

WGVBS member SAIs' comments to the paper "Identification of Public Sector Risks: the Role of SAIs"

SAI	General comments	Introduction	1. Defining Public Sector Risk Areas	2. Identification of risk areas stemming from audit work	3. Practical cases
AUSTRIA	It is a perfect base for further discussions in our Working Group.				See the section "Austria" in the annexure
BAHRAIN	I see that the paper can be linked with the COSO framework as a tool for risk assessment.		An additional risk-prone area can be added, as a fifth point: "Deficiencies in the statutory frameworks of the government, such as the constitution, valid laws and regulations, general policies and procedural manuals, etc." This new paragraph will be matching with the second factor and the points below it.	An additional external source of information can be added in 2.iii, and that is: "All related news, information, interviews, etc., which are published in the media."	See the section "Bahrain" in the annexure
CHINA		Besides the traditional approach of auditing, some new forms of audit methodology, like cross-sectional survey used in Special-purpose Investigative Audit, have been proved to be useful in detecting vulnerabilities. Moreover, China has used Real-time Audit to follow up on the Implementation of Policies and Measures on Stabilizing Growth, Promoting Reforms, carried out by the Chinese government.	<p>We recommended switching the sequence of the iii and iv. The reason for that is it sounds more reasonable to introduce the domestic situation first, and then elaborate on the international impact.</p> <p>We suggest the adding of the content of "government performance evaluation" in the part of (2)"Inappropriate design and enforcement of laws and regulations".</p> <p>We suggest the change of the iv from "negative trends in economic and social variables" to "negative trends in domestic economic, social, cultural and environmental variables". Correspondingly, the title of part (4) would be recommended to be rephrased as "economic, social, cultural and environmental patterns", and it is suggested to also include the content of "economic crisis, public security, energy security, network security, ecological and mass media and so on."</p>	We suggest the adding of "other government department" as stakeholders in the part of "conducting surveys or focus groups among relevant stakeholders"; in addition, we can analyze risk areas by risk assessment indexing and modeling.	
FRANCIA	These papers are interesting as a first step to think about the problems. However, it is difficult to comment such general papers : they are so general that everybody can agree. If this is your aim, the objective is aimed. If you want a smarter and more precise paper, I am personally puzzled. The papers are extremely general to be of any aid: they are just description and not at all explanation. The documents want to explain what are the different risks that governments face in different areas.	WHY are we a privileged stance ? It is not said. Therefore, we have no police powers in the democracies... So, we are not so privileged. If we are privileged, it could be good to explain we have a specific way of understanding what is regular, correct, and fair.	<p>About the "definition" of risk, the main problem is that there is no definition at all : it is a simple list of risks or eventual problems!</p> <ul style="list-style-type: none"> - what is a negative impact? - what is a negative trend? - what are "structural" vulnerabilities ? what is an inappropriate control ?...what is a lack of integrity? - what is a non pertinent law...?? - what is an economic crisis? no SAI at all were able to detect the last global crisis, one of the biggest, in the world! Why? - what is political influence? - etc... <p>Everything is a risk. Can we say when things are becoming risky? We don't know...</p> <p>We have no criteria at all about what is good and what is wrong, what is negative and what is positive, knowing that we are not in a world where situations are white or black...</p> <p>It could be good to show (to list ...) that some areas, some organisations, some situations can hire more risks than others.</p>	<p>About the audit work, the same critic can be made : no criteria at all are given to show what is good and what is bad :</p> <p>-for example, we have to use statistics, this is obvious, but nothing is said about what is a good balance of statistics. And every true statistician knows that we can say anything with statistics...</p> <p>Therefore, the mapping of such a work will be too general to be usefull...</p> <p>I imagine a doctor saying to his patient : you must do sport...but this doctor is a really bad doctor ! The medication is : you could do THAT sport on THAT way...</p>	See the section "France" in the annexure

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	The conclusion could be about the most important risk in our job: not to tell the real truth about what we are auditing, taking in account the every day suffering or the every day corruption of the societies...	We could indicate that these papers are first steps.	The WG could try to define better what we are controlling (regularity, fairness, laws, etc.), and what are the risks listed, trying to give some concrete examples (about statistics, about influence of politics, etc.)		
IRAQ					See the section "Iraq" in the annexure
NEW ZEALAND		We found the document a useful addition to INTOSAI's existing guidance for SAIs. We have the following observations on the document relative to our approach to these matters within our own jurisdiction in New Zealand.		<p>1. The identification of cross-sector themes or issues is an important role for SAIs. SAIs are typically well placed to report on such matters, given the role of the SAI as the auditor of all public entities. In New Zealand, the Office of the Auditor-General has a unique role across the whole public sector, not shared by any other agency.</p> <p>2. SAIs should be regularly scanning across the public sector looking for sector wide risks and issues. Such scanning should inform not only what SAIs publicly report, but also should influence the SAIs future work programme. This could rise to future work by the SAI (for example a performance audit in a risk area).</p> <p>3. Ongoing monitoring of both high risk entities in the public sector and high cross-sectoral issues will ensure that SAIs remain focused on key public sector risks. The regular reporting of such risks will help ensure the government is able to put in place appropriate mitigations for the risks identified.</p> <p>4. Such risk assessments can be done using judgement (qualitative assessments) or a mixture of the two. In New Zealand we use a mixture of the two approaches in both our reporting on risk areas and our work programme planning.</p>	
PERU			<p>In 1.ii, add the following: A common pattern "or process" in the government...</p> <p>In 1.iii, add the following: A recurrent problem "in the activities carried out by government entities" not sorted out yet...</p> <p>A third bullet in 1.(1) should be: "Public management models that do not meet citizens needs". Please Add the following footnote: "One of the vulnerability factors in public entities lays on the non-implementation of models designed to meet citizens' needs. For example, process management: A management at the service of citizens should necessarily change the traditional model of a functioning organization and move towards an organization process management included in the "value chain" of the entity. This will guarantee public good and services under their responsibilities generate positive results and impacts for the citizens."</p>	<p>In 2.i, add the following: Conducting "qualitative techniques such as" surveys or focus groups...</p> <p>In 2.ii, bullet number 3, add the following: ...quantitative and qualitative analysis, "through a mix method." Please add the following footnote: "Mixed method: mixed methods systematically integrate quantitative and qualitative methods. This implies the gathering and analysis of numerical and non-numerical data to obtain a better understanding of the sub process or relevant supporting process in the audit question. Resolution of SAI Peru N° 122-2016-CG, May 3, 2016."</p>	See the section "Peru" in the annexure

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UNITED KINGDOM		<p>Audit work and discussion across audit teams can identify cross-governmental issues as well as departmental issues. It goes without saying that we are seeking to identify emerging risks as part of our auditing activities.</p>	<p>Whilst we agree with these risk-prone areas, we would be careful not to interpret them in a way that would lead us to comment on policy (for example we would not comment on 'negative trends in economic and social variables' per se, but perhaps use them in the context of our audit activities, such as in our work on social care). There are of course other bodies in the UK that see this as their remit.</p>	<p>It is doubtful we would do primary research through surveys or focus groups of MPs if we were considering national economic and social risk factors but we would rely heavily on secondary research (section iii).</p>	
			<p>In 1.(2), see above, the same principles apply here. We would not comment on policy but implementation.</p>		