

File No.5/2
Dated: 09 March 2020

Dear Colleagues

1. The XXIV Commonwealth Auditors-General Conference will be hosted by the Fiji Office of the Auditor General from 26 – 28 May 2020 and the preparation for the conference is progressing well.
2. The main theme as already communicated is **“Emerging Issues & Future Challenges”** with three sub-themes as follows:
 - I. New expectations and the future role of audit.
 - II. Enhancing audit quality and timeliness.
 - III. The SAIs roles in the achievement of national priorities and goals.
3. The purpose of this letter is to request for expressions of interests to present on specific topics under each sub-theme. The main purpose of presentations by SAIs is to share their experiences, the significant challenges and the important lessons learned that will or may provide insights in other SAIs with differing contexts.
4. The CAGC is provides a platform that supports mutual sharing of knowledge and experiences and your participation will
5. A write-up on the topics chosen under each sub-theme and the structure of the conference is attached. I request that expressions of interest are submitted to the contacts below together with the chosen topics by 20/03/20 and draft papers and presentations by 15/04/20.
4. Any queries may be directed to Ms. Finau Nagera or Mr. Moshin Ali, Directors, Office of the Auditor General of Fiji at fnagera001@auditorgeneral.gov.fj and moshin.ali@auditorgeneral.gov.fj (Tel.:+679-3309032).

Yours sincerely,

Encl: As above.



(Mr. Ajay Nand)
Auditor General – Republic of Fiji

To

1. **All the Commonwealth Auditors General**

XXIV COMMONWEALTH AUDITORS-GENERAL CONFERENCE

26 - 28 MAY 2020

NADI, FIJI

“EMERGING ISSUES & FUTURE CHALLENGES”

While SAIs in the Commonwealth differ in terms of capacities, contexts and mandates, the future related issues and challenges are common. SAIs face similar challenges to the changes brought about by technological advancements, data revolution, political shifts, natural disasters and emergency events.

The Commonwealth Auditors-General Conference provides a platform for SAIs to collaborate and support the mutual sharing of knowledge and experiences that will provide important insights, alternative solutions and their application in differing contexts that will benefit members. In addition, this forward looking theme “*Emerging Issues & Future Challenges*” should create discussions aimed at SAIs becoming better aware of emerging issues and be better prepared to deal with future challenges.

Sub-theme 1: New expectations and the future role of audit

Topic 1: The changing role of public sector auditing

SAIs rethinking their role and aligning to the demand of modern circumstances and work environment.

- 1.1 With greater demand for accountability and transparency of governments, demand for delivery of value-added external audit services, advancements in science and technology, the role of SAIs will evolve and may become more demanding. The face of public sector auditing has changed considerably over the years due to demand for stricter control on spend of taxpayer funds and public outrage on extraordinary spending of governments, loss of government investments and failure of public funded programs. There is an on-going expectation of “real-time audits’ by stakeholders.
- 1.2 SAIs have moved away from merely providing audit opinions on financial statements to creating partnerships with clients and other stakeholders through other types of audits, which cover wide ranges of audit approaches. Many SAIs provide opportunities to citizens to contribute not only to the audit process but also report matters relating to fraud and corruption.

1.3 It is widely acknowledged that advancements in science and technology will impact the auditing profession and that SAIs should align to the technological direction of the future on how they operate to meet the demand of its citizens and stakeholders and remain relevant.

Suggested areas for presentation:

- SAIs to discuss the changing role of public sector auditing (past, present and future) and how these have been addressed by the auditing profession. While discussion is primarily expected to be centered on the role of SAIs, this can be extended to internal audit in the public sector.
- SAIs to discuss the new norm on the role of audit, be better aware of emerging issues relevant to their audit work and how (audit methodology and resources) SAIs can be better prepared to meet them.
- SAIs to discuss how Artificial Intelligence will change public sector auditing in the future and the emerging challenges.

Topic 2: Making audit relevant in times of crisis

SAIs responding to significant and/or emergency events.

1.3 SAIs operate in an era and in an environment of constant change characterized by significant political shifts, unpredictable disruptions, climate change, natural disasters, infectious diseases and increased occurrence of emergency events. SAIs must adapt to the environment and the expectations of its citizens and stakeholders to stay relevant.

1.4 The consideration of SAIs changing role in Governments accountability process and the SAIs real-time responses in significant national, regional or global emergencies are important issues to bring to the fore. The SAIs responses can be categorized as immediate, strategic or outreach opportunities.

1.5 The sharing of knowledge and experiences in this regard will help SAIs better aware and better positioned themselves to deal with emerging issues which could impact their role and functions.

Suggested areas for presentation:

- SAIs can discuss their experiences and how their role evolved when dealing with significant national emergencies, the emerging challenges and how they were addressed.
- SAIs to discuss the changing expectations of its citizen and stakeholders in national and global emergencies.

Topic 3: Auditors of the future

- 1.6 Human element or its people is still the most important business resource, integral and critical to the success of the SAI. While SAIs have agreed that there is a need to be responsive to the changing environment to keep up with the increasing pace of change, they have also acknowledged the challenges of the lack of resources, knowledge, capacity and technical ability to effectively respond to the changing environment. The changes in demography of the world population and improvement in life expectancy have likely impacted SAIs workforce. Therefore, the current and future workforce of SAIs is likely to undergo major changes.
- 1.7 New skill sets or having the right skills are required of the SAI workforce to respond to the digital era and effectively deal with emerging issues and future challenges. SAIs are encouraged to nurture the auditors of the future who can employ data analytics, enhance innovation and strategic thinker & planners.
- 1.8 While SAIs operate in different contexts, there is an expectation of behavior and the standing of the auditor in the community including the importance of trust in the auditor for the auditors' reports to be received and used. The impact of culture cannot be overlooked. Establishing trust and maintaining ethical standards with the accessibility of increasing amounts of sensitive data is critical in this digital era.

Suggested areas for presentation:

- SAIs to discuss how they have decreased gaps in skills of their workforce and sustain the skill base to meet new skill set requirements of the modern environment in which SAIs operate.
- SAIs to discuss how culture and maintaining ethical standards remain important on how they operate in this digital era.

Topic 4: Meeting the changing expectations of stakeholders

SAls have deep understanding of the expectations of stakeholders.

- 1.9 The age and gender make-up of the world's population has changed tremendously over the past decade. While some economies have a younger versus an aging population, others have either of them. The population of women and girls have increased significantly to almost half of the world's population. The population coupled with advances in science and technology have resulted in more than ever reliance on communication channels such the social media to promote and distribute products, other than the traditional methods.
- 1.10 The changes in demography of the world population and improvement in life expectancy have likely changed the structure of stakeholders. Similarly, the traditional products of SAls delivered through their mandate may no longer appeal to stakeholders.
- 1.11 The new norm of expectations from stakeholders will be a combination of use of technology and use of products which put across the key findings in audit reports to a maximum number of people in the shortest possible time.
- 1.12 It is important for SAls to understand the expectations of stakeholders and shift towards meeting these expectations over the next three to five years.

Suggested areas for presentation:

- SAls to present on the changing expectations of stakeholders over past decade and projected changes for the future. Are expectations affected by geographical locations of SAls?
- SAls to discuss how they are meeting the new expectations of stakeholders and plans they have to meet the expectations in the future.
- SAls to share their views on the new normal in the expectations of stakeholders.

Sub-theme 2: Enhancing Audit Quality and Timeliness

Topic 1: Leveraging data to enhance audit quality and timeliness

SAls leveraging data and analytics to achieve high audit quality and timeliness.

- 2.1 While there are differing viewpoints as to what developing technologies mean to the public auditing profession, there is no denying that modern technology has transformed and is driving how SAls perform audits. Nevertheless, improving audit quality and timeliness remains the central objective.
- 2.2 The application of data (big data) and analytics is one way to enhance audit quality and timeliness, as its purpose is to supplement and improve auditing. To derive value from data, analytics is applied to generate new insights relevant to the auditing process.
- 2.3 While leveraging data and analytics offers a practical way to manage important aspects of audits, at the same time, data availability, validity and quality remain the primary conceptual challenges. Additionally, the following organisational challenges can impact on the ability of SAls to leverage the audit opportunities and efficiencies presented by data and analytics: creating a buy-in among the auditors; data analytics being incorporated into the audit methodology; and forming a specialist unit or a pool of data analytics champions. For the above reasons, it is important for SAls to develop in-house strategies in the field of data analytics, including capacity building of staff, providing infrastructural resources, and developing new audit methodologies, tools and techniques.

Suggested areas for presentation:

- SAls to discuss on how the opportunity of data availability and data analytics are transforming how audits are performed to improve quality and timeliness.
- SAls to present on the challenges that data bring and how they have addressed them.

Topic 2: Supporting the integrity of audit reports through appropriate systems of quality assurance

SAls implementing appropriate system of quality assurance over their audit activities and reporting, and subjecting such systems to periodic independent assessments.

- 2.4 SAIs should lead by example by promoting accountability and transparency in their work processes, activities and products. Information about SAIs should be readily accessible and available in the public domain.
- 2.5 Quality in the delivery of a SAI's audit services is critical in supporting the integrity of audit reports. It also ensures that a SAI maintains the confidence of the Parliament, public sector entities and citizens.
- 2.6 Today, SAIs operate in a constantly changing environment with increasing expectations for transparency and accountability. For this reason, having an appropriate system of quality assurance over audit activities and reporting, with regular independent assessments, must be viewed as a dynamic process by SAIs also aimed at responding to changing stakeholder expectations.

Suggested areas for presentation:

- SAIs to present on quality assurance initiatives undertaken over their audit activities and how this may be applied in smaller SAIs which are unable to establish separate QA functions.
- SAIs to discuss how their QA function has contributed to the overall improvement of audit quality and timeliness.

Topic 3: Effective reporting of audit results

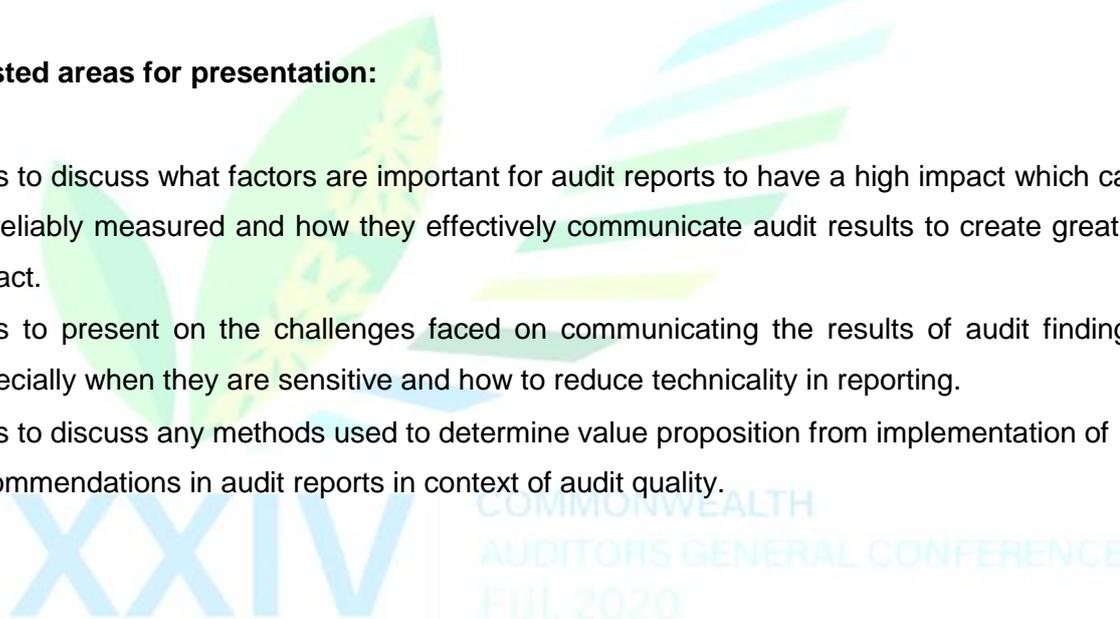
SAIs maintaining the confidence of Parliament, public sector entities and citizens through effective and timely communication of audit results.

- 2.7 Improvements in audit quality go hand in hand with efforts to enhance the effectiveness and timeliness of reporting of audit results. The outcomes of audits by SAIs should be better communicated and promoted as this is just as important as performing the audits. When SAIs effectively communicate quality audit reports in a timely manner, it increases public awareness of audit results and supports the high impact of audit reports and recommendations.
- 2.8 Audit results are communicated through Audit Reports, which are key products for SAIs. The audit results are effectively communicated when the reports are influencing and impactful and meet the needs of Parliament, public sector entities and citizen. The reports are well-written in plain languages and in an appropriate format that engages the reader and can be easily understood.

- 2.9 Audit quality is also determined by the (quality) of recommendations made in audit reports and value proposition from implementing them. This can be used to determine the contribution made by a SAI to an auditee.
- 2.10 Some SAIs often face situations where their audit reports are not taken seriously or used effectively because they do not provide meaningful information and that the distribution of the reports have not been timely.
- 2.11 A key challenge facing SAIs is the sustainable and efficient communication of audit findings and recommendations. In light of this, SAIs are moving towards utilising modern communication tools and strategies to make a lasting impact of their audit work. In this way, SAIs can deliver audit reports that add value in the contemporary public sector environment, as well as provide insights on improvements to public administration.

Suggested areas for presentation:

- SAIs to discuss what factors are important for audit reports to have a high impact which can be reliably measured and how they effectively communicate audit results to create greater impact.
- SAIs to present on the challenges faced on communicating the results of audit findings especially when they are sensitive and how to reduce technicality in reporting.
- SAIs to discuss any methods used to determine value proposition from implementation of recommendations in audit reports in context of audit quality.



Sub-theme 3: The SAIs role in the achievement of national priorities and goals

SAIs adding value by contributing to the achievement of national priorities and goals.

- 3.1 SAIs play an important role in promoting efficiency, accountability and transparency of public administration, which is an important factor to the achievement of national development objectives and priorities. The Moscow Declaration adopted from the XXIII INCOSAI in 2019 stated that the future direction of public auditing depend on SAIs having strong commitments to providing independent external oversight in the achievement of national priorities and goals including those linked to the Sustainable Development Goals.
- 3.2 The recognition of the SAIs role was also prominently shown in the United Nations (UN) General Assembly Resolution of December 2011, "Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions"
- 3.3 The growing complexity of public governance and the shift of accountability focus to performance-based and result-oriented have been recognized as essential to good governance. In addition, the ongoing transformation of governments have impacted and influence the future focus of SAIs.
- 3.4 To recognize the importance of sustaining the environment, INTOSAI under the International Standards for Supreme Audit Institutions (ISSAI) Framework has issued four standards which relate to environment and sustainable development.
- 3.5 SAIs are also encouraged to contribute to more effective, transparent and informative accountability for outcomes and at the same time recognized that there are many challenges facing them in the auditing of national priorities and goals including SDGs.
- 3.6 Many countries have already adopted sustainability reporting as part of integrated reporting which reflects financial and non-financial information. The primary intent of this type of reporting to cover stakeholders outside those in traditional reporting. It also allows companies to reflect their position and commitment to sustainability which may be seen as a competitive edge over others to gain the trust of stakeholders.

3.7 Increasing number of SAIs have placed emphasis on the provision of advisory services as an extended role to facilitate good governance and ultimately to the achievement of national priorities and goals.

Suggested areas for presentation:

- SAIs to discuss strategy considerations on how their role has evolved in accordance with ongoing transformation of their governments or State Sector.
- SAIs to discuss practical and innovative approaches to auditing national priorities and goals, or the integration of SDGs into audit practice including the significant challenges and how the challenges have been addressed.
- SAIs to discuss lessons learned from auditing the preparedness for SDG implementation and how they have aligned their audit strategies for auditing the implementation of SDGs.
- SAIs to discuss environmental reporting, existing guidelines and how SAIs can be better prepared to audit and report such information.
- SAIs to discuss how they have engaged in advisory activities to enhance good governance without compromising their independence, the main challenges encountered in the provision of advisory services and how the challenges have been addressed.



XXIV

COMMONWEALTH
AUDITORS GENERAL CONFERENCE
FIJI, 2020

STRUCTURE OF THE CONFERENCE

The main part of the conference will include key note speakers speaking on the sub-themes followed by presentations by SAs and panel discussions. To ensure a more in-depth and focused presentations and discussions, suggested areas for presentation have been identified under each topic and broad sub-themes.

SAs will be allocated 20 minutes for presentation on any of the identified topics under each sub-theme, with strict adherence to the time allocated. Presentations should be provided as a paper and in PowerPoint format, if necessary. Title of the paper/presentation should be clearly written, which will be included in the program.

The time slot for panel discussions on each sub-theme will be after the presentations, with an allocated time of 30 to 45 minutes. Presenters and selected delegates will be invited to be part of the panelists.

SAs that wish to make a presentation during the conference should submit the title of the presentation by email at fnagera001@auditorgeneral.gov.fj with a copy to moshin.ali@auditorgeneral.gov.fj. The schedule for submission of paper and presentation is as follows:

	Due Date
Expression on interest to present chosen sub-theme and topic	20 th March 2020
Draft paper and power point presentation slides (no more than 20 minutes duration)	15 th April 2020
Comments and feedback on the draft	25 th April 2020
Final paper and presentation	30 th April 2020

The final program, all papers and presentations should be available to all delegates via the Fiji OAG Events website by 30th April 2020.