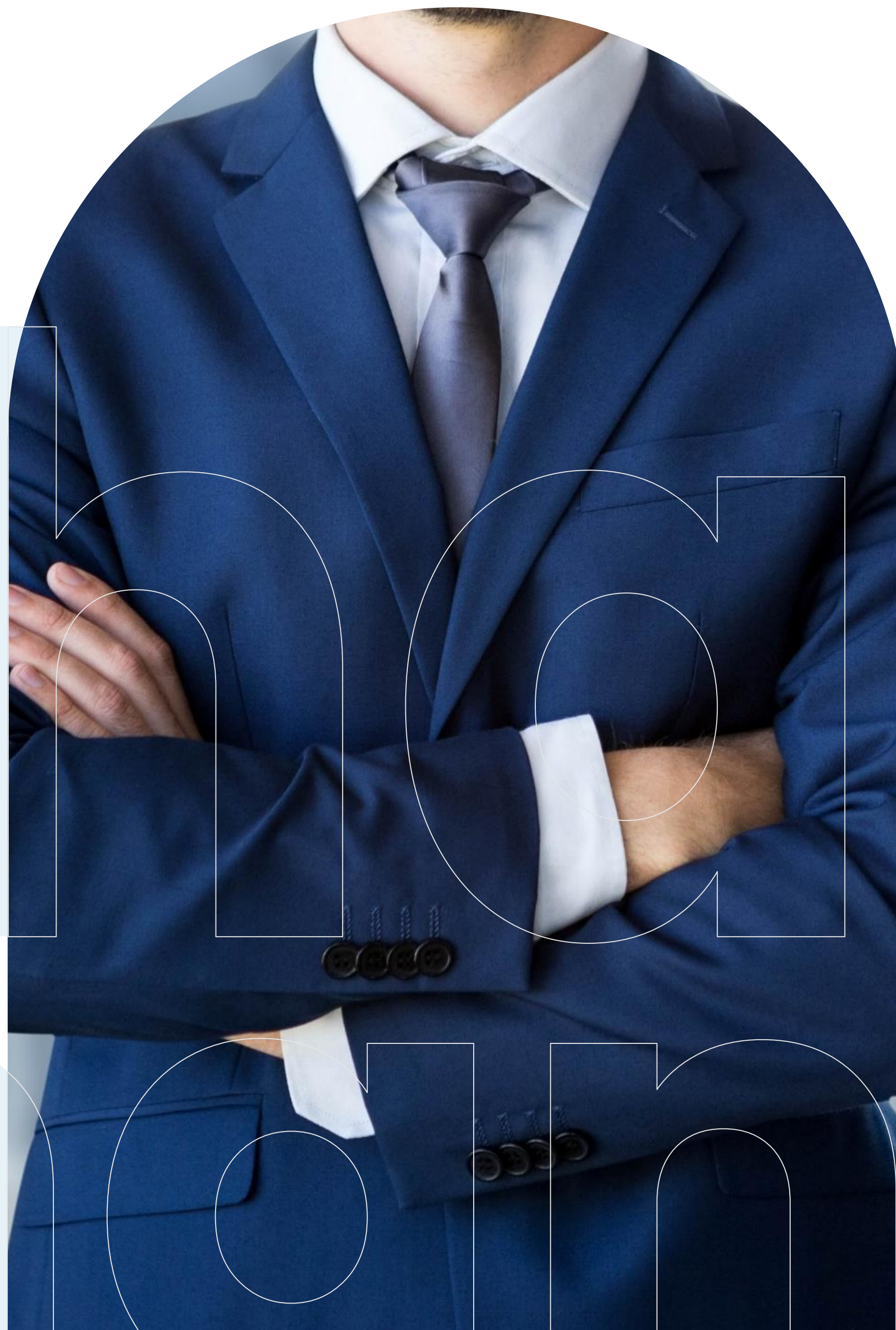




Navigating the Future of Auditing:
Prepared during SAI Thailand's
ASOSAI Chairmanship 2021 – 2024



A Chairman's View

Modern Auditing Practices
Uncovered Weekly

A Chairman's View: Modern Auditing Practices Uncovered Weekly Vol. 1



Supreme Audit Institution and
responding to the BANI world

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a
chairman's
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Supreme Audit Institution and responding to the BANI world

1. Why should SAI be concerned about the BANI context?

The Supreme Audit Institution (SAI) is an independent government body responsible for auditing the use of public funds and ensuring transparency, accountability, and efficient management of resources. SAIs play a crucial role in promoting good governance and maintaining public trust. They examine the financial statements of government entities, evaluate public policies and programs, and report their findings to the legislature and the public.



Jamais Cascio
Futurist, Creator of the BANI Framework

However, the Covid-19 pandemic reshaped the public sector audit landscape, which affected to SAIs unavoidably. The BANI (Brittle, Anxious, Non-linear, Incomprehensible) world is a concept introduced by Jamais Cascio in 2020 as a response to the VUCA (Volatile, Uncertain, Complex, Ambiguous) world idea. The BANI framework describes a world characterized by the following:

- Brittle: Systems prone to a sudden, catastrophic failure without warning.

- **Anxious:** A constant worry and anxiety due to an unpredictable future.
- **Non-linear:** A world where small changes can have disproportionately large and unexpected consequences.
- **Incomprehensible:** A situation where it is difficult to make sense of the complexities surrounding us.

In a BANI world, the role of Supreme Audit Institutions becomes increasingly vital. SAIs can adapt and contribute to navigating the challenges posed by the BANI world:

1. Agility and Adaptability: SAIs must be agile and adaptable, continuously updating their auditing methodologies and tools to respond effectively to the rapidly changing environment.

2. Collaboration and Partnerships: By fostering collaboration and partnerships with other national and international organizations, SAIs can better understand the complex and interconnected challenges facing governments and societies.

3. Risk Management and Foresight: SAIs should incorporate risk management and foresight methodologies to anticipate potential risks and help governments develop policies to mitigate these risks.

4. Digital Transformation: Embracing digital transformation can help SAIs analyze large amounts of data, enhance their audit capabilities, and increase efficiency in a rapidly changing world.

5. Capacity Building: Investing in the capacity building of auditors, including improving their skills in data analytics, risk management, and foresight, can help SAIs stay relevant and effective in a BANI world.

6. Transparency and Communication: Effective communication and transparency in reporting findings are essential in maintaining public trust and fostering accountability in a world where misinformation can spread rapidly.

2. How do SAIs respond to the BANI?

In the BANI world, Supreme Audit Institutions (SAIs) will be shaped by the need to adapt to the challenges and uncertainties posed by this environment. Some key directions for development include:

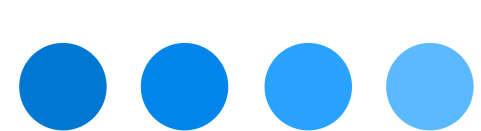
1. Embracing technological advancements: SAIs must invest in advanced technology and data analytics tools to enhance their auditing capabilities. It will enable them to effectively process and analyze large volumes of data, identify patterns, and detect fraud or misuse of public funds.

2. Building resilience: SAIs should focus on building resilience in their operations and help governments build resilient systems that withstand shocks and stresses. It includes developing contingency plans, conducting regular risk assessments, and promoting robust risk management practices across government entities.

3. Enhancing foresight and anticipatory capabilities: SAIs should develop foresight capabilities to anticipate future risks and challenges and the potential impact of policies and programs. This foresight study will allow them to provide proactive, forward-looking advice to governments, helping them make better-informed decisions and prevent potential crises.

4. Strengthening collaboration and cooperation: SAIs should actively engage in national and international networks, sharing knowledge, expertise, and best practices to address complex interconnected challenges. Collaborating with other SAIs, international organizations, and relevant stakeholders can help create synergies and improve audit effectiveness.

5. Promoting innovation: Encouraging innovation within SAIs will be crucial in the BANI world. By fostering a continuous learning, experimentation, and improvement culture, SAIs can stay at the forefront of auditing practices and remain relevant in an ever-changing environment.



6. Ensuring inclusivity and sustainability: SAIs should incorporate social and environmental considerations into their audits. For example, the ESG audit could ensure that government policies and programs are designed to promote inclusivity and sustainability. ESG audit will contribute to achieving the United Nations Sustainable Development Goals (SDGs) and help create a more equitable and sustainable world.

7. Enhancing transparency and communication: SAIs must prioritize effective communication of their findings to the public, government entities, and other stakeholders. Efficient communication will help maintain public trust, foster accountability, and contribute to evidence-based decision-making processes.

In conclusion, the BANI world presents new and complex challenges for Supreme Audit Institutions, requiring them to adapt their approaches and methodologies to ensure effective auditing in an uncertain and rapidly changing environment. Therefore, collaboration, foresight, and embracing technological advancements are essential for SAIs to effectively steer the BANI world and continue to play a dynamic role in promoting good governance, transparency, and accountability. Furthermore, by focusing on key directions for development, such as building resilience, promoting innovation, and enhancing transparency and communication, SAIs can contribute to the stability and resilience of societies in the face of the challenges posed by the BANI world.

After word

A Chairman's View: Modern Auditing Practices Uncovered Weekly

According to the ASOSAI Chairman 2021-2024, The State Audit Office of the Kingdom of Thailand promotes the Bangkok Declaration 2021, which explains the adaptation of SAIs in the next normal era. Therefore, this short paper aims to provide weekly insights and updates on modern auditing practices, focusing on the experiences and perspectives of SAI Thailand's Chairman during their ASOSAI 2021-2024 term.

The paper series focuses on the Public Sector Audit Trends: Analyze emerging trends and advancements in the public sector audit landscape within Thailand and across ASOSAI member countries. The short paper series will be published in a concise and accessible format, with each weekly installment consisting of 3-5 pages. This format ensures that the content is easily digestible for a broad range of readers. The short paper series will be published weekly, with a new installment released every week, covering various topics within the defined scope.

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