

# Summary of Global Audit Leadership Forum (New Zealand, 2015)

## Theme: The public auditor 2030

The Global Audit Leadership Forum is an annual opportunity for the Auditors-General of 19 countries to meet and discuss auditing in a global context. The first forum was held in Mexico City in 2014; the second in Wellington at the end of March 2015. This document summarises highlights of the discussion about what the role of a public auditor could be by 2030.

### 1. Sustainability under pressure

Changing demographics, the rise of the individual, enabling technology, economic interconnectedness, public debt, economic power shifts, climate change and resource stress, and urbanisation are all simultaneously challenging the public sector's long-term financial sustainability.

The delegates acknowledged that new bases of value beyond financial resources are becoming increasingly important. Environmental assets, specifically preserving and using them to good purpose, are matters staff want to work on and our citizens want assurance about.

Tools are emerging to help Supreme Audit Institutions (SAIs) give insight on these matters. Austria, in discussing the role of SAIs in the United Nations post-2015 Development Agenda, drew attention to the General Assembly's 2014 adoption of the Resolution "Promoting and fostering the efficiency, accountability, effectiveness, and transparency of public administration by strengthening supreme audit institutions". The UN recognises the role of SAIs in achieving that agenda and the importance of independence, capacity building, and developing public accounting and auditing.

Italy's SAI demonstrated some of the practical ways that financial assurance is contributing to long-term financial sustainability: through advising Parliament on the sustainability of "medium-term" policies, and its monitoring of financial bail-out plans for local entities.

Japan discussed the layered approach it is taking (through its audits of social programmes) to address the challenges arising from changing demographics, acknowledging that what might be affordable and possible today will be increasingly unaffordable and fragile in years to come.

### 2. Service delivery will be more complex

Australia spoke of the changes in public sector service delivery – kicking off a theme that delegates repeated over and over again.

South Africa reminded delegates that while looking to 2030, we need to do some thinking about today's issues. They pointed out that many SAIs lack the independence to carry out their work, and that public sectors often struggle to deliver services to respond to people's real and practical needs now.

### 3. Mandate changes for the future

Public services are contracted out on a massive scale in India, prompting a reminder from that country of the changes happening around public service delivery and the increasing blurriness of formal borders. The Netherlands asked, when everything is borderless, over what are we supreme?

France pointed out that other organisations also carry out independent assurance of governance and public organisations, suggesting that independence should not present a barrier to SAIs working with others for the public interest.

The future role, and potential impact, of regulators was also raised. These changes will affect private and public sector audits – including the scope, mandate, and capability of SAIs.

#### **4. Technology is king**

China spoke of a future where auditing is based on big data, and how this data can be analysed to acquire new meaning. They outlined the steps they are taking to build their capability in big data use.

Finland imagined the public auditor of 2030 as a digi-native with the skills of a data scientist, who works with a wide range of experts, citizen networks, and communities. They talked about the need to find insights in the unknown and showed a framework for SMART analysis. The Netherlands explored the future of open data for the public sector and our audits.

All delegates contemplated the increasing demand by governments and citizens for real time assurance. Denmark told us about the commitments that the Danish public sector and SAI are making to ensure more timely information, including more online and real time reporting. New Zealand imagined that real-time information, through the “internet of things”, will allow real-time monitoring of important public sector assets, including infrastructure and environmental resources.

#### **5. Capability challenges**

Delegates envisaged a world of public auditing with data analysts and data scientists working in teams alongside accountants, engineers, and arts graduates. Flatter structures were predicted. One external speaker suggested there is a real recruitment opportunity with the current generation of graduates committed to making a difference.

#### **6. Citizen communication and trust built on a bedrock of standards**

Delegates discussed the importance and challenge of connecting with citizens and of building credibility and relevance in their eyes. Maintaining citizens’ trust demands that SAIs follow up their work and focus on having impact.

Several countries reinforced the importance of the foundations that lie in our standards and reporting frameworks. Standards and frameworks need to adapt for the future, while remaining as the foundation for risk-based public sector audits. Sweden described how it is developing its work to give insight on national risks such as financial stability, climate change, information security, and ageing infrastructure.

New Zealand wondered whether our future communication and connection with citizens might be so strong that citizens would allow SAIs access to their personal information to help SAIs carry out audits and understand how services interact with their lives.

The European Court of Auditors showed delegates a video of why and how accountability works and discussed the many different ways SAIs can communicate. They also asked how far can SAIs go in adding more value in public debate and decision-making without compromising independence?

**To conclude:** – two thoughts:

- developed SAIs can be bold because the future will surpass our imagination; and
- to quote Abraham Lincoln, “The best way to predict your future is to create it”.