (2020)

Practice 24. Audits of Initiatives on the Olympic and Paralympic Games in Japan

Type of practice	Audit case	 (Japanese)
SAI's country	SAI Japan (Board of Audit of Japan)	
Year	2018-2019	
Focus	State of initiatives	
Moscow Declaration	#3. Enhancing SAIs' impact on public management accountability and transparency	

Description

In 2013, after Tokyo was declared the host city for the 32nd Olympic Games and the 16th Paralympic Games (hereinafter – Games), the International Olympic Committee (hereinafter – IOC), the Tokyo Metropolitan Government (hereinafter – TMG), and the Japanese Olympic Committee signed the Host City Contract. The IOC delegated to TMG and the Japanese Olympic Committee the planning, organizing, financing, and management of the Games.

The Japanese government took responsibility for a number of initiatives including constructing the new Olympic Stadium, supporting the preparations for and management of the Games, and various relevant measures for creating a new Japan through the Games.

In 2017 SAI Japan received a request from the House of Councillors to conduct audits on the matters related to the Games.

The Games were originally planned for 2020, but were postponed until the following year due to the COVID-19 pandemic. In view of this circumstance, SAI Japan decided to conduct audits until just before the Games, but in a manner that does not impede the preparation of the Games.

There was an objective to audit the state of initiatives toward the holding of the Games and measures related to the Games (hereafter – Relevant Measures) carried out by ministries and agencies.

Methodology

SAI Japan conducted field audits, collecting statements and relevant materials and hearing explanations from personnel in charge at the headquarters of the 14 ministries and agencies, external and local bureaus, the Japan Sport Council (hereinafter – JSC),

the independent administrative agencies carrying out Relevant Measures, the Japan Racing Association, prefectural and local governments, the Tokyo Organising Committee of the Olympic and Paralympic Games (hereinafter – TOCOG), and corporate bodies receiving national subsidies or consigned bodies by 14 ministries and agencies. In addition, research and analysis were conducted based on published materials. SAI Japan did not have the mandate to conduct audits concerning initiatives carried out by prefectures that are being implemented without receiving government subsidies. Audits for such initiatives were conducted to the extent in which cooperation was obtained, such as by receiving explanations from relevant parties.

Findings: Estimates of cost of the Games

As of the end of FY2017, the scale of expenses not organized under the Game-related budget but were necessary for activities that were considered to have a strong connection to the Games or activities for TOCOG had not been announced.

Therefore, for the First Report in October 2018, SAI Japan asked the Secretariat of the Headquarters for the Promotion of the Tokyo Olympic and Paralympic Games in the Cabinet Secretariat (hereinafter – Secretariat) to inform the public and ask for their understanding for the work that the Japanese government must bear:

- to collect information from ministries and agencies on activities that were recognized to particularly contribute to the preparation and management of the Games, and classification standards are needed to be marshaled (this concerns not only activities that the Japanese government was expected to cover based on the details of the estimates of cost of the Games that had been announced by TOCOG and the activities that the Secretariat had compiled and published as the Game-related budget, but also other activities considered as administrative expenses),
- to grasp the overall view including the details of the activities, the scale of the expenses, and
- to consider announcing them publicly.

In response to the First Report findings, the Secretariat had taken two measures:

- categorized spending of a total of 801.1 billion yen from FY2013 to FY2017 into three categories, and made them public, and
- when the Game-related budget reflecting the budget for FY 2019 was announced, it went back to FY 2013, which is the year when it was decided that the Games were to be held, and included the project budgets (until then, it included only the budgets for projects from FY2016).

In the audits for the December 2019 Second Report, SAI Japan audited whether or not the Secretariat was announcing activities that were recognized to particularly contribute to the preparation, management of the Games, taking into account the purpose of the findings of the First Report. The following matters were found.

First, for the Game-related budget, expenses scheduled to be implemented in a later fiscal year were not included in the announcement. Secondly, in the report of the state of initiatives, which made reports on the Relevant Measures taken by the Japanese government, to the Diet, there was no mention of the new activities being carried out in consultation with TOCOG as a result of the progress concerning preparations for the Games, nor of the financial support to TOCOG as well as the aid for local governments and private organizations for the projects relating to the holding of the Games that JSC was carrying out with the sales of the Sports Promotion Lottery as a source of funding. In addition, it was found that TOCOG and the Ministry of Defense had been coordinating matters in terms of cooperation for the management of the Games. This was for some parts of management that were carried out with TOCOG covering the costs.

In light of these circumstances, for the Second Report, SAI Japan asked the Secretariat to inform the public and ask for their understanding for the work that the Japanese government must perform. SAI Japan asked the Secretariat to make improvements on the collection of information from ministries and agencies, on the details of the activities, the scale of the expenses, and to understand the overall view and to announce them publicly.

In response to the matters pointed out in the Second Report, the Secretariat publicized the classification of Related Measures again, with the addition of new projects in January 2020 (prior to the decision to postpone the Games). The Secretariat also publicized the aggregate results of the subsidies that were being implemented for projects related to the holding of the Games, using the sales of Sports Promotion Lottery as the source.

Findings: Expenses for the Paralympic Games

The facilities of the Paralympic Games and the expenses required for the management of the Paralympic Games were determined by the General Agreement that TOCOG, TMG, and the Japanese government cover the expenses with a 2:1:1 ratio.

The Ministry of Education, Culture, Sports, Science and Technology provided a 30 billion yen grant to TMG in March 2018 to cover a quarter of the expenses for the Paralympic Games. TMG has put the grant aside into an existing fund, and separates it from its own funds. Projects for the Paralympics are to be carried out by TOCOG as part of the project carried out by TOCOG in preparation for the Games with the burden of the expenses shared with TMG and the Japanese government (hereinafter – Joint Implementation Project). TOCOG applies for the issuance of the Paralympic Games expenses to TMG based on the progress of execution. TMG, after confirmation by the Joint Implementation Business Management Committee, pays TOCOG the amount the Japanese government and TMG are responsible for (the amount covered by the Japanese government is hereinafter referred to as the “Paralympic Games Grant”).

The Joint Implementation Business Management Committee is supposed to discuss expenses of the Joint Implementation Project and the strengthening of its cost management and enforcement control, confirm conditions regarding these matters, and, if necessary, provide comments and advice, to the Japanese government, TMG, and TOCOG.

The Joint Implementation Business Management Committee reviews the Paralympic Games

expenses, the list of expenses that TOCOG has organized as Paralympic Games expenses, the list of contract details by expenses, and by hearing the details of the expenses from TOCOG, confirms whether the expenses related to both the Olympic and the Paralympic Games and players are appropriate in accordance with the basic concept of the Paralympic expenses.

For the Paralympic Games expenses in FY2017 and FY2018 totaling 41.66 million yen (of which the equivalent amount for a Paralympic Games Grant is 10.41 million yen) for five contracts appropriate accounting was not carried out based on the accounting procedures and contracts of TOCOG.

For the Paralympic Games expenses in FY2017 and FY2018 totaling 41.35 million yen (of which the equivalent amount for a Paralympic Games Grant is 10.33 million yen) for two contracts it was found that a thorough examination on the appropriate method for the proportional division of Olympic and Paralympic Games expenses should have been made in accordance with the basic idea of Paralympic Games expenses.

In the Second Report, SAI Japan asked the Japanese government, as a member of the Joint Implementation Business Management Committee, to promote a more accurate confirmation on whether the Paralympic Games expenses of the Joint Implementation Project subsidies, which made the Paralympic Games Grant a part of financial resources, carries out appropriate accounting based on the accounting procedures and contracts of TOCOG, and whether they were in line with the basic idea of the Paralympic Games expenses.

According to the published materials from the Tokyo Metropolitan Assembly, TOCOG had recalculated the proportional division for the two contracts which SAI Japan had reported. The excessive amount that was borne by the Japanese government and TMG have been returned to the fund. In addition, according to the resources from the Joint Implementation Business Management Committee, a working group to confirm the Paralympic Games expenses is being held earlier than before, and steps are being taken to ensure time for confirmation.

Findings: Construction of the National Stadium for the Olympic and Paralympic Games

Of 45 facilities, there are three facilities for the Games (including the new National Stadium) that are owned and maintained by the Japanese government or by corporate bodies funded by the Japanese government. With regard to the construction of the new National Stadium, the deadline for completion was set to the end of April 2020, and the maximum project cost was set to 159 billion yen, in the building plan, decided in 2015. In addition, for the financial resources for construction, 158.1 billion yen out of the expenses necessary for the construction was to be shared in terms of burden of costs.

Regarding the use of the facility after the Games are over, according to the Basic concept on post-Game operation and management, the direction of management includes upgrading the facility to a stadium dedicated to ball games, where international football and rugby competitions can be held after the Games, and refurbishing the stadium to enhance

hospitality functions such as by installing box seats. In addition, the plan was to establish a business scheme to have it run by the private sector by mid-2019, to select those who had preferential negotiation rights by fall of 2020, to have the stadium refurbished after the Games are over, and to aim for the commencement of the use of the facility in the latter half of 2022.

For the state of the construction, there had been no delays in the progress of the construction through the First and Second Reports. The agreement amount confirmed at the end of FY2018 to compile the Second Report had not gone beyond the maximum limit.

In the First and Second Reports, SAI Japan asked the JSC to discuss with the Ministry of Education, Culture, Sports, Science and Technology and with related organizations the refurbishment of the facility after the Games are over, to promptly examine the details of the discussions held, and to conduct financial simulations. SAI Japan asked the Ministry of Education, Culture, Sports, Science and Technology to examine the business scheme for the facility's commercialization considering the details discussed by the JSC and financial simulations without delay.

Findings: State of initiatives of the Relevant Measures

According to the General Agreement, the role of the Japanese government is to carry out measures to ensure smooth preparation and management of the Games.

The Relevant Measures is divided into two types: Relevant Measures that contribute to the “smooth preparation and management of the Games”, such as security measures and transportation measures; and Relevant Measures that contribute to the “making of a new Japan through the Games”, which works on the making of a legacy, such as the reconstruction of disaster-affected areas, revitalization of local regions.

The Headquarters has submitted the Report on the status of the government's efforts on the promotion of preparation and management of the 2020 Tokyo Olympic and Paralympic Games (hereinafter – Report on the Status of the Government's Efforts) according to the status of efforts made for the Relevant Measures to the Diet every year from 2017.

The Report on the Status of the Government's Efforts did not include the budget amount related to the Relevant Measures carried out by the ministries and agencies, nor did it mention the names of the projects save for a few.

There were projects with issues found regarding whether they contribute to the smooth preparation and management of the Games, and whether they contribute to creating a legacy. For example, for the Relevant Measures that were expected to contribute to the “smooth preparation and management of the Games”, when the Cabinet Cybersecurity Center implemented initiatives on the risk assessment at the time of compiling the third risk assessment in November 2018, only two business operators had completed the risk management, out of the 25 business operators that had identified risks that needed to be managed at the second risk assessment. In the Relevant Measures for the “making of a new Japan through the Games”, the PDCA (Plan – Do – Check – Adjust) cycle was not

functioning properly. This included a case where a part of the project evaluation process was not being carried out regarding several subsidies that the Ministry of Land, Infrastructure, Transport and Tourism was providing to improve the environment to promote international tourists to visit Japan.

In the First and Second Reports, SAI Japan asked the ministries and agencies that would be carrying out the Relevant Measures to work closely with TOCOG, TMG, and to endeavor to have the details of the Measures play a part in the smooth preparation and management of the Games, and for the building of a legacy. SAI Japan also asked the Secretariat to promote the implementation of the Basic Policy, such as by continuing to be aware of the progress of implementation of the Relevant Measures through the Report on the Status of the Government's Efforts, and by sharing information with the ministries and agencies.

Additional SAI Japan's audit case related to other issues

[Calculation of the amount of national treasury benefits to specific health checkups and health guidance of national health insurance \(2019\)](#)

