

# Annex

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EXPLANATION OF BANGKOK DECLARATION 2021

The 15th ASOSAI Assembly  
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**Annex****Explanation of the Bangkok Declaration 2021: SAIs and preparing for the next normal**

The following "key statements" are meant to show possible examples of specific approaches and methods towards the achievement of each chapter.

**Chapter I: SAIs and promoting good governance in the next normal**

1. *Recognize* the importance of the Beijing Declaration 2013 on promoting good governance by supreme audit institution.

**Key statements**

- The Beijing Declaration of 21<sup>st</sup> INCOSAI 2013 is an important document that emphasizes the role of SAIs to promote good governance as an indispensable part. Especially in the next normal era, SAIs can help by enhancing transparency and inclusiveness, ensuring accountability, strengthening budget credibility, promoting performance, fighting against corruption, improving good national governance, increasing fairness and institutionalizing gender analysis. The declaration focuses on how SAIs can "lead by example", by firstly demonstrating to auditees on how to apply good governance within SAIs.
- During the pandemic and crises, SAIs could advise public financial management institutions by providing constructive recommendations and suggesting improvements for parliaments. SAIs could also build communication and trust between the public sector entities and citizens by actively promoting open government and free flow of communication channel. In the meantime, SAIs should encourage to conduct participatory audit within the context of SAI's mandate.
- In the next normal, SAI should ensure integrity in the government's response to Covid-19, especially on (a) public health emergency, (b) food and livelihood security, and (c) corruption risks assessment.

**2. *Encourage*** maintaining the fiscal and financial discipline of audit entities and preparing for audit of public debt management after the Covid-19 pandemic.

**Key statements**

- SAIs can raise awareness on the fiscal and financial discipline for audit entities. For example, SAIs could demonstrate their prudence in using public resources and maintaining fiscal and financial discipline during pandemics and crises.
- The consequences of the Covid-19 pandemic indicate that most governments increase public expenditure significantly to recover their economies. Public debt is another fiscal tool implemented during the pandemic; therefore, the public debt management must be transparent.
- SAIs have the central role in exercising independent external and oversight on public debt management and publicly reporting their audit findings. Meanwhile, SAIs could carry out financial, compliance, and performance audits on public debt management matters. However, auditing public debt management might depend on the legal mandate of SAIs, and skills and resources necessary to carry out the audit. Capacity building of SAIs' staff for conduct of specialized audit in the field of public debt demands enhanced cooperation amongst SAIs and audit communities like INTOSAI, EUROSAI, ASOSAI etc.

**3. *Recognize*** the importance of the Abu Dhabi Declaration on enhancing collaboration between the supreme audit institutions and anti-corruption bodies to prevent and fight corruption.

**Key statements**

- The Abu Dhabi Declaration 2019 stresses the role of SAIs in the prevention and fighting against corruption, mainly promoting integrity, accountability, transparency, the proper management of public affairs and public property, and the efficient use of public resources.
- After the Covid-19 pandemic, the demand for transparency and accountability will be increased. For this reason, SAIs can increase public trust by, for example, enhancing collaboration with the anti-corruption bodies in their countries. In addition to anti-corruption bodies in each respected country, it is plausible to have collaboration with international anti-corruption bodies as well.

**4. *Promote*** the importance of e-governance in the new normal.

**Key statements**

- Report on E-Government Survey by the United Nations highlights the critical role of e-governance in consolidating disaster management, disaster preparedness and emergency relief. E-Government also supports the Decade of Action for the Sustainable Development Goals through sustainable, inclusive and equitable public service provision.
- The COVID-19 pandemic presents huge opportunity to leverage e-Governance as it becomes essential element of communication, leadership and collaboration between policy makers and society in times of crisis. Effective e-governance allows continuous delivery of public services with reliability, transparency and efficiency through the use of technology and accelerate country's achievement of the Sustainable Development Goals (SDGs).
- As described in the Organization for Economic Cooperation and Development (OECD)'s Framework for Policy Coherence for Sustainable Development, SAIs can support audited entities by designing audits to evaluate the cohesive and collaborative nature of SDG initiatives.
- SAIs, as an enabling partner, can also advocate the implementation of a holistic approach in e-Governance that is value-driven and institutionalized across all levels of government and society.

**Chapter II: SAIs and encouraging for the achievement of SDGs**

**5. *Recognize*** the importance of the Hanoi Declaration 2018 on environmental auditing for sustainable development.

**Key statements**

- The Hanoi Declaration was an important document in the 14<sup>th</sup> ASOSAI assembly in 2018. This document affirms ASOSAI's interests, efforts, and contribution to the pursuit of SDGs.
- The recommendation of the Hanoi Declaration is to promote knowledge sharing and capacity development in the ASOSAI community in the field of environmental auditing for sustainable development. In the meantime, ASOSAI should give the importance of

the climate change issue. *Climate change* is a serious problem faced by the whole world, and if it is not handled properly it can lead to a domino effect such as damages to ecosystems, extreme weather conditions, species extinction, health and economic problems. These impacts are equivalent to or even greater than those caused by COVID-19 pandemic. ASOSAI needs to be an important part of handling these phenomena.

- SAIs can recognize the concept of *Building Back Better (BBB)* to implement the auditing SDGs in the next normal. Building Back Better (BBB) is an approach to post-disaster recovery that reduces vulnerability to future disasters and builds community resilience to address physical, social, environmental, and economic vulnerabilities and shocks<sup>1</sup>. With the SDGs framework, SAIs could give constructive recommendations for economic recovery, environmental issues for sustainable development, and the opportunity to redesign a sustainable world, also resilient and in better harmony.

**6. *Emphasize*** the Whole of Government (WoG) approach for the audit of SDGs implementation.

#### **Key statements**

- The achievement of SDGs implementation requires the Whole of Government (WoG) approach. This approach responds to a whole picture, addressing fragmented problems and increasing integration, coordination, and capacity.
- The auditing SDGs implementation is to reflect the achievement of national targets, which are interconnected. Under the WoG approach, SAIs should reflect the mechanism of communication, coordination, and collaboration among audit entities and different levels of government.
- Based on WoG, SAIs could assess and identify systematic risk, which consider the entire audit processes of planning, implementation, monitoring, and review.

**7. *Consider*** multi-stakeholders engagement in the audit of SDGs implementation.

#### **Key statements**

- After the Covid-19 pandemic, the global trend leads to emphasize the capacity building for stakeholders' engagement. The audit entities might open floors for several

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<sup>1</sup> Please see "Building Back Better in Post-Disaster Recovery, Global Facility for Disaster Reduction and Recovery (GFDRR)

stakeholders, such as planning and coordinating stakeholder engagement, developing awareness through raising campaigns, and mapping stakeholder groups.

- Hence, SAIs can consider multi-stakeholders engagement in the audit of SDGs' implementation in line with their mandate. SAIs may examine whether the government and audit entities create a suitable condition for engagement. For example, the audit entities may prepare sufficient ways of communication for their stakeholders. Likewise, SAIs may consider whether the feedback system is accessible and users' friendly for stakeholders.
- The consideration of multi-stakeholders engagement may include the available mechanism and platforms for stakeholder engagement. Also, the SDG implementation audit might give constructive recommendations about stakeholders' feedback which might be integration and implementation of SDGs.

8. *Consider* the principle of Leave No One Behind (LNOB) in the audit of SDGs implementation.

#### **Key statements**

- The Covid-19 pandemic will impact the susceptible groups, most impoverished, elderly, migrants, and disabled people in the upcoming times. Therefore, the government will assist these vulnerable groups through several ways.
- Therefore, SAIs could conduct the audit of SDGs implementation by considering the principle of Leave No One Behind (LNOB). SAIs could consider the LNOB in selecting audit topics and examine the LNOB principle as audit criteria.
- For evaluating the performance and effectiveness of their social security nets, SAIs have an urgent and enhanced role to play. Improvement in collaboration for knowledge sharing amongst SAIs have gained an added importance for formulation of recommendations to parliaments for better government actions in mechanisms of identification and provision of sufficient and timely support to susceptible citizens.

### Chapter III: SAIs and leveraging by using advanced technologies for public sector auditing

**9. Recognize** the importance of the Moscow Declaration 2019 on responding effectively to opportunities brought by technological advancement.

#### **Key statements**

- The Moscow Declaration 2019 emphasizes the success factors for public sector auditing that SAIs could respond effectively to opportunities brought forth by technological advancement.
- In the next normal era, SAIs could promote the principle of availability and open data, source code, and audit algorithms. Meanwhile, SAIs can implement, depending on their mandate and practices, data science in audits and develop auditors of the future who can employ data analytics, AI tools, and advanced qualitative methods. SAI could launch initiatives to empower and train public sector staff towards supporting the digital transformation and its intended results, in addition to training and building the capacities of the IT professionals working within the government entities.
- SAI could qualify a specialized team of liaisons comprising SAI professionals to communicate with the government entities and the concerned government agency on following-up the audits. Likewise, SAI could identify and list the names of the relevant subsidiaries of the government entities in order to be contacted individually for carrying out remote audits whenever needed.

**10. Prepare** for digital transformation in the next normal.

#### **Key statements**

- During the Covid-19 pandemic, the SAIs have proven their capacity in preparing for emergencies and unexpected situations. The remote audit and teleworking are forthcoming tools in the next normal. Therefore, the digital transformation of SAIs and leveraging technology in the audit process will be the urgent agenda.
- Hence, SAI needs to prepare for digital transformation. However, many SAIs still faced challenges and limitations, due to lack of professionally trained staff in digital environment and insufficient budget investment in IT. SAI should have strategic plans in place by one of the concerned government agencies, which shall reflect and keep abreast with the latest technological advancements in order to follow-up and ensure the

digital transformation at the state level. To ensure that such strategic plans result in the development of executive plans and projects in this domain.

- One of the key success factors of digital transformation is that SAI leaders need to encourage their staff to transform with the new normal. The head of SAIs could play a role in promoting creativity in SAIs. The building of a creative culture needs a safe environment for experiments and acceptance of error. In the meantime, SAI should embrace a clear methodology to gauge the digital transformation and assess the status quo of the government entities in terms of their adoption of digital technologies.
- As a manifestation of digital transformation movement, SAIs should strengthen their business process by establishing *SAI Enterprise Architecture*. The SAI Enterprise Architecture could provide SAI with a set of standardized data and processes that will drive the practices of process automation in applying SAI -PMF. Combining with the use of algorithm in data analytics practices, SAI Enterprise Architecture will be the best Enterprise Architecture for SAI to develop SAI Resource Planning System, a quasi-ERP for SAI.
- SAIs should improve auditor's digital literacy and strengthen competencies, such as ability to leverage: new technologies, technological literacy, advanced data analytics, testing new audit tools and research methods, technology assisted audit capability, skill on visualizing and presenting information and lifelong learning readiness.

**11. Provide** essential tools, equipment, and infrastructure for remote working.

#### **Key statements**

- During the Covid-19 pandemic, several SAIs have conducted remote audit and teleworking. Remote working will be another option when emergencies or unexpected situations occur. Hence, SAIs can provide essential tools for remote working as appropriate. In addition, SAIs can also develop IT infrastructure for the next normal, based on their needs, especially, for example, cloud-based infrastructure, broadband connectivity, and well-established networks. Likewise, SAI should support projects promoting the technological advancement in the government entities, such as the projects relating to IT infrastructure, cloud storage systems, telecommunication, and AI applications.

- SAIs should prepare an electronic correspondence system in place to facilitate communication between the government entities and the SAIs. Additionally, SAIs should create electronic systems through which auditors could access their respective office computers and the other systems provided by the entity while they are away from their offices, and provide the opportunity for users to connect such systems with their mobile phones to facilitate remote working and help them continue conducting their audits from home.
- In the future, SAIs might be concerned about the remote work challenges like: (a) the adequacy of hardware, (b) the accessible data of audit entities, (c) the standards of the remote working process like electronic signature, (d) the communication of the audit team through a virtual platform, and (e) cybersecurity during remote working. However, SAIs should also consider the readiness of the auditees in providing the same level of IT support.
- SAIs should consider reviewing and improving their audit plans and operating practices to include use of innovative technologies in collecting and evaluating audit evidence taking into consideration the circumstances and risks.
- SAIs are encouraged to continue sharing best practices and further advancements in the areas of remote auditing and audit approaches during emergency conditions.

**12. Collaborate** among SAI members by sharing technologies and innovative practices within the SAI community.

**Key statements:**

- In an effort to boost the capabilities of SAIs under the next normal and make them more effective in meeting their mandates, it is imperative that the entire SAI community provide enablers that would help all SAIs develop a uniform level of capability and technological sophistication.
- To foster an experimental mindset in enhancing innovation and development, more creative and innovative measures should be encouraged in keeping up with the commitment of the Moscow Declaration.

## Chapter IV: SAIs and responding to disaster and pandemic issues

**13. *Realize*** the knowledge of disaster management and pandemic preparedness.

### **Key statements**

- The Covid-19 pandemic proves SAI's capacity to respond to emergency issues. SAIs can play a central role by auditing the preparedness for risk reduction of disasters and pandemics. Likewise, SAIs could conduct the audit post-disaster and pandemic by reviewing and strengthening the government's economic recovery efforts, financial management and governance systems. SAIs could also provide constructive recommendations to improve the effectiveness, economy, and efficiency of government programs.
- SAIs try to be aware of the significance of the knowledge of disaster management and pandemic preparedness. The entire process of disaster risk reduction and management covers: a) prevention and mitigation; b) preparedness; c) response; and d) rehabilitation and recovery measures carried out in preparation for potential disasters. The pandemic preparedness involves the knowledge of ***Emergency Risk Management*** related to the public health policies and resource management, prevention and mitigation planning, coordination, preparedness and response planning, and recovery planning.
- Following the Moscow Declaration 2019, SAIs could learn and share knowledge about auditing disaster management and preparing for a pandemic by enhancing cooperation engagement with the academic community and the public in general.

**14. *Promote*** cooperative audit and consideration for sharing knowledge on auditing of disaster management and pandemic preparedness.

### **Key statements**

- Based on the Lima Declaration 1977, SAIs could perform on the international sharing information and experiences, which is an effective means of helping SAIs accomplish their tasks through several cooperative activities. After the Covid-19 pandemic, SAIs can seek opportunities to share their knowledge and experiences with other SAIs through, for example, the cooperative audit on disaster management and pandemic preparedness. The final output of the cooperative audit is the compendium report that shows lessons learned

and challenges during the audit. The report could prove to be an important handbook for SAIs in conduct of audit of natural calamities in future.

- In addition, the outcomes of the cooperative audit would be the establishment and publication of guidelines, audit approaches or methodologies and other valuable information that would assist the SAIs in auditing disaster management and pandemic preparedness in the future.
- However, all the member SAIs may not be able to participate in a cooperative audit, therefore, option for participating in seminars, webinars and workshops may also be kept in consideration for sharing the approach of audit methodologies and other valuable information from SAIs on their preparedness of the auditing of disaster management and pandemic preparedness in future.

**15. Promote** the development of a Business Continuity Plan in preparing for the next normal and as a response to disaster and pandemic issues.

#### **Key statements**

- Amidst the chaos brought about by COVID-19 pandemic, delivery of audit services finds more relevance and significance as there is heightened public clamor to assess the efficiency and effectiveness of the government's disaster risk reduction and management policies and programs, including the utilization of huge amounts of emergency funds allocated for the purpose.
- To facilitate the continuation of its operations and retain public trust on public auditing and at the same time, protect the welfare of its auditors during period of uncertainties or calamities, SAIs should develop a business continuity plan that provides the framework for building and strengthening its organizational resiliency and capacity for emergency preparedness and disaster response and recovery.
- An effective business continuity plan would help the SAIs to ensure timely and orderly response/recovery, minimize damage and loss to critical processes by protecting essential facilities and resources, mitigate disruptions to operations, establish succession if leadership is disrupted and improve continuity capabilities through a test, training and exercise program.