

XX INCOSAI – FIRST PLENNARY SESSION
WORKING GROUP ON PUBLIC DEBT TRI-ANNUAL REPORT
Johannesburg, November 23, 2010

Dear members of the Congress,

During the last three years, the INTOSAI Working Group on Public Debt (WGPD) has kept a steady pace in its endeavors, thanks to the continuous efforts of our 22 current members. The importance of public debt and how can the Supreme Audit Institutions contribute to its sound management has increased significantly. The difficulties stemming from the present economic and financial crises, experienced by most countries, have brought to our attention the size of the responsibility bestowed upon our Working Group by the INTOSAI community, which expects to receive a valuable input on public debt auditing, in order to better face these demanding new challenges.

The WGPD considers that the best way to address these emerging situations is to conduct professional and thorough investigations, taking advantage of our members' expertise and diversity of perspectives, in order to develop guidelines, methodologies and technical tools suggesting feasible actions from the point of view of superior auditing in order to deal with these important issues. Therefore, we have devoted most of our efforts to research purposes in order to create official products within the ISSAI framework.

Nevertheless, we have also actively participated in training endeavors, with the collaboration of the INTOSAI Development Initiative (IDI), aimed at several Regional Groups of our Organization, so as to promote and share the knowledge on public debt management which we are creating. We also acknowledge the outstanding results achieved by other INTOSAI investigating bodies; many of them are deeply related to our theme, and we have established formal ties with them, so our common work can yield better outcomes.

This report describes the activities performed by the WGPD since 2008, including three annual meetings and the definition of the 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 IDI.

The WGPD met in Nadi, Fiji Islands in 2008, in Kyiv, Ukraine in 2009 and in Mexico City, in 2010. During these meetings, the attending delegations offered reports and made presentations regarding several investigation themes. These themes are developed by a leading SAI with the cooperation of several of the WGPD members, which present their progresses, debate on their findings and present the updated versions of the discussion documents to the Group for their consideration and comments. In order to rationalize its efforts, the WGPD decided to focus on four specific investigations: "Impact of financial crises on public debt" led by the SAI of the United States of America; "Public Debt Management Office", led by the

SAI of the United Kingdom, “Contingent debt”, led by the SAI of Ukraine, “Risk assessment and reduction of probable effects on debt structure and internal control system on public debt management”, led by the SAI of Yemen, and “Evaluation of information systems”, led by the SAI of Brazil. These investigations will, in time, become official products of the WGPD, once they have been subjected to the due process defined by the INTOSAI Professional Standards Committee.

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 ISSAI 5411. 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.

The Working Group believed that it was important to establish an ambitious strategic plan that would guide its activities in the years to come. The SAIs of the Fiji Islands, the United Kingdom and Mexico, and the IDI, led by the SAI of Canada, undertook this endeavor, and the final version of the Strategic Plan for 2011-2016 was endorsed by the WGPD in 2010. This document lists a series of goals that the WGPD should achieve 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 Strategic Plan includes the Working Group’s Mission and Vision Statements 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.

Regarding the WGPD participation in capacity building programs, we want to acknowledge the efforts performed by the INTOSAI Development Initiative, in relation to the Trans-regional Capacity Building Program for Audit of Public Debt Management, aimed to members of AFROSAI, ASOSAI, CAROSAI, PASAI, ARABOSAI and EUROSAI, and based on the experience obtained from training programs previously implemented. We would like to highlight IDI’s outstanding work to develop an e-learning platform for this program.

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 has been included in the on-line INTOSAI Auditing Terminology Glossary. A new section will be added to this tool, regarding specific definitions of terms related to public debt auditing.

We want to acknowledge the Working Group's member SAIs, for their participation, productivity and commitment to our Organization's goals, expecting that these efforts will prove to be useful for the INTOSAI community at large.