

60th INTOSAI GOVERNING BOARD MEETING | ANNUAL REPORT OF THE INTOSAI WORKING GROUP ON PUBLIC DEBT

Johannesburg, November 22, 2010

Dear members of the INTOSAI Governing Board,

We have found a renewed interest on public debt matters, not only within the Working Group, but also on the international auditing community, given the current general economic situation. Therefore, we believe that the Supreme Audit Institutions play a very important role in the assessment on public debt issues and their management. The efforts of this Group, together with those of the INTOSAI Task Force on Global Financial Crisis can be a very important contribution to the global community.

In this report we will offer a brief outlook of the activities performed by the Working Group of Public Debt during last year, which include an annual meeting, the reassessment of investigation themes of the Group, the presentation of an official product to be endorsed during the XX INCOSAI, the Group's Strategic Plan 2011-2016, and the development of International Capacity Building Programs on Public Debt Auditing in collaboration with the INTOSAI Development Initiative (IDI).

1. Working Group on Public Debt's Meeting

The Working Group on Public Debt (WGPD) met in Mexico City, in June 2010. Several administrative issues and technical themes on public debt were discussed, among them, "Impact of Financial Crisis on Public Debt", "Public Debt Indicators", "Public Debt Management Office", "Contingent Debt", "Risk Assessment and Reduction of Probable Effects on Debt Structure", "Assessment of Human Resources Employed in Debt Contracting" and paradigmatic country cases.

2. Investigation Themes

Given that the main focus of the WGPD activities is to provide the INTOSAI community with valuable knowledge regarding public debt issues, including guidelines and studies that might become ISSAIs, a series of investigation themes that fall within our Group's

scope was selected, taking into account eventual overlaps with the endeavors of other INTOSAI investigating bodies and the requirements of the due process set forth by the INTOSAI Professional Standards Committee. The selected themes are: impact of financial crises on public debt; Public Debt Management Office, contingent debt, risk assessment and reduction of probable effects on debt structure and internal control system on public debt management, and evaluation of information systems.

3. Official Products of the WGPD

The exposure draft of the document “Debt Indicators”, prepared by the SAI of Mexico, was duly presented for the analysis of the INTOSAI community; valuable comments from several SAIs regarding its contents were received and addressed as indicated by the Professional Standards Committee. The final version in the five INTOSAI official languages will be proposed for the endorsement of the XX INCOSAI, thus becoming an ISSAI. The WGPD decided also to commission some of its members to revise the existing products, in order to ensure that they are properly updated and valuable for the INTOSAI community.

4. Strategic Plan 2011 – 2016

The Working Group believes that it is important to establish an ambitious strategic plan that will guide its activities in the years ahead. The Strategic Plan lists a series of activities that the WGPD should undertake in order to maintain its leadership role as “champion” of public debt auditing issues and to promote sound debt management practices for the INTOSAI community.

The 2011 – 2016 Strategic Plan includes the Working Group’s Mission Statement, its Vision Statement, and two Strategic Goals supporting them: (1) capacity building and enhancing SAI expertise, and (2) the strengthening of the Working Group’s capabilities and measuring its impact. For each of the goals, the plan includes a description of specific activities to be conducted over the next five years.

5. International Capacity Building Programs on Public Debt Auditing

The Working Group acknowledges the efforts performed by the INTOSAI Development Initiative, in relation to the Trans-regional Capacity Building Program for Audit of Public

Debt Management, targeted for AFROSAI, ASOSAI, CAROSAI, PASAI, ARABOSAI and EUROSAI members, based on the experience obtained from training programs previously implemented. We would like to highlight IDI's outstanding work developing an e-learning platform for this program. The outcomes have been very satisfactory.

The Working Group actively participates in this Program providing advisory assistance and trainers, and confirms its support to the development, implementation and follow-up of IDI's programs. Likewise, the WGPD has defined a List of Experts in Public Debt Auditing, to assist INTOSAI in relation to the development and execution of capacity building activities related to Public Debt auditing within our Organization.

The WGPD has also provided the specific terminology on Public Debt Auditing in the INTOSAI's five official languages, which will be included in the online INTOSAI Auditing Terminology Glossary. A new section has been added to this tool, regarding specific definitions of terms related to public debt auditing, which might prove to be helpful for the SAIs endeavors.

Finally, we would like to acknowledge the Working Group's member SAIs, for their participation, productivity and commitment to our Organization's goals during these last three years.