



Feasibility Report for Establishing the INTOSAI Working Group on Follow-up Audit (WGFA)

**PREPARED BY INTOSAI SPECIAL COMMITTEE
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INTRODUCTION

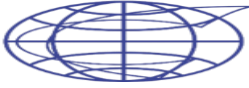
Follow-up activities are essential processes aimed at improving the organizations scrutinized by auditors, as per international standards such as ISSAI 3000. These activities serve as a critical step in ensuring that previous audit findings and recommendations are effectively implemented, thereby reinforcing accountability, and bolstering public trust in the audit process. Research studies conducted by Furqan et al. (2020) and Umor et al. (2016) highlight the enhancement of financial reporting and public service quality through follow-up activities, emphasizing the need for accountability mechanisms involving various stakeholders in the public sector. Similarly, OECD survey by Goujard, A. (2016) and Rocznik et al. (2016) emphasize the pivotal role of follow-up practice in ensuring the effective implementation of budgetary decisions.

In recognition of the pivotal role of follow-up practice in enhancing audit efficacy, SAI Malaysia initiated the proposal for a Working Group focused on Follow-Up Audit (WGFA) during an INTOSAI meeting, which garnered widespread approval. Leading efforts, SAI Malaysia formed Special Committee to conduct feasibility study, guided by INTOSAI/ISSAI Guidelines and the esteemed standards of SAI India, Chair of the INTOSAI Knowledge Sharing Committee (KSC). This study, informed by insights gathered from a survey distributed to **195** INTOSAI members worldwide, culminated in a analysis of responses from **48** member countries. The resulting feasibility report, crafted with thorough attention and collaborative engagement, will be presented at the 16th KSC SC Meeting, marking a significant step forward in advancing global audit practices and fostering greater accountability within the INTOSAI community. The WGFA expected to provide a platform for knowledge sharing among INTOSAI members, enabling the exchange of experiences, achievements, and initiatives related to follow-up practices.



TABLE OF CONTENTS

1. Overview	4
1.1. Follow-up Practice.....	4
1.1.1 Definition Follow-up	8
1.1.2 Definition of Follow-up Audit.....	8
1.2. Objective of Follow-up Practice.....	9
1.3. Variance of Follow-up Practices.....	10
1.4 The Implementing Team/Parties on Follow-Up Audit Approaches Among SAIs....	13
1.5 Legal Frameworks Guiding Follow-Up Audit Practices in SAIs	14
1.6 Highest Level of Reporting of Follow-Up Audit Report.....	16
1.7 Field of Auditing Follow-up Are Carried Out	17
1.8 Key Potential and Challenges in Follow-up Practice.....	18
2. Establishment of WGFA	20
2.1 The Need for WGFA	21
2.2 Composition and Functions WGFA.....	21
2.3 Goals of WGFA.....	21
2.4 Objectives and Scope of Activities of WGFA	22
2.5 Benefit of Establishing WGFA	22
3. Work Plan of WGFA	26
3.1 Work Plan from Data Survey	26
3.3. Communication & Reporting	29
4. Conclusion	30
References	31

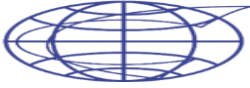
**CHAPTER 1****Overview of Follow-up Practice****1. Overview**

The International Organization of Supreme Audit Institutions (INTOSAI) community, consisting of Supreme Audit Institution (SAI) from diverse nations globally, underscores the imperative of fostering and advancing knowledge sharing on audit practices. Recognizing this vital necessity, the establishment of the new INTOSAI Working Group on Follow-up Audit (WGFA) represents a commendable initiative aimed at promoting and enriching follow-up mechanism and methodologies within the INTOSAI community.

This report examines and justifies the establishment of the INTOSAI WGFA. Drawing upon initial insights obtained from current follow-up practice among Special Committee members (1st Kick of Meeting of Special Committee Members on 2nd February 2024), keen interest in forming a new WGFA, relevant literature in this area and valuable input and perspectives from esteemed SAIs members through distributed survey, the report aims to provide evidence for the formation of WGFA.

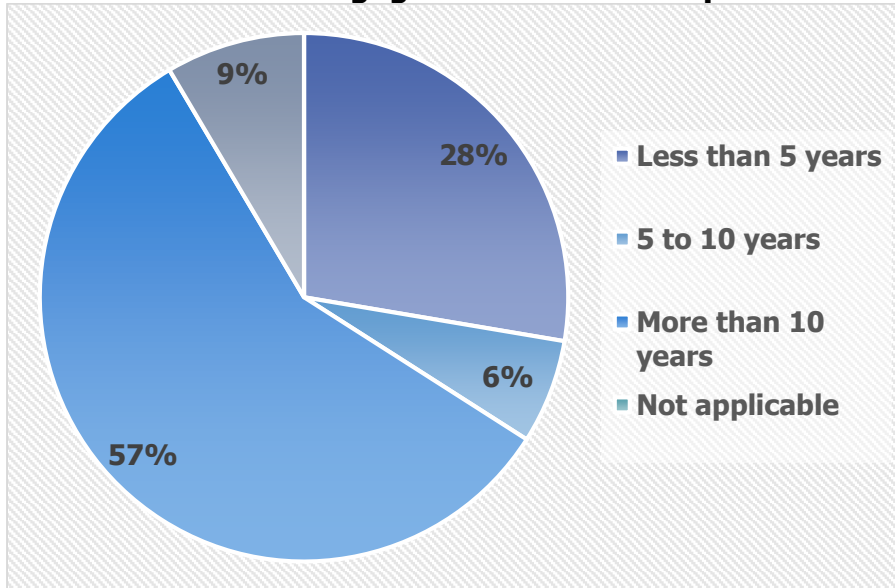
1.1. Follow-up Practice

According to INTOSAI's Guidance for Good Governance, a follow-up practice refers to "the institutional arrangements and procedures used by an audit institution to monitor and evaluate the actions taken by audited entities in response to audit recommendations. GUID 3920/152 outlines various methods tailored for tracking findings and recommendations effectively. The selection of these methods should align with the procedures and priorities set or practiced by individual SAI.

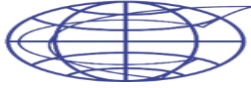


The respondent's response highlights a strong commitment to follow-up practices within the SAI community. A significant portion of respondents from the SAIs have been engaged in the follow-up practice for more than a decade, comprising 57% of the total.

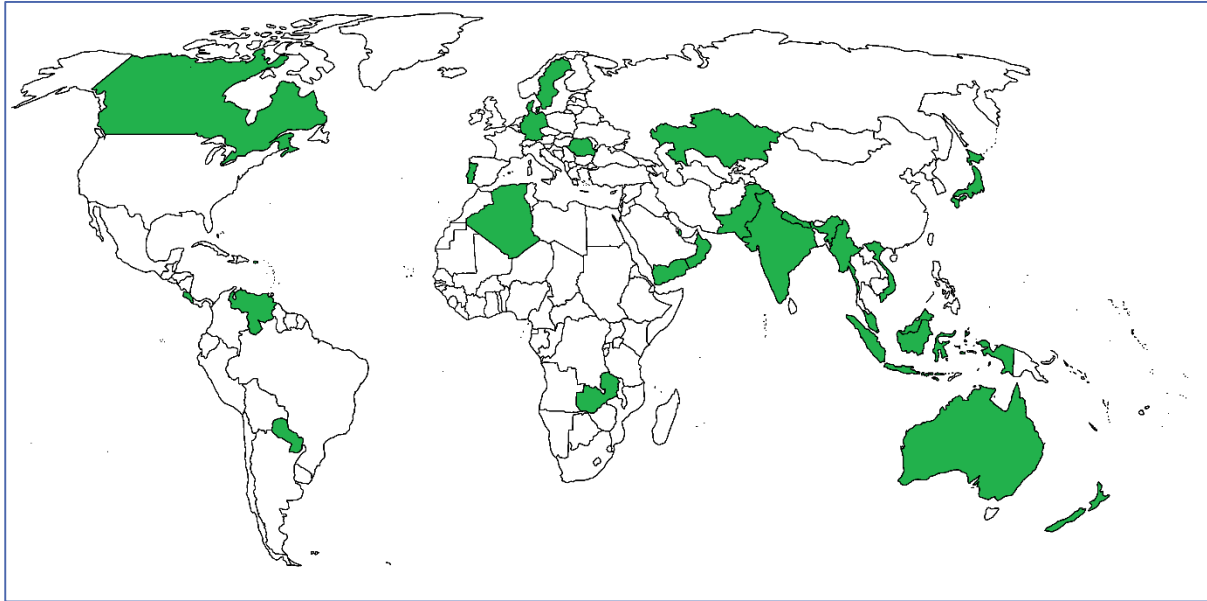
Chart 1: Countries Engaged in the Follow-Up Practice



However, it's important to recognize that a notable portion of respondents has relatively short durations of involvement, with 28% indicating less than five years, and 6% reporting between five to ten years of engagement. Additionally, a smaller proportion (9%) chose "other," suggesting they might conduct follow-ups on a case-by-case basis or as recommended. In summary, while there is diversity in experience levels, the majority of SAIs have extensive experience in follow-up practices, with many having been involved for over a decade.



Map 1: Countries Engaged in the Follow-Up Practice for More Than a Decade



Algeria



New Zealand



Australia



Oman



Bahrain



Pakistan



Canada



Paraguay



Costa Rica



Portugal



Denmark



Puerto Rico



Germany



Qatar



India



Romania



Indonesia



Singapore



Japan



Sweden



Kazakhstan



Venezuela (Bolivarian Republic Of)



Malaysia



Vietnam



Myanmar



Yemen



Nepal



Zambia



The above data survey suggests a strong foundation of knowledge and expertise within the SAI community, which can be leveraged to support and guide those with less experience. With experienced SAIs sharing their best practices and insights, there is a valuable opportunity for knowledge exchange and capacity building within the community. By learning from each other's experiences, SAIs can collectively enhance their follow-up audit practices and ultimately contribute to improved accountability and transparency in the public sector.

Representatives from various regional organizations within the INTOSAI community have contributed their responses to the feasibility report. Each of these regional organizations plays a crucial role in fostering collaboration, sharing knowledge, and promoting best practices among SAIs within their respective regions. Their participation in the survey underscores the commitment of the INTOSAI community to collective learning and continuous improvement in follow-up audit practices as evident below:

Chart 2: Regional Organization

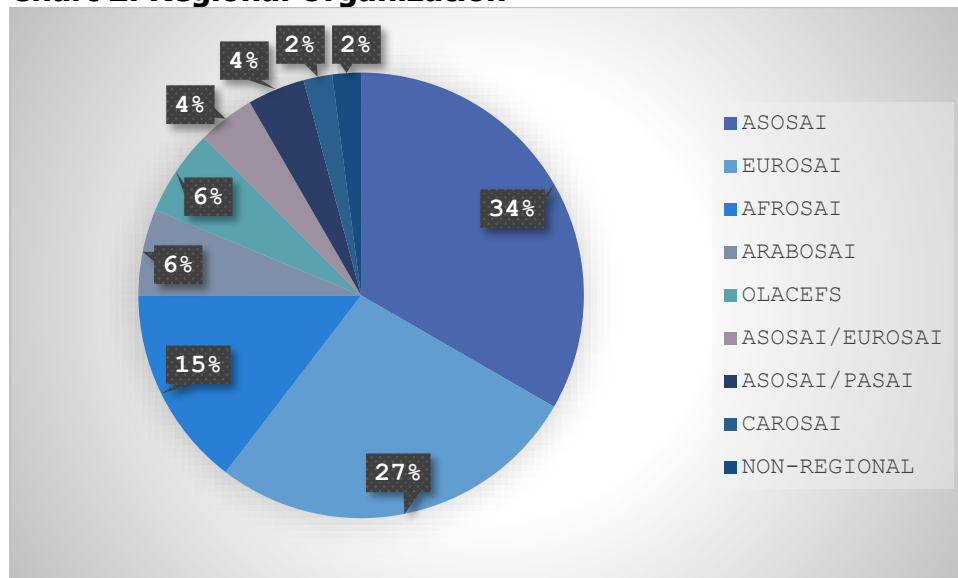
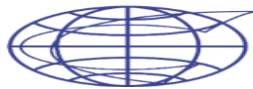


Table 1: Representative of Regional Organization



REGIONAL ORGANIZATION	TOTAL	SAI
ASOSAI	16	Bahrain, China, Denmark, India, Indonesia, Japan, Kazakhstan, Lao PDR, Malaysia, Mauritius, Myanmar, Nepal, Pakistan, Russian Federation, Singapore & Vietnam
EUROSAI	13	Belgium, Bulgaria, Estonia, Germany, Greece, Latvia, Lithuania, Malta, North Macedonia, Poland, Portugal, Romania & Sweden
AFROSAI	7	Algeria, Burkina Faso, Gambia, Kenya, Liberia, Suriname & Zambia
ARABOSAI	3	Oman, Qatar & Yemen
OLACEFS	3	Costa Rica, Paraguay & Venezuela (Bolivarian Republic Of)
ASOSAI/EUROSAI	2	Armenia & Turkiye
ASOSAI/PASAI	2	Australia & New Zealand
CAROSAI	1	Puerto Rico
NON-REGIONAL	1	Canada
GRAND TOTAL	48	

Next, the definition below provides a basis for understanding the differences and similarities between the terms within the context of audit practices.

1.1.1 Definition Follow-up

Focuses on assessing the extent to which corrective actions have been taken, identifying any persistent issues, or emerging risks, and providing assurance on the effectiveness of follow-up measures.

1.1.2 Definition of Follow-up Audit

Follow-up audit, on the other hand is a specialized audit activity focused specifically on evaluating the implementation of recommendations from prior audits. According to INTOSAI, follow-up audit refers to the process of verifying the implementation of audit recommendations and the evaluation of actions taken by audited entities. Evaluation should occur after a reasonable period,



with the duration contingent upon the specific context and nature of the audit recommendations. The flexibility in determining this reasonable period acknowledges the diverse circumstances and requirements associated with different audit findings.

1.2. Objective of Follow-up Practice

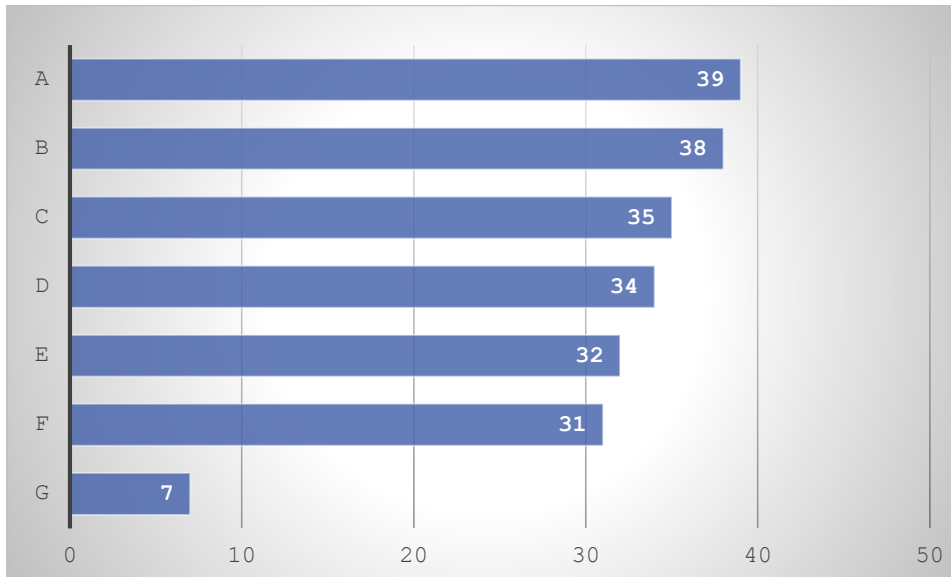
The primary objective of a follow-up practice, often referred to as post-audit or follow-up review, is to assess the extent to which the recommendations made in the original audit have been implemented and whether they have resulted in the desired outcomes. Overall, this practice aims to:

- Verify the status of corrective actions recommended in the initial audit.
- Evaluate the effectiveness of the measures taken by the audited entity to address identified issues.
- Determine if the audited entity has achieved the intended improvements in processes, controls, or compliance.

Based on the survey data, the objectives of follow-up practice are ranked as follows: Monitoring the improvement made by audited entities received the highest score, highlighting its critical role in assessing progress; closely following is the objective of strengthening audit impact and future work, emphasizing the need for refining audit processes. Providing feedback to stakeholders on the implementation status of audit recommendations or findings resolution garnered agreement, alongside ensuring accountability of responsible parties for addressing findings and changes. Enhancing public trust in audit service delivery followed, while facilitating effective implementation of findings and recommendations received agreement. A minority indicated other objectives beyond those listed, suggesting potential avenues for further exploration, while none found the "Not applicable" option relevant, indicating consensus on the importance of the listed objectives in follow-up practices.



Chart 3: Objectives of Follow-Up Practice



Survey Responses:

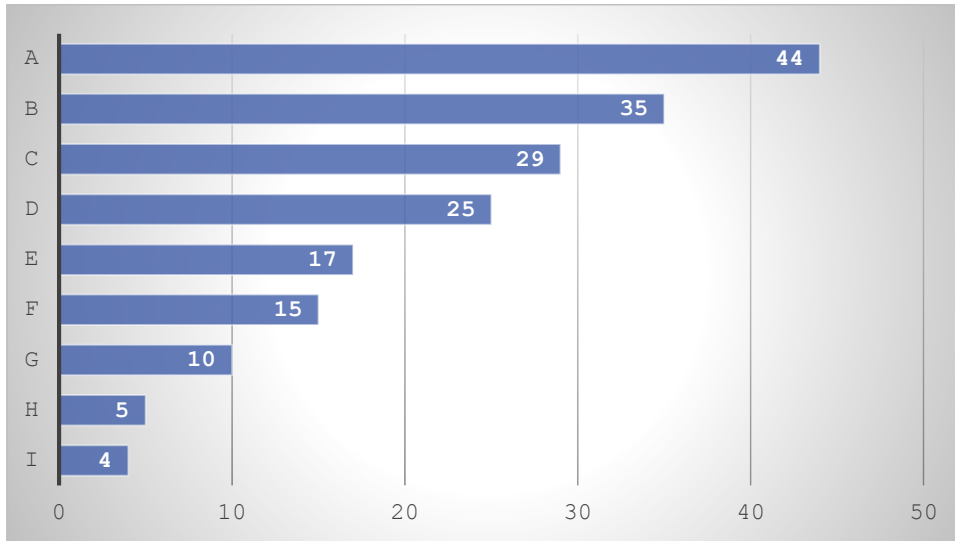
- A. *To monitor the improvement made by the audited entities.*
- B. *To strengthen the impact of the audit and improve future audit work.*
- C. *To provide feedback on the implementation of audit recommendations or resolution of audit findings to the legislature and the government.*
- D. *Ensure that responsible parties have been held accountable for addressing audit findings and implementing necessary changes.*
- E. *To enhance the public trust towards audit service delivery.*
- F. *To facilitate the effective implementation of the audit findings and recommendations.*
- G. *Others.*

1.3. Variance of Follow-up Practices

Delving into the realm of follow-up practice reveals a fascinating array of approaches adopted or mechanism developed by SAIs worldwide. The follow-up practice varies across INTOSAI member countries marked by both shared principles and unique characteristics. Commonalities include a commitment to regular follow-ups, varying from one to two years post-audit report publication, with an overarching goal of ensuring the effective implementation of recommendations. The survey findings are as follows:

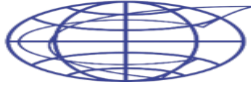


Chart 4: Variance of Follow-Up Practice



Survey Responses:

- A. *Perform follow-up on the implementation of audit recommendations.*
- B. *Monitor the progress of audit recommendations/findings with auditee through letters, emails, or other manual methods.*
- C. *Communicating the progress of implementation to the public through follow-up reports or other means.*
- D. *Perform follow-up on resolution of audit findings (corrective/ preventive).*
- E. *Utilizes online tools to track the progress of audit recommendations/findings.*
- F. *Provide assistance, guidance or support to audited entities facing challenges in implementing audit recommendations and/or resolution of audit findings.*
- G. *Collaborating with audited entities to develop Management Action Plans that outline specific steps and timelines for implementing recommendations.*
- H. *Others*
- I. *Engage external parties for independent validation, while also collecting feedback from stakeholders on the effectiveness of implemented recommendations/ resolutions of audit findings.*



Based on the respondent’s provided information, variance of follow-up practice among SAIs that emerge can be grouped as follows:

Table 2: Major Findings from the SAIs Variance Follow-up Audit Practices

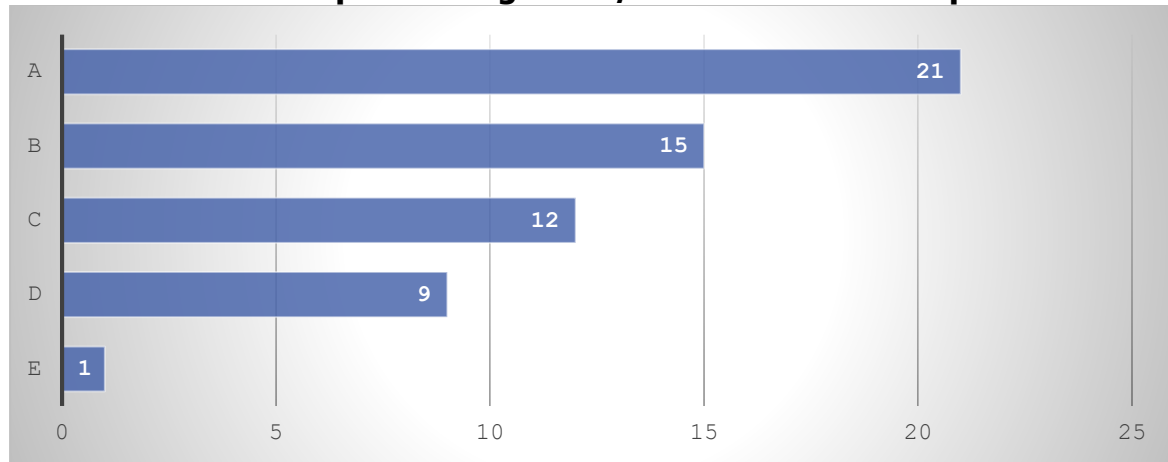
PRACTICE	FINDINGS
Approaches to Follow-Up Audits	<ul style="list-style-type: none"> ▪ Various SAIs adopts different approaches to follow-ups, such as SAI Bahrain's strategy of follow-ups at different intervals, showcasing adaptability. ▪ Collaboration is highlighted, with examples like SAI China engaging various government bodies and audited entities during follow-up processes, emphasizing interconnectedness within governance structures. ▪ Responsibility for follow-up activities varies, with some SAIs forming annual teams, like SAI Latvia, and involving auditors who conducted the initial audit. Verification methods range from document checks to subsequent audits, as seen in SAI Lithuania.
Diverse Tools and Systems	<ul style="list-style-type: none"> ▪ Different SAIs utilizes varied tools and systems for follow-ups, reflecting unique technological landscapes. ▪ Examples include SAI Malaysia's Auditor General's Dashboard, SAI Georgia's Audit Recommendation Implementation System (ARIS), and SAI Indonesia's Follow-up Monitoring Information System (SIPTL), highlighting a spectrum of mechanisms blending traditional and technologically advanced methods.
Standardization vs. Flexibility	<ul style="list-style-type: none"> ▪ The need for standardization in certain aspects of follow-up mechanisms is recognized, considering diverse governance structures and technological capabilities across nations. ▪ While standardization may be beneficial, flexibility is appreciated to accommodate the unique contexts and requirements of different SAIs.



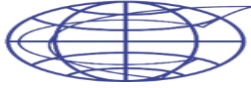
1.4 The Implementing Team/Parties on Follow-Up Audit Approaches Among SAIs

The data illustrates diverse approaches among SAIs regarding communication and responsibility for follow-up audit practice. A significant portion, constituting 21 score by SAIs, indicates that the current audit team is tasked with communicating with audited entities regarding the implementation of audit recommendations and resolution of findings. Meanwhile, 15 score by SAIs that the initial audit team carries out this communication. Additionally, 12 score by SAIs specify the involvement of a specialized division or unit, distinct from the audit team, in conducting follow-up audits. A smaller proportion, 9 score by SAIs, falls under the category of "Others," suggesting varied or unspecified methods. Notably, only 1 score by SAI indicate that follow-up activities are deemed not applicable. This variety underscores the flexibility and adaptability of SAIs in addressing follow-up audit requirements, tailoring approaches to their organizational structures and mandates.

Chart 5: Score of Implementing Team/Parties on Follow-Up Audit



SAIs that falls under the category of "Others" in conducting follow-up audit practice namely SAI Armenia, Bahrain, Bulgaria, Mauritius, Singapore, Suriname, Sweeden, Qatar and Vietnam employ innovative and customized approaches tailored to their unique organizational structures and mandates. By embracing flexibility and creativity, these SAIs effectively monitor the implementation of audit recommendations,



contributing to enhanced government accountability and transparency in diverse contexts.

1.5 Legal Frameworks Guiding Follow-Up Audit Practices in SAIs

Based on the respondent’s provided information, diverse approaches and mechanisms through which follow-up audit practices are legally formed within SAIs, encompassing legislative mandates, regulatory frameworks, administrative processes, internal discretion, and external initiatives. The responses can be grouped into several themes regarding the legal formation of follow-up audit practices within SAIs:

Table 3: Summary of Legal Frameworks Guiding Follow-Up Audit Practices in SAIs

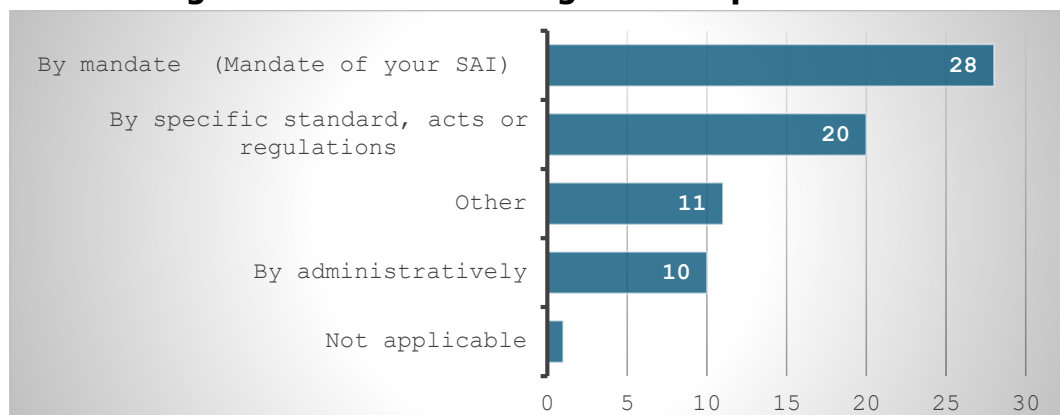
LEGAL FRAMEWORK	FINDINGS
i. Mandated by Legislation or Legal Mandate	Responses indicate that follow-up audit activities are formed by specific mandates outlined in legislation or legal frameworks governing the SAI's operations.
ii. Regulated by Standards and Regulations	Some responses highlight that follow-up audit practices are guided by specific standards, acts, or regulations, either at the national level or through international auditing standards such as the ISSAIs.
iii. Administrative Processes and Procedures	Follow-up activities are also shaped by administrative processes and procedures established within the SAI, including policies, directives, and internal protocols.
iv. Initiated Through Internal Processes and Discretion	Follow-up audits may be initiated internally by the SAI based on its discretion and internal processes for monitoring the implementation of audit recommendations or identifying persisting issues.
v. Initiated Through Government Programs or Initiatives	Some responses indicate that follow-up audits may be initiated through government transformation programs or other government-led initiatives aimed at improving governance and accountability.



LEGAL FRAMEWORK	FINDINGS
vi. Guidelines and Applicable Auditing Standards	Follow-up audit practices may also be guided by specific guidelines or applicable auditing standards, ensuring consistency and adherence to professional norms.
vii. Decision-Making Authority and Responsibility	The decision to carry out follow-up audits may lie with specific authorities within the SAI, such as the Member of Court responsible for each audit department or top management.
viii. Compliance and Verification Mechanisms	Follow-up activities often involve compliance and verification mechanisms to ensure that audit recommendations are implemented within specified timelines and that persistent issues are addressed effectively.

The survey findings indicate that the majority of SAIs have a legal mandate or established procedures for conducting follow-up audit activities. Specifically, highest score mentioned a mandate, demonstrating the presence of legislative frameworks or directives guiding follow-up audits. Additionally, 20 score also select adherence to specific standards or regulations, while 10 score cited administrative procedures and 11 score for others option. With only 2 score that stating follow-up audits as not applicable.

Chart 6: Legal Frameworks Guiding Follow-Up Audit Practices in SAIs





The above results highlight the widespread recognition of the importance of follow-up activities in ensuring accountability and governance within SAIs. Based on additional information provided by the respondents, it indicates that legal formation of follow-up audit activities within SAIs varies, encompassing legislative mandates like the GAC Act of 2014, specific standards such as the Auditor-General Act 1997 and INTOSAI principles, administrative procedures, internal policies, and discretionary decision-making. In cases of persistent non-compliance, SAIs employ various mechanisms, including direct sanctioning power, alternative measures such as media coverage or notifications to legislative bodies, and referral to oversight committees, all aimed at fostering accountability and governance in the public sector.

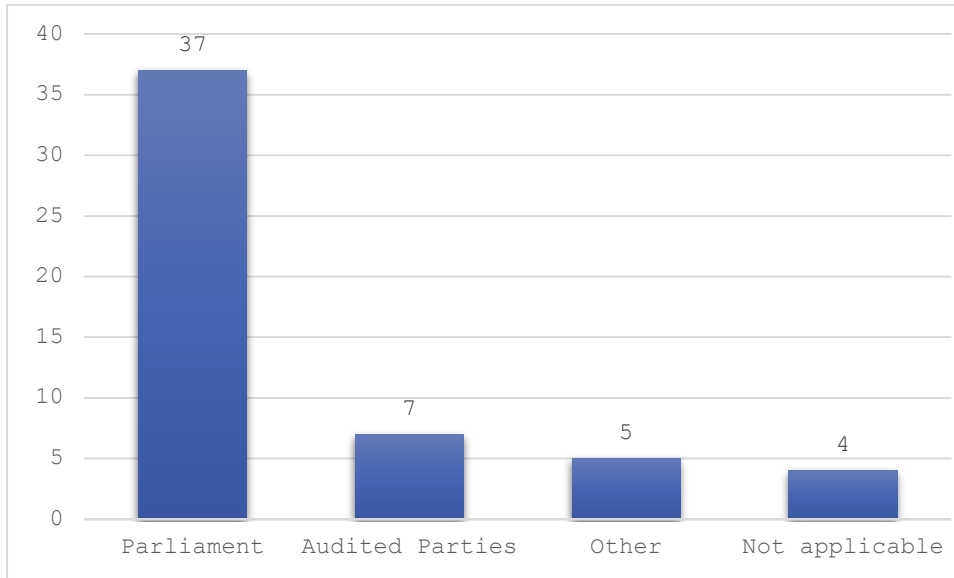
1.6 Highest Level of Reporting of Follow-Up Audit Report.

The survey results regarding the primary reporting channels utilized by SAIs reveal that the majority with total score of 37, direct their reports to Parliament, highlighting a commitment to transparency and accountability at the highest governmental level. Following this, seven score cited for reporting directly to audited parties, fostering direct communication and collaboration with the entities under audit. Interestingly, four SAIs, identified as Algeria, Armenia, Singapore, and Venezuela (Bolivarian

Republic Of), declare their reporting status as not applicable, which may indicate unique operational circumstances. Additionally, Bahrain opts for an alternative reporting avenue, directing their reports to His Majesty, King of the Kingdom of Bahrain, while Oman reported to His Majesty the Sultan showcasing a diverse approach to dissemination and engagement. Meanwhile, Qatar, Myanmar, and China opt for other/additional level of reporting of follow-up audit report. This suggests existence of diversity in reporting channels reflects the adaptability of SAIs in meeting the varied needs and contexts of their stakeholders.



Chart 7: Level of Reporting of Follow-Up Audit Report



Bahrain	His Majesty, King of the Kingdom of Bahrain
Oman	His Majesty the Sultan
Qatar	The Emiri Diwan
Myanmar	The Head of State
China	In addition to National People's Congress (Parliament), SAI China also reports to Central Audit Commission and State Council (Central government).

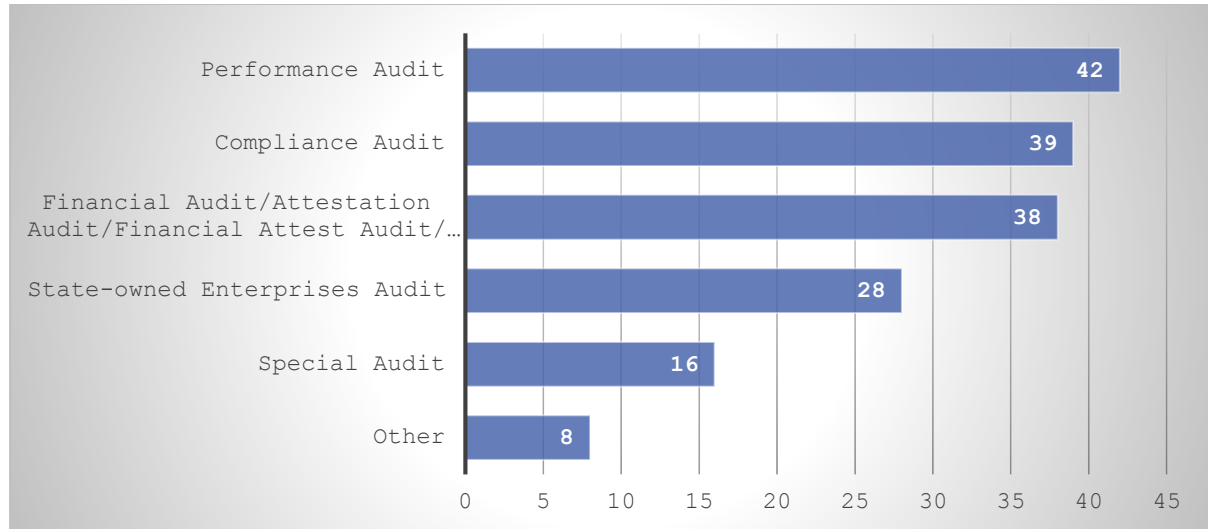
1.7 Field of Auditing Follow-up Are Carried Out

Analysing the survey results based on the ranking of respondents' responses, it's evident that follow-up activities within SAIs are prioritized across various audit fields. Performance auditing emerges as the most prioritized field for follow-up activities, with 42 score focusing on this domain. Compliance audit closely follows, with 39 score. Financial audit, attestation audit, financial attest audit, and certification collectively receive attention with 38 score. State-Owned Enterprises Audit ranks next, with 28 score. Additionally, 16 score indicate an existence of focus on Special Audit follow-ups. Notably, 8 score for other fields, showcasing a diverse array of audit priorities. Furthermore, the survey data also reveal several SAIs conduct follow-up activities in additional fields such as Donor-Funded Project Audits, ICT Audits, Pre-Audit, Selective Audits, and Thematic Audits, depending on the unit or general directorate. Overall, the majority of SAIs prioritize follow-up practices within the fields of performance



auditing and financial auditing, highlighting the global significance placed on enhancing performance evaluation and financial integrity across audit practices.

Chart 8: Field of Auditing Follow-up Are Carried Out

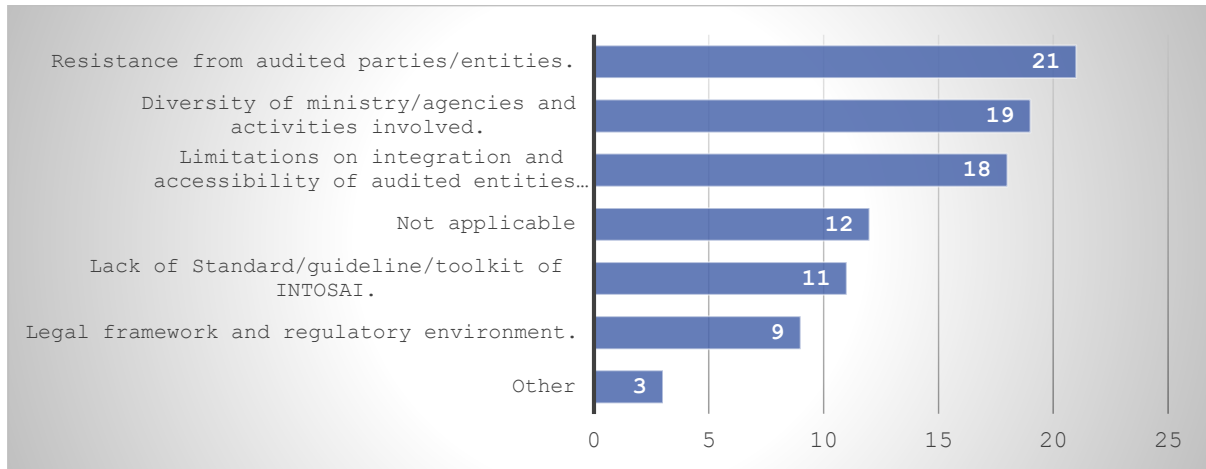


1.8 Key Potential and Challenges in Follow-up Practice

The survey data pinpointed several key external challenges encountered during follow-up audit activities, with resistance from audited parties/entities emerging as the foremost issue. Subsequently, SAIs highlighted the significant hindrance posed by limitations in the integration and accessibility of audited entities' information systems. Moreover, the diversity of ministries/agencies and activities involved in the auditing process was emphasized as a daunting challenge. Notably, the lack of standard guidelines/toolkits from INTOSAI was ranked as a notable obstacle, while few SAIs did not find this issue applicable. Interestingly, the legal framework and regulatory environment were also highlighted as potential challenges. Finally, a limited number of SAIs presented their unique perspectives on the challenges faced.



Chart 9: Key Potential and Challenges (External Factors)



Additionally, the analysis of survey data highlights key internal factors posing challenges during follow-up audit activities. Foremost among these is the issue of incomplete and/or insufficient documentation, cited by the highest number of SAIs as a primary concern. Another internal challenge identified by a significant number of SAIs is the presence of potential gaps or inconsistencies over time periods. Moreover, the composition of follow-up audit teams emerges as a significant internal factor posing challenges to effective practice, as emphasized by a coalition of SAIs including Belgium, Bulgaria, China, Costa Rica, Estonia, Indonesia, Kenya, Paraguay, Qatar, Romania, Suriname, Sweden, and Yemen.

Furthermore, SAIs ranked the importance of auditor competency and the mandate/scope of follow-up audits as critical internal challenges. Conversely, a noteworthy number of SAIs did not find this applicable. Moreover, SAIs such as Burkina Faso, Liberia, Oman, Russian Federation, Sweden, and Zambia raised specific concerns such as absences of resources, resource constraints (logistics) and training, lack of system or proper database, lack of time because follow-up audit is in parallel with ongoing audit, lack of consistencies in how follow-up is conducted and reported, and limited financial resources to undertake follow-ups, respectively, indicating diverse internal challenges within follow-up audit practices.

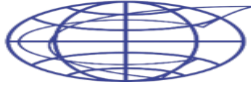
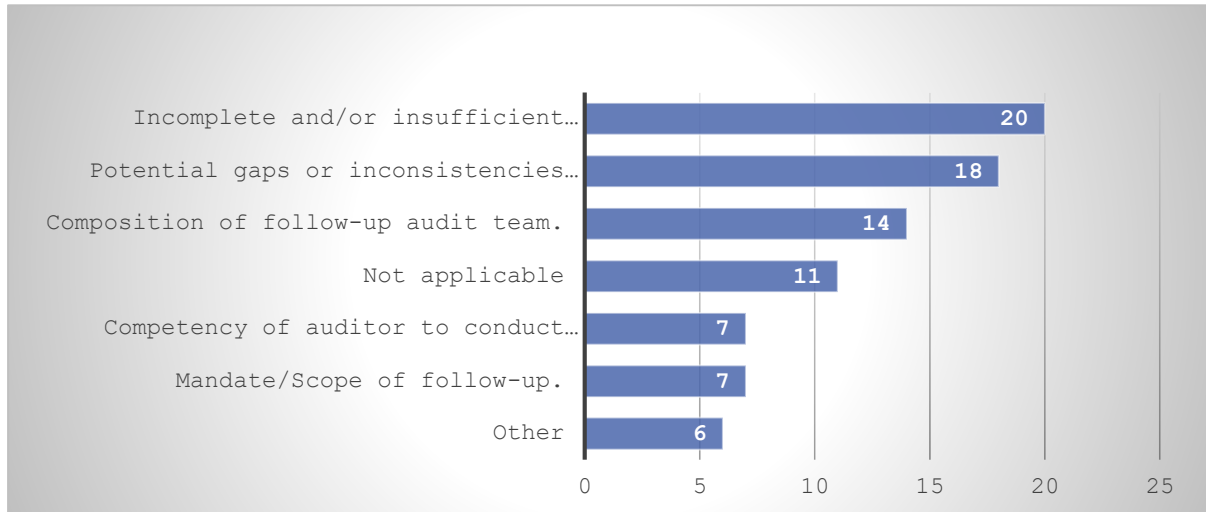


Chart 10: Key Potential and Challenges (Internal Factors)



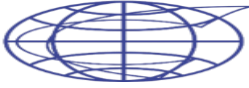
The challenges identified in follow-up audit activities encompass both internal and external factors, each presenting distinct obstacles to effective practice. In summary, the formation of a INTOSAI WGFA presents a compelling opportunity for the SAIs community to collaboratively address challenges, foster cooperation, and leverage collective expertise to enhance the effectiveness and impact of follow-up audit practices.

CHAPTER 2

Establishment of WGFA

2. Establishment of WGFA

At the 15th Annual Meeting of INTOSAI's Knowledge Sharing Committee Steering Committee in Abu Dhabi, UAE, on October 4, 2023, SAI Malaysia proposed the formation of a new working group focusing on follow-up practices. After discussions, the KSC Steering Committee approved the creation of a Special Committee led by SAI Malaysia. This committee has been tasked with studying the proposal in depth, defining goals and objectives, prioritizing areas, and preparing a feasibility report. The



feasibility study on establishing the new INTOSAI WGFA will be presented to the KSC Steering Committee. Based on this report, the final decision regarding the establishment of the WGFA will be made during the 16th KSC Steering Committee Meeting.

2.1 The Need for WGFA

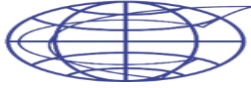
The strongest point lies in the shared emphasis on collaborative efforts, knowledge exchange, and the development of common guidance, underscoring a collective recognition of the need for a structured platform. The establishment of such a working group can address the diverse needs expressed by member countries, including sharing experiences, capacity building, and the collaborative development of tools. It aligns with the broader objectives of INTOSAI, promoting global collaboration and contributing to the advancement of auditing practices. However, successful implementation requires careful consideration of the diverse priorities and contexts within the INTOSAI community, emphasizing the need for flexibility and inclusivity to accommodate various member expectations and ensure meaningful contributions towards the continuous improvement of follow-up practices.

2.2 Composition and Functions WGFA

WGFA is fully accessible to all INTOSAI members and will undertake all activities and projects related to follow-up practice through close coordination with other working groups and the INTOSAI Knowledge Sharing Committee (KSC).

2.3 Goals of WGFA

The goal of the WGFA is to identify and enhance the role of SAIs in assisting their governments in increasing the impact and value of their auditing practice. The establishment of this new working group will play a significant role in fostering collaboration among INTOSAI members. This initiative will significantly contribute to addressing the diverse needs and challenges in follow-up auditing, including capacity

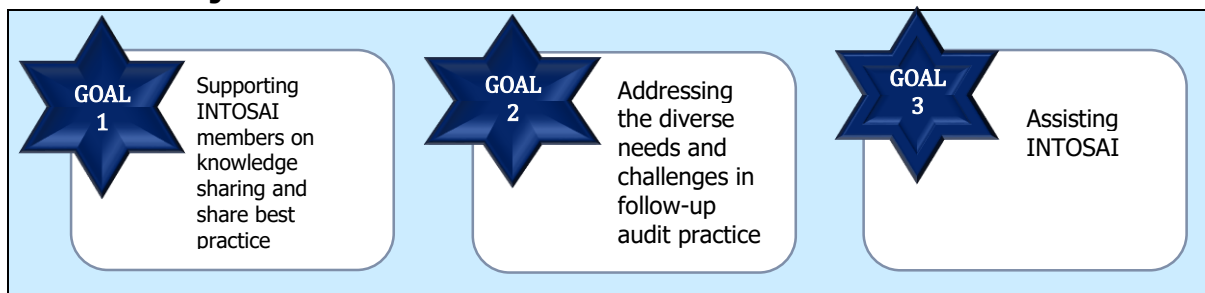


building requirements and the sharing of best practices in follow-up mechanisms. Ultimately, the goal of WGFA is to promote best practice approach, methodologies, mechanism of the SAIs. SAI Malaysia is willing to be the leader of the INTOSAI WGFA, subsequently as the INTOSAI Chair of the WGFA in the future.

2.4 Objectives and Scope of Activities of WGFA



The primary objective of the WGFA is to promote the SAIs member in effectively managing their follow-up practice. As the objective of the WGFA is in line with the INTOSAI PRINCIPLE 12: Capacity Building Through Promoting Learning and Knowledge Sharing, the SAI respondents agreed that the three main goals of the WGFA are:

Chart 11: Objective of WGFA



2.5 Benefit of Establishing WGFA

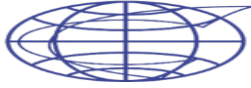
Inputs from different SAIs unanimously emphasize the need to improve follow-up practices for better accountability, transparency, and the overall effectiveness of auditing in the public sector. The feasibility of establishing the WGFA is supported by several key themes identified in respondents' feedback. These themes include:

-  **Global Need:** There's a growing demand for enhanced follow-up audit practices worldwide due to evolving governance challenges. The WGFA would provide a dedicated platform to comprehensively address these issues.
-  **Alignment with INTOSAI Objectives:** The WGFA supports INTOSAI's overarching objectives, especially in promoting good governance and accountability among member SAIs.



- ✚ **Capacity Building:** The WGFA would facilitate capacity building among member SAIs by fostering the exchange of knowledge, skills, and resources to strengthen follow-up audit capabilities globally.
- ✚ **Enhanced Collaboration:** By promoting collaboration and cooperation among INTOSAI members, the WGFA would facilitate joint initiatives, peer reviews, and mutual support in follow-up audit activities.
- ✚ **Resource Optimization:** The WGFA could optimize resources by reducing duplication of efforts, leveraging existing expertise, and maximizing the impact of follow-up activities on a global scale.
- ✚ **Stakeholder Engagement:** The WGFA would ensure stakeholder engagement and inclusivity, involving relevant stakeholders such as government agencies and civil society organizations in follow-up practices.
- ✚ **Adaptability and Flexibility:** The WGFA would be adaptable and flexible to accommodate diverse audit contexts and legal frameworks across INTOSAI member countries, ensuring relevance and effectiveness in different settings.
- ✚ **Long-Term Sustainability:** Mechanisms for funding, governance structure, and institutional support from INTOSAI and other stakeholders would ensure the long-term sustainability of the WGFA.

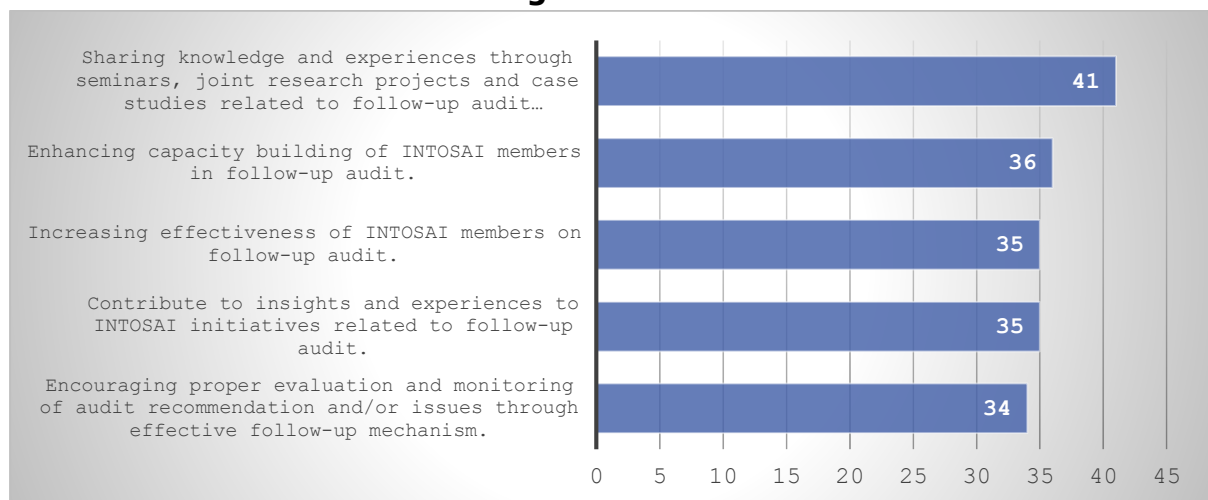
For instance, SAI India underscores the WGFA's potential to add value to audit effectiveness, while SAI Indonesia emphasizes discussing the goal of follow-up practice. SAI Lithuania highlights benefits such as exchanging experiences and conducting benefit-cost analyses. SAI Qatar offers detailed recommendations for effective follow-up procedures, including standardized procedures and enhanced accountability. SAI Malaysia stresses the importance of regular reviews of WGFA findings to foster a culture valuing follow-up practice, and SAI Mauritius emphasizes the WGFA's potential to improve public trust in government performance. SAI Myanmar expresses full support for the WGFA without specific comments, while SAI Romania underscores the WGFA's potential to promote international auditing practices and transparency. SAI Yemen views the WGFA positively as a platform for knowledge



sharing while SAI Latvia believes that this initiative will significantly contribute to the overall success and impact of their audit efforts.

The analysis of survey data from 48 SAIs reveals a clear consensus on the primary benefits of establishing the WGFA. Predominantly, SAIs ranked the opportunity for knowledge and experience sharing through seminars, joint research projects, and case studies as the most significant advantage. Following closely, respondents highlighted the potential of the WGFA to enhance capacity building among INTOSAI members in practical follow-up, while enriching INTOSAI initiatives in this domain with invaluable insights and experiences. Additionally, respondents underscored the expected increase in effectiveness among INTOSAI members through the establishment of the WGFA. Similarly, respondents emphasized the importance of fostering proper evaluation and monitoring of audit recommendations and issues. Notably, most respondents expressed optimism regarding the benefits of the WGFA, with no dissenting voices or concerns regarding potential drawbacks evident in the responses as evidence below:

Chart 12: Benefits of Establishing WGFA



These collective viewpoints reflect a shared commitment to improving the effectiveness and impact of follow-up audits through collaborative efforts within the WGFA.



Based on the survey, this study also delved deeper into respondents' open-ended answers, organizing them into distinct groups based on shared themes and similarities regarding the establishment of the WGFA:

Table 4: Respondents Additional Response

SAIs Additional Comment/Input/Opinion on The Establishment Of The WGFA		
CATEGORY	COMMENTS/INPUT	SAIs
1. Supportive Comments	<ul style="list-style-type: none"> Express support for the establishment of the WGFA, highlighting its importance in improving audit effectiveness, ensuring accountability, promoting best practices, and enhancing public trust 	<ul style="list-style-type: none"> Armenia, Liberia, Mauritius, Myanmar, North Macedonia, Paraguay, Qatar, Romania, Venezuela, Yemen
2. Enhancement Recommendations for the WGFA	<ul style="list-style-type: none"> Offer suggestions on how the WGFA can be improved or what aspects it should focus on, such as discussing the impact of audits, sharing experiences, and fostering a culture of follow-up audit practices 	<ul style="list-style-type: none"> India, Indonesia, Latvia, Lithuania, Malaysia, Malta, Nepal, Zambia
3. Emphasis on Procedures	<ul style="list-style-type: none"> Stress the importance of developing rigorous follow-up procedures aligned with international auditing standards 	<ul style="list-style-type: none"> Kenya, Qatar, Romania
4. Focus on Knowledge Sharing and Exchange	<ul style="list-style-type: none"> Highlight the importance of knowledge sharing, exchanging experiences, promoting cross-border cooperation, and facilitating continuous improvement of audit practices through the WGFA 	<ul style="list-style-type: none"> Latvia, Mauritius, Romania, Yemen, Zambia



There is a strong consensus among SAIs on the importance of enhancing follow-up practices. The above response highlights a collective recognition of the need to improve accountability, transparency, and the overall impact of auditing within the public sector. SAIs from different countries unanimously supports the establishment of the WGFA as a platform for sharing best practices, exchanging experiences, and fostering cooperation to develop standardized procedures and methodologies for follow-up practice. While there are some differences in emphasis, such as specific recommendations provided by SAI Qatar or the focus on public trust by Malaysia and Mauritius, the consensus underscores a shared commitment to strengthening follow-up practices through collaborative efforts within the WGFA.

CHAPTER 3

Workplan of WGFA

3. Work Plan of WGFA

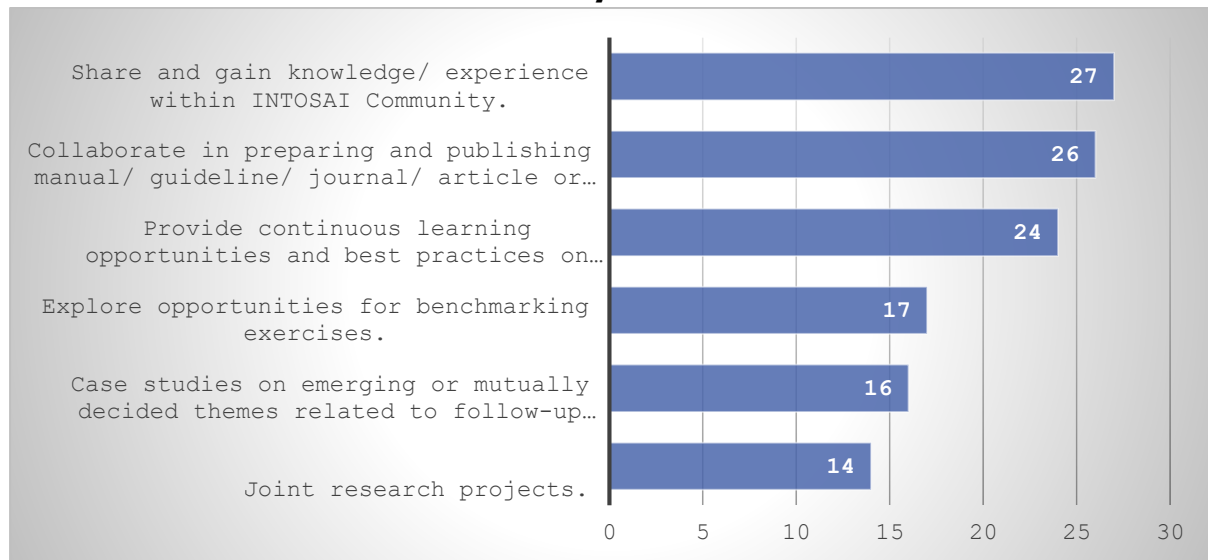
3.1 Work Plan from Data Survey

The survey results from respondents ranking the work plan for a new Working Group on Follow-up Audits (WGFA) reveal varying degrees of agreement on proposed activities aimed at enhancing follow-up audit practices within the INTOSAI community. The highest-ranked activity, with 27 score, is to share and gain knowledge/experience within the INTOSAI Community, indicating strong support for collaborative knowledge exchange. Following closely at 26 agreement is the collaboration in preparing and publishing manuals, guidelines, journals, articles, or other references, highlighting a collective interest in disseminating best practices. Providing continuous learning opportunities and best practices on emerging issues garnered 24 agreements, underscoring the importance of staying abreast of evolving audit methodologies. While there are areas with lower levels of agreement, such as exploring opportunities for benchmarking exercises with 17 score. Tracked by case studies on emerging or mutually decided themes related to follow-up audits with 16 score and joint research



projects with 14 score. The respondent’s response indicate that each activity still received significant support. This suggests potential for further exploration and discussion to fully align on the priorities and focus areas of the new WGFA.

Chart 13: Work Plan Based on Survey



Based on the above finding, following is a tentative work plan of WGFA that aim to efficiently execute and manage future activities. The WGFA plan for future activities will be in line with the INTOSAI principle through discussions and coordination with respective members. According to the survey, the suggested projects/activities for this WG are as illustrated in the following table:

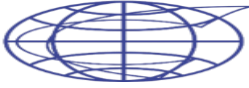
Table 5: Proposed Work Plan for the new INTOSAI WGFA

INTOSAI PRINCIPLE 12: Capacity Building Through Promoting Learning And Knowledge Sharing			
PROJECT / ACTIVITY	RESPONSIBILITY / PARTICIPATION	TIME FRAME	EXPECTED OUTCOMES
1. To identify and analyse the key issues in follow-up practice.	<ul style="list-style-type: none"> Responsibility: WGFA leader 	Expected to start from 2025	<ul style="list-style-type: none"> Generating actionable strategies for improvement.



INTOSAI PRINCIPLE 12: Capacity Building Through Promoting Learning And Knowledge Sharing

PROJECT / ACTIVITY	RESPONSIBILITY / PARTICIPATION	TIME FRAME	EXPECTED OUTCOMES
	<ul style="list-style-type: none"> • Participation: INTOSAI members 		<ul style="list-style-type: none"> • Capacity building of SAIs and their auditors in follow-up practice.
<p>2. To organise the knowledge-sharing programs. These programs aimed at facilitating the process of sharing experiences and lessons learned in follow-up practice among the member SAIs.</p>	<ul style="list-style-type: none"> • Responsibility: WGFA leader • Project team members: WGFA members • Participation: INTOSAI members 	<p>Expected to start from 2025</p>	<ul style="list-style-type: none"> • Regular knowledge-sharing events or workshops where member SAIs can exchange experiences, best practices, and lessons learned in follow-up practices
<p>3. To organise annual meeting to develop an effective operational plan and to present to the Governing Board.</p>	<ul style="list-style-type: none"> • Responsibility: WGFA Chair • Participation: WGFA members 	<p>Expected to start from 2026</p>	<ul style="list-style-type: none"> • Capacity-building support to other SAI members by providing training, workshops, or technical assistance on follow-up methodologies, tools, and techniques.
<p>4. To organise study, visit with the cooperation and support from INTOSAI Governing Board</p>	<ul style="list-style-type: none"> • Responsibility: WGFA Chair • Participation: WGFA members 	<p>Expected to start from 2026</p>	<ul style="list-style-type: none"> • Promote learning and collaboration among member SAIs, fostering the exchange of ideas and experiences to enhance follow-up practices.



INTOSAI PRINCIPLE 12: Capacity Building Through Promoting Learning And Knowledge Sharing

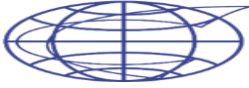
PROJECT / ACTIVITY	RESPONSIBILITY / PARTICIPATION	TIME FRAME	EXPECTED OUTCOMES
5. To prepare and publish a toolkits other reference on definition of follow-up practice	<ul style="list-style-type: none"> Responsibility: WGFA leader Project team members: WGFA members Participation: INTOSAI members 	Expected to start from 2027	<ul style="list-style-type: none"> Development and publication of toolkits or reference materials providing guidance on the definition and implementation of follow-up practices

3.3. Communication & Reporting

In establishing the WGFA, effective communication and reporting among member SAIs are paramount to ensuring transparency, accountability, and the successful attainment of our collective objectives. Reporting within the WGFA will be structured to facilitate streamlined communication and collaboration among participating members. Key elements to be highlighted in the reporting process includes:

- Regular updates on progress against the established work plan,
- Dissemination of best practices and lessons learned.
- Sharing of relevant research findings
- Transparent documentation of decisions made during meetings or discussions.

As part of our commitment to promoting excellence in follow-up practices, reporting will serve as a cornerstone in facilitating knowledge exchange and collective advancement towards our shared goals.



CHAPTER 4

Conclusion

4. Conclusion

The establishment of WGFA is imperative to foster knowledge sharing and enhance accountability in post-audit assessments. Such a group enables the exchange of experiences among member countries, promoting a consistent and effective approach to follow-up practices. By addressing universal challenges, adapting to diverse governance contexts, and emphasizing continuous improvement, the working group may contribute to the development of common principles that elevate the impact and influence of follow-up practices internationally. Through collaborative efforts, the working group has potential to ensure that audited entities are held accountable for implementing recommended changes, contributing to a culture of transparency and accountability in the utilization of public resources across jurisdictions.

In conclusion, the feasibility study conducted by SAI Malaysia, under the diligent input and support of the Special Committee, has expressively encouraged for the establishment of the WGFA. Through analysis and collaborative efforts, **this study has explained the necessity for enhanced follow-up practices** in addressing contemporary governance challenges with transparency and integrity. The suggested **WGFA not only fits well with INTOSAI's main goals but also promises to be a helpful place for member SAIs to learn, work together, and use resources wisely.** With the expected backing from INTOSAI members and others involved, the WGFA could usher in a new era of better audits, promoting efficiency and trust in managing public affairs worldwide.

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