

Working with other countries

Developing our organisation, supporting improvement

2012/13

Contents

Welcome from the Auditor General	3
Welcome from the Chair of the International Steering Group	4
Visits	5
Staff development	6
Overseas work	7
United Nations audit	7
Office of the Auditor General of Kosovo	8
Networking and influencing	9
Policies and processes	9

Welcome from the Auditor General

Audit Scotland's vision is to be a world-class audit organisation that improves the use of public money. To achieve this, we are committed to helping public bodies in Scotland meet the challenges they face. We are also committed to developing our staff to ensure they are equipped with the broad range of knowledge and skills required to deliver our work effectively and efficiently.

Working with, and alongside, other public audit organisations provides Audit Scotland with a great opportunity to contribute towards public sector accountability in other countries. My role as the chief financial officer to the Turks and Caicos Islands in 2011, allows me to speak from personal experience about the potential for us to contribute positively to the further development of independent and robust public audit. Equally Audit Scotland benefits through the personal and professional development opportunities this work can provide for our staff.

This report summarises our work with other countries in 2012/13, in particular hosting visits from organisations outside of Scotland, continued involvement in the United Nations audit and assisting with the development of audit methodologies in other countries.

I would like to conclude by thanking all of our staff who have participated in our work with other countries during 2012/13. I am always impressed by their commitment, the quality of the work and their enthusiasm.



Carolie Gordon

Welcome from the Chair of the International Steering Group

This has been another busy and interesting year for the International Steering Group as we continue to facilitate the sharing of Audit Scotland's professional, technical and audit knowledge with other audit organisations and public sector bodies in other countries. Audit Scotland staff:

- hosted delegations from the Shenzhen Municipal Audit Bureau, Chinese National Audit office and Serbian Ministry of the Interior (in partnership with her Majesty's Inspectorate of Constabulary for Scotland) ([see page 5](#))
- continued to participate in the audit of the United Nations in partnership with the UK National Audit Office ([see page 7](#))
- presented to European Organisation of Regional Audit Institution (EURORAI) events held in Vilnius and Bordeaux ([see page 9](#)).

We continue to assess the impact of our work by inviting all the organisations we work with to provide feedback. I am pleased to report that the work has continued to be highly valued by our overseas visitors and the organisations we are assisting through our international assignments.

As has been noted, Audit Scotland's vision is to be a world-class audit organisation. This involves, among other things, applying the highest standards of good audit practice, continually developing our staff and their skills, and ensuring that our work has real impact. We consider that our international work contributes to all of these areas, particularly through our involvement with a wide range of other public audit bodies.

We recently refreshed our *Working with other countries* strategy for 2013–15 to ensure it remains fit for purpose and aligns with Audit Scotland's over-arching corporate plan. Over this period we will continue to maintain an involvement in working with other countries and support our staff who volunteer to participate in this work.

I hope you find this report interesting. If you require any additional information or wish to speak to us about our work with other countries, our contact details are on the back cover of this report.



David McConnell

Visits

We have hosted delegations from a variety of organisations including other public audit bodies. All the visits in 2012/13 have been relatively short, usually a half or full day. However, in line with our *Working with other countries* strategy, we may also consider longer visits.

Audit Scotland's core business takes priority over our work with other countries and we sometimes have to decline requests, or limit the number of visits, particularly during our busiest periods. Our strategy limits the number of visits to 12 each year, and restricts the same organisations from returning within a two-year period unless the focus of the visit has significantly changed.

During 2012/13, we received requests from seven organisations (14 in 2011/12). Three of these were accommodated, one was cancelled and one was postponed until 2013/14. The remaining two were declined as they were repeat requests received shortly after a previous visit. The three visits we hosted in 2012/13 are summarised in [Exhibit 1](#).

Exhibit 1

2012/13 visits

- Serbian Ministry of the Interior (March 2013) – In partnership with Her Majesty's Inspectorate of Constabulary for Scotland (HMICS), we gave a presentation to eight delegates on monitoring and public-reporting of police performance.
- Chinese National Audit Office (October 2012) – This involved a presentation to sixteen delegates on public audit in Scotland.
- Shenzhen Municipal Audit Bureau (September 2012) – This half day visit by 16 delegates focussed on the use of information technology in audits.



In addition to sharing information on the public audit model in Scotland and our methods of working, these visits allowed us to learn from other countries and challenge our own methodologies.

[Case study 1](#) (overleaf) provides more detail of the issues discussed during the visit by the Shenzhen Municipal Audit Bureau.

Case study 1

Shenzhen Municipal Audit Bureau

In September 2012, we hosted a half-day visit for 16 delegates from the Shenzhen Municipal Audit Bureau. The group was interested in our audit approach and, in particular, how we use information and communication technology (ICT) in audits.

We informed the group about public audit in Scotland, our role within the legislative framework, how we deliver public audit to over 200 public bodies and provided practical examples of how ICT audit is integrated in our overall audit approach.

Members of the delegation highlighted the relevance of the presentation to their organisation and provided positive feedback on the event.



Caroline Gardner with a delegate from the Shenzhen Municipal Audit Bureau

Feedback from the Serbian Ministry of the Interior delegation shows the impact that our involvement in work with other countries can have. They commented that:

"The tour was a great success, due entirely to the high-quality presentations made by all our hosts, the extremely helpful literature supplied, and the willingness of senior staff to give so freely of their scarce time. There has already been a flurry of activity within the Ministry of the Interior as work to follow up on lessons learned is put in train."

Staff development

Hosting visits also provides our staff with opportunities to share knowledge and develop presentation skills. Audit Scotland also benefits more widely through the application of newly acquired skills and experience to our core work and new ideas can be fed into our on-going work to improve how we deliver our core audit work. Senior ICT auditor Edward Stansfeld commented that:

"Preparing for the Shenzhen Municipal Audit Bureau visit gave me an opportunity to reflect on our approach to ICT audit and consider where we can further enhance the delivery of audit to Scotland's public sector."

Overseas work

United Nations audit

In 2010/11, the National Audit Office (NAO) was appointed to the United Nations (UN) Board of Auditors for a term of six years. The NAO invited Audit Scotland to join the NAO's audit team to undertake a range of financial and performance audits. In 2012/13, three Audit Scotland staff were involved in audits of several organisations, including:

- UN Office of Drugs and Crime (Vienna)
- UN Human Settlements Programme (Nairobi)
- UN Environment Programme (Nairobi)
- UN Secretariat (Nairobi and Vienna).



In 2012, the work focused on completing audit reports that brought together the findings and recommendations arising from audit work undertaken in previous months. Areas covered included: strategy development, performance management, project development, procurement and financial systems. Our staff have also been involved in the UN's Umoja project which is a major change programme being undertaken across the UN focused on streamlining administrative processes and implementing an integrated financial system. This work is fully funded by the UN.

Case study 2

United Nations audit

In August 2012, Parminder Singh (pictured overleaf), a senior auditor from our Audit Services Group, joined the financial audit team based in the UN's Office in Vienna. The Vienna office is responsible for many aspects of the UN's work but its primary responsibility is the UN's Office on Drugs and Crime.

Parminder says: "When I applied for the UN work I was hoping to experience the NAO's way of working, as well as experience the unique environment of working on an international audit. The UN is a challenging organisation which conducts a diverse range of activities. This is also a unique time in the UN's history as they are changing their accounting basis in the next two-year period. Part of our role is to report on their progress with this important project.

"The NAO have structured their audit teams so that the financial and performance audits are 'on-site' at the same time. This leads to good working arrangements with colleagues from performance audit, which includes Mark MacPherson who leads the performance audit studies on the UN Office on Drugs and Crime."



L-R: Ebrahim Gora (NAO), Mark MacPherson and Parminder Singh

Office of the Auditor General of Kosovo

The Office of the Auditor General of Kosovo (OAG) was established in 2004 and the European Union are supporting it to build capacity and develop audit methodologies. The NAO was chosen to partner the OAG in its development, and is the lead on a project to further support to the Office of the Auditor General of Kosovo to meet EU standards.

The overall objective of the project is 'the proper stewardship of public funds; transparency and effectiveness in public spending through the public financial management system; the creation of an effective public governance framework in Kosovo; and building confidence in public spending by enhancing public accountability'.

The NAO asked Audit Scotland to participate in the project and currently two members of staff are involved. Their remit includes mentoring OAG staff, developing a strategic approach to municipality audits and developing an approach to benchmarking and performance management. The total time commitment by our staff for the project is approximately 16 weeks over a two-year period.

Senior auditor Tommy Yule commented that:

"From a professional perspective the project in Kosovo has made me think about our own audit process. In particular, why we conduct the work we do and how we gain assurance on each audit assertion. In mentoring the local auditors I have had to go back to basics in explaining the flow of the audit process, and how the audit assurance model works. I will be able to use the skills and techniques I have applied on the project in providing improved support to new and existing trainees in Audit Scotland."

Networking and influencing

As part of our international work we are members of the European Organisation of Regional Public Finance Audit Institutions (EURORAI). EURORAI is a network of public sector audit agencies across Europe which allows members to share experiences and good practice. Where appropriate, we attend EURORAI conferences and give presentations on topical issues.

In June 2012, a member of staff attended a EURORAI conference in Bordeaux and presented on antifraud and corruption measures including the National Fraud Initiative in the UK. In October 2012, we participated in a seminar in Vilnius and presented on our approach to people development. Both presentations were well received by attending delegates and generated considerable debate.

Policies and processes

All our work is underpinned by policies and processes which are approved by the International Steering Group.

Welfare of our staff

The health, safety and welfare of our staff are paramount. We carry out checks for our staff working in other countries, including a formal risk assessment. These checks build on our existing health, safety and welfare arrangements and comply with current legislation.

Gift and hospitality policy

Audit Scotland's policy on visits, gifts and hospitality states that: 'Gifts of small monetary value may be accepted where this would not breach guidance contained in our Code of Conduct for staff. In exceptional circumstances, it may be appropriate to accept a gift where refusal would embarrass Audit Scotland or damage relationships.'

In 2012/13, visitors to Audit Scotland presented our staff with token gifts, such as scarves and ornaments. All gifts were recorded in the international register of gifts and hospitality. In turn, we presented token gifts of Audit Scotland pens and Quaich's to visitors.

International volunteer register

Audit Scotland maintains a register of staff who have expressed an interest in supporting our work in other countries. We plan to update the register and invite staff to express an interest in this type of work. Presently, we have 65 staff on the register with 15 having been involved in assignments in other countries and 34 involved in hosting visits. All staff who have been involved in our international work have found it both challenging and interesting and have helped promote our reputation as a world-class audit organisation.

Working with other countries

Developing our organisation, supporting improvement

2012/13



Audit Scotland
110 George Street
Edinburgh EH2 4LH
T: 0845 146 1010
E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

June 2013

This report is available in PDF and RTF formats at:
www.audit-scotland.gov.uk

If you require this publication in an alternative
format and/or language, please contact us to
discuss your needs: 0845 146 1010
or info@audit-scotland.gov.uk