

INTOSAI Supervisory Committee on Emerging Issues

COVID-19 Expert Group

Recommendations to the INTOSAI Governing Board

As the COVID-19 pandemic emerged and developed across the world in early 2020, the functioning of SAIs, as well as of INTOSAI, its working bodies and Regional Organizations, has been deeply affected by these new circumstances.

Continuity of SAIs' operations during emergency has become a real concern. It required quick response and resulted in a variety of measures implemented by SAIs in terms of their operations, audit plans, staff safety, etc. And almost instantly the audit community members started to learn from each other, generate and exchange experience, which led to a number of multilateral COVID-19 related initiatives developing for knowledge sharing and mutual support across INTOSAI community.

The Supervisory Committee on Emerging Issues (SCEI) is a permanent INTOSAI body dedicated, among other tasks, to monitor and address the challenges resulting from such events as this pandemic. It is characterized by the long-term character of its work and conclusions. So, as envisaged by its Terms of Reference, a separate Expert Group was established in order to evaluate the impact of the COVID-19 pandemic on SAIs and INTOSAI.

It was aimed to unify and generalize the experience gained by the global audit community members, both individually and collectively, identify most common and urgent problems and their respective solutions. The objective was set to elaborate a document providing particular recommendations on how INTOSAI can keep being successful, agile and operational in any similar challenging circumstances in the future, and submit them to the Governing Board for considering the need of further actions.

Open and publicly available expert discussions in the form of webinars were used as the main type of work. They were devoted to the following aspects of the COVID-19 impact on the work of SAIs and INTOSAI:

- Priorities of SAIs in the COVID-19 pandemic, including audit themes, methods and techniques
- Remote auditing: technological challenges and solutions
- Openness of SAIs and Ensuring Inclusiveness in Emergency Conditions
- INTOSAI online transition: how can organizations adapt to the new normal of teleworking?

The summary reports of the events serve as Annexes to the present document and provide detailed factual information on the matters discussed for additional reference.

Having analyzed the results of the discussions, the SCEI COVID-19 Expert Group proposes for the consideration of the Governing Board the following conclusions and recommendations.

Regarding the continuity of operations of INTOSAI as an international organization and its relevance in case of future emergencies,

1. Transition to online and remote practices

INTOSAI should consider **formal introduction of remote working procedures** for its working bodies. The general principle could be established that physical presence is no longer always necessary to

participate in INTOSAI activities and decision-making process. This would allow SAIs to continue being part of the INTOSAI community and make their contribution regardless of travel restrictions, financial situation, or any other possible circumstances. However, some meetings (e.g. the Governing Board) should continue with personal attendance unless external circumstances dictate otherwise.

A separate technical guidance on remote functioning of INTOSAI administrative and working bodies could be suggested for further development. This should indicate rules of procedure for meetings where all or some of the members participate remotely and provide agreed-upon mechanisms to obtain formal approval on agenda items, standards for preparation and distribution of documents and materials for such meetings, accepted and recommended range of digital tools and communication channels. The PFAC guidance on remote work may be recommended as a starting point.

Moreover, INTOSAI should **better coordinate international agenda with its working bodies** with the help of the existing calendar on INTOSAI web-resources, so as to avoid overlapping of several events in a short period of time. A model of shorter, more frequent and regular online meetings along with a possibility of regular annual meetings could be evaluated. This would allow for more agility and focus and increase the participation of SAIs.

2. Providing expertise for the audit community

INTOSAI might **establishing a high-level database or collection of best practices** related to the work of SAIs during the emergency conditions for future reference. It could be composed of the materials generated by individual SAIs and multilateral initiatives such as PFAC, SCEI Expert Group, OLACEFS series of webinars, International Observatory on COVID-19, as well as other relevant materials from external stakeholders and experts. Possible ways include creating a special section on INTOSAI website, intosaicommunity.net platform, creating a separate INTOSAI Open Knowledge Repository or ensuring that the existing online resources are preserved and maintained beyond the pandemic. This would help remove duplication between resources and increase usability and practical usefulness of this knowledge.

3. External communications

INTOSAI should **promote the importance and relevance of SAIs** in emergency conditions in its communication with external international organizations. The influence of international community shall contribute to avoiding the obstacles encountered by SAIs during the pandemic related to possible shift in priorities of national authorities, channeling funds away from SAIs, neglection of the principles of accountability and transparency. Particular examples relate to SAIs work on auditing the use of financial assistance, provided by international community.

INTOSAI should **advocate further for the organizational independence of SAIs**. The pandemic provided numerous examples of SAIs being unable to engage in relevant audit activities due to the lack of organizational independence (inflexibility of audit plans, inability to implement necessary audit procedures and techniques, legal issues, etc.). It would be beneficial for INTOSAI to send a clear message to the international community stating the need for the flexibility of SAI operations and reiterating the importance of SAIs independence through SIRAM, SAI Independence Goodwill Ambassador and other available mechanisms. It should be stressed that deciding on whether to undertake audits related to an emergency must be the sole decision of a national SAI. SAIs should have the authority to change strategic plans and

undertake new audits if necessary, while legal authorities and powers of SAIs cannot be restricted or reduced.

4. Strategic transformation

INTOSAI should make necessary **adjustments to the process of its strategic transformation and development**. Namely, an end to end review of all INTOSAI operating practices and procedure regulations may be recommended, which falls within the PFAC authority, so as to ensure they are relevant, up-to-date and fit for purpose under any operating environment.

Further, Goal Chairs might be required to **evaluate and report additionally on the impact of the pandemic on achieving INTOSAI Strategic Goals** for the period 2017-2022. In turn, INTOSAI Task Force on Strategic Planning should consider these issues as it updates the plan for the period 2023-2028.

Regarding the SAIs' work in emergency conditions,

5. Priorities and strategy in an emergency

INTOSAI should promote further work on a **guidance for SAIs on how to define their audit approaches** (priorities, strategy and methodology) in emergency situations, including the following key points:

- Developing an appropriate audit program, including any necessary adjustments to planned audits.
- Maintaining a balance between SAIs' role and responsibilities for accountability of public funds and the need of governmental agencies to respond to an emergency.
- Providing audit-based advice to government and legislative bodies.

Such work has already begun, as SAIs and INTOSAI bodies reflect on the immediate and long-term consequences of this COVID-19 pandemic. IDI, PFAC and other publications may be mentioned in this regard. Additional work is recommended to elaborate a **more general and universal document**, based on available current and previous research. This way it will be applicable for possible emergencies in the future regardless of their type.

6. Continuity of operations

INTOSAI should proceed with its efforts to **provide financial help for SAIs**, in accordance with INTOSAI Financial Rules and Regulations, in order to sustain the continuity of their operations and overcome deterioration of financial conditions in emergency circumstances. **The INTOSAI 'SAI Continuity during COVID-19' grant was established** due to the collaborative efforts of the General Secretariat, PFAC and INTOSAI-Donor Cooperation. Moreover, possibilities should be examined to attract additional sources of external financial aid so as to extend this program in time and coverage.

7. Audit of particular areas

INTOSAI should **assist SAIs to increase their performance in the audit of particular areas** related to the pandemic, especially regarding **healthcare systems, social security and social support measures**.

Given the already confirmed interest of some INTOSAI members, a motion could be submitted in consultation with the KSC on **the possibility to create a separate working body** (task force, working group) and invite all the interested SAIs to join its work. These matters have already been in the focus of work for some SAIs. Therefore, multilateral exchange of experience, conclusions and observations would be beneficial to elaborate universal approaches, and serve as a reference for those members who are planning to engage in auditing these aspects in the future.

8. Operations in emergency conditions.

INTOSAI should evaluate, in consultation with interested volunteering members and the KSC, the possibility to elaborate **operational guidelines for SAIs' work during emergency conditions** in order to draw particular attention to the matters of staff security and safety.

It could take the form of a sample framework (action plan, check-list) based on the most common measures adopted and the experience collected. The same guidelines might include the review of challenges related to remote teamwork, employees working remotely from office, cover aspects of internal communication with employees, as well as value of psychological support.

9. Openness and communication strategy

INTOSAI should clearly **encourage SAIs to promote openness** and elaborate **integral external communication strategies**. SAIs should be reminded that **additional value is provided** for external stakeholders and general public in the form of information related to the audit results and professional audit-based expertise. This successful experience should be promoted on the grounds that those INTOSAI members who had already advanced in these areas before the COVID-19 pandemic confirm to have achieved better performance in emergency conditions. Available INTOSAI resources might also be taken into account for this purpose, such as the International Journal of Government Auditing.

10. Remote auditing

INTOSAI should **foster further advancements in the area of remote auditing**, meaning SAIs working distantly from auditees. The pandemic served as a catalyst for innovations and has provided successful examples of applying new technologies in the audit work. Previous advancements in this area turned out to be crucial for overcoming obstacles posed by the current emergency, helped achieve audit objectives, ensure timeliness of audit response, make audit engagement feasible in principle. Such examples raised significant interest among INTOSAI members and should be explored further beyond the pandemic. However, many SAIs expressed their concerns and asked for help in applying remote audit techniques. Therefore, INTOSAI is required to assist SAIs in this area. Remote auditing could be suggested as a separate focus for existing working groups. Possible objectives include assessing SAIs needs, identifying the challenges faced and suggesting respective solutions.