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**MESSAGE FOR THE 50<sup>TH</sup> ANNIVERSARY OF THE INTOSAI  
*International Organization of Superior Audit Institutions***

Dr. Ock-Sup Noh, Commissioner of the Board of Audit and Inspection of Korea and Acting Chairman of the INTOSAI Governing Board

Dr. Franz Fiedler, Secretary General of INTOSAI and President of the Austrian Court of Audit

Dr. Attila Chikán, Rector of the Budapest University of Economics

Members of INTOSAI

Special Guests

I shall begin my presentation by expressing my deep thankfulness to Dr. Franz Fiedler, President of the Austrian Court of Audit and Secretary General of INTOSAI, for his kind invitation to participate in this ceremony, whereby we celebrate the 50<sup>th</sup> Anniversary of INTOSAI.

Likewise, I would like to express my acknowledgement to the warm hospitality of Dr. Árpád Kovács, President of the State Audit Office of Hungary and First Vice-Chairman of the INTOSAI Governing Board.

Without any doubt, we all here are indeed fortunate for coming to this fine country and this historical city of Budapest for this outstanding occasion, wherein INTOSAI attained half a century of continuous efforts to improve government control and accountability in each of our countries.

Both Hungary and Mexico have experienced and suffered the effects of aggressions from hegemonies and, in several occasions, have seen their development possibilities sacrificed, due to an unfavorable historical conditions that have even meant the loss of significant portions of their territories. Therefore, we salute the bravery and pride of the great Hungarian people with admiration and respect.

INTOSAI has become a fundamental and strategic organization for the assessment, supervision and development of public policies. From the 34 countries that, in 1953, started this trail, to the organization that now groups more than 184 members, there has been a great number of accomplishments and renewed goals, in which we all have taken part. Being INTOSAI a global organization, it must be considered a patrimony of all countries around the world.

The “Lima Declaration on Guidelines on Auditing Precepts”, endorsed during the 9<sup>th</sup> International Congress, stands among the central contributions that INTOSAI has offered to auditing aimed at improving our ability to serve society.

The Lima Declaration sets forth the philosophy and the framework of the auditing task, as well as guides and principles that are reflected and reproduced nowadays in the constitutional and legal frameworks of many of the member countries.

Thus, we may assert that INTOSAI has defined trails and roads to transit towards a better supreme auditing and a substantial improvement of government management.

Such an organization, which today extends its activities all over the world, shall not concentrate its participation on a single axis and in a single space.

Therefore, the seven regional groups that integrate it, represent an additional approach to the characteristics of each geographical zone, which results in a better and greater exchange of shared experiences.

These regional groups, the African Organization of Supreme Audit Institutions (AFROSAI), the Arab Organization of Supreme Audit Institutions (ARABOSAI), the Asian Organization of Supreme Audit Institutions (ASOSAI), the Caribbean Organization of Supreme Audit Institutions (CAROSAI), the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), the European Organization of Supreme Audit Institutions (EUROSAI) and the South Pacific Organization of Supreme Audit Institutions (SPASAI), have all become the fundamental structures for the operation of INTOSAI.

The Committees and Working Groups of this organization, whose objective is the development of analysis, research and guidelines on specific audit themes, are specially relevant for INTOSAI. Among them, we can point out the Auditing Standards Committee, the Internal Control Standards Committee, the Committee on Accounting Standards, the Committee on IT Audit, and the Privatization and Public Debt Committees, as well as the Working Groups on Environmental Auditing, Program Evaluation, Audit of International Institutions and Strategic Planning of the Governing Board of the INTOSAI.

The audit institutions receive countless benefits for these efforts; therefore we must reiterate our permanent acknowledgement to the organization that has made them possible.

In each one of our countries the changes and challenges faced by society for many generations, lead us inevitably to reflection. For sure, there are new answers to ancient civil service problems, but also prevail unexplainable lags and new forms of corruption.

These lags, as well as the corruption phenomenon, neither belong to any specific political regime nor to any given country. The best example of this are the financial frauds of large multinational firms which occurred in 2001, and that evidenced undue behaviors fostered by big economic interests.

Mexico has had the honor of chairing the Public Debt Committee since its creation in 1991. This Committee's main goals are the research, elaboration and dissemination of technical documents, as well as the training on public debt audit, in order to foster transparency and accountability among INTOSAI members.

As for training, and for justice's sake, we must also acknowledge the decisive support we have received from the INTOSAI Development Initiative (IDI), which facilitated the preparation and contents for the training programs offered in Latin America this year.

The weight of the public debt in emerging countries, compromises the state resources in such a way that welfare, education, health employment and security policies are seriously affected, and, in some

cases, implies the need to differ the solution of more urgent social problems.

The required financial balances of countries' economies demand widening the scope, solidity and capability of the public debt audit programs, and the rigorous analysis of its origin, legality, registering, management, payment and accountability.

All these are issues the auditing entities must address with the utmost care and responsibility. Mexico's Supreme Audit Institution presented -within the works of the Public Debt Committee Annual Meeting which took place last June, and the Regional Workshop for Public Debt Auditors, held last May both in Mexico City- an analysis on the auditing actions on this subject.

The analysis made by the Supreme Audit Institution of Mexico revealed that, even though the magnitude of the Mexican debenture debt, considered as a proportion of the GDP, is one of the lowest within the Organization for Cooperation and Economic Development (OCED) is, however, one of the highest among emerging economies.

Nevertheless, the situation is different regarding contingent debt, in which there are omissions and legal voids that will not allow an adequate auditing and risk assessment, as well as its sustainability policies. Its composition is an additional element to be considered, because it includes, among other concepts, pensions, differed investment projects and diverse potential costs assumed by other concepts.

Over the last decade, as in other parts of the world, the Mexican government had to intervene in order to rescue the country's payment system. The bank rescue triggered by the economic crisis compromised the savings of millions of Mexicans and, since then, has seriously endangered the nation's public resources.

In that sense, the Supreme Audit Institution of Mexico has launched, in its auditing performance, a true effort to clarify and assure that the resources devoted to the banking system rescue, were sent according to the established standards and procedures with full attachment to transparency and legality.

Therefore, it is a duty of Supreme Audit Institutions to become promoting institutions of transparency and continual improvement of public services, as well as guarantors for the general society that public resources are collected, managed and allocated with honesty, economy and efficiency.

The INTOSAI members must bear always in mind that the fundamental patrimony of the audit institutions is its political neutrality. We share the State's goals but, regardless particular or group interests, we must, with great political sensibility, essentially serve the superior interest of the Nation.

In accordance with one of the principles established in INTOSAI, the dissemination of our experiences is aimed at improving the performance of the members of the Organization, so as to gradually eliminate the main sources of corruption.

Starting 2002, the institutional focusing adopted by the Supreme Audit Institution of Mexico -in order to improve government performance- is supported by a Strategic Vision dealing with nine strategic areas, which are described as follows:

1) Efficiency and effectiveness of public actions.

Elimination of bureaucratic excesses, unnecessary proceedings and discretionary power within the decision-making process, that foster inefficiency and corruption. Therefore it is necessary to establish administrative simplification schemes that encourage transparency and productivity.

2) Best government practices.

The Supreme Audit Institutions must become facilitators of public management quality rather than institutions that punish and penalize irregularities. The proactive sense of the auditing performance is related to the establishment of effective control systems that rule out illegal acts, but also that make way for government practices improvement.

### 3) Public servants employment security.

Establishment of professional civil service models, so that public servants are provided with the required employment stability to adequately perform their duties, therefore avoiding a personal interest-centered conception of public charges.

The adoption of civil service models is part of a strategy to encourage ethical behavior of the public servants and excellency on their institutional performance.

### 4) Performance evaluation systems.

It's imperative to promote the creation and operation of adequate performance evaluation systems sustained on strategic, performance and service indicators, that allow the supervision and assessment of the public institutions social objectives' accomplishments, as well as the public servants' performance.

The indicators system and performance parameters implantation allow a systematic and objective assessment of public policies impact as well as their economic and social benefits.

The execution of performance audits must include observations on actions and programs' environmental impact. The task of promoting a deeper respect to ecological norms is a priority undertaken by the main supreme audit institutions of the world, as a generalized social demand and a legitimate request by the new generations.

### 5) Oversight and control mechanisms on public management.

To organize oversight and control schemes ensuring that budgetary accounting records of public entities include all carried-out transactions and that are duly updated in order to strengthen accountability and, at the same time, to have available opportune and reliable information for making decisions. The adoption of preventive and corrective actions that prevent the recurrence of irregular situations must be a permanent action of the Supreme Audit Institutions.

### 6) Improvement opportunities.

The identification of improvement opportunities to enhance productivity, economy and transparency on the use of public resources must be always present in the audit institutions performance.

The use of capabilities and resources acknowledging institutional strengths as well as identifying vulnerable aspects, has the purpose of correcting detected weaknesses.

#### 7) High impact auditing.

Maximization of audit results and auditing scope seeking a growth of the auditable sample in relation to the total public budget for the accountability process strengthening.

#### 8) Accountability culture.

Clear and transparent accountability must exist in every sphere, level and function of the public administration, as the fundamental pillar of full democracy. Public servants are held accountable before the society because they administer resources belonging to it. Accountability must be public, being public the managed resources.

Accountability is the link that holds the legitimacy of democratic states and one of the mechanisms that permits the balance between powers.

#### 9) Introduction of moral and ethical values in public educational programs.

It is unavoidable to improve the citizen's civic culture level; it demands an additional effort for the political agents, within every government administrative level and mostly, within the education field, in order to help heighten and fortify ethical and moral values.

The revision and strengthening of the educative programs at every educational level is necessary to induce the qualitative change of the public administration. Ethical and moral values are, by themselves, the best preventive measures against corrupt practices.

Let us recall the words of a great 20<sup>th</sup> century Mexican, Professor José Vasconcelos, who stated: we must educate the child so we don't have to punish the adult.

These are the nine strategic areas which the Supreme Audit Institution of Mexico holds as priority for its action, in order to fight corruption and to foster transparency, efficiency and effectiveness on public resources use. This shall be a constant and sustained effort in order to attain meaningful outcomes.

Distinguished assistants to this grand celebration:

The State cannot and must not be amoral, neither can nor must omit, hush or try to disregard the scale of moral values underlying the actual legal framework. Doing so would attempt against its very legal structure, because morality expresses itself by means of the legal forms that sustain the exercise of public power.

The essence of contemporary State and the political philosophy that legitimates it, must imply the improvement of the individual. The State must become a means for the person and not against him or her, being the person the ultimate end that justifies its existence.

It is opportune to remember here the values that, a millennium ago, Stephen of Hungary intended to transmit, pointing out the value of tolerance and ethics in coexistence as the fundamental principles of the conscience of a head of State.

Experts in philosophy have stated that ethics is the basic content of man's acts, in his life, in his character, in his habits and in the moral values that determine his destiny.

Ethics in institutions requires a constant discipline, as well as shared values and principles. Ethics in public service means, in sum, the responsible oversight of the common interest.

INTOSAI is today patrimony of the world's peoples, as it has privileged the bonds of understanding, institutional communication and economic and social development by means of its contribution to the improvement of government control and accountability. If the pluralistic

world in which we live in today is better than the one in 1953, when INTOSAI arose, we may affirm that this organization has helped a great deal to this purpose.

Thanks to INTOSAI we have learnt that our mission implies to commit our biggest effort to the welfare of societies which have trusted us the high responsibility of serving others. Let's bear in mind that the supreme value of society is the human being.

The great Hungarian philosopher George Lukács pointed out: duty must not show itself as being misplaced in a reality of a completely different nature. It might as well emerge from the contradictory identity of essence and appearance. Likewise highlighted the following: be who you are, be essential, grow, despite the disturbing influences of the world; be what lies within yourself as your nucleus and essence, be what perennially dwells and throbs within yourself.

In public management, as well as in life's central aspects, we should not worry about remaining for long, but to live satisfactorily; staying for a long time depends on destiny, but living with dignity depends only on our ethical and moral values.

Therefore, let us construct every day a present time with certainty so as to reach a promising future. Most of all, we must not renounce to our capacity to dream, to endeavor and to create an adequate atmosphere for hope. All this, aimed at achieving the distribution of wealth and attaining equity on development opportunities for all countries.

In the immediate current human thought, corruption is the worst cancer; it erodes the fundamental values of man and is responsible for the deterioration of society's life quality.

The shortsightedness of modern thought proclaims the satisfaction of material needs without understanding that the true sense of life lies within the ethical and moral values, the only ones that provide satisfaction and plenitude to the spirit.

Let us carry on reflecting, let us carry out our duty with the conviction that serving others is a privilege of life, and that serving others justifies man's existence.

Ladies and Gentlemen, thank you very much.

Budapest, Hungary, October 15<sup>th</sup>, 2003.