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A large, dark green silhouette of the African continent is centered within a circular frame. The frame consists of two concentric circles: an inner dark green circle and an outer gold circle. The word 'Editorial' is written in a bold, gold, sans-serif font across the middle of the continent.

Editorial

Editorial



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President of

the Accountability State Authority

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of Comprehensive Auditing

From Traditional to Smart

Oversight: A Response to the Data Era

At no stage of its evolution has auditing been merely a procedural practice aimed at verifying the soundness of public expenditure or the legality of actions. Rather, it has always reflected the nature of the State, the maturity of its institutions, and their capacity to safeguard public funds and bolster trust between the ruler and citizens. Accordingly, every transformation experienced by the State necessarily calls for a corresponding transformation in audit thinking-not only in its tools, but also in its philosophy, methodology, and sphere of influence.

Today, data is no longer merely a repository of information; it has become a strategic asset upon which decisions are based, public policies are shaped, resources are managed, and governments' efficiency is measured. Hence, auditing is no longer concerned solely with examining outcomes; it is increasingly required to understand the systems that produce those outcomes, analyze the data they generate, and identify patterns that may signal risks before they materialize as violations or losses.

Smart auditing is not merely a technological extension of traditional auditing, nor is it simply about deploying artificial intelligence or big data analytics. Rather, it represents a qualitative transformation in the very function of auditing: from a function focused on detecting what has already occurred to one that anticipates what may occur; and from assessing compliance alone to evaluating efficiency, readiness, and risk-management capacity in an environment characterized by accelerating change and increasing complexity.

The African continent today possesses a unique opportunity to reshape its audit model in line with its developmental targets. The expansion of digital transformation and the growing adoption of modern technologies enable Supreme Audit Institutions to move directly toward smarter and more efficient audit models, capable of maximizing public value, enhancing transparency, and supporting evidence-based decision-making, without compromising the professional principles upon which auditing has been built over decades.

However, the success of this transformation will not be measured by the number of digital platforms or the volume of data available, but by our SAIs' ability to transform data into knowledge, knowledge into insight, and insight into decisions that are more efficient, equitable, and sustainable. True intelligence does not lie in possessing technology, but in using it wisely to serve people, safeguard public resources, and enhance good governance.

From this perspective, the future of Supreme Audit Institutions will not be shaped by algorithms alone. It will be shaped by humans capable of directing them, institutions capable of harnessing them, and a vision that makes innovation a means of strengthening public trust, rather than an end in itself.

Smart auditing is not a destination we would reach, but a path we choose, a culture we establish, and a professional commitment that requires us to develop our tools to the same extent that we remain committed to our values. The more complex data becomes, the greater the need for auditing that is smarter, more independent, and more capable of creating impact.

A large circular graphic with a teal center and concentric rings of teal and white. Two teal dots are connected by a curved line to the rings. The text 'Section One' and 'Scientific Articles' is centered within the teal circle.

Section One

Scientific Articles

Enhancing Governance, Risk management, and Compliance (GRC) with AI

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Egypt

Introduction

Governance, Risk management, and Compliance (GRC) are foundational elements that ensure public sector organizations operate with integrity, accountability, and efficiency. Governments worldwide face complex regulatory landscapes, heightened risks such as cybersecurity threats, and increasing public demands for transparency. Without a strong GRC framework, inefficiencies, corruption, and mismanagement can undermine public trust and compromise service delivery.

The integration of Artificial Intelligence (AI) in GRC is transforming the public sector by automating compliance processes, improving risk assessment, and enhancing governance mechanisms. AI-powered solutions can detect financial fraud, predict operational risks, and ensure that regulatory requirements are met in real-time.

Additionally, Supreme Audit Institutions (SAIs) play a crucial role in overseeing AI-driven GRC frameworks. Their independent assessments ensure that AI enhances rather than hinders transparency, ethics, and compliance.

This article explores the key components of GRC in the public sector, the role of AI in strengthening these frameworks, and the responsibilities of SAIs in ensuring effective oversight.

Frist: Understanding GRC in the Public Sector

GRC in government institutions consists of three interconnected components: governance, risk management, and compliance. Together, they provide a structured approach to ensuring efficiency, ethical conduct, and adherence to regulations.

1. Governance in the Public Sector

Governance refers to the policies, structures, and processes that guide decision-making, promote transparency, and ensure accountability in public institutions.

The key aspects of public sector governance include:

- **Legal and Regulatory Frameworks:** Public entities operate under constitutional laws, administrative regulations, and sector-specific policies.
- **Accountability Mechanisms:** Governments must disclose financial data, policy decisions, and operational performance to citizens and oversight bodies.
- **Performance Management:** Defining strategic objectives, setting measurable targets, and conducting performance evaluations are crucial for effective governance.

- **Public Engagement:** Citizen participation in decision-making fosters trust and ensures that government policies align with public needs.

2. Risk Management in the Public Sector

Risk management involves identifying, assessing, and mitigating threats that could affect government stability, service delivery, and financial health.

The Key Risk Management Strategies include:

- **Threat Identification:** Risks range from financial mismanagement and cyberattacks to public health crises and regulatory violations.
- **Impact Assessment:** Evaluating risks based on their potential consequences allows governments to prioritize mitigation strategies.
- **Mitigation Controls:** Governments implement internal controls, cybersecurity frameworks, and disaster recovery plans to reduce risks.
- **Continuous Monitoring:** Real-time risk analysis enables proactive responses to emerging threats.

3. Compliance in the Public Sector

Compliance ensures that public sector entities follow legal, ethical, and regulatory requirements. Non-compliance can lead to penalties, reputational damage, and loss of public trust.

The key compliance areas include:

- **Regulatory Compliance:** Government agencies must adhere to financial reporting, procurement laws, and labor regulations.
- **Data Security and Privacy:** Public institutions must protect sensitive data against cyber threats and unauthorized access.
- **Anti-Corruption Measures:** Policies to prevent fraud, bribery, and conflicts of interest promote ethical conduct.
- **Auditing and Reporting:** Regular internal and external audits reinforce transparency and accountability.

Second: Enhancing GRC with AI in the Public Sector

AI is revolutionizing GRC by automating compliance, strengthening risk detection, and optimizing governance processes.

1. AI in Governance

AI enhances decision - making and strengthens governance by analyzing large datasets and identifying trends.

AI Applications in Governance include:

- **AI-Powered Policy Analysis:** Machine learning models assess the impact of

policies, helping governments make data-driven decisions.

- **Fraud Detection Systems:** AI detects anomalies in financial transactions, procurement processes, and social welfare programs.
- **Automated Citizen Services:** AI-driven chatbots and digital assistants improve public service delivery.

2. AI in Risk Management

AI enhances risk management by predicting and mitigating potential threats.

AI Applications in Risk Management include:

- **Predictive Analytics for Crisis Prevention:** AI forecasts risks related to economic downturns, climate change, and healthcare crises.
- **Cybersecurity Threat Intelligence:** AI-driven monitoring tools detect and neutralize cyber threats targeting government networks.
- **AI-Powered Internal Audits:** Automated audits identify discrepancies and ensure compliance with financial regulations.

3. AI in Compliance

AI streamlines compliance by automating regulatory monitoring and reporting.

AI Applications in Compliance include:

- **Regulatory Tracking Systems:** AI continuously scans and updates compliance requirements in response to regulatory changes.
- **Automated Reporting:** AI tools generate real-time compliance reports, reducing human errors.
- **AI-Driven Ethics Audits:** AI evaluates government decisions for potential biases or ethical concerns.

Third: The Role of Supreme Audit Institutions (SAIs) in Strengthening GRC

SAIs act as independent oversight bodies that assess government financial integrity, policy effectiveness, and risk management strategies. Their role is critical in ensuring that AI-driven GRC systems are fair, ethical, and aligned with regulatory requirements.

1- SAIs and AI-Driven Governance

SAIs oversee AI-based governance models to ensure fairness and accountability, as follows:

- **Auditing AI Decision-Making:** Ensuring AI-driven policies adhere to legal frameworks.

- **Assessing Algorithmic Bias:** Verifying that AI models do not reinforce discrimination or inequality.
- **Monitoring AI in Public Procurement:** Preventing favoritism or fraudulent AI-assisted contract awards.

2- SAIs and AI-Driven Risk Management

SAIs evaluate the effectiveness of AI-powered risk management frameworks.

Key Contributions include:

- **Validating AI Risk Predictions:** Ensuring AI models provide accurate risk forecasts.
- **Auditing Cybersecurity Measures:** Evaluating AI's role in national cybersecurity strategies.
- **Reviewing AI in Fraud Detection:** Ensuring AI systems comply with ethical and legal guidelines.

3- SAIs and AI-Driven Compliance:

SAIs ensure AI compliance systems align with public sector regulations by:

- **Regulatory Oversight of AI Audits:** Ensuring AI-generated reports meet transparency standards.

- **Developing AI Governance Guidelines:** Establishing ethical frameworks for AI in public administration.
- **Reviewing the impact of AI on public services:** Ensuring that AI does not cause any unfair discrimination in the delivery of public services.

Fourth: Future Trends in AI-Driven GRC

As AI continues to evolve, its role in GRC will expand as follows:

1. **AI-Powered Real - Time Auditing:** AI-driven auditing tools will provide continuous monitoring of government expenditures and policy outcomes.
2. **AI and Blockchain for Compliance:** The integration of AI with blockchain will enhance transparency and security in regulatory compliance.
3. **AI-Enhanced Ethical Governance:** AI will analyze policies for ethical considerations, ensuring fair and unbiased governance.

Fifth: Challenges in Implementing AI in GRC

Despite its advantages, AI adoption in public sector GRC faces significant challenges including:

- **Data Privacy and Security Risks:** AI requires vast datasets, raising concerns about data breaches.
- **Regulatory and Ethical Uncertainty:** Governments must develop legal frameworks for AI decision-making.
- **Bias in AI Models:** AI systems may unintentionally reinforce discrimination if not properly designed.
- **Limited AI Expertise in Government:** Many agencies lack the technical skills to implement AI-driven GRC solutions.

Sixth: Results and Recommendations

The most important results reached include:

- **Enhanced Decision-Making:** AI-driven data analysis enables public sector leaders to make more informed and transparent decisions, reducing human bias and improving policy effectiveness.
- **Improved Fraud Detection and Prevention:** AI-powered fraud detection systems have helped identify and prevent financial misconduct in areas such as procurement, tax collection, and social welfare programs.
- **Strengthened Risk Management:** Predictive analytics allow governments to anticipate potential risks, such as cybersecurity threats, economic downturns,

or public health crises, enabling proactive mitigation strategies.

- **Streamlined Compliance Processes:** AI automates regulatory monitoring, reducing the burden of manual compliance checks and ensuring that public sector institutions remain up to date with legal requirements.
- **Greater Public Transparency and Accountability:** AI-driven reporting systems enhance transparency by providing real-time insights into government operations, improving public trust.
- **Challenges in AI Implementation:** Despite its benefits, AI adoption in GRC is hindered by challenges such as data privacy concerns, regulatory uncertainty, bias in AI algorithms, and the lack of technical expertise in public institutions.

To fully leverage AI's potential in GRC while addressing its challenges, governments, Supreme Audit Institutions (SAIs), and regulatory bodies should consider the following recommendations:

Develop AI Governance Frameworks:

- Establish ethical guidelines and regulatory policies to ensure AI-driven GRC aligns with legal and ethical standards.
- Implement AI oversight committees to review algorithmic fairness, transparency, and accountability.

Enhance Public Sector AI Capabilities:

- Invest in AI training programs for government officials to build technical expertise in AI-driven risk management and compliance.
- Collaborate with technology firms, academic institutions, and international organizations to develop AI solutions tailored to the public sector.

Strengthen AI Auditing and Monitoring:

- SAIs should incorporate AI auditing tools to assess AI-driven decision-making processes and detect potential biases or errors.
- Establish independent AI audit mechanisms to ensure transparency in AI-based governance.

Improve Data Security and Privacy Protections:

- Implement robust cybersecurity measures to safeguard sensitive government data used in AI-powered GRC systems.
- Ensure AI systems comply with national and international data protection regulations to prevent misuse of personal or financial information.

Encourage Cross-Sector Collaboration:

- Foster partnerships between government agencies, private sector companies, and international organizations to share best practices in AI-driven GRC.
- Develop standardized AI compliance frameworks that can be adopted across different sectors and jurisdictions.

Promote Ethical AI Use in Governance:

- Establish fairness and non-discrimination policies to ensure AI systems do not reinforce biases in decision-making.
- Conduct regular impact assessments to evaluate AI's influence on governance, risk, and compliance.

Increase Public Engagement and Trust in AI:

- Implement transparency initiatives to educate citizens about AI's role in governance and compliance.
- Create public feedback mechanisms to address concerns related to AI-driven decision-making.

By implementing these recommendations, governments can maximize AI's benefits in

GRC while mitigating risks, ensuring ethical AI use, and fostering a more transparent, accountable, and resilient public sector.

Conclusion

Governance, Risk management, and Compliance (GRC) are essential for maintaining public trust and ensuring effective government operations. AI is transforming GRC by automating compliance, enhancing risk detection, and improving governance decision-making. However, the role of Supreme Audit Institutions (SAIs) is critical in ensuring that AI-driven GRC frameworks adhere to ethical, legal, and transparency standards.

By leveraging AI responsibly, governments can enhance efficiency, minimize risks, and strengthen public sector integrity. As AI technology continues to evolve, the future of GRC in the public sector will become more data-driven, predictive, and accountable, leading to improved governance and better public service outcomes.

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The Role of the Court of Auditors in Evaluating and Analyzing Tax Expenditures in Algeria

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Introduction

This study explores tax expenditures in Algeria, which involve indirect public spending via tax exemptions and incentives, lacking the legislative oversight of direct expenditures. This raises concerns about transparency, resource allocation efficiency, and fiscal policy effectiveness due to absent periodic impact evaluations.

Although the Algerian Court of Accounts analyzes these expenditures annually, more precise methodological tools are needed to assess their impact and policy viability.

Focusing on tax expenditures for youth employment and investment incentives from 2000 to 2019, the study evaluates the Court's monitoring role, addressing their volume, impact, and evaluation through descriptive and analytical methods, based on official reports and academic sources, with hypotheses linking expenditures to employment and evaluation to allocation efficiency.

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I. Tax Expenditures

1. Theoretical Framework of Tax Expenditures

Understanding tax expenditures theoretically requires exploring their historical evolution, varied terminology, and the diverse concepts associated with them in international and national financial and tax literature.

1.1 Terminology and Definitions

A. Terminology: The term "tax expenditures" was first introduced in 1967² by Stanley Surrey within the U.S. Treasury Department to describe tax incentives as equivalent to public spending in achieving public policy objectives³. Various terms have been used in this context, including "tax exemptions," "indirect subsidies," and "tax assistance," alongside parallel concepts like "tax expenditure budgets."⁴

B. Evolution and Diversity of Definitions of tax expenditures: The concept of tax expenditures has evolved gradually over decades. Key definitions include:

- **Surrey (1967):** Tax expenditures are intentional deviations from general tax rules to achieve economic or social objectives, making them equivalent to direct subsidies.
- **Willis & Hardwick (1978):** Emphasized tax incentives' deviation from the original tax system structure, placing them outside the normative tax framework.
- **OECD (1984):** Defined them as deviations from the reference tax system allocated to specific taxpayers to provide preferential treatment.
- In France, tax expenditures are defined as legal measures reducing revenue compared to what would be collected under general law⁵.
- The International Monetary Fund views them as revenue losses due to tax benefits granted to specific groups, taking forms such as exemptions, reductions, and deductions⁶.
- Terminology varies by context, with some countries using terms like "tax subsidies" or "tax support" based on their approach⁷.

2- Sigrid Hemel& Kazuko Goto, "Tax Incentives for the Creative Industries", Springer Science Business Media Singapore, 2017, p34.

3- OCDE, Les dépenses fiscales dans les pays de l'OCDE, OCDE, 2010, p12.

4- Max FRANK, C. Gilead and D. Meulders-Dekeyser Dépenses fiscales, transferts explicites de l'Etat et équité, Louvain Economic Review, Vol. 42, No. 2, 1976, p 81.

5- La cour des comptes, Dépenses fiscales et politiques sociales, la cour des comptes, France, 1992, P254.

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7- Pierre Vandenberghe, Dépenses fiscales, Mobilisation des recettes nationales, Formation financée par l'Union européenne, Bruxelles, janvier, 2019, p4.

- In Algeria, tax expenditures are a relatively recent addition to the financial system, formalized under Organic Law 18-15⁸ within a specific annex to the finance law. The Ministry of Finance⁹ and the Court of Accounts¹⁰ were among the first to define and analyze them.

1.2 Methods for Identifying Tax Expenditures

Three main methodologies are used by researchers to identify tax expenditures¹¹:

- A. Top-Down Approach:** Relies on establishing a comprehensive reference tax system, considering any deviation as a tax expenditure. It is clear and comprehensive, applied in countries like the United States, Canada, and Australia.
- B. Bottom-Up Approach:** Starts with a narrow definition of tax expenditures without a comprehensive reference system, potentially limiting estimate accuracy. It is observed in France and Germany.
- C. Mixed Approach:** Combines both approaches, using a restricted definition alongside a broad tax reference system for balanced classification. It is followed in countries like the United Kingdom and Belgium.

1.3 Core Elements of Tax Expenditures

From international and national definitions, three key elements emerge:

- A. Incentive Nature:** Used as a tool to guide economic behavior, acting as tax incentives to encourage¹² investment or consumption.
- B. Deviation from the Reference System:** Considered exceptions to the general tax system rules, highlighting the importance of precisely defining the reference system¹³.
- C. Equivalence to Direct Subsidies:** Functionally equivalent to direct government spending, representing an indirect financial cost achieving similar objectives.

8- Organic Law n°18-15 of 2 september 2018, on Finance Laws, amended and supplemented, published in OFFICIAL Journal n°53 of 2018.

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10- Court of Auditors, Evaluative Report of Court of Auditors on the Preliminary Draft of the Budget Settlement Law for the Year 2019, Court of Auditors, Algeria, 2022, p42.

11- Philippe Marini, Report to the Finance Committee on Tax Reductions, SENAT, France, 2011, p14

12- CHRISTIAN Valenduc, « LES DÉPENSES FISCALES », Reflets et perspectives de la vie économique, Belgique, 2004, p 89.

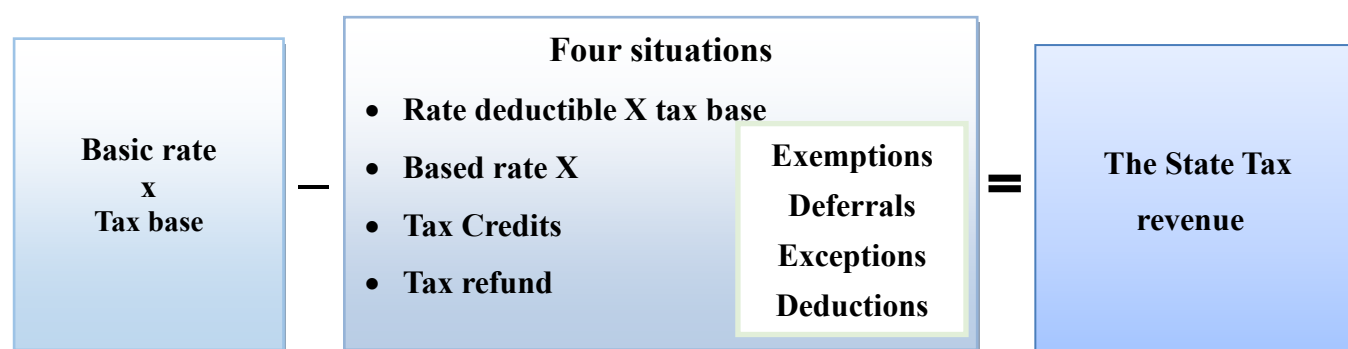
13- Conseil des impôts Français, « fiscalité dérogatoire », septembre 2003, p 97.

1.4 Mechanism of Tax Expenditures

The mechanisms for benefiting from tax expenditures are defined within tax legislation, operating at two levels:

- **Tax Rate Structure:** Applying preferential tax rates to specific categories or activities.
- **Tax Base:** Through deductions and allowances reducing the taxable base.

Figure 1: Composition of Tax Expenditures



Source: Government of Quebec, Tax Expenditures, 2016 edition,
National Library and Archives of Quebec, 2017, p. A2.

2. Forms of Tax Expenditures

Despite the relatively recent emergence of the tax expenditure concept, its forms are diverse and subject to legislative variations across countries. They can be classified as follows¹⁴:

2.1. Tax Exemptions: Full or partial exemptions from the taxable base for individuals or companies, representing a forfeiture of tax revenue to achieve non-fiscal objectives.

2.2. Tax Base Reductions: Deductions applied before calculating the tax¹⁵.

2.3. Tax Rate Reductions: Lower-than-standard tax rates applied to prioritized activities or goods, such as in Algeria, where a 9% rate is applied instead of 19% for certain social goods.¹⁶

2.4. Tax Credits: Amounts deducted directly from the tax liability, divided into:

- **Non-Refundable:** Reduce the tax liability without refunding any excess.

14- OCDE, Dépenses fiscales : expériences récentes, OCDE, 1996, p9.

15- Vjekoslav Bratić: Tax Expenditures: A Theoretical Review Financial Theory and Practice 30 (2), 2006, p120.

16- Order n° 76-102 of 12 September 1976, of « the Turnover Tax Law », amended and supplemented, Official Journal n° 103 of 1976, Articles 21 and 23.

- **Refundable:** Excess amounts are refunded to the taxpayer, an effective tool for targeted support.

2.5. Tax Deferrals: Taxes postponed to later dates, such as for capital gains or startup company profits.

II. Evaluation and Analysis of Tax Expenditures by the Court of Accounts in Algeria

The Algerian tax system is characterized by its complexity and widespread exceptions (including 441 exceptional measures), creating fertile ground for diverse tax expenditures.

1. Overview of Tax Expenditures in Algeria

The official evaluation of tax expenditures in Algeria began in 2011 by the Ministry of Finance, lacking detailed methodology or a reference system. The Court of Accounts¹⁷ provided a clearer definition in its 2019 budget report, estimating tax expenditures at over 692 billion DZD, covering exemptions and incentives across taxes, mainly set by finance laws and specific regulations on hydrocarbons, mining, and investment.

2. Structure of Main Tax Expenditures in Algeria

Tax expenditures in Algeria are distributed across several key tax types, including:

- **Value Added Tax (VAT):** Includes reductions at 9% and 19% on local purchases and imports.
- **Tax on Professional Activity (TAP):** Levied on turnover at 1.5% or 2%.
- **Corporate Profit Tax (IBS):** Calculated at rates between 19% and 25% on annual profits.
- **Global Income Tax (IRG):** Applied progressively or at a flat rate based on income type.
- **Lump-Sum Payment (VF):** Previously a 6% wage contribution, abolished in 2006.
- **Property Taxes:** Include the property tax (TF) and registration fees (DE) based on property value or transaction.

3. Evaluation of Tax Expenditures for Youth Employment and Investment Incentives

The evaluation focuses on programs supporting youth and investment, such

¹⁷- Court of Auditors, Evaluative Report of Court of Auditors on the Preliminary Draft of the Budget Settlement Law for the Year 2019, Court of Auditors, Algeria, 2022, p42.

as ANADE (formerly ANSEJ), CNAC, ANGEM, and ANDI, subject to conditions like prior approval, adherence to the real regime, and provision of statistical data. The main challenge remains developing a comprehensive methodology to measure these expenditures' effectiveness and true economic impact.

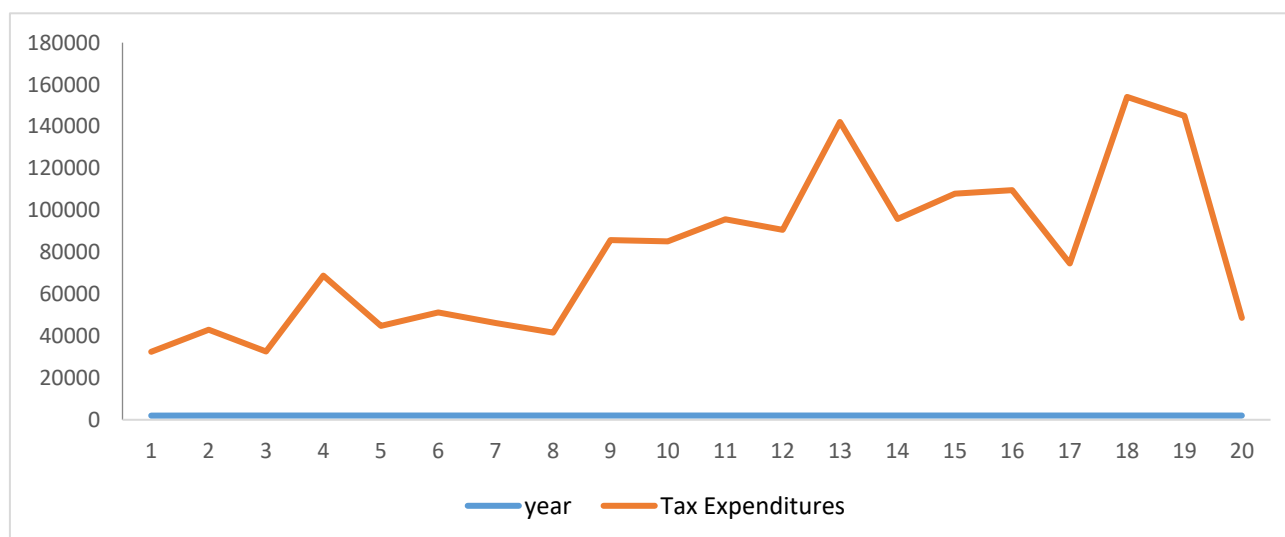
3.1 Evolution of Tax Expenditures in Algeria during (2000-2019)

Tax expenditures allocated to youth employment and investment promotion showed fluctuating growth during (2000-2019):

- Gradually increased from 30.46 billion DZD in 2000 to a peak of over 140 billion DZD in 2012.
- Declined to around 72 billion DZD in 2016, then rose to 152 billion DZD in 2017.
- Dropped again to 46 billion DZD in 2019.

This volatility is linked to falling oil prices and austerity policies impacting public spending levels.

Figure 2: Evolution of Tax Expenditures in Algeria during the Period 2000-2019

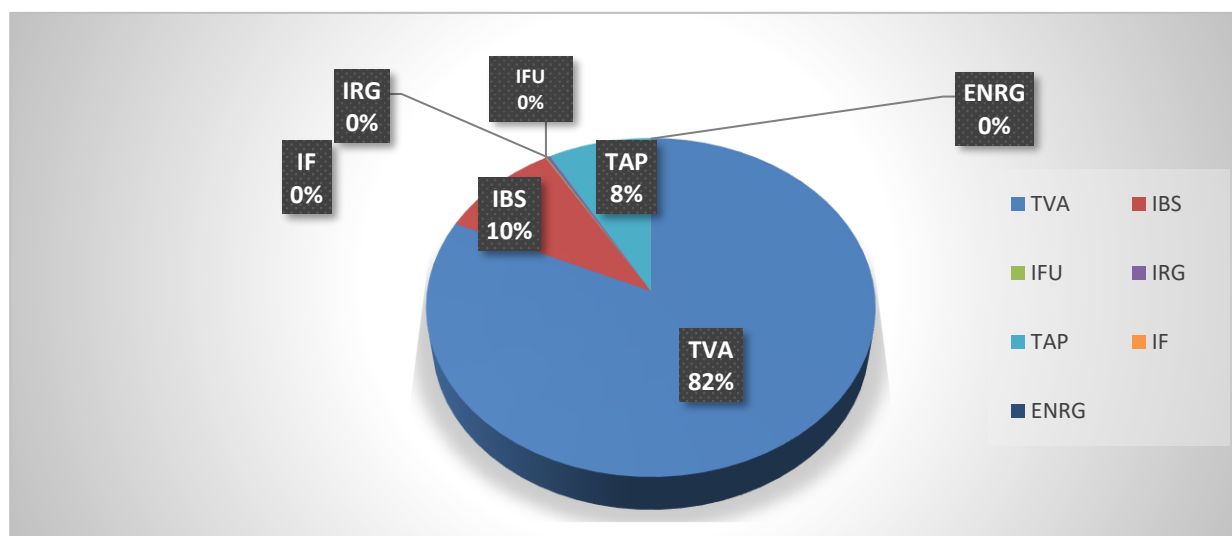


Source: Compiled by the author based on Ministry of Finance data for the relevant periods.

3.2 Structure of Tax Expenditures in Algeria

The structure of tax expenditures during the study period is as follows:

Figure 3: Structure of Tax Expenditures in Algeria by Tax Type During the Study Period



Source: Prepared by us based on data from the Ministry of Finance for the relevant periods. From the figure above, the following is clear:

The figure shows that VAT accounts for the largest share of tax expenditures, averaging 82% of total exemptions. The remaining expenditures are distributed as follows:

- **Corporate Profit Tax (IBS):** 10% on average.
- **Tax on Professional Activity (TAP):** 8% on average.
- The lowest contribution from IBS was recorded in 2012 (1%).
- VAT peaked during 2011–2012 at over 90%.
- Other taxes, such as property tax (TF) and energy tax (ENRG), had negligible impact on tax expenditures.

3.3 Evolution of Tax Expenditures Relative to Ordinary Taxes, Budget Expenditures, and Budget Balance (2000-2019)

A. Relative Share of Tax Expenditures

- **Compared to Ordinary Revenues:**
The average share did not exceed 4.4% over two decades, peaking in 2003 (10.5%) and dropping to 1.1% in 2019.
- **Compared to Public Expenditures:**
The average was below 1.5%, with a high of 3.6% in 2003 and a low of 0.5% in 2019.

B. Relationship with Budget Balance

- Tax expenditures covered the fiscal deficit at an average of - 47%.
- The highest coverage was in 2002 (58%), and the lowest was in 2012 (-19,488%), indicating significant variability in effectiveness.

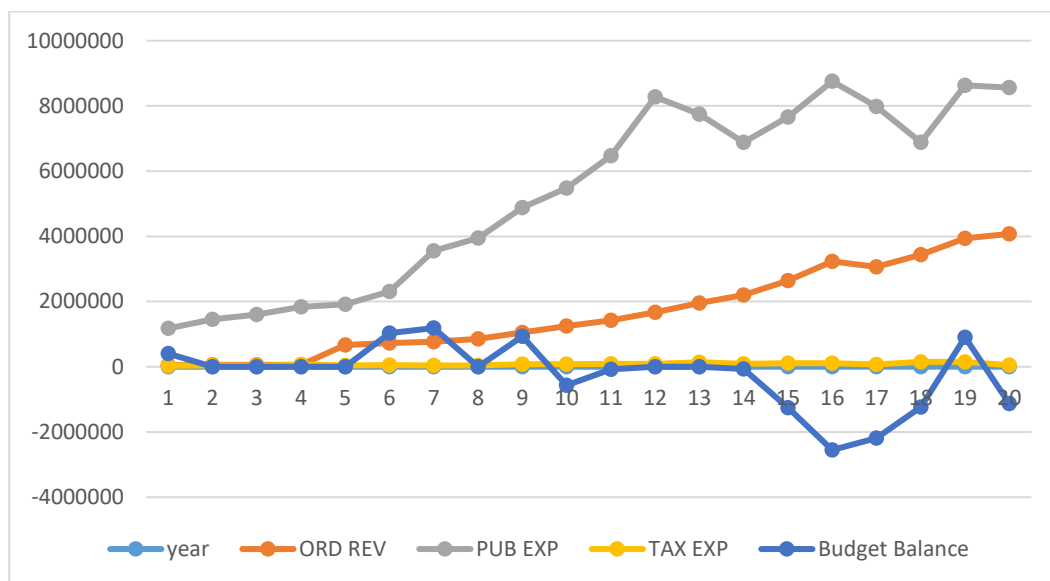
C. Trend Analysis (2000–2019)

- **Tax Expenditures:** Showed limited growth and relative stability.

- **Budget Balance:** Improved between 2002-2006 but deteriorated significantly between 2013-2018.

- **Compared to Growth Rates:** Tax expenditures grew slower than ordinary revenues and public expenditures, maintaining a positive correlation with ordinary revenue growth and occasionally surpassing public expenditure growth rates.

Figure 4: Illustrates the extent of development of each of tax expenditures, regular revenues, public expenditures, and budget balance during the study period.



Source: Prepared by us

The financial impact of tax expenditures remains limited within Algeria's financial system.

- Their varying effectiveness in addressing the fiscal deficit reflects dependence on the broader economic context.
- The need to revise tax expenditure policies to enhance their economic impact, given their declining contribution in recent years.

Conclusion

The study highlights significant financial losses to the Algerian treasury from tax incentives (2000-2019), necessitating evaluations of their economic and social impacts. The Court of Accounts is pivotal in objectively assessing tax expenditures to optimize their alignment with development goals. Economic diversification and an

improved investment climate are crucial to expand the tax base and enhance revenues, enabling flexible public policy implementation. Activating the Court's role alongside clear economic strategies is essential for prudent tax expenditure management and sustainable development in Algeria.



Implementation of ISQM 1: Objectives, challenges and successes through experience within the AGSA (Office of Auditor-General of South Africa)

Author: Auditor-General of South Africa (AGSA) Tripartite team
(Quality Management unit, Risk & Ethics unit, Technical Audit Support unit)

Introduction

The International Standard on Quality Management 1 (ISQM 1) represents a significant transformation in how audit firms manage quality. Replacing the International Standard on Quality Control 1 (ISQC1), ISQM 1 shifted from a compliance-based approach to a risk-based quality management framework. The standard, issued by the International Auditing and Assurance Standards Board (IAASB), requires audit firms to proactively assess and respond to quality risks, thereby ensuring consistent, high-quality audit engagements. INTOSAI has taken note of the ISQM 1 and issued a revised ISSAI 140 – INTOSAI’s own standard for quality management that is based on the principles of ISQM 1 with adaption as necessary to apply to SAIs and the public sector context in which they work.

This article explores the objectives of ISQM 1, as understood by the AGSA, the challenges encountered during its implementation, how those challenges were overcome and the successes achieved through embracing the new standard.

Objectives of implementing ISQM 1

The implementation of ISQM 1 aims to achieve several key objectives. These include:

1. Enhancing risk-based quality management

ISQM 1 moves away from a passive compliance framework and requires firms to take a proactive, risk-based approach. Audit firms must identify and assess quality risks specific to their operations and design tailored responses to mitigate those risks.

2. Strengthening governance and leadership responsibilities

The standard emphasises the role of leadership in promoting a culture of quality. It mandates management to establish quality objectives, ensure accountability and provide the necessary resources to support quality management.

3. Improving engagement performance and consistency

ISQM 1 ensures that audit firms have processes in place to uphold the highest professional standards across all engagements. This includes policies on consultation, engagement review and documentation to enhance the consistency of audit quality.

4. Enhancing monitoring and remediation processes

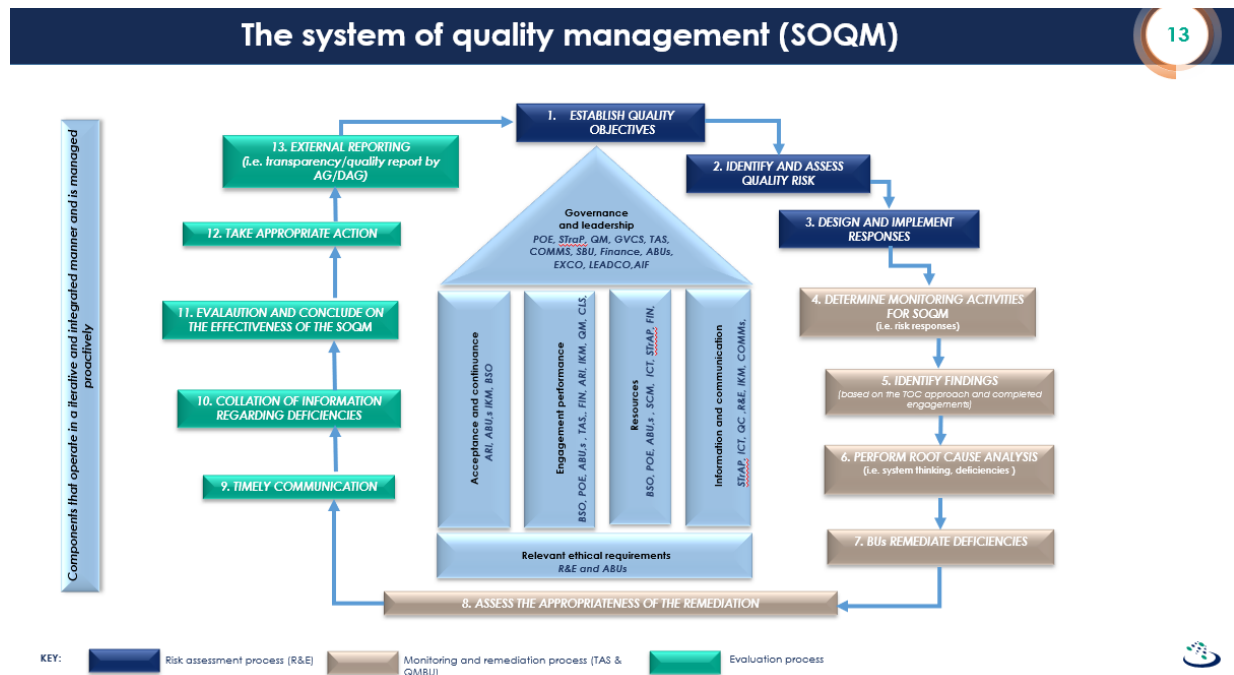
Audit firms must establish robust monitoring mechanisms to continuously evaluate the effectiveness of their quality management systems. If deficiencies are identified, firms must take corrective actions to prevent recurrence.

5. Adapting to evolving risks and regulatory requirements

The standard requires firms to remain vigilant and responsive to emerging risks, including changes in regulations, business environments, and technological advancements.

The AGSA House of Quality and the System of Quality Management (SoQM) that evaluates this house.

Since adopting ISQM 1 on 15 December 2022, the AGSA tripartite team, consisting of Risk and Ethics, Quality Management and Technical Audit Services units, went on to develop the following System of Quality Management (SoQM):



Challenges experienced in implementing ISQM 1

While the objectives of ISQM 1 are clear, its implementation posed significant challenges for the AGSA. Key challenges encountered included:

1. Increased complexity and resource requirements

Transitioning from ISQC 1 to ISQM 1 required the AGSA to conduct comprehensive risk assessments and establish a formal firm quality management system. This process was resource intensive, requiring time, skilled personnel (to lead this project) and financial investment and for us to break out of siloed ways of working towards greater collaboration.

2. Capacity constraints and competing priorities within the AGSA

As with many other SAIs, the adoption of ISQM 1 and developing a system of quality management (SoQM) required resources to be pulled from various business units and these personnel had to perform dual responsibilities to make the ISQM 1 project a success while also continuing with their existing workload.

3. Exit of key project team members

The ISQM 1 adoption project was implemented over 12 months and during that time key project members, significant to the adoption and implementation of ISQM 1, exited the AGSA. This exists is indicative of the high demand in the industry for quality management skills.

4. Resistance to change

We faced internal change management challenges from employees who were accustomed to the previous compliance-driven approach. Shifting to an initiative-taking quality management system required significant cultural and behavioural change efforts to be put in. This required us to work with management and the People portfolio in leading change management efforts.

5. Defining and assessing quality risks

Identifying and assessing quality risks specific to the AGSA was a complex task. We had to analyse multiple factors, including client risks, engagement team capabilities, regulatory requirements and current quality control processes.

6. Establishing effective monitoring and remediation processes

Developing a continuous monitoring framework to assess the effectiveness of quality management processes posed difficulties. In particular, which business units will take responsibility for the risk assessment process, the monitoring function and the remediation process and ultimately which executive would take responsibility for the overall evaluation of the AGSA system of quality management on an annual basis.

7. Integrating technology and data analytics

Leveraging on technology to monitor audit quality and risk management was a new challenge for the AGSA. Implementing data analytics and automation required a review of skills within these teams and investment in new systems.

8. Compliance with ISQM 1 through an independent assurance review

An external assurance provider closely scrutinised the AGSA ISQM 1 implementation plan, requiring the AGSA to ensure that our new system of quality management met all compliance expectations. This placed additional workload pressures on the team to document our processes thoroughly.

How we overcame challenges

The AGSA started preparing to adopt ISQM 1 from December 2021. The project had two phases,

- The **ISQM 1 adoption phase**, which started in December 2021 and was completed by 15 December 2022.
- The **ISQM 1 SoQM evaluation phase**, which started in December 2022 and was completed in December 2023.

Despite these challenges, the AGSA successfully implemented ISQM 1 on 15 December 2022 and adopted several strategies to navigate the transition. These included:

1. Comprehensive training and awareness programmes

To address resistance to change, the AGSA conducted extensive training programmes

for employees at all levels while also customising the training to individuals based on their responsibilities within the AGSA SoQM ecosystem. Awareness sessions emphasised the benefits of ISQM 1, provided practical guidance on adopting the new framework and how it will impact the individuals within the AGSA, therefore addressing the question: “Why and how does this impact me?”.

2. Leadership involvement and culture shift

The AGSA leadership played a critical role in driving culture change. The Auditor General ‘s unwavering commitment to transforming the institution from the old ISQC to the new ISQM standard within the set timelines was the driving force behind our success. Further, by elevating project leadership, sponsorship, and oversight to the Executive committee level, our leaders demonstrated a clear resolve to the project ‘s success. This strategic decision ensured that there was clear direction and guidance on what the project needed to achieve whilst elevating the ISQM project to top priority within the organisation and cementing the organisation culture of being pro-active towards quality management.

3. Capacity constraints and competing priorities within the AGSA

A steering committee was established to oversee the adoption and implementation of ISQM 1. This committee monitored progress of the overall project and reported back to exco on a quarterly basis. Furthermore, this committee was endorsed by the DAG, who was also the key sponsor of the project. The committee consisted of key executive members including the executive members from audit business and support services. The project was led by the chief risk officer and the committee, chaired by the head of audit, played oversight on the project and reported back to exco quarterly in the status of implementation. Due to key executives forming part of the committee they played the monitoring role, elevating the importance of successfully completing this project. The success of this project was based on seconding resources from various business units within the AGSA and this committee helped secure these resources.

4. Exit of key project team members

As we were experiencing the exit of key team members during the 12-month ISQM 1 project, we implemented sustainability within the ISQM 1 project team by ensuring that not only one individual was responsible

for a deliverable and that individuals were paired to create team sustainability. This succession planning worked well in the sense that if a key member left the AGSA, the second-in-charge could then take the lead on those allocated deliverables. This also gave us remarkable success with a growth mindset to step up and take greater responsibility for those individuals that wanted to step up and prove themselves and be seen in the AGSA to do so.

5. Leveraging technology for risk assessment and monitoring

The AGSA is currently investing in technology solutions to streamline risk assessments, monitoring, and reporting. Automated dashboards and data analytics tools will help the AGSA to identify and track quality indicators and identify potential deficiencies.

6. Developing clear quality objectives and policies

To simplify the risk assessment process, the AGSA established clear quality objectives and policies tailored to our specific risks. This was done at the start of adopting ISQM 1 in December 2021. This helped those charged with the responsibility of the AGSA SoQM to understand their roles

in maintaining audit quality and what reporting was required from who and by when to ensure effective monitoring.

7. Enhancing communication and collaboration

The AGSA fostered collaboration between quality management, audit business, risk and ethics and our technical audit services support units. The committee tracked and monitored the implementation of the AGSA SoQM initiatives against agreed upon timelines while the project team was responsible for implementing those initiatives ensuring effective integration into daily operations. Building this communication between units was essential to tracking integration of the project and creating process feedback mechanisms.

8. Conducting pilot tests and phased implementation

The AGSA adopted a phased implementation approach with regards to performance management and therefore only the process implementation was reviewed during the first year of evaluating the AGSA SoQM and not the accountability aspect. This was then phased in during year 2 where the accountability of those responsible

for the outcome of the evaluation of the AGSA SoQM was then introduced into the AGSA balanced scorecard and individual performance contracts. This helped identify and address potential gaps early in the transition.

Success achieved with the implementation of ISQM 1

The successful implementation of ISQM 1 led to several positive outcomes for the AGSA:

1. Enhanced audit quality and risk management

With a risk-based approach, the AGSA improved its ability to identify, assess, and mitigate quality risks. This resulted in more robust audit engagements and in the long-term will ensure greater assurance in financial reporting.

2. Strengthened regulatory compliance

The AGSA effectively implemented ISQM 1 and found it easier to meet regulatory requirements. Our proactive approach will reduce the likelihood of deficiencies being identified during quality management engagement review inspections.

3. Improved firm-wide culture of quality

ISQM 1 fostered a culture of continuous improvement and accountability. Employees at all levels became more engaged in quality management and in the long-term, as the SoQM matures, will lead to greater consistency in audit execution.

4. Increased efficiency through technology integration

By leveraging technology, the AGSA aims to streamline our monitoring and risk assessment processes. Automated tools reduced manual work, allowing teams to focus on high-risk areas and value-added activities.

5. Competitive advantage and client confidence

The AGSA successfully adopted ISQM 1 and demonstrated a commitment to

high-quality audits, therefore, strengthening client trust and market reputation. This led to improved relevance for our SAI through enhanced firm credibility.

6. Greater flexibility in adapting to emerging risks

The dynamic nature of ISQM 1 will enable the AGSA to quickly adapt to new risks such as changes in regulatory requirements or emerging business threats. This proactive approach will ensure long-term sustainability and resilience.

7. More robust root cause analysis approach introduced

The AGSA leveraged from existing problem-solving techniques to operationalise the root cause analyses process on identified monitoring findings. This enabled the AGSA to identify real root causes and in turn, design remedial actions that address identified deficiencies decisively.

Conclusion

The implementation of ISQM 1 marked a significant shift in audit quality management. While the AGSA faced challenges such as increased complexity, resistance to change, and resource constraints, these were overcome through leadership commitment, effective training, technology integration and the two-phase implementation of the project.

The AGSA's adoption of ISQM 1 achieved greater audit quality, regulatory compliance and operational efficiency. Ultimately, ISQM 1 not only enhanced the credibility of the AGSA but also strengthened public trust in the audit profession.

As we continue to refine our ISQM 1 frameworks, our focus remains on continuous improvement, proactive risk management and leveraging technology to sustain audit excellence in an evolving business landscape. Overall, to build an organisational culture that is pro-active towards quality management, through refining processes year after year based on successes and challenges experienced the year before, leading to better quality audits for our clients is the ultimate goal.



Electronic Governance for Financial Auditing

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Introduction

The objective and importance of the topic:

Electronic governance is one of the important mechanisms for developing financial auditing; There is no doubt that financial auditing, like all other fields, must keep pace with the language of the era, and move from the cloak of traditional performance to the newly developed modern mechanisms that are dealt with at the individual level and at the official level in some cases. There should be no gap between financial auditing mechanisms and the newly developed digital mechanisms and means that can be used in the field of financial auditing in a way that achieves many advantages not only for those in charge of financial auditing, but also for the entities subject to auditing, which achieves advantages enjoyed by all. Thus, the objective of this article crystallizes in developing a proposed framework for how to move financial auditing from traditional means to modern digital mechanisms; The importance of this topic is not hidden, as it keeps pace with the technological developments that we are experiencing, in addition to the advantages that digital mechanisms achieve for those in charge of the audit as well as the entities subject to the financial audit.

Research methodology in this article:

(A) Analytical approach:

Since the topic of the article is related to electronic governance in financial auditing, it is necessary to use the analytical approach in the research so that we can reach what advantages electronic governance may have or what disadvantages it may have; so that we can develop a proposed framework for what electronic governance for financial auditing should be. The analytical approach provides the opportunity to learn about electronic governance for financial auditing in terms of its advantages and disadvantages, as well as to learn about traditional auditing systems closely so that they can be judged by what advantages they achieve or what disadvantages they entail.

(B) Comparative approach:

As well as evaluating e-governance for financial auditing and stating its advantages or disadvantages, it requires using the comparative approach in the research so that we can compare e-governance and the resulting use of digital mechanisms in auditing, and traditional systems in financial auditing; so that we can determine which

of the two systems is better for financial auditing: the traditional system or the digital system.

Dividing the research:

In order to achieve the desired objectives of this research, we saw dividing it into the following points:

- 1- Research terms.
- 2- E-governance mechanisms for financial auditing.
- 3- Challenges of e-governance for financial auditing.
- 4- Research results and recommendations.

1

Research terms.

In this research, a term appears that needs some clarification, which is the term "e-governance". "E-governance" can be defined as providing government services in a smooth manner using digital mechanisms in a way that provides services in a convenient and effective manner, and allows the exchange of information in an effective and transparent manner¹. Applying the previous definition

1-Dr. Sanaa Mohamed Zahra Omar, Governance a an Approach to Health Crisis Management - Digital Response to the Coronavirus Pandemic, Future of Social Sciences Journal, Arab Society for Human and Environmental Development, Issue 1, Volume 10, 7/1/2022, pp. 72, 73.

to the topic we are dealing with, we find that what is meant by e-governance in the field of financial auditing is the use of digital mechanisms and means in conducting the financial audit and exchanging information related to the financial audit, whether the information and data required by the regulatory authorities or the reports provided by the latter to the entities subject to their supervision in an effective and transparent manner, and in a convenient and smooth manner for all parties dealing with the subject of the financial audit.

2

E-governance mechanisms for financial auditing.

In order for e-governance in the field of financial auditing to be achieved on the ground, we find that there is a set of mechanisms that are preferable to be followed to achieve this purpose, including the following:

(a) Providing all data and information needed by the regulatory authorities through a secure electronic system:

One of the most important things that facilitates the task of the regulatory

authorities in achieving the financial audit of the entities subject to their supervision is providing the data and information necessary for the financial audit. In this regard, we suggest that such data and information be made available digitally, and we will mention an example of this:

It may be preferable for each of the entities subject to oversight to have an electronic system via the Internet on which all data and information subject to review are recorded in a transparent and credible manner, and in a way that allows the oversight bodies, and no one else, to access such information through secure digital mechanisms that allow the oversight bodies to access such information; This may facilitate the task of the oversight bodies on the one hand, and on the other hand, maintain the confidentiality of this information and data and does not violate its privacy or confidentiality.

(b) Automation of expenses and revenues in entities subject to financial audit:

It is necessary to achieve electronic governance for financial auditing to automate expenses and revenues in entities subject to financial audit, and this mechanism has been adopted, on the

ground, in some countries^{2 3}, as electronic mechanisms have been adopted to collect revenues and others to disburse dues. Perhaps this mechanism will enable the regulatory bodies to extend their control over all financial operations taking place in the entities subject to supervision easily, smoothly and comprehensively, while saving more time and effort for the members of the regulatory bodies, in addition to the quality of the results that will be achieved, especially when the automation is done through an electronic system that the members of the regulatory bodies can access easily and conveniently.

(c) Digital communication between the supervisory authorities and the entities subject to their supervision:

The components of electronic governance for financial auditing are not limited to providing the information and data necessary for the audit only, but digital communication must be achieved between the parties to the audit process, the entities subject to financial supervision on the one

hand and the supervisory authorities on the other hand. After conducting the audit and preparing reports on the financial audit that has been conducted, the supervisory authorities are expected to notify the entities subject to supervision of the reports prepared, and the reporting is usually done by mail; it may be better to use modern digital mechanisms to report the reports, so the supervisory reports are reported via email or What's App technologies...etc. provided that guarantees are taken to ensure the truth of the reporting as required, such as specifying a specific email address through which the reports of the supervisory authorities are reported or a specific WhatsApp number for the same purpose.

There is no doubt that following such mechanisms will have positive effects on the financial audit in terms of speed, ease and simplicity, in addition to transparency and credibility in the data and information on which the financial audit is based. It is worth noting that these mechanisms allow supervisory bodies to conduct financial

2- For example, the Arab Republic of Egypt, where the Payroll system was created to automate government salaries, and this system was generalized to the wages of all employees in the state administrative apparatus in Egypt, for more in this regard, see the website of the Ministry of Finance - Arab Republic of Egypt, available at the following electronic address: [Click here](#), visited on February 10, 2025.

3- For more information on this matter, see the World Health Organization website, available at the following address: [Click here](#), visited on February 2, 2025.

audits of the entities subject to their supervision remotely; which allows supervisory bodies to continue their work under any circumstances that may arise. For example, when the Covid-19 pandemic occurred, it was difficult for supervisory bodies to exercise their supervisory role in financial auditing in a traditional manner, and practicing financial auditing remotely was a solution to this crisis that the entire world suffered from.

3

Challenges of e-governance for financial auditing:

E-governance for financial auditing faces a set of challenges in order to be achieved on the ground, including the following:

(a) Using modern digital technologies to achieve e-governance for financial auditing:

It is necessary to use modern digital technologies in order to achieve e-governance for financial auditing. In this

regard, we propose using block chain technology, which can be defined as⁴ a decentralized digital record distributed across millions of devices connected to the Internet, and through this technology, all different information is recorded in chronological order with the aim of creating permanent, secure and tamper-proof records; Through this technology, the data and information necessary for financial review can be made available to the regulatory bodies in a secure and impenetrable manner.

(b) Providing human resources trained to use modern digital technologies:

Human resources must be trained to use modern digital technologies and understand them well by holding training courses for this purpose on both sides. On the one hand, members of the regulatory bodies should be trained on the mechanisms of electronic governance and how to implement them and benefit from them in a way that facilitates the performance of regulatory tasks with ease and simplicity. On the other hand,

4- Treiblmaier, H. (2018). Optimal levels of (de)centralization for resilient supply chains. The international Journal of Logistics Management, Referred to by Dr. Mahmoud Mohamed Abdel Moneim Abdellah, The impact of blockchain technology on the efficiency and effectiveness of tourism services, Journal of the Faculty of Tourism and Hotels, Faculty of Tourism and Hotels - Sadat University, Volume 7, Issue 1, June 2023, p. 30

employees of the entities subject to supervision should be trained on the mechanisms of electronic governance as well so that they can communicate with the regulatory bodies. There should be no gap between the regulatory bodies and the entities subject to supervision. Rather, effective communication between both parties ensures the achievement of regulatory tasks effectively, credibly and transparently and achieves the goal of the regulatory work, as well as combating any acts that harm public money.

(c) Providing the financial capabilities necessary to achieve e-governance:

There is no doubt that achieving e-governance requires financial capabilities to establish an electronic system to provide information, although on the other hand, we find that e-governance may save some expenses such as those necessary to submit reports. When reporting is limited to digital means, the expenses of using mail are saved, and the electronic availability of information and data saves the use of a lot of paper and ink needed for photography. It is worth noting that the expenses incurred in order to achieve e-governance for

financial auditing are considered transfer expenses and not real expenses⁵. These expenses save the state many other expenses required by the financial auditing process, which leads to an increase in national production in addition to its role in improving the efficiency of financial auditing in a way that effectively contributes to increasing national production.

(d) Legislative challenges:

The legislative challenges are represented in issuing the necessary decisions by the competent authorities to adopt those technologies necessary to achieve electronic governance for financial auditing, whether in terms of providing data and information through an electronic system or in terms of adopting digital mechanisms such as email and What's App as mechanisms for communication between the regulatory bodies and the entities subject to their supervision. There is no doubt that the matter requires issuing the necessary administrative decisions that pave the way for electronic governance away from the traditional means of financial auditing.

5- Real expenditure is the expenditure that leads to a direct increase in national production, while transfer expenditure does not lead to a direct increase in national production. For more on this matter, see Hamoud Al-Qaisi, Scientific Divisions of Public Expenditure, available at the following electronic address: [click here](#) visited on February 5, 2025.

Research results and recommendations.

(a) Results:

We conclude from the above a set of results as follows:

- That electronic governance would facilitate financial auditing, whether for the regulatory bodies or the entities subject to supervision.
- That electronic governance would achieve transparency and credibility in the data and information provided to the regulatory bodies.
- That electronic governance ensures effective and rapid communication between the regulatory bodies and the entities subject to supervision.
- Although e-governance requires some expenses, on the other hand it saves the

state other expenses in addition to its role in achieving effective oversight, which contributes to increasing national production.

(B) Recommendations:

At the end of the research, we recommend some recommendations as follows:

- Issuing the necessary decisions or taking the necessary legislative amendments in order to codify e-governance and put it in a legally stipulated form.
- Providing the necessary financial capabilities for e-governance.
- Training both members of the regulatory bodies and employees of the entities subject to oversight on e-governance mechanisms.
- Using the necessary digital mechanisms for e-government.



Nanotechnology As One of the Innovative Technologies In The Field of Auditing

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Introduction

Recent decades have witnessed tremendous advances in technology, significantly impacting various fields, including auditing and accounting. Nanotechnology is one of the emerging technologies that has impacted many industries, due to its incredible potential for process improvement and innovation. The implementation of nanotechnology in auditing can improve operational efficiency, enhance the accuracy of results, and develop new mechanisms for handling data. This article aims to explore the role of nanotechnology in the auditing process, focusing on its importance, associated challenges, and prospects for development. Despite the tremendous progress in auditing technologies, challenges remain related to data accuracy, information processing speed, and the detection of tampering and financial fraud. The article raises a key question: How can nanotechnology improve the auditing process and overcome these challenges?

Objectives:

- Understand the concept of nanotechnology and study its nature and general applications.
- Analyze the role of nanotechnology in auditing and explore how it impacts the audit process.
- Identify the challenges facing the application of nanotechnology in this field.
- Propose practical solutions and recommendations to overcome these challenges.

Significance:

- Theoretical Significance: It enriches scientific knowledge by contributing to keeping pace with modern technological developments and exploring how to improve the accuracy and efficiency of the audit process using nanotechnology.
- Applied Significance: It enriches practical knowledge by presenting a practical case study of the use of nanotechnology in the audit process.

Methodology:

The article follows a dual approach that combines a theoretical framework based on a review of the available literature and an analysis of the basic concepts associated with nanotechnology, with a focus on how

this technology can be employed to achieve the purposes of the audit and control process, as well as an applied framework based on the use of a programming language to provide a comprehensive applied analysis of the role of nanotechnology in the audit process.

First: Theoretical Framework

1. The Concept of Nanotechnology, its Mechanism, and its Implementations:

Nanotechnology is a term coined by Norio Taniguchi in 1974. It refers to the study of materials and devices operating at the nanoscale, commonly defined as the scale of individual atoms and molecules. It is a technology based on producing materials by assembling them at the very small atomic level. Every material is composed of a vast number of atoms and molecules. Replacing one atom of one material with another results in a completely new material, with new physical and chemical properties. This technology is extremely important, as it opens the way for humans to develop and utilize various materials. Nanoparticles are measured between 1 and 100 nanometers. Materials at the nanoscale have unusual and highly reactive properties, affecting the electrical properties or strength of these materials, potentially leading to significant

improvements in performance and function. This has led to the use of nanotechnology in various applications in fields such as

medicine, energy, electronics, and materials science.

Field	Implementation
Medicine	Changing the medical rules for disease prevention and diagnosis, nanotechnology offers new ways for drug carriers inside the human body (called nanocarriers) that are able to target different cells in the body.
Communications	Optical nanofibers have now been created that can transmit information and calls directly without the need to convert them from light to electricity, thus increasing transmission speeds by about 100 times. Nanolasers can also be created, making communications devices extremely small.
Energy	Developing high-capacity, longer-lasting batteries for energy storage. Nanomaterials can also enhance the efficiency of solar cells, making renewable energy sources more viable.
Environment	Developing advanced filtration systems for water purification, where nano-sized particles can be used in environmental cleanup efforts.



To develop capability and capacity through the development and alignment of expertise, infrastructure and facilities



To promote multi-disciplinary and inter-disciplinary research through effective teamwork and highly collaborative work culture and environment



To plan, develop and coordinate collaborative programmes for impactful and successful research partnerships



To boost human capitals and talents in the related fields to support research, development and commercialization



To establish and promote Center of Excellence

[https:// innovations-edu.blogspot.com/2017/12/blog-post_43.html](https://innovations-edu.blogspot.com/2017/12/blog-post_43.html).

Observers predict that nanotechnology will spark a series of industrial revolutions over the next two decades that will significantly impact our lives. Some suggest that nanotechnology will soon become larger and more far-reaching than the Internet, ushering in a massive new revolution that will destroy many old financial fortunes and shake up all existing businesses on our planet.

2. The Role of Nanotechnology in the Audit Process:

Nanotechnology plays a pivotal role in improving the audit process, thanks to its

ability to control materials at the atomic and molecular levels. Nanotechnology contributes to providing precise tools for data analysis and collection, enhancing audit accuracy and reducing errors. It also provides advanced tools that contribute to improving the quality of assessment and verification and reducing costs, reflecting its vital role in promoting innovation and reliance on advanced audit methods. This can be explained as follows:

The Role	How
Data Analysis	Improving the ability of computers to process huge amounts of data with high accuracy.
Fraud Detection	Advanced nanodevices enable the detection of anomalous patterns in data, helping to identify tampering.
Improving Cybersecurity	Nanotechnology is being used to develop more secure encryption systems to protect data.
Improving Storage Technologies	Nanotechnology offers advanced solutions to increase the efficiency and capacity of data storage systems used in auditing.
Monitoring Real-Time Changes	With nanosensors, data can be monitored in real time, allowing auditors to quickly intervene when necessary.
Enhancing Transparency	Nanotechnology helps analyze financial data records more efficiently, enhancing transparency within institutions.
Enhancing Reliability	Nanotechnology tools provide faster and more accurate audit of financial data, reducing errors and increasing confidence.
Environmental Impact Audit	Using nanotechnology to analyze energy and resource consumption data in institutions.

3. Practical Implementations of Nanotechnology in the Field of Auditing in Large Companies:

Company	implementation
IBM	- IBM has developed nanotechnology-based technologies to analyze massive data at high speeds, improving internal audits and detecting financial errors. - Nano sensors used in IBM Watson systems improve cybersecurity by monitoring and analyzing financial activity.
Deloitte	- Nanotechnology is being applied to improve financial audit accuracy using nanosensors to analyze supply chains and detect errors. - Nanotechnology has helped improve financial compliance reporting and reduce data error rates.
PwC	- Nanotechnology is being used to improve risk analysis tools, enabling the ability to monitor unusual activity in real time. - It is developing systems based on artificial intelligence and nanotechnology for automated auditing.

4. Challenges Associated with the Implementation of Nanotechnology in the Audit Process:

- High cost: Nanotechnology is expensive, hindering its spread.
- Lack of qualified personnel: The implementation of nanotechnology requires specialized expertise.
- Ethical risks: Nanotechnology may raise issues related to data privacy.
- Technological infrastructure: The lack of infrastructure to support nanotechnology implementations in some institutions.

5. Future Innovations of Nanotechnology in the Auditing Field:

- Automation Using Artificial Intelligence and Nanotechnology: Integrating nanotechnology with Artificial Intelligence to develop systems capable of providing accurate audit reports without human intervention.
- New Nanosensors: Developing sensors that can monitor financial data in real time and predict risks.
- Collaborative Platforms: Creating digital audit platforms based on nanotechnology to provide a collaborative environment between auditors and institutions.

Second: Applied Framework

A Case Study of Using Nanotechnology in the Audit Process

1. Basic Data

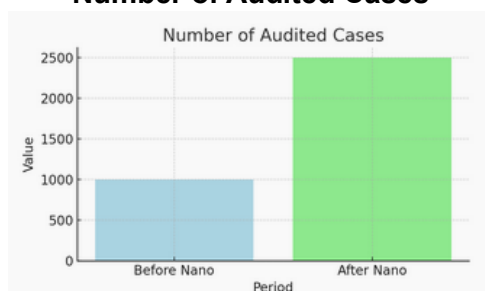
Objective	Evaluating the impact of introducing nanotechnology on corporate auditing processes, by comparing key performance indicators before and after implementation. The analysis focuses on the following: • <u>Improving audit efficiency</u>: Measuring the extent to which the time and effort required to perform audit tasks are reduced. • <u>Increasing process accuracy</u>: Evaluating the extent to which errors are reduced, manipulation and financial fraud are detected because of the use of nanosensors and technologies. • <u>Reducing costs</u>: Studying the impact of implementing nanotechnology on reducing costs associated with traditional auditing.	
Study community	Number of institutions covered	50 institutions.
	Number of transactions analyzed	15,000 transactions.
	Number of documents audited	45,000 documents.
Mechanism for incorporating nanotechnology	Nanotechnology has been Implemented through: • Using nanoprocessors to analyze massive amounts of data efficiently and accurately. • Implementing nano-enabled security systems to encrypt data and prevent unauthorized access. • Enabling auditors to obtain instant reports based on nanosensor analysis. • Using connected nanosensors to track financial data directly from their sources.	
Indicators used for analysis	1. Number of Audited Cases. 2. Time Spent (in Hours/Days). 3. Audit Accuracy (Error Rate). 4. Audit Cost (in USD). 5. Number of Cases Resolved (Number of cases settled or modified as a result of errors discovered during audit). 6. Error Detection Rate (The percentage of errors or tampering detected compared to the number of cases audited).	
Analysis tool	The results were analyzed using a programming code using the Python programming language (Appendix).	

2. Analysis Results:

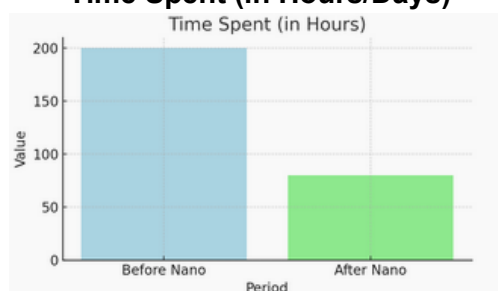
The data was analyzed across six key indicators to compare performance before and after using nanotechnology in the audit process. The results showed a significant and positive impact of the technology's implementation, which can be explained as follows:

Indicators	Before using nanotechnology	After using nanotechnology	improvement rate
Number of Audited Cases	1000	2500	150%
Time Spent (in Hours/Days)	200 hours	80 hours	60%
Audit Accuracy (Error Rate)	12%	3%	75%
Audit Cost (in USD)	50000\$	25000\$	50%
Number of Cases Resolved	50	150	200%
Error Detection Rate	15%	40%	166.67%

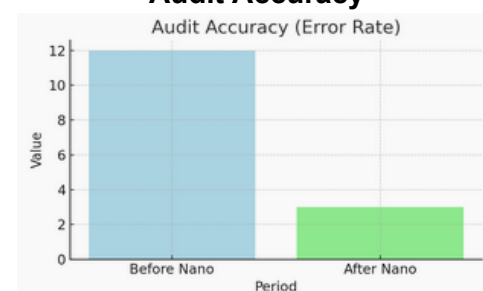
Number of Audited Cases



Time Spent (in Hours/Days)



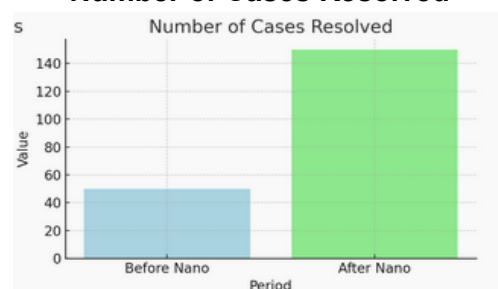
Audit Accuracy



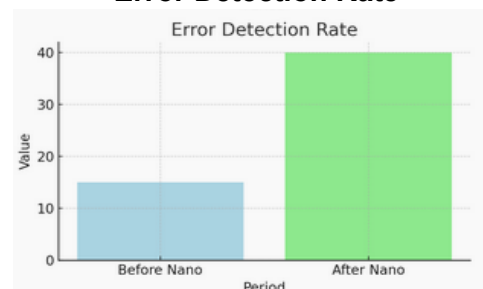
Audit Cost (in USD)



Number of Cases Resolved



Error Detection Rate



Results:

A. Theoretical Results:

- Nanotechnology represents a powerful tool for improving auditing processes by enhancing analytical accuracy, accelerating data processing, and increasing security.
- Despite its success, challenges related to cost and lack of competencies require immediate intervention from stakeholders.
- Recent statistics indicate that tangible progress can be achieved with increased investment and comprehensive training programs.

B. Applied Results:

- The number of audited cases increased by 150% due to the acceleration of processes using nanotechnology, as well as a significant reduction in the time required to complete the audit due to technological improvements of 60%.
- There was a significant improvement in the accuracy of results by 75% due to the advanced technology, and a 50% reduction in the cost of auditing due to the system's efficiency.
- A 200% increase in resolved cases due to faster and more accurate error detection, and a significant improvement in the system's ability to detect errors or tampering by 166.67%.

Recommendations:

- Invest in research and development and allocate resources to the development of nanotechnology in auditing.
- Qualify human resources by providing training programs for auditors on the use of this technology.
- Enhance collaboration between academics and practitioners to develop practical solutions.
- Develop international standards to include provisions regulating the use of nanotechnology in auditing.
- Strengthen partnerships with companies specializing in nanotechnology to provide customized solutions.

Conclusion:

Nanotechnology represents a true turning point in the field of auditing, going beyond the boundaries of traditional methods of data analysis and auditing. The implementation of this technology not only enhances operational efficiency but also contributes to higher levels of safety and quality. However, the successful adoption of nanotechnology depends on overcoming challenges related to costs and infrastructure, as well as developing human competencies. The future of auditing lies in the full adoption of this technology, as it can be

a key factor in enhancing transparency and trust in financial and administrative processes. Continued support from governments, academic institutions, and

major corporations will ensure the rapid expansion of nanotechnology, realizing its maximum benefits, and achieving a radical transformation in the world of auditing.

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Appendix Python Analysis

- **Data import:**

```
import matplotlib.pyplot as plt
import numpy as np
```

- **Indicators:**

```
indicators_en =
['Number of Audited Cases', 'Time Spent (in Hours)', 'Audit Accuracy (Error Rate)', 'Audit Cost (in USD)', 'Number of Cases Resolved', 'Error Detection Rate']
```

- **Results before and after nano technology implementation:**

```
before_nano = [
    1000, # Number of Audited Cases
    200, # Time Spent (in Hours)
    12, # Audit Accuracy (Error Rate)
    50000, # Audit Cost (in USD)
    50, # Number of Cases Resolved
    15, # Error Detection Rate]
after_nano = [
    2500, # Number of Audited Cases
    80, # Time Spent (in Hours)
    3, # Audit Accuracy (Error Rate)
    25000, # Audit Cost (in USD)
    150, # Number of Cases Resolved
    40, # Error Detection Rate]
```

- **Charts:**

```
# Convert to numpy arrays
before_nano = np.array(before_nano)
after_nano = np.array(after_nano)
# Create bar plots for each indicator
fig, axs = plt.subplots(5, 2, figsize=(12,18)) # 5 rows, 2 columns
axs = axs.ravel() # Flatten the 20 array of axes for easier iteration
for i in range(len(indicators_en)):
    axs[i].bar(['Before Nano', 'After Nano'], [before_nano[i], after_nano[i]], color=['lightblue',
'lightgreen'])
    axs[i].set_title(indicators_en[i]) # Set the title of each plot
    axs[i].set_ylabel('Value') # Y-axis label
    axs[i].set_xlabel('Period') # X-axis label
# Adjust the layout to prevent overlap
plt.tight_layout()
# Show the plots
plt.show()
```

Undercover AI¹

Translated By: Ms. Rasha Salem El Zein
General Manager- Accountability State Authority
Arab Republic of Egypt

By: Mr. Neil Hodge

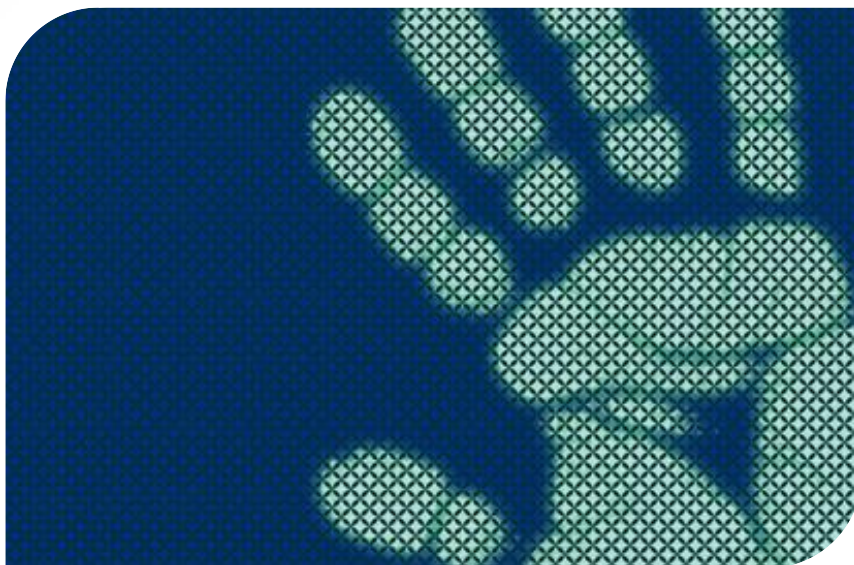
A Journalist based in Nottingham, U.K.

10 February 2025

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Using AI fraud risk management can help reveal hidden patterns of collusion and theft.

Fraud risks can pose serious problems for any organization, and the quicker fraud can be found and dealt with, the better. Data analytics and artificial intelligence (AI) can help organizations fight fraud in smarter, faster, and more proactive ways. These tools can detect unusual patterns in massive amounts of data, monitor transactions in real time, and identify suspicious behavior before it becomes a problem - enabling businesses to be more resilient and better prepared to handle risk.



(1) The Article's Source: The Website of the "Internal Auditor" - A Publication of The IIA.org - February 10, 2025, [click here](#)

It is little wonder, therefore, that more internal audit functions are welcoming the potential of AI-based technologies to provide better assurance around fraud risk management.

“Advances in deep learning are enabling AI to detect fraud patterns so nuanced that they defy traditional methods,” says Adnan Masood, chief AI architect at tech company UST, based in Aliso Viejo, Calif. For internal auditors, this shift represents both a challenge and an opportunity, Masood says. “By embracing these tools as your co-pilots, you can not only safeguard your organization but also position yourself as a critical path leader in its journey toward strategic resilience. AI is a tool you cannot afford to ignore.”

The Pattern Potential

There are many ways AI can help organizations counter fraud, experts say. One is through real-time monitoring. AI systems can review thousands of transactions instantly, flagging anything out of the ordinary, such as unusual

spending patterns or duplicate charges. And because AI can review entire datasets rather than limited data samples, internal auditors can find anomalies and fraud patterns more quickly - even in areas of the business that would not normally come under review.

Another key tool is behavior tracking, where AI learns how users typically behave, such as their usual login times or transaction habits. If something unusual happens - a large withdrawal from a new location, for instance - the system sends an alert. This makes it harder for fraudsters to slip through unnoticed. AI also uses predictive models to look for patterns in past data. This helps businesses predict where fraud might occur next. By recognizing trends early, internal auditors can suggest more robust controls, and companies can act before fraudsters strike.

Similarly, AI can be used to analyze communications. Emails, texts, instant messages, or calls can contain clues to fraud, and advanced tools can detect suspicious language or patterns. Meanwhile,

advanced analytics tools, like graph databases, allow companies to map and analyze relationships between entities (such as customers, accounts, and vendors) across their networks, which can be especially effective in detecting fraud rings and evidence of collusion.

Many organizations have already benefitted from adopting AI as part of their fraud risk management program. Robin Patra, head of data at building contractor ARCO Design/Build in St. Louis, points to a logistics company that used network analysis to detect vendor fraud. According to Patra, by analyzing relationships between suppliers and internal buyers, that company uncovered a kickback scheme, managed to recover \$1.2 million, and improved processes to flag such abuses more readily.

Masood describes another case where a multinational manufacturer used predictive analytics to assess vendor risks during onboarding. AI flagged one

vendor for manual review because of discrepancies in tax records and transaction histories. That extra scrutiny revealed falsified credentials, and even sanctions -busting violations under the U.S. Department of Treasury's Office of Foreign Assets Control and Specially Designated Nationals rules. The AI tool ended up potentially saving the company millions of dollars in losses from fraudulent invoices, as well as regulatory fines.

Kyrillos Mikhael, former assistant department manager in the internal audit sector's Fraud Examination Department at Banque Misr in New York, says leveraging technologies like machine learning is the future of fraud detection and can significantly enhance audit efficiency. "By analyzing large datasets and identifying underlying issues, we can provide more impactful recommendations and address the core problems," he says



“With limited resources, prioritizing high-risk areas like accounts payable or vendor management can make a big impact.”

- Arunkumar Thirunagalingam, Senior Manager, Data and Technical Operations, McKesson Corp

Where to Focus

Internal auditors should first focus on the kinds of risks they want to identify, advises Arunkumar Thirunagalingam, senior manager of Data and Technical Operations at health-care company McKesson Corp., based in Little Elm, Texas. This can mean, for example, risks that will have the greatest impact on the organization if left unchecked, risks that can be more easily mitigated and verified using existing audit techniques, or risks that can be identified more cost-effectively. “With limited resources, prioritizing high-risk areas like accounts payable or vendor management can make a big impact,” he says.

Masood recommends internal auditors integrate AI tools into audit workflows and audit plans. “Use analytics to prioritize high-risk areas, such as payroll, procurement, or financial reporting,” he says. “Let data drive your audit strategy, focusing on areas where fraud is statistically more likely.”

Internal auditors should make sure the organization has clear metrics in place to assess the effectiveness of its fraud prevention systems and the time internal audit has spent reviewing this area. Obvious data to measure are increases in fraud detection rates and the range or type of fraud detected, reductions of false

positives, and gains in operational efficiency - such as time saved in manual audit reviews through automation.

It's also necessary to ensure data quality. Clean, accurate data improves the reliability of AI and analytics tools; poor, biased data, on the other hand, can lead to false alerts, missed frauds, and wasted money. Organizations must validate data sources used to train AI systems to ensure they remain reliable and up to date.

It is in internal audit's own interests, too, for data inputs to be accurate and traceable, says Matthew Van Buskirk, co-founder and CEO of financial risk IT firm Hummingbird, based in Washington D.C. "From an audit perspective, one of the best outcomes that can come from a skilled in-house data science team is the creation of accessible, clean, and well-labeled data that allows for algorithmic quality control and auditing," he says.



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“Let data drive your audit strategy.
focusing on areas where fraud is statistically more likely.”

- Adnan Masood,
Chief AI Architect, UST

AI Is Not a Crystal Ball

While AI tools certainly open opportunities in fraud detection, internal auditors must understand their capabilities and limitations, Thirunagalingam says. They should be realistic about the timeframe in which success can be judged: The typical lead time to see meaningful results from any AI deployment is three months to a year.

Nor should organizations ignore the fact that cutting-edge technologies might not necessarily work well with older, legacy IT systems. Instead, “success lies in a few practical strategies,” says Husnain Bajwa, vice president of product risk solutions at anti-fraud software firm SEON Fraud Fighters, based in Austin, Texas.

First, integration is crucial: Systems that seamlessly fit into existing software architectures reduce friction, improve scalability, and therefore work better. Second, to ensure AI models continue to learn and adapt accurately, businesses should actively label fraudulent and legitimate transactions. Third, collaborating with fraud detection teams on customizing and testing rules can significantly improve system accuracy and achieve impressive results, Bajwa says.

It’s also important to avoid common pitfalls. Overreliance on automation can be risky, as auditors may overlook more nuanced fraud attempts that require human expertise, he warns.

Transparency is another critical factor. So-called “black box” systems that do not allow users to see how they work may obscure the logic behind their decisions, thereby complicating audits. Auditors should consider prioritizing “white box” models that provide clear, understandable rationales for fraud flagging, and which can be more easily trained to understand what a “good” transaction looks like. This can improve the AI’s performance over time.

As with any other IT implementation, internal auditors should be aware that installing AI products is not a guarantee that they will do what they are supposed to. “Don’t simply pick a single vendor that purports to do everything for you,” Buskirk says. “No single company can cover the breadth and complexity of the challenges in the anti-fraud space. Every vendor will have gaps, and an institution relying completely on a single vendor without any in-house capacity to compensate for those gaps can leave itself vulnerable to massive fraud losses before a vendor fix is implemented.”



“Don’t simply pick a single vendor that purports to do everything for you. No single company can cover the breadth and complexity of the challenges in the anti-fraud space “

Matthew Van Buskirk,
Co-Founder/CEO, Hummingbird

Customization Is Key

Masood advises internal auditors to tell their organizations to customize their AI models. “Off-the-shelf AI solutions often fall short of capturing industry-specific risks,” he says.

Equally as important, Masood says, is for auditors to stay skeptical. While AI can provide extraordinary insights, it’s not infallible, he points out. “Maintain professional skepticism and validate flagged anomalies with human judgment,” he says. “Remember, AI is a tool, not a substitute for expertise.”

Indeed, some organizations have had mixed success with their early attempts to use AI to manage fraud risk. For example, Patra says, a global bank implemented a machine learning system to analyze real-time transactions for fraudulent behavior. While the model detected 25% more fraud cases than previous systems, initial deployment also caused an increase in false positives. The lesson, Patra says, is to “involve domain experts early in model tuning to balance sensitivity with precision.”

In another example, Patra cites an e-commerce platform that integrated an anomaly detection tool. However, the tool was so sensitive that it flagged thousands of transactions daily, which overwhelmed internal auditors, delayed their investigations, and caused them to miss deadlines. To address the problem, the internal audit function implemented tiered risk scoring to prioritize high-risk transactions, reducing its workload by 40%.

Generating “false positives” appears to be a more common problem than many had initially thought. In a recent implementation of a data analytics and continuous monitoring solution for a major specialty chemical manufacturer, Chris Fitzgerald, director and North American leader of data analytics and forensic technology for RSM’s Boston-

based Financial Investigations and Dispute Services practice, says his team found that while the system effectively flagged potential exceptions, a substantial proportion were false positives. The error was due to initial misalignment between the tool’s parameters, the company’s available data, and nuances of its risk profile.



“By collaborating closely with stakeholders and refining the system’s thresholds, we were able to drastically reduce false positives and focus on genuine risks.”

- Chris Fitzgerald, Director/North American Leader, Data Analytics and Forensic Technology, RSM

This experience underscores the critical importance of tailoring AI-powered tools to the unique needs and risk appetite of each organization. “By collaborating closely with stakeholders and refining the system’s thresholds, we were able to drastically reduce false positives and focus on genuine risks,” Fitzgerald says.

It also proved to be an invaluable lesson in prioritizing. “Despite developing over 50 risk analytics, we recognized the necessity of concentrating on high-risk areas and transactions,” Fitzgerald says. “Securing executive buy-in was crucial in

achieving this focus, enabling us to strategically allocate resources and ensure adequate oversight of critical business processes. An effective proof of concept helps drive investment and scalability.”

Nicolas Falquez, Risk consulting director in RSM's Miami office, says another takeaway from the case is that prioritization drives impact. "Focus on high-impact areas to maximize the value

of AI and avoid resource dilution," he says. "By incorporating these lessons, we were able to effectively leverage AI to enhance risk management and improve operational efficiency for our client."

“



"AI tools have created a collaborative approach to fraud risk management that we have never seen before. This can only be a good thing."

- Joe Welch, Vice President
of Global Services, MindBridge

New Patterns in Collaboration

There is little doubt that AI and data analytics tools can greatly benefit internal auditors in their efforts to ensure fraud risks are better managed and organizations are more resilient. But there are other benefits that organizations can leverage. For example, using AI tools in fraud risk management can help break down barriers between the first, second, and third lines. AI tools enable information sharing, so if internal audit spots fraud trends, it can alert both the risk function and management about which operational areas may be prone to fraud risk and what controls should be in place. This in turn sparks a conversation about how internal audit might be able to assist.

"AI tools have created a collaborative approach to fraud risk management that we have never seen before," says Joe Welch, vice president of global services at AI

solutions provider MindBridge based in Austin, Texas. "This can only be a good thing."

The Audit Authority's Role within the Single Audit Concept as Governance Principle in the EU's Cohesion Policy

Translated by Accountant/ Magdy Nabil Mohamed Ahmed

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The national Audit Authorities, as a separate authority first legally required in the 2007-2013/ programming period, are key in providing assurance on the correctness of the EU cohesion spending. This prominent role of the Audit Authorities within the internal control framework¹ derives directly from the single audit concept the Commission is applying actively since the 2007-2013/ programming period. Against that backdrop, this paper further explains and elaborates the concept.

I. Background

According to Article 317 of Treaty of the Functioning of the European Union (TFEU), in areas of the community budget which are managed through shared management arrangements, the Commission retains overall responsibility for implementing the budget, while the Member States cooperate with the Commission and are responsible for day-to-day administration and control of the implementation of the programmes. By this, Article 317 of TFEU lays the

foundation for the application of the single audit concept in cohesion policy.²

The term 'single audit' refers to a system of internal controls and audits that is based on the idea that each level of control builds on the preceding one, while having the Commission as ultimate responsible entity for the implementation of the EU budget on top of this structure.³ Applying the single audit concept means relying as much as possible on the work of other control layers and thus limiting the

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1- The expression 'internal' is from the point of view of the Commission towards the Member States regarding EU funds. Opposite, there is 'external' audit, which refers to the work of supreme audit institutions.

2- Also known as the 'Concept on the reliance on the work of others'.

3- G. Karakatsanis, M. Weber, The European Court of Auditors and Cohesion Policy, in L. Polverari, S. Piattoni (eds), Handbook on Cohesion Policy in the EU (Edward Elgar Publishing 2016) 175-176.

quantity of additional audit work to be carried out. This allows the best possible use to be made of resources and the duplication of work to be avoided⁴. Along with the establishment of a three-layer control structure at national level with clear distinctions of responsibilities among the different bodies and the creation of a national independent AA since the 2007-2013 programming period,⁵ the sectoral regulations have taken the single audit concept on board and allow the Commission's audit opinion to be based on the conclusions of a previous control layer, namely the AA's opinion.⁶

However, the single audit concept does not solely apply upwards toward the Commission. It also applies from the AA downwards. The legal provisions do not require the AA itself to carry out all the audit work in relation to a programme. Instead, they open the possibility of outsourcing and delegating the audit work, which will form the basis of the AA's audit opinion. However, it is the AA that retains responsibility for ensuring the independence of the other audit bodies and the quality of their work.⁷

Figure 1 portrays the assurance pyramid for the internal control framework in cohesion policy. As this paper focuses on the AA and its position within

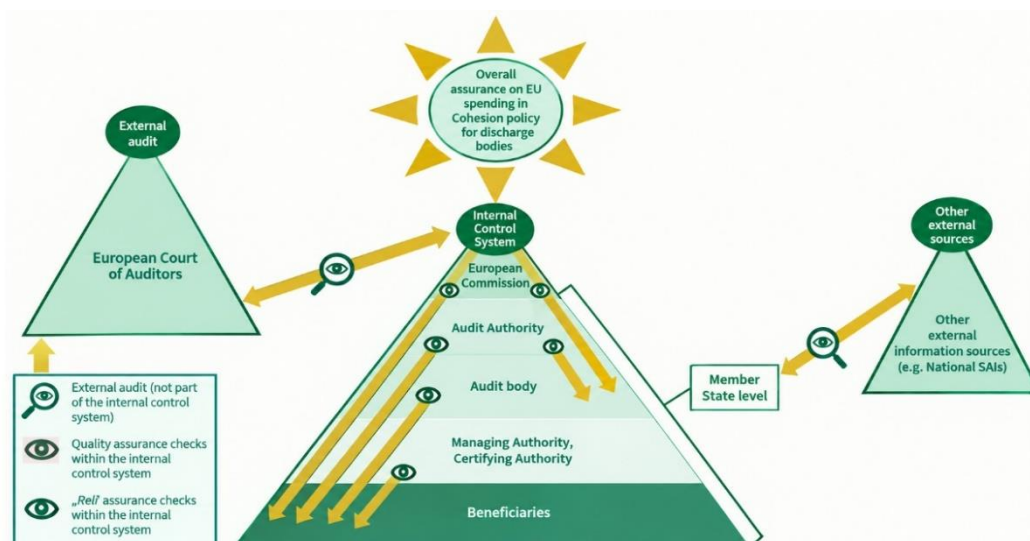


Figure 1: Assurance pyramid for the internal control framework in cohesion policy

Source: Author's compilation

4- Regulation (EC) 1083/2006, art 73 (1).

5- See for example M. Weber, C. Latopoulou, J. Guevara-López, The 'Cost of Control' of Auditing Cohesion Expenditure - Is it Worth the Money? in EStIF [2017] 41; G. Karakatsanis, M. Weber, The European Court of Auditors and Cohesion Policy in L. Polverari, S. Piattoni (eds), Handbook on Cohesion Policy in the EU (Edward Elgar Publishing 2016) 172 -175.

6- Regulation (EC) 1083/2006 for the 2007-2013 Programming Period, see art 73; Regulation (EU) 1303/2013 for the 2014-2020 Programming Period, see art 148.

7- Regulation (EC) 1083/2006 for the 2007-2013 Programming Period, art 62 (3); Regulation (EU) 1303/2013 for the 2014-2020 Programming Period, art 127 (2).

the internal control structure, the use of the single audit concept by other bodies like the European Court of Auditors or national SAIs is not further described, as they are not part of the Commission's internal control system.⁸

Member States organise and structure the management and control systems of their operational programmes (OPs) in significantly different ways, taking account of national administrative structures, practices and procedures. The roles of the Audit Authorities can range from an entirely centralised system, with only one AA in charge for all of the audit work, to a highly decentralised structure, with a cascade of involved audit bodies actually performing the audit work under the overall responsibility of the AA.⁹

Figure 2 gives an overview of the relationship between the AA and the audit bodies, and the possible scenarios for outsourcing audit work.

Although, the sectoral regulations require the AA to apply internationally accepted audit standards¹⁰, the extent to which the

AA can make use of the single audit concept and rely on the work of other control layers is limited. The regulations only stipulate that audit work (ie audits of operations and system audits¹¹) can be delegated to other independent audit bodies. The possibility of basing the work on the work of other control bodies (eg Managing Authorities) - even if the conditions are met - is not set out in the regulations. However, the legal framework does not explicitly prohibit this. It is merely a hypothetical and theoretical consideration to base the AA's/audit body's opinion on other entities' work, as the scope, the procedures and audit standards applied by the other entities are most likely different to those used by the AA/audit body. The Commission solely sees room for the application of the single audit concept for the relationships between the Commission and the AA and between the AA and the audit body.¹²

8- C. Mendez, J. Bachtler, Administrative Reform and Unintended Consequences: An Assessment of the EU Cohesion Policy 'Audit Explosion' in *Journal of European Public Policy* [2011], 746-765.

9- European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 23 February 2009, 5.

10- Regulation (EC) 1083/2006 for the 2007-2013 Programming Period, art 62 (2); Regulation (EU) 1303/2013 for the 2014-2020 Programming Period, art 127 (3).

11- Although its relevance is not as significant as of the other two, but in this period, the third task of AAs is audit of accounts. Theoretically, it may also be outsourced.

12- European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 23 February 2009, 2-3.

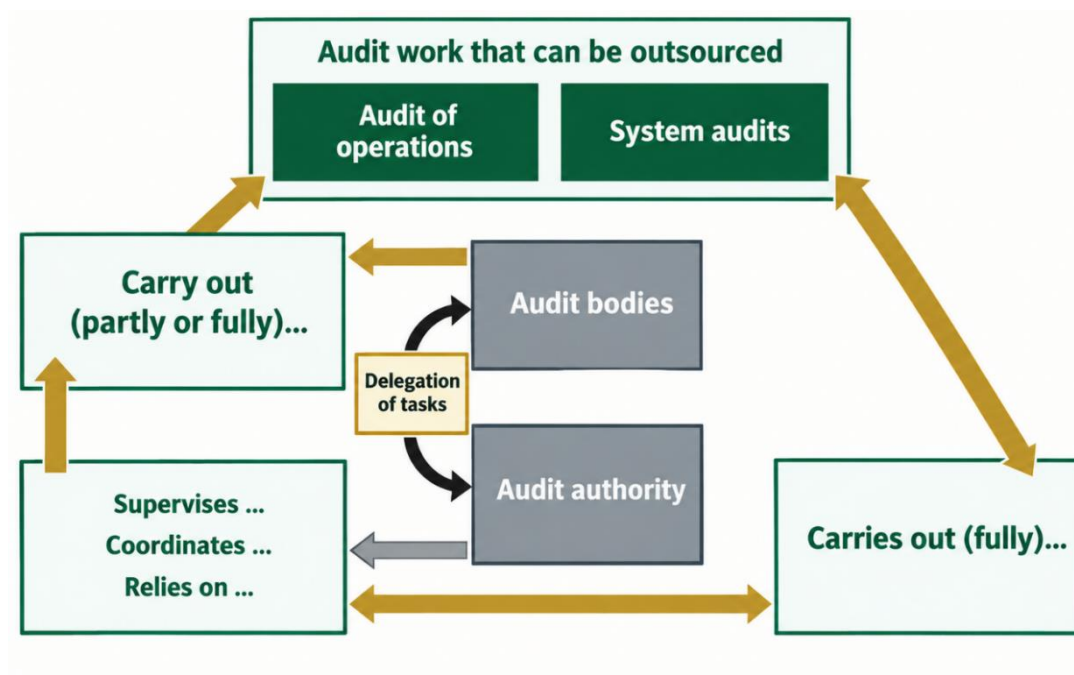


Figure 2: Relationship between Audit Authority and the audit bodies and possible scenarios for audit task delegation

Source: Author's compilation

II. Relevant Internationally Accepted Audit Standard

The concept of relying on the work of other auditors has been widely accepted and incorporated in the internationally accepted audit standard (whose application is obligatory for Audit Authorities)¹³.

The main internationally accepted audit standards are the following:

- The International Standard on Auditing (ISA) issued by the International Federation of Accountants.¹⁴ ISA 600 deals with using the work of other auditors. ISA 610 deals with how internal audit work should be considered. Within the context of cohesion policy, this could be relevant: in many

13- Regulation (EC) 1083/2006 for the 2007-2013 Programming Period, art 62 (2); Regulation (EU) 1303/2013 for the 2014-2020 Programming Period, art 127 (3).

14- The International Standards on Auditing are available in the website of the International Federation of Accountants (IFAC): <<http://www.ifac.org/>> accessed 6 February 2019.

cases, internal audit units serve as audit bodies and contribute to the overall audit work.¹⁵

ISA 620 concerns the use of the work of experts.

- General Auditing Guidelines on Financial Audit (ISSAI 1000-2999) issued by the International Organization of Supreme Audit Institutions (INTOSAI).¹⁶

ISSAI 1600, 1610, and 1620 deal with the use of others' work.

- The International Standards for the Professional Practice of Internal Auditing (IPPF-Standards) issued by the Institute of Internal Auditors.¹⁷ Performance standard 2050 (Coordination and Reliance) deals with reliance on the work of others.

The main principles in all the standards are that the principal auditor is expected to determine how the work of the other auditor will affect the audit, and to use audit procedures to ensure that the quality of the work performed by other auditors is acceptable and that the work has been performed in accordance with internationally accepted audit standards.¹⁸

III. Benefits of the Single Audit Concept

When correctly applied, the single audit concept could result in significant efficiency gains for the Commission, as it enables it to gain a much better overview of the effectiveness of the internal controls in place and of how the national

15- For example in the Region Thüringen in Germany the Audit Authority entrusted the internal audit department of the regional promotional bank (Thüringer Aufbaubank) with the audit function for the 2014-2020 programming period for the OP ERDF, see Thüringer Ministerium für Wirtschaft, Wissenschaft und Digitale Gesellschaft, Leitfaden für die mit der Bewirtschaftung von Mitteln des Europäischen Fonds für regionale Entwicklung - EFRE - in der Förderperiode 2014 bis 2020 befasste Stellen (2017), <http://www.efre-thueringen.de/mam/efre20/bibliothek/leitfaeden/efre_leitfaden_2017_02_27.pdf> accessed 11 February 2019, 11; in the German Region Hessen, the Audit Authority entrusted the internal audit department of the public bank Landesbank Hessen Thüringen Girozentrale (Halaba) with the audit function for the 2014-2020 programming period for the OP ESF, see Hessisches Ministerium für Soziales und Integration, Beschreibung der Verwaltungs- und Kontrollsysteme im Rahmen der Umsetzung der ESF-Programme in Hessen für den Zeitraum 2014-2020 (2017), <<https://www.wibank.de/blob/wibank/442344/0820218f9f2cdd5e7473ff8d4f00e3ab/verwaltungs--und-kontrollsysteme-foerderperiode-2014-2020-data.pdf>> accessed 11 February 2019, 6.

16- The International Standards of Supreme Audit Institutions (ISSAI) are available in the website of the International Organization of Supreme Audit Institutions (INTOSAI): <<http://www.intosai.org/> or directly under <http://www.issai.org/>> accessed 11 February 2019.

17- The International Standards for the Professional Practice of Internal Auditing can be found in the website of the Institute of Internal Auditors: accessed on 6 February 2019.

18- So apparent in ISA 600.2, 7-14. The International Standards on Auditing are available in the website of the International Federation of Accountants (IFAC): <<http://www.ifac.org/>> accessed 6 February 2019; European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 23 February 2009, 4.

administration has implemented cohesion policy. The high volume of information from a large number of audits allows the Commission to draw up more targeted action plans to address deficiencies identified by national Audit Authorities and to monitor whether this corrective action is delivering results.¹⁹ Apart from the efficiency gains in the supervisory system, the reliance on the work of other control layers also reduces the administrative burden for the final beneficiaries in implementing the cofunded projects on the ground. In consequence, the single audit concept has provided the basis for significantly more robust supervision by the Commission on the compliance of cohesion spending with EU and national rules.²⁰

IV. General Principles for the Application of the Single Audit Concept

The introduction of the single audit concept in the EU context was mainly

triggered by the European Parliament discharge decision on the 2000 financial year, in which the Parliament noted that ‘the control and audit activities in relation to the EU budget are characterised by a large number of auditors and audit services, each carrying out visits and drawing up reports almost independently but often on the basis of different standards’ and asked the Commission ‘to draw up a report on the feasibility of introducing a single audit model in relation to the EU budget in which each level of control builds on the preceding one, with a view to reducing the burden on the auditee and enhancing the quality of audit activities, but without undermining the independence of the audit bodies concerned’.²¹

At the European Parliament’s request, the European Court of Auditors drew up an opinion on this subject.²²

Although the single audit concept is internationally recognised (see above),

19- G. Karakatsanis, M. Weber, *The European Court of Auditors and Cohesion policy* (2016) in L. Polverari, S. Piattoni (eds), *Handbook on Cohesion Policy in the EU* (Edward Elgar Publishing 2016) 177.

20- Ibid; In its special report no 16/2013 the European Court of Auditors analysed the implementation of the single audit concept and its effectiveness, see European Court of Auditors, *Special Report no 16/2013: Taking Stock of ‘Single Audit’ and the Commission’s Reliance on the Work of National Audit Authorities in Cohesion* (2013).

21- Para 48 of the Resolution of the European Parliament containing the comments which form an integral part of the decision concerning discharge in respect of the implementation of the general budget of the European Union for the financial year 2000 (Commission), European Parliament, *Decision of the European Parliament of 10 April 2002 concerning discharge in respect of the implementation of the general budget of the European Union for the 2000 financial year* (Commission) (2002), OJEC L 158 17 June 2002, 12.

22- European Court of Auditors, *Opinion no 2/2004 of the Court of Auditors of the European Communities on the ‘Single Audit’ Model (and a Proposal for a Community Internal Control Framework)* (2004) 1

there is no single recognised definition of 'single audit'.²³ Nevertheless, the European Court of Auditors identified specific characteristics of a control system that follows the single audit approach and defines the following qualitative characteristics of an effective and efficient internal control framework and that must be fulfilled in order for the single audit concept to be applied:²⁴

- A community-internal control framework should contain common principles and standards.
- Controls should be applied to a common standard and coordinated to avoid unnecessary duplication.
- Controls should be applied, documented and reported in an open and transparent way, allowing the results to be used and relied upon by all parts of the system.
- To allow controls to be effective and efficient, legislation underlying policy and processes should be clear and unambiguous, and avoid unnecessary complexity.
- Internal control systems should have, at their basis, a chain of control

procedures, with each level having specific defined objectives, which take into account the work of the others.

Where the national structures involve reliance by the AA on the work of other audit bodies, the quality of their work becomes a critical element for building up assurance, and the AA has the ultimate responsibility for the work of these audit bodies. The AA should therefore in particular pay attention that the work carried out by other auditors:

- is in line with internationally accepted audit standards;
- is in line with the audit strategy;
- is in line with the community regulatory framework; and
- can be relied on for purposes of the annual control report.²⁵

Based on these qualitative characteristics and on the principles stipulated in the internationally accepted audit standards, the Commission drew up eight general principles the AA has to comply with in order to effectively make use of the single audit concept.

23- ibid 8-1.

24- Invalid source specified.

25- European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 23 February 2009, 3.

Table 1 gives an overview of the general principles.

To build on other auditors' work, the AA must make an upfront assessment of adherence to these general principles in order to establish the extent of reliance by the AA on the work of the other audit bodies.²⁶

The implementing regulations stipulate in that regard that the AA must indicate in its audit strategy the extent to which certain aspects of the audit work will be performed by other auditors, and the extent of potential reliance on such work. Additionally, it has to explain how it will ensure the quality of the work carried out by the other audit bodies, taking account of internationally accepted audit standards.²⁷

V. Concluding Remarks

The single audit concept enshrined in the internationally accepted audit standards can serve as powerful tool to conduct audit work effectively and diversify of the AAs

capacities. By outsourcing more operational tasks, the AAs' resources can concentrate on more important issues and the riskier areas and can consequently achieve a higher level of assurance. However, the application of the single audit concept requires sound preparatory work and a thorough incorporation into the AA's audit methodology and strategy.

It is questionable whether the radical shift towards stronger reliance on national management systems envisaged for the post-2020 programming period is desirable. Under the term 'enhanced proportionate arrangements', the Member States may deviate from the standard management and control procedures. The Managing Authority may apply only national procedures to carry out management verifications. It is allowed not to meet the requirements of Article 68(1) (a) and Article 68(2) of Proposal-CPR²⁸.

26- European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 23 February 2009, 6.

27- For the 2007-2013 programming period: Annex V to Commission Implementing Regulation (Commission Regulation (EC) No 1828/2006 of 8 December 2006, para 6; for the 2014-2020 programming period: Annex VII to Commission Implementing Regulation (EU) 2015/207 of 20 January 2015, para 1.

28- European Commission, Proposal for a Regulation of the European Parliament and of the Council Laying Down Common Provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and Financial Rules for Those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (2018), COM(2018)375 final, 29 May 2018.

Table 1: General principles for the application of the single audit principle

Source: Author's compilation based on European Commission-DG Regio, Guidance Note on the Concept of Reliance on the Work of other Auditors (2009), COCOF 09/0002/01-EN, 2/ February 2009.

General principle	Practical requirements toward the AA
Organisational structure	- Functions and responsibilities and the scope of the delegated work should be clearly and formally described. - The extent of the delegation and the level of reliance should be stated in the AA's audit strategy. - The audit bodies should be aware of their role and their position in the audit cascade. - Clear description of the reporting lines and obligations to the AA should also exist.
Independence	- The audit bodies must be functionally independent from the auditees.
Coordination	- To efficiently coordinate the audit implementation and reporting among all actors, sufficient arrangements should be closed. - Information should be openly and exhaustively disseminated from the AA to the audit bodies and vice versa (including bilateral and multilateral meetings). This is particularly true if difficulties are encountered, if the audit scope is limited, or if there are significant findings/systemic issues.
Professional competence and capacity	- The audit bodies must have sufficient staff (with the required professional qualifications) and adequate resources to perform their tasks under the audit strategy.
Conduct of work and quality control	- The working methods and procedures and audit standards applied by the other audit bodies must be appropriate for obtaining reliable audit evidence. Essentially, all auditors must apply the same set of standards.

	- The AA must periodically review the working methods and procedures applied by the audit bodies to ensure that the audit reports and findings can be fully relied upon and are as equally accurate and reliable as its own results.
Access to documents	- Full and unrestricted access to all documents and records of the other audit bodies involved in the audit process is key to carrying out quality reviews and obtaining adequate assurance that the work of other auditors can be relied upon.
Monitoring and supervision	- The AA should have in place a system of reporting and monitoring of tasks entrusted to another bodies.
Documenting the reviews	- Records of the monitoring, supervision, and quality reviews should be kept.

In conclusion, if national procedures allow, the MA is free to conduct management verifications in general and if verifications are executed, to differ from the standard verification approach, which must be riskbased and proportionate to risks. Several questions remain, eg:

- What criteria must national procedures meet?; and
- How can reliable results be achieved if the management verifications are not risk based?

Overall, the benefits and simplification to be achieved from the proposed enhanced proportionate arrangements are not evident.

Already the standard management and control framework establishes an environment which requires risk based management verification. Hence, in an effective system, the checks and controls would in any case be the bare minimum. There is a risk that the enhanced proportionate arrangements will constitute more of a complication rather than a simplification.

This also affects the AAs' work, as the Commission's proposal for the post 2020 sectoral regulation²⁹ extends the concept of relying on the work of others also to

29- ibid

Managing Authorities. This could cause problems and lead to potential audit and assurance gaps.³⁰ This in turn affects also the work of the AA, as the AA must assess it in its systems audits based on the key requirements defined in Annex X of Proposal-CPR. In particular, the AA is faced with the challenge of giving an opinion on key requirement 4 ‘Appropriate management verifications [...]’ if there are no minimum standards set. The only reference point the AA has at hand is the requirement that the MCS must function effectively (Article 63(3) of Proposal-CPR). Furthermore, this would inevitably lead to different levels of assurance among the Member States.³¹

Additionally, the AA may limit its audit activity (audits of operations) to a statistical sample of 30 sampling units (Article 77(b) of Proposal-CPR). It is astonishing that a fixed sample size is proposed, since with a statistical sampling method, the sample size is calculated in such a way that a certain desired level of precision may be

achieved. Consequently, technical factors like the confidence level or the standard deviation of errors determine the sample size. For the programming periods 2007-2013 and 2014-2020, a sample size of 30 items was the minimum, not the maximum when applying statistical sampling.³²

Moreover, from the proposal it is not clear whether ‘enhanced proportionate arrangements’ regarding the AA are limited to the audits of operations. Article 79(2) of Proposal-CPR leaves room for interpretation that the AA is obliged to carry out systems audits only if the Commission requests them and only if the AA has in two subsequent annual control reports expressed a limited assurance concerning the effective functioning of the management and control systems and of the legality and regularity of expenditure. As this would materially affect the AAs’ work programme and its staffing needs, the further legislative process needs to establish clarity on this point.³³

30- M. Bode, Functions and Responsibilities of National Audit Authorities in the Framework of the Cohesion Policy: A Synoptic Comparison Between the 2007-2013, 2014-2020, and 2021-2027 Programming Period (2019), in EStIF [2019] 44-45.

31- *ibid* 44.

32- *ibid* 44-45.

33 *ibid* 45

Section Two:

News and Activities of the AFROSAI's Executive Directorate and AFROSAI Member SAIs

**Appointment of
New Presidents of
AFROSAI Member SAIs**

Appointment of New AFROSAI Member SAI's Presidents

During 2025, new Presidents of AFROSAI member SAIs have been appointed. On this occasion the Editorial Board of the African Journal of Comprehensive Auditing extends its sincere congratulations to these distinguished Presidents of SAIs:



H. E. Mr. Alex Euv Moutsiangou



Gabon



H.E. Mr. Chernow Sowel



The Gambia

News of AFROSAI
Executive Directorate



Executive Directorate



The Court of Auditors of the Kingdom of Morocco hosted the 62nd meeting of the Governing Board of the African Organization of Supreme Audit Institutions (AFROSAI), which took place on July 09-10, 2025.

This meeting was dedicated to discussing and adopting the reports prepared by the presidency of the Governing Board of the organization, as well as the reports from the current and outgoing general secretariat. Reports from several key committees were also presented, including the Institutional and Technical Capacity Building Committee, and the Organizational Capacity Building Committee, the Strategic Planning Committee, and the report from the Chairmanship of the Editorial Board of the African Journal of Comprehensive Auditing.



The future strategic orientations of the organization were reviewed, and development proposals aimed at improving its performance and expanding its impact were discussed. The meeting also provided the opportunity for the ceremony of handing over responsibilities between the outgoing and incoming general secretariats, highlighting the achievements made during the previous term and defining priorities for the next phase.

Beyond its procedural nature, the meeting of the Governing Board served as an important moment to reaffirm the collective commitment of all members. The event also provided an ideal framework for strategic reflection and consultation among participants, helping to make informed decisions that will have positive impacts on the future activities of the organization and strengthen its role in supporting major projects within the INTOSAI community globally, especially in its various regions.



Attending or represented members:

- Libya (President of AFROSAT)
- Kenya (First Vice-president of AFROSAT)
- Senegal (Second Vice-president and Representative of AFROSAT at INTOSAI's Governing Board)
- Morocco (Secretary-General of AFROSAT)
- Cameroon (Representative of AFROSAT at INTOSAI's Governing Board)
- Mauritania (Representative of AFROSAT-A)

- Tunisia (Representative of AFROSAI-A)
- Eritrea (Representative of AFROSAI-E)
- Liberia (Representative of AFROSAI-E)
- Djibouti (Representative of CREFIAF)
- Democratic Republic of Congo
(CREFIAF representative)
- Egypt (Chair of the Editorial Board of the African Journal of Comprehensive Auditing)

The Heads of the SAIs of Egypt and Djibouti were represented.

Others participants who took part in the Governing Board include:

- The Auditor-General of South Africa, in her capacity as Chair of the INTOSAI Capacity Building Committee,
- The President of the Court of Accounts of Burkina-Faso and the Auditor-General of Gambia as external auditors of AFROSAI,
- The President of the Court of Accounts of Chad as President of AFROSAI Organizational Capacity Building Committee.
- The Outgoing and incoming Executive Directorates as well as their collaborators attended the proceedings of the Governing Board,
- INTOSAI Development Initiative (IDI) representative.

In accordance with the founding statutes governing AFROSAI, the Governing Board, at its 62nd meeting, adopted the following decisions:

- Takes note of the activities carried out by the statutory bodies for the year 2025, approves their annual work plans for 2025/2026, and call for the standardization of their work.
- Takes note of the semi-annual report of the interim executive management as well as the budget execution report as of June 30, 2025.
- Approves the financial statements for the year ended 2023/2024 and takes note of the reports of the external auditors.
- Adopts the conclusions and recommendations of the report of the ad hoc committee. This report is to be annexed to the financial statements for 2023/2024.

- Emphasizes the importance of the annual planning meeting to enhance coordination and coherence of AFROSAI's activities, and approves the recommendations submitted.
- Approves the revised budget for 2025 and the budget for 2026.
 - Approves the Executive Directorate action plan for 2025/2026.
 - Takes note of the proposal of the SAI of Djibouti to deduct from its outstanding contributions to FROSAI the amount of the USD 10,000 subsidy for hosting the AFROSAI GB.
 - Takes note of the reports presented by the regional sub-organizations and the technical partners.
 - Invites the various components of AFROSAI to participate collectively in the 25th INCOSAI.
- Designates the Supreme Audit Institution of Chad to host the 63rd Governing Board meeting in 2026.
- Takes note of the decision by the Supreme Audit Institution of Cameroon to voluntarily assume responsibility for AFROSAI's social, tax, and supplier debts as of June 30, 2025.
- Decides to transfer, free of charge, AFROSAI's furniture, office equipment, and various IT and technical equipment to the Supreme Audit Institution of Cameroon. These assets will be written off from AFROSAI's property.
- Expresses its gratitude to the Supreme State Audit Office of Cameroon for hosting the Organization's headquarters as the General Secretariat, and recommends that the next General Assembly grant discharge for its administrative and financial management of AFROSAI.

News of AFROSAI
Member SAIs



1- Participation in the celebration of the 30th anniversary of the establishment of the Russian Chamber of Accounts

On January 14, 2025, a delegation of the Court of accounts, led by the Vice-President, attended the ceremony marking the 30th anniversary of the Accounts Chamber of the Russian Federation.

On this occasion, both institutions signed a cooperation agreement to strengthen bilateral relation and promote collaboration in the field of public auditing.

2- Participation in a meeting of the Jurisai Public Prosecution Committee (JURISAI)

On March 27, 2025, the General prosecutor of the court of accounts and his deputy, participated in online meeting of the Public Prosecution Committee of the Organization of Supreme Audit Institutions with Jurisdiction (JURISAI), which is currently chaired by the Supreme Audit Institution of Italy.

This meeting was devoted to presenting the results of the Committee's activities since the organization's founding General

Assembly in October 2024. During the meeting, the Committee's action plan and terms of reference were also adopted.

3- Participation in the closing workshop of the second edition of the Women Leadership Academy of AFROSAI

Within the framework of the second edition of the Women Leadership Academy, two auditors from the court of accounts participated in the final workshop, held from 7 to 11 April 2025 in Nairobi, Kenya, devoted to the topic: "Evaluation of the implementation of individual reform projects of supreme audit institutions", under the theme "Improving control systems and quality assurance within the member organs of AFROSAI".

This workshop aimed to achieve the following objectives:

- Enhance participants' presentation skills through interactive training sessions and simulations,
- Deepen understanding about self-leadership concepts and basic planning tools, Share best practices in the conduct of team management, with a focus on integrating a culture of evaluation INTOSAI performance.

4- Participation in the closing meeting of the second theme of the regional cooperation program "Sharaka 2"

Within the framework of the regional cooperation program "Sharaka 2", implemented with the Audit Court of Netherlands, a delegation from the Court of accounts composed by liaison officers, magistrates and financial auditors, participated in the closing meeting of the second topic of the program, related to parallel auditing on the sixth goal of the Sustainable development goals: "Ensuring availability and sustainable management of water and sanitation for all." This meeting was organized in Amman, Jordan, from 12 to 15 May 2025.

5- Participate in a webinar about quality system management

On June 25, 2025, the Secretary General of the Court of accounts, the general supervisor and the President of the Chamber participated in a webinar about "Quality System Management in Supreme audit institutions", for the benefit of senior management representatives including heads of Supreme audit institutions, secretaries general, prosecutors, members of the public prosecution, as well as officials in charge of quality assurance.

This seminar was organized by the Organizational Capacity Building Committee of the African Organization of Supreme Audit Institutions (AFROSAT), in collaboration with AFROSAT-E and the INTOSAI Development Initiative (IDI).

6- Participation in the 23rd Assembly of the INTOSAI Working Group on Environmental Auditing

A delegation from the Court of Accounts, composed by a counselor and an auditor, participated from 1 to 3 July 2025, in the 23rd Assembly of the Working Group on Environmental Audit of the International Organization of supreme audit Institutions, in the Republic of Malta.

Knowledge and experience on modern methodologies for environmental auditing related to climate change, the marine environment and drinking water were exchanged.

7- Participate in the launch meeting of the initiative dedicated to the management of the quality of audit work

Within the framework of the support provided by the World Bank to the Algerian Court of accounts and the Tunisian Court of Accounts, in areas

dedicated to the development of the audit quality management system, a delegation headed by the Secretary-General of the Court of accounts participated, on July 17, 2025, in Tunisia, in a high-level meeting devoted to launching the initiative on technical support for audit quality management.

This meeting aimed mainly at enhancing awareness of concepts on audit quality management, identifying the needs of preparation the quality management system adapted to the institutional context, and developing the technical competencies of control professionals associated with the design, implementation and follow-up of the quality management system, through the joint support of the World Bank and the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative.

8- Organize a webinar of sensitization about the Integrity Self-Assessment Tool "IntoSAINT"

In the framework of the implementation of the activity program 2025, of the Organizational Capacity Building Committee of the African Organization of Supreme Audit

Institutions, the court of accounts, as a member in this committee, organized, on July 31, 2025, a webinar of sensitization on the Integrity self-assessment tool "IntoSAINT", presented by the Director of the Department of analysis and control.

9- Receiving a delegation from the Embassy of the Republic of Bangladesh

On 16 September 2025, the Vice-president acting Head of the court of accounts, received a delegation from the Embassy of the Republic of Bangladesh in Algeria, headed by His Excellency the Ambassador, who was accompanied by the Administrative Officer of Accounts.

On this occasion, His Excellency the Ambassador delivered a letter from the Comptroller General of the Republic of Bangladesh to the Acting Head of the Court of Accounts. In this letter, he expressed his sincere appreciation for the excellent bilateral relations between the two supreme audit Institutions, both directly and within the framework of the International Organization of Supreme Audit Institutions, he also reaffirmed his commitment to further strengthening and expanding cooperation between the two institutions in the field of Public finance auditing.

Firstly: Oath of office and Inauguration of the members of the Court of Auditors:

Counselors effectively reinstated to their duties

Chad ushers in a new era of financial governance

Under the Constitution of the Fifth Republic, issued on December 29, 2023, the Court of Auditors (Cour des Comptes) has been established to succeed its predecessor under the Supreme Court. It serves as the State's supreme body for auditing and executing the national budget, and stands as the Supreme Audit Institution (SAI) for public funds in Chad.



As stipulated by of the Constitution, the members of the Court of Auditors were sworn in on June 10, 2024, in a prestigious ceremony before the Supreme Court. The ceremony was graced by the

presence of the President of the Republic, the Speaker of the National Assembly, the Prime Minister, and several prominent officials.

The oath was administered in accordance with the legal formality, symbolizing the ethical and legal commitment to respecting the laws of the Republic, and laying the foundation for the members to undertake their esteemed audit responsibilities.

Secondly: information and Consultative Days for the Executive and Legislative authority.

Strengthening Institutional Dialogue and Cooperation:

The Enhancement of Institutional Dialogue and Inter-Authoritative Cooperation.

As part of its new mandate, the Court of Auditors in Chad organized a series of informational and consultative days, bringing together representatives from the executive and legislative authority to strengthen cooperation and facilitate the exchange of expertise between state institutions.

The purpose of These meetings were centered around enhancing awareness of

the constitutional role of the Court of Auditors as a cornerstone of good governance, while also discussing ways to improve transparency, accountability, and the sound management of public finances.

The sessions were held at the Ministry of Foreign Affairs, the National Assembly, and the Senate, and were attended by a wide range of parliamentarians and senior state officials.

The Executive Authority and Its Support for Financial Audit

On July 26, 2025, under the high patronage of Prime Minister Ambassador Allah May Halina, the Court of Auditors organized an informational day for the executive authority. The event was attended by heads of major institutions, representatives from the National Assembly and the Senate, members of the Government, as well as leaders of state-owned enterprises and public institutions.



In his speech, the Prime Minister praised the Court of Auditors' proactive initiative, emphasizing the importance of independent external audit of public finances as a tool to ensure accountability, combat corruption, and establish transparency.

He also called for sincere cooperation between the Court of Auditors and the executive authority, within the framework of respecting the constitutional powers of

each party. As this initiative is part of efforts to strengthen cooperation between institutions through an open and constructive dialogue on issues related to the transparent and effective management of public resources. Furthermore, it aims to clarify the roles, responsibilities, and expectations between the Court of Accounts and the Executive Authority, with the ultimate goal of enhancing financial governance within the State.

At the National Assembly: An Informational Day on the Constitutional Role of the Court of Auditors and Its Relationship with the National Assembly

On Thursday, September 11, 2025, an information day was held in the plenary hall of the Palace of Democracy (Palais de la Démocratie) – the seat of the National Assembly–concerning the organization and functioning of the Court of Accounts. The event was centered around the theme: "The Constitutional Role of the Court of Auditors and Its Relationship with the National Assembly."



During this event, which was chaired by His Excellency the President of the National Assembly, Mr. Ali Koloto Chaimi, Her Excellency the President of the Court of Auditors, Ms. Zara Ibrahim Mohamed Itno, emphasized the necessity of building a strategic partnership between the Court of Auditors and the National Assembly, ensuring transparent and accountable management of public resources. She pointed out that citizens are looking for exemplary and effective institutions that embody the principles of transparency and accountability.

For his part, His Excellency the President of the National Assembly stressed the importance of benefiting from the Court of Auditors' reports, considering them tools for making sound parliamentary decisions and sources to enhance transparency that serves citizens.

His Excellency affirmed that the Court of Auditors is a natural partner to the National Assembly in promoting good governance, establishing transparency, and supporting democratic progress in the country.



An informational day on the role of the Court of Auditors and its relations with the Senate.

This was the theme of the information day organized by the Court of Accounts of Chad for the members of the Senate.

An informational day was organized in N'Djamena on the topic: "The Constitutional Role of the Court of Auditors and Its Relations with the Senate," aimed at the members of the Senate and parliamentary assistants.

The event was chaired by Mrs. Ledi Byasmada, the Second Vice-President of the Senate, representing His Excellency the President of the Senate, in the presence of Mrs. Zahra Ibrahim Mohamed Etno, President of the Court of Auditors, along with several members of the Senate and parliamentary assistants.

The discussions highlighted the importance of the partnership between the two institutions in exercising parliamentary audit, particularly through the review of administrative reports and the evaluation of public policies.

Participants also praised the interactive nature of the event, which included presentations, open discussion sessions, and the exchange of experiences, all aimed at reinforcing the culture of accountability and public responsibility.

The activities of this day were dedicated to highlighting the supervisory role of the Senate and the importance of institutional integration with the Court of Auditors in the context of promoting transparency and good governance.



In her closing speech, Mrs. Ledi Byasmada, representing the President of the Senate, commended the quality of the discussions held during the informational day, emphasizing the Senate's commitment to continuing its close cooperation with the Court of Auditors to strengthen national financial governance and improve the performance of audit institutions.



She concluded by emphasizing that strengthening audit institutions is a fundamental pillar for sustainable development and democratic stability in Chad.



Thirdly: The inauguration of the 2025-2026 judicial year for the Court of Auditors in Chad.

An inaugural session of the judicial year of the Court of Auditors in Chad 2025-2026, was held on the morning of Monday, October 6, 2025, under the theme:

"Court of Auditors in the Face of Good Governance Challenges: Transparency, Accountability, and the Fight Against Corruption."



The ceremony was attended by distinguished national and diplomatic figures, including His Excellency the Prime Minister, Head of Government, Ambassador Allah Alamaï Halina, representing His Excellency the President of the Republic and Head of State, Marshal Mahamat Idriss Déby Itno, alongside the heads of constitutional institutions, government members, the judiciary, audit bodies, members of civil society organizations, and accredited diplomatic missions in the country.

The session was chaired by Mrs. Zahra Ibrahim Mohamed Itno, President of the Court of Auditors, who, in her address, reviewed the outcomes of the Court of

Auditors during the 2024-2025 financial year and announced the perspectives and strategic directions for the upcoming year.

During the presentation, the President of the Court highlighted the preparation of several important strategic documents over the past year, including the following:

- Code of Professional Ethics, Quality Management Manual, Gender Strategy, and Procedures Manual
- Audit guides of various types, including financial audits, performance audits, compliance audits, audits of revenues and declarations in the extractive industries sector, and administrative audit audits.

- The communication strategy and plan;
- The stakeholder engagement strategy.

In the context of future work development, the new strategic plan for the period 2026-2030 is being prepared, along with a comprehensive training plan and a dedicated guide for monitoring the implementation of the recommendations issued by the Court.

As for the new year 2025-2026, the Court of Auditors has set a series of ambitious objectives, including the following:

1. Strengthening the institution's independence;
2. Developing technical and institutional capacities;
3. Planning and executing audit operations in priority and high-risk sectors, such as education, health, infrastructure, public procurement, major projects, and natural resources;
4. Enhancing performance and impact audits;
5. Improving the systematic follow-up of the Court's recommendations and the application of legal sanctions in cases of mismanagement;
6. Expanding and deepening partnerships with judicial authorities, anti-corruption bodies, internal audit agencies, technical and financial partners, civil society organizations, and the media, in order to establish participatory governance based on transparency and accountability.



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First: International Organizations' News

- 1- ASA participated in the meeting of the Financial Control Committee of the Arab Organization of Supreme Audit Institutions (ARABOSAI) to audit the organization's accounts for the year 2024, which was held at the General Secretariat headquarters in Tunisia from February 17-22, 2025.
- 2- ASA participated in the meetings of the Financial Control Board to audit the accounts of the Arab Center for the Studies of Arid Zones and Dry Lands (ACSAD) one of the specialized Arab organizations under the League of Arab States for the year 2024 from February 22 to 28, 2025, in Beirut, Lebanon. The ASA, representing the Arab Republic of Egypt, was elected as the President of the Financial and Administrative Control Board of the organization.
- 3- Among the most prominent achievements in the first half of 2025 was the election of the Accountability State Authority as External Auditor of the United Nations Food and Agriculture Organization (FAO) for a six-year term, at the organization headquarters in Rome- Italy in 13, March 2025 marking the first time in the Organization's history since its establishment. FAO is considered one of the largest Organizations within the United Nations system. ASA surpassed bids from major countries, as a result of its intensive efforts that began in August 2024, in coordination with the Ministry of Foreign Affairs and the Embassy of Egypt in Rome. A high-level delegation from the ASA presented the Egyptian candidacy file, carefully prepared in accordance with the highest international auditing and accounting standards. The presentation based on six main pillars including: independence, audit methodology, member qualifications, training and experience, report preparation and costs of audit work.
- 4- ASA conducted the external audit of the accounts of the United Nations Tourism Organization (UN Tourism), headquartered in Spain, for the fiscal year 2024. The Final Audit was carried out from March 24th to April 15th, 2025. The ASA voluntarily undertook additional audit tasks to develop an independent report on the governance frameworks in place within the Organization, thereby contributing to the enhancement of good governance;

the results culminated in the issuance of a “Governance Report”. During the 126th session of the Organization’s Executive Council (Toledo, 10-11 June 2026), the Secretary-General of the Organization expressed her great appreciation for the reports issued by the ASA, commending them and noting that they had helped her identify the Organization and its shortcomings at both the financial and institutional levels. She called upon the members of the Executive Council to commend the ASA for the efforts it had exerted during its tenure as external auditor.

- 5- ASA audited the accounts of the United Nations Industrial Development Organization (UNIDO), headquartered in Austria, for the fiscal year 2024. The Final Audit was conducted during March 3-21, 2025. In addition, the ASA was entrusted with carrying out specific audit assignments and with participating in the Forty-First Session of the Programme and Budget Committee, held during May 13-15, 2025 in Vienna, Austria.
- 6- ASA representatives participated in the meetings of the Financial and Administrative Control Authority of the Arab Organization for Agricultural Development for the year 2024, one of the specialized Arab

organizations affiliated to the League of Arab States, at the temporary headquarters of the Organization’s General Administration in Cairo, during April 27th to May 6th 2025, within the framework of the ASA’s chairmanship of the Authority.

- 7- ASA representatives participated in the twenty-ninth meeting of the Financial and Administrative Control Authority of the Arab Organization for Industrial Development, Standardization and Mining, one of the specialized Arab organizations affiliated to the League of Arab States, at its headquarters in Rabat, Morocco, during April 23rd to May 7th 2025, to audit all the Organization’s financial and administrative matters for the year 2024. This also included participating in the sixty-seventh meeting of the Governing Board of the Organization, held in-person during May 26-29, 2025 in Rabat, Morocco, within the framework of the ASA’s chairmanship of the Organization’s Financial and Administrative Control Authority.
- 8- Participation of the ASA’s Audit Team responsible for the external audit of the United Nations Industrial Development Organization (UNIDO) in the Session of the Organization’s Industrial Development Board, held during the period from 30 June to 3 July 2025.

9- ASA representatives participated in UNIDO's Twenty-First Regular Session "World Industry Summit 2025", which was held during November 23-27, 2025 in Riyadh, Kingdom of Saudi Arabia. ASA continued its UN achievements with the renewal of its appointment as UNIDO External Auditor for a new term from July 1st, 2026 to June 30th, 2028. This renewal crowns ASA's accomplishments during its current term, which ends on June 30th, 2026, based on the positive audit results and the UNIDO members' recognition of the ASA's strong commitment to the highest standards of independence and professional competence, which significantly enhanced internal control systems and improved the Organization's resource management efficiency and effectiveness.

10- H.E. President of the Accountability State Authority participated in the Sixty-Fifth Regular Session of the UN Panel of External Auditors, held on November 24-25, 2025 at the United Nations headquarters in New York. The meeting discussed key issues related to the operation of the UN system and its specialized agencies from the perspective of performance general auditing, financial and administrative matters, as well as topics related to Sustainable Development Goals and digital transformation. The meeting also included the announcement of the Accountability State Authority's election as Vice-Chair of the UN Panel of External Auditors and the agreement to hold the Sixty-Sixth Session in Egypt in 2026.



Second: ASA's Activities:

- 1- ASA hosted a training workshop on "Certification of State Accounts in Accordance with International Standards and Best Practices," held remotely from February 9 to 13, 2025. The workshop was managed and presented by several experienced and highly competent members of ASA. The material focused on the oversight and certification of state accounts according to international standards for quality control and auditing, as well as INTOSAI professional pronouncements in the field of financial audit. At the end of the meeting, participating institutions presented their experiences to enhance the exchange of knowledge and expertise regarding the workflow mechanisms relevant to the workshop topic, in accordance with the mandate and nature of each participating SAI.
- 2- ASA representatives participated in the bilateral virtual seminar between the ASA and the Accounts Chamber of the Russian Federation held on March 6, 2025, regarding "Developing and Monitoring the Implementation of Audit Recommendations." The then ASA Vice-President led a delegation of senior officials, alongside Mr. Andrey Baturkin, Auditor and Board Member of the Russian Accounts Chamber,

who led the Russian delegation. Both parties emphasized the necessity of achieving tangible positive results through external oversight of public administration and society. The meeting addressed the Russian SAI's approach to formulating and implementing audit recommendations through the results of the "Recommendations Project," while the Egyptian side presented international organization audit tools and the Egyptian legal framework defining audit follow-up principles.

- 3- ASA representatives participated in person in the 5th Conference and General Meeting of the African Organization of Public Accounts Committees (AFROPAC) held in Kampala, Uganda, from March 17 to 21, 2025, under the theme "The Legislature in Action Against Illicit Financial Flows and Improving Debt Management." The meeting provided a platform for delegations to engage in in-depth discussions on addressing the challenge of Illicit Financial Flows (IFFs) and highlighted the pivotal role of legislative oversight in identifying and mitigating these flows through robust policy frameworks, enhanced accountability mechanisms, and international cooperation. Additionally, participants learned about innovative debt management approaches that integrate sustainability to advance

national development goals. The meeting covered several key topics, most notably strengthening parliamentary oversight, legislative action, and enhancing budget transparency and public accountability.

4- The ASA also participated virtually in the 14th UNCTAD Debt Management Conference on "Innovative and Resilient Debt Management: Risk Management and Crisis Response" from March 17 to 19, 2025, as well as the DMFAS Advisory Group meeting on March 20 and 21, 2025, held at the United Nations headquarters in Geneva, Switzerland. The conference addressed the following:

- Importance of debt management.
- Importance of this management especially worsening debt crises in developing countries.
- key challenges and innovative solution tools.

5- In Dakar, Senegal, the ASA participated in person in the General Assembly of the Association of Supreme Audit Institutions of French-Speaking Countries (AISCCUF) from April 9 to 11, 2025. The ASA delivered a presentation during a roundtable on "Auditing Climate Change Mitigation and Adaptation." Participants discussed the main challenges facing SAIs in evaluating government efforts in this field and

presented national best practices, emphasizing the importance of developing modern audit mechanisms to monitor the implementation of sustainable development plans and climate commitments. The AISCCUF Bureau welcomed the joining of new SAIs, particularly the ASA, praising its strategic role as it prepares to chair the INTOSAI during the 25th INCOSAI which was held in Sharm El-Sheikh in October 2025, which was seen as an opportunity to strengthen the association's presence within the INTOSAI community and consolidate Francophone values.

6- ASA participated in drafting the announcement (communique) of the G20 supreme audit institutions SAI20 2025 during the month of March 2025. He also participated in the G20 SAI20 2025 Senior Officials Meeting, hosted virtually by the South African Supreme Audit Institution on 15 and 16 April 2025. The focus was on the draft final statement and consolidated papers on technical topics. The meeting was an opportunity to engage in constructive dialogue on important issues and coordinate strategies to strengthen governance frameworks within the G20 countries.

H.E. Counsellor/ Mohamed El-Faisal Youssef, President of the ASA, also participated in person in the SAI20 Summit meetings for the year 2025, which were held in person in Johannesburg - South Africa from June 24-25, 2025. The activities included His Excellency's speech in the plenary session of the third session on the future of supreme audit institutions.



7- In its capacity as Chair of the INTOSAI Working Group on the Impact of Science and Technology on Auditing (WGISTA), ASA hosted a virtual seminar titled "Deep fakes and the Future of Audit: Risk, Detection, and Mitigation Strategies" on Thursday, April 17, 2025. During the seminar, the Egyptian SAI presented on "Deep fakes and Auditing," while the U.S. GAO, Vice Chair of the group, presented on "Science & Tech Spotlight: Detecting Deep fakes." This topic was chosen

because deep fakes pose serious risks to the integrity of financial information and public trust. The seminar explored the implications of deep fakes on audit practices, focusing on potential risks, effective detection techniques, and protection strategies against manipulation.

Presentations are available on the official WGISTA website:

<https://wgista.intosaicommunity.net>.

- 8- ASA also chaired the 5th Annual Meeting of WGISTA, hosted by the U.S. GAO in Washington, on May 6 and 7, 2025. Mr. Mohamed Abdel Ghani, the then ASA Vice-President, chaired the meeting on behalf of the President of the ASA and Chair of the Working Group. He emphasized the paramount importance of keeping pace with rapid technological developments and their profound impact on the work of SAIs, stressing the need for cooperation and knowledge exchange to utilize emerging technologies effectively. The meeting addressed challenges and opportunities presented by emerging technologies in ensuring compliance and accountability through various presentations and discussions on continuous performance development. The meeting marked the launch of the official WGISTA website and annual journal. It concluded with recommendations to enhance cooperation with the with the Working Group on IT Audit (WGITA), update the expert database, and establish a specialized editorial board for the group's journal.
- 9- ASA participated in developing an e-learning course on "Auditing Artificial Intelligence in the Public Sector" organized

by EUROSAI under the memorandum of understanding between the IT audit committees of EUROSAI and ARABOSAI. Given its leadership of WGISTA and its role in leading the second technical theme for INCOSAI 2025 on "The Use of Artificial Intelligence in Auditing," the ASA was nominated as the coordinator for the SAIs of India, Morocco, Sudan, and Oman in preparing the fifth module of the course material. The ASA is currently coordinating with the concerned SAIs to finalize and review the scientific material as required.

- 10- ASA participated in a training course on "Digital Content Production and Media Training" as part of ongoing projects to support the capacities of Supreme Audit Institutions (SAIs) in stakeholder communication. The first phase was conducted remotely from May 12-30, 2025, covering digital content production, while the second phase involved practical media training in Morocco from June 19-23, 2025. The primary objective was to master methodologies and tools for designing digital content to engage stakeholders and share success stories among participating SAIs.

11-ASA physically attended the annual meeting of the INTOSAI Working Group on Public Debt in Bucharest, Romania, from June 17-20, 2025. The meeting emphasized that auditing public debt has become essential for financial sustainability, urging SAIs to adopt proactive approaches toward global challenges such as climate change and economic instability. The Egyptian delegation presented a paper titled "The Role of the ASA in Audit Impact of Climate Change on Public Debt."

Key recommendations included:

- Developing audit tools that account for the link between debt and climate change.
- Strengthening cooperation with supreme audit institutions that have provided successful experiences.
- Utilizing modern technologies to analyze big data in debt auditing.
- ASA continues to participate in relevant international events to support its Audit role and exchange expertise.

12- Participation of the ASA, headed by H.E. President of the ASA, along with the accompanying delegation, in the activities

of the 28th International Economic Forum, held in St. Petersburg, Russian Federation, from 18-21 June 2025, with the participation of a delegation from the ASA. The ASA contributed to the issues under discussion by presenting its experience during the Session entitled "Prospects for the Future of Public Oversight: Development Priorities."

13- On June 19, 2025, the ASA called for a virtual meeting with the SAI of Côte d'Ivoire to resume work on the fifth priority-"Agile Audit"-within the professionalization Working Group's action plan led by SAI South Africa, The meeting discussed ways to move forward with the implementation of the fifth priority, while emphasizing the need to encourage SAIs to share their experiences regarding Agile Audit.

14- on June 25, 2025, the ASA representatives participated in a webinar organized by the AFROSAI Organizational Capacity Building Committee (OCBC) regarding "Quality Management Systems for SAI Senior Management," with the (AFROSAI-E) and (IDI) the webinar proposed to Raise awareness among SAI leadership regarding issues related to the

- implementation of Quality Management Systems, Discuss practical methods for implementing these systems within AFROSAI member SAIs, Exchange innovations related to the ISSAI 140 standard, Share practical experiences and best practices implemented by various SAIs, particularly within African nations.
- 15- From July 1-3, 2025, the ASA representatives participated in the 23rd annual meeting of the INTOSAI Working Group on Environmental Auditing (WGEA) organized by the WGEA Secretariat, held in Malta, The ASA presented a case study on "The ASA's Role in Governmental audit Efforts to Protect the Marine Environment," covering Egypt's legislative framework and the 2050 Water Resources Strategy. During the Steering Committee meeting on July 4, ASA also presented an overview of the 25th INCOSAI, held on October 26 to 31, 2025 Sharm El-Sheikh, introduced the official Congress logo and the official website. Furthermore, the meeting involved discussions on the 2026-2028 Work Plan for the INTOSAI Working Group on Environmental Auditing (WGEA).
- 16- The President of the ASA, as Chair of the INTOSAI Working Group on Fight Against Corruption and Money Laundering (WGFACML), chaired the Working Group's 18th annual meeting held in Poland from July 1-4, 2025. The meeting, entitled "Combating Money Laundering and Terrorist Financing in the Era of Crypto currencies," concluded with recommendations to develop audit methodologies for digital currencies and create a manual on the role of SAIs in combating financial crimes related to virtual assets.
- 17- ASA representatives attended the AFROSAI's 62nd Governing Board held during the period July 7-11, 2025, in Rabat, Morocco. The ASA chaired the editorial board meeting of the African Journal of Comprehensive Auditing which was attended by the board of editorial members. The meeting involved: Discussing various topics related to the contributions of member SAIs on the Editorial Board. Reviewing a report on the journal's activities for the second half of 2025 and the year 2026, meeting also featured presentations on the activities of technical committees, the three sub-regional organizations, and various AFROSAI entities.

- 18- On August 12, 2025, a virtual meeting was held between the President of the ASA and the Director of the National Audit Office of Mauritius to discuss cooperation in quality control systems. During the meeting, the Director of the National Audit Office (NAO) of Mauritius raised the need for his institution to enhance the capacity of its staff in the field of quality control. H.E. the President of the Accountability State Authority (ASA) explained that the Egyptian SAI possesses an integrated quality control system based on national standards that are fully aligned with INTOSAI international standards. Furthermore, he expressed ASA readiness to cooperate with the Mauritius office in developing joint frameworks for future collaboration in this area.
- 19- In a significant achievement, the ASA was elected by acclamation as the Vice-Chair of the AFROSAT Working Group on Environmental Audit for the 2025-2027 term during the inaugural meeting of the WG-SC which was held on September 9, 2025, during this meeting the updated WG working plan (2025-2027) was discussed.
- 20- ASA representatives participated in the 34th Meeting of the INTOSAI Working Group on IT Audit (WGITA) and the Global Summit on AI and Emerging Technologies for SAIs, held from September 9 to 11, 2025, and hosted by the Comptroller and Auditor General (CAG) of India. During the meeting, ASA as the Chair of the Working Group on the Impact of Science and Technology on Auditing (WGISTA), presented a report highlighting the collaborative efforts and synergies between WGISTA and the Working Group on IT Audit (WGITA).
- 21- ASA representatives participated in the 12th Meeting of the Sustainable Development Goals (SDGs) Audit Committee of the ARABOSAI. The meeting was held in Rabat, Kingdom of Morocco, from September 16 to 19, 2025, to deliberate on the items included in the draft agenda, which were:
- Reviewing the draft for "Embedding Sustainability within the Work streams of the Arab Organization of Supreme Audit Institutions."
 - Evaluating the success stories proposed by member SAIs for publication on the official ARABOSAI website.

- Reviewing the reports proposed for inclusion in the Environmental Audit Reports Database.

22- ASA representatives participated in the Second Annual Training Program, held from September 21 to 25, 2025, at the headquarters of the General Court of Audit (GCA) in the Kingdom of Saudi Arabia. This participation comes within the framework of the Memorandum of Understanding (MoU) signed between the Accountability State Authority (ASA) and the Saudi General Court of Audit.

The training program aims to enhance the exchange of expertise and the sharing of best practices in the field of public auditing. It also provides an opportunity for information exchange and professional growth.

The training program covered several key areas, including: (Performance Audit, compliance Audit, Financial Audit, Electronic Audit /SHAMEL System, GCA Framework and Practices).

23- ASA representatives participated in a Seminar for Young Auditors, held from September 22 to 26, 2025, in Nanjing and Shanghai, China. The seminar aimed to identify ways to enhance the role of

young auditors and contribute to the development of the auditing profession.

The event featured several panel discussions focusing on:

- Adopting Technological Innovation
- Refining Professional Technical Skills

24- On October 1, 2025, a virtual bilateral summit was chaired by His Excellency the President of the ASA of Egypt, and the President of the Auditor General's Office of the Federal Republic of Somalia, within the framework of bilateral cooperation between the two SAIs. During the summit, SAI Somalia's interest to join the INTOSAI Working Group on the Fight Against Corruption and Money Laundering (WGFACML) was welcomed, in light of the ASA's presidency of this working group."

25- On October 13-16, 2025, the ASA chaired the 25th meeting of the ARABOSAI Professional and Audit Standards Committee in Tunisia Tunisia in which the ASA presented the progress achieved in the Committee's Operational Plan 2023-2025 as well as the Committee's Output during that period in addition to preparing the Working Plan for the Period 2026-2028 and the Operational Plan for 2026.

26- Under the auspices of H.E. President of the Arab Republic of Egypt, the Accountability State Authority hosted the 25th International Congress of Supreme Audit Institutions (XXV INCOSAI) in Sharm El-Sheikh, Arab Republic of Egypt, held during the period from 27 to 31 October 2025, marking Egypt's second time to host the Congress after hosting the 15th Congress, with the participation of more than 190 Supreme Audit Institutions and broad participation from heads and representatives of Supreme Audit Institutions from around the world, alongside representatives of international and regional organizations and relevant entities. This reflects the international confidence within the INTOSAI community and its efforts to strengthen global cooperation in auditing.



The opening session of the XXV INCOSAI commenced with the presence of the Prime Minister of the Arab Republic of Egypt, who affirmed the Egyptian Government's support for the role played by Supreme Audit Institutions in promoting good governance and transparency.





The session also featured a speech by H.E. Counsellor/ Mohamed Al-Faisal Youssef, President of the Accountability State Authority; speeches by the relevant representatives of the Egyptian Government; a speech by the Secretary General of INTOSAI (SAI Austria); and a speech by the outgoing Chair of INTOSAI (the Supreme Audit Institution of Brazil), reflecting the institutional framework governing the Organization's work at both the strategic and executive levels.





The session included a number of reports, including the following:

Report of the Chair of INTOSAI (the Accountability State Authority of the Arab Republic of Egypt), which addressed the priorities and directions of the new Presidency and its work priorities for the coming period.



The following topics were discussed:

- **Technical Theme I:** "The Role of SAIs in Auditing Central Banks and Government Activities during Financial and Economic Crises."
- **Technical Theme II:** "The Use of Artificial Intelligence in Auditing."

The closing session in Sharm El-Sheikh witnessed the INTOSAI General Assembly's ratification of the SAI of Indonesia to host 26th INCOSAI in 2028, and the General Court of Audit of Saudi Arabia to host 27th INCOSAI in 2031.



Preceding the meeting, the ASA hosted the 79th INTOSAI Governing Board Meeting on October 27-28, 2025, in Sharm El-Sheikh. Chaired by Mr. Vital do Rêgo SAI Brazil, the participation of Counsellor/ Mohamed Al-Faisal Youssef (First Vice-Chairman at that time), Dr. Hussam Al-Angari (President of the Saudi GCA and Second Vice-Chairman), and Dr. Margit Kraker (President of the Austrian Court of Audit and INTOSAI Secretary General).



The Governing Board focused on reviewing decisions and recommendations for ratification by the 25th INCOSAI to enhance institutional integration and ensure strategic leadership and the continuity of professional initiatives. Also, discussing periodic reports from INTOSAI entities, including the Strategic Goal Committees, the General Secretariat, the INTOSAI Development Initiative (IDI), the International Journal of Government Auditing (IJGA), and regional organizations.

The ASA continues to consolidate international cooperation through bilateral meetings and Memoranda of Understanding (MoUs) held on the sidelines of the 25th INCOSAI to enhance global audit work

- 27- Counsellor/ Mohamed Al-Faisal Youssef, President of ASA and President of INTOSAI, held a series of bilateral meetings with heads and representatives of SAIs and regional and international organizations. These discussions focused on enhancing cooperation, signing Memoranda of Understanding (MoUs), and activating partnerships to advance global audit work.

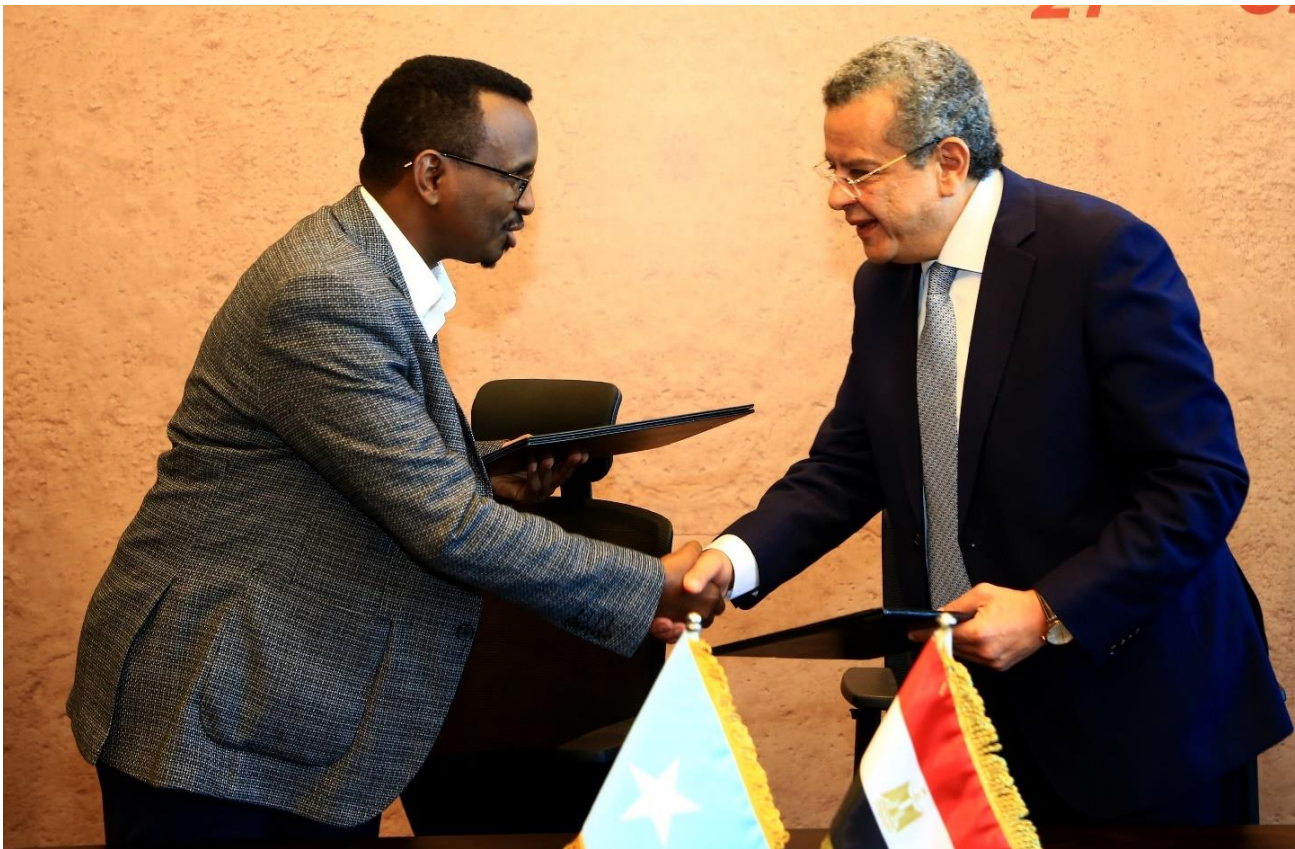


These meetings took place on the sidelines of the 25th INCOSAI in Sharm El-Sheikh, following Egypt's official assumption of the INTOSAI Presidency for the next three years. His Excellency signed several MoUs with various SAIs, including:

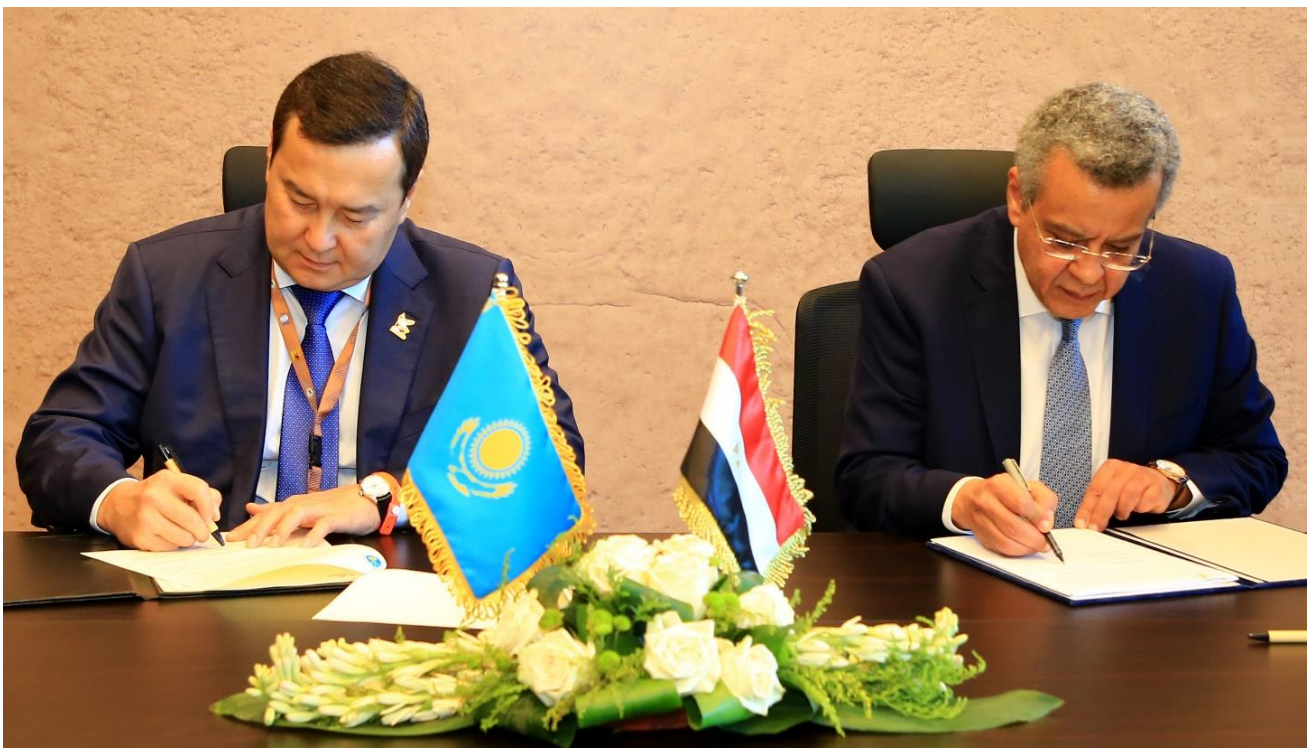
- SAI South Africa: An MoU with the Auditor-General of South Africa and Chair of the INTOSAI Capacity Building Committee (CBC) to organize cooperation in training and expertise exchange.



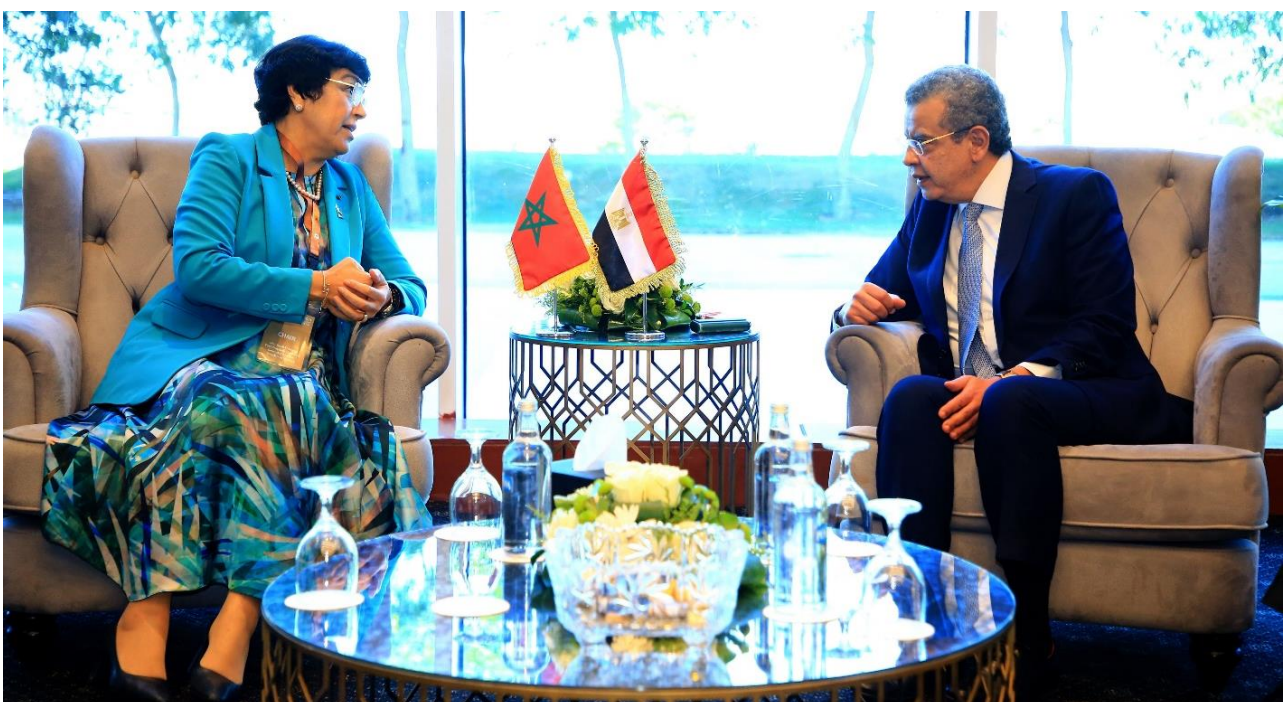
- SAI Somalia: An MoU with the Office of the Auditor General of the Federal Republic of Somalia for knowledge sharing and the implementation of joint training programs and workshops.



- SAI Kazakhstan: An MoU to strengthen cooperation in auditing and accounting fields, with an agreement to expedite its activation.



Additionally, His Excellency held meetings with the heads of several Arab SAIs, including: the General Court of Audit (Saudi Arabia), the UAE Accountability Authority, the State Financial and Administrative Audit Institution (Oman), the State Audit Bureau (Qatar), the Court of Accounts (Morocco), the Federal Board of Supreme Audit (Iraq), the State Audit and Administrative Control Bureau (Palestine), and the Libyan Audit Bureau. These talks emphasized the depth of fraternal relations, a commitment to exchanging expertise, and enhancing Arab coordination in international forums.





Furthermore, H.E. conducted several meetings with the President of the Court of Auditors (Portugal), the President of the Court of Auditors (Italy), the Prosecutor General of the Court of Accounts (France), the President of the SAI of Azerbaijan, and delegations from the SAIs of India, Spain, and the Accounts Chamber of the Russian Federation. These discussions aimed to bolster mutual cooperation with the Egyptian SAI.

These high-level engagements reflect Egypt's active leadership in the global audit community, driven by a vision of efficiency, professionalism, and the integration of Artificial Intelligence in auditing. Counselor Mohamed Al-Faisal Youssef affirmed that the coming phase will witness the launch of specialized programs and projects under the INTOSAI umbrella that keep pace with global shifts and serve Sustainable Development Goals (SDGs), solidifying the role of SAIs as a fundamental pillar of international governance.

28- H.E. Counsellor/ Mohamed Al-Faisal Youssef, President of ASA and President of INTOSAI, participated in the 15th General Assembly and the 70th Governing Board Meeting of the Arab ARABOSAI, held from December 2 to 4, 2025, in the Kingdom of Saudi Arabia. In his address to the General Assembly, the President highlighted the Organization's key achievements during its recent term, aligning them with the INTOSAI Strategic Plan. He reaffirmed the ASA's commitment to bolstering the Organization's activities within the INTOSAI framework to serve Arab auditors. He also commended the prominent role of the General Court of Audit (GCA) of Saudi Arabia-the chair of both the outgoing and incoming terms-in activating strategic plans and launching an academic track to elevate the professionalism of Arab auditors through the "Certified Arab Auditor Fellowship Program." The current session celebrated the graduation of the program's first cohort, which included an auditor from the Egyptian ASA.



To further strengthen the ASA's role within the Arab Organization, the Egyptian ASA was elected as a member of the ARABOSAI Governing Board for the 2025-2028 term. The ASA won the seat by a landslide, receiving 17 out of 19 eligible votes. Consequently, the ASA participated in the 70th Governing Board Meeting, which convened following the conclusion of the General Assembly.

On the sidelines, Counselor Mohamed Al-Faisal Youssef held several bilateral meetings with the President of the Saudi GCA, the Vice-President of the Tunisian Court of Accounts (Secretary General of ARABOSAI), and several heads of active Arab SAIs, aimed at enhancing the role of the Arab Organization.

Notably, the General Assembly included an awards ceremony for scientific articles and research published in the "Arabosai Journal of financial control." The Egyptian ASA secured five awards for articles and research authored by its auditors and published on the official ARABOSAI website, in addition to certificates of appreciation and the "Best Article" award.

29- ASA representatives participated in a Training Seminar for African SAIs on "Digital Transformation, Data Analytics, and the Implementation of SAI Recommendations." The seminar was organized by the Accounts Chamber of the Russian Federation (SAI Russia) on December 9, 2025.

The seminar consisted of two sessions during which several related topics were discussed, most notably Risk Management and Data Privacy in the digital era as well as Technical and Organizational Aspects of following up on the implementation of audit recommendations.

The Libyan Audit Bureau Celebrates 70 Years of Establishment

Launching New Partnerships to Strengthen Oversight and Combat Corruption

On September 24 of this year, the Libyan Audit Bureau celebrated the 70th anniversary of its establishment during a grand official ceremony held in the capital, Tripoli. The event was attended by a distinguished group of political and diplomatic leaders, as well as representatives of international organizations. The celebration featured the launch of the National Anti-Corruption Strategy and the signing of two MoUs with international organizations to enhance the Bureau's capabilities.



The ceremony was attended by representative of the parliament Mr. Salem Gnan, Presidential Council Deputies Mr. Musa Al-Koni and Mr. Abdullah Al-Lafi, Chairman of the High Council of State Mr. Mohamed Takala, and Prime Minister of the Government of National Unity Mr. Abdulhamid Dbeibah. Also the Deputy Secretary-General of ARABO-SAI, Ms. Fadila Gargouri and the Special Representative of the UN Secretary-General to Libya, Ms. Hana Tetteh were present, along with several ministers, officials, ambassadors, and members of the diplomatic corps.



In his speech on the occasion, Mr. Khaled Shekshek, President of the Audit Bureau, expressed his deep appreciation for the pioneers who founded the Bureau and carried its mission through the decades. He affirmed his commitment to continue their legacy by pursuing development, modernisation, and reinforcing the Bureau's role in protecting public funds and safeguarding integrity in the management of national resources.

One of the main highlights of the ceremony was the launch of the National Anti-Corruption Strategy, representing a strategic partnership between the Audit Bureau and the National Anti-Corruption Authority. The initiative aims to unify efforts among all relevant entities and strengthen transparency and accountability across sectors.



At the conclusion of the event, two MoUs were signed between the Audit Bureau and both the United Nations Development Programme (UNDP) and the German Agency for International Cooperation (GIZ). These agreements aim to enhance institutional capacity, support digital transformation, and develop modern auditing tools.

For her part, Ms. Hana Tetteh, the Special Representative of the UN Secretary-General, stated that this occasion reflects the commitment of Libyan institutions to international principles of good governance. She praised the Audit Bureau's efforts in promoting transparency and strengthening public trust, expressing the United Nations' readiness to provide technical and logistical

support for implementing the National Anti-Corruption Strategy.

Several attendees and international observers commended the significant progress made by the Bureau in recent years, considering the new partnerships represent an important milestone in developing institutional performance and rebuilding confidence in the state's ability to ensure effective oversight and sound management of public funds.





Article by the Auditor General of South Africa as Chair of G20

G20 country audit institutions support and have high developmental expectations from the G20 Summit



The G20 Summit, to be hosted by South Africa this November, is more than just a moment of national and continental pride, it also carries the shared hope that it will signal a gear shift towards the strengthening of good governance to improve the lived experiences of the marginalised all over the world.

This is the posture that was adopted by the summit of supreme audit institutions (SAIs) of the G20 member countries, known as **SAI20**, that South Africa's national audit office successfully hosted in Johannesburg on 24-25 June 2025.

This engagement platform enables us to drive collaboration between the SAIs, supporting their vital role in enhancing governance and fostering oversight of sustainable development within their respective countries. The engagement group also presents an opportunity for SAIs to share insights that will create foresight for our G20 governments to ensure that the plight of citizens in our respective countries continues to lead the developmental agenda.

About SAI20

The **SAI20** arises from the need to develop a platform that strengthens the role of SAIs as strategic partners of G20 governments in addressing global challenges. It plays a pivotal role in promoting global transparency and accountability.

The SAI of the country holding the G20 presidency chairs the **SAI20** Engagement Group. Therefore, when South Africa assumed the presidency of G20 for 2025, the Auditor-General of South Africa (AGSA) assumed the chair of the SAI20 2025 from 1 December 2024 to 30 November 2025.

The formation emerged in response to the critical need for heightened oversight and accountability during the extraordinary disbursement of public funds to combat the Covid-19 pandemic. The importance of balancing pandemic response efforts with achieving sustainable development goals reinforced the necessity for transparency in public financial management across nations and the formation of **SAI20**.

During the AGSA's chairpersonship, **SAI20** is focusing on two developmental themes: unlocking and leveraging public infrastructure funding for equality, sustainable growth and bringing improvement to the lives of citizens and collaborative and

integrative efforts for a future-ready workforce-bridging the skills gap in sustainable economic growth.

These themes guided our discussions during the summit that we successfully hosted for delegates from 18 countries.

While the overall theme of the G20 Summit is equality, sustainability as well as solidarity, the **SAI20** engagement drilled down to two key themes at the heart of development, which not only find expression as running priorities of this group of countries but are also in line with the United Nation's (UN's) Sustainable Development Goals (SDGs).

SAI20 Summit resolves to continue supporting G20 developmental goals

During our 2025 summit, we had critical conversations that explored, among other developmental issues, ways in which our audit institutions can support governments while retaining their independence for the benefit of our countries and citizenry.

Our robust engagements and conversations culminated in the adoption, by consensus, of a communique that will direct our uniform developmental posture until our next summit.

SAI20 delegates agreed that as independent auditors of governments in

our respective countries, our institutions play a critical role in enabling development by ensuring that all available public resources are optimally used for the benefit of all citizens.

In the final communique, SAIs representatives agreed that they are uniquely positioned to support their governments with foresight, insight and oversight in addressing developmental challenges through our mandate and capabilities.

We also agreed that the capabilities of SAIs to identify, assess and mitigate current and yet-to-be identified and unmanaged risks to the economic, efficient and effectiveness of governments' use of public funds position them well to provide trusted support in making meaningful progress towards the aspirations that are currently constrained by unforeseen emerging issues.

Over the past decade, the United Nations has made resolutions that affirm the important strategic role that independent and effective SAIs play in the development of their countries. As the SAI20 engagement group, we are helping to find ways to provide assurance on how the world is moving towards the successful

achievement of the SDGs. The ultimate goal is to create an environment where public sector auditors all over the world can do their work to the best benefit of the citizens they are supposed to serve without any fear, favour or prejudice.

We are buoyed that in the lead up to the G20 Summit in November, South Africa's G20 Presidency has been promoting and advocating for developmental initiatives such as producing a historic report on global wealth inequality and offering a practical way forward on how to address the anomaly.

We believe this and other planned developmental and sustainability interventions will mark and make the South African leg of the G20 engagement a memorable one that raises the bar and sets a new benchmark in addressing the hopes and aspirations for a better life for all citizens in developing and developed countries.

We wish all our leaders well on the summit as they carry our hopes.

Maluleke is South Africa's auditor-general, the current chair of the **SAI20**.

For more information on **SAI20** visit our website: sai20.org

In 2025, the Court of Accounts experienced strong internal momentum, focusing primarily on human resources through a modern approach to capacity development. In parallel, it strengthened international cooperation with Supreme Audit Institutions (SAIs) and partners, continued implementing strategic management, and enhanced both internal and external communication with stakeholders.

Continuing strategic management as a core choice

Strategic management has become a necessity for SAIs seeking to consolidate their institutional standing at the national, regional, and international levels. In line with its 2022-2026 strategic plan, the Court of Accounts organized in collaboration with the World Bank a series of workshops to assess progress in implementing the plan and to review operational plans for the remaining period. This work revolves around three strategic priorities: (i) strengthening Tunisian citizens' trust in the Court of Accounts; (ii) contributing to accountability and transparency; and (iii) Strengthening the Court's judicial activity.

Openness to partners and a modern approach for building and enhancing the capacities of new generations of judges

Convinced that human resources is the backbone of audit work, in 2025 the Court adopted a comprehensive approach to human resources management. Training sessions were organized on priority topics, such as performance-based budgeting and judicial activity in cooperation with the National School of Finance. As part of its digital transition, the Court signed a cooperation agreement with the Virtual University of Tunis to digitize training and pedagogical content and to train trainers specialized in e-learning, covering all professional streams within the Court. In addition, a quality management team was established to deploy a system aligned with ISSAI 140 (effective 1 January 2025), in cooperation with the INTOSAI Development Initiative (IDI).

Strengthening internal communication to support transparency

The vice-president, Ms. Fadhila Gargouri, held meetings with all categories of Court staff, and organized a study symposium on 15-16 July 2025 under the theme: “For a diligent and more efficient financial jurisdiction: enhanced quality and modernized governance.”

Approximately 200 staff of the Court (financial magistrate, managers, and clerks) alongside technical and financial partners took part. The event enabled exchanges on major topics such as audit work, judicial activity, governance, and capacity development. A set of recommendations emerged: some were used to update the 2026 operational plan, while others will be developed further to feed into the Court’s next strategic plan.

Engagement with the INTOSAI community and stakeholders

In order to strengthen its regional and international presence, the Court of Accounts participated in the General Assembly of (AFROSAI) and the General Assembly of (AISCCUF), where the Court assumed the position of Second Vice-President. These events provided an opportunity to deepen cooperation with SAIs of friendly countries, notably Djibouti, with which a cooperation agreement was signed. The implementation began with a secondment of an institutional communication expert to support Djibouti’s SAI. In October 2025, a high-level delegation led by H.E. Ms. Asmahan Mahmoud Ibrahim visited the Court’s headquarters to learn first-hand about its institutional and legal framework and its experience in human resources management. In addition, an agreement was concluded with the Republic of Burundi to develop bilateral cooperation across various fields.

NEWS OF
The AFROSAI
Technical Committees

Institutional and Technical Capacity Building Committee of AFROSAI

In 2025, the four (4) Working Groups under the AFROSAI Institutional and Technical Capacity Building Committee (ITCBC) delivered tangible progress aligned with AFROSAI's Strategic Plan (2022-2027). Their work contributed to strengthening the independence, professionalism, responsiveness, and environmental accountability of Supreme Audit Institutions (SAIs) across Africa.

1. Working Group on SAI Independence

Chaired by SAI Algeria and vice-chaired by SAI Djibouti, the group:

- Developed and secured approval for a concept note on appointing a Regional Goodwill Ambassador.
- Produced two strategic reports: one on the state of independence of African SAIs, and another on stakeholder awareness and support.
- Designed Terms of Reference for a regional seminar on tools and techniques for assessing SAI independence.
- Created an advocacy document and a call for expression of interest to promote SAI autonomy.

2. Working Group on Emerging Issues

Led by SAI Gabon and vice-chaired by SAI Senegal, the group: a. Finalized and disseminated the Coordinated Regional Audit Report on Illicit Financial Flows (IFFs).

- Drafted and circulated a Regional Memorandum to promote audits aligned with Agenda 2063 and the SDGs.
- Initiated development of a virtual audit results database.
- Encouraged SAIs to audit public financial management frameworks and key government programs.

3. Working Group on Professionalization

Chaired by SAI South Africa and vice-chaired by SAI Côte d'Ivoire, the group:

- Conducted an AFROSAI-wide survey on professionalization, including flexible auditing practices.
- Shared a case study from Uganda on best practices in professionalization.
- Initiated virtual advocacy sessions on competency frameworks aligned with INTOSAI GUID 1950 & 1951.

- Strengthened collaboration with SAIs from Chad, Zimbabwe, and regional bodies such as AFROSAI-E and OCBC.

4. Working Group on Environmental Audit (AFROSAI-WGEA) Chaired by SAI Tanzania and vice-chaired by SAI Egypt, the group:

- Drafted and launched the 2026-2027 Biennial Work Plan, covering climate change, blue economy, pollution, and water governance.
- Convened its inaugural Steering Committee meeting to confirm strategic direction and assign responsibilities.
- Prepared knowledge-sharing webinars on water security and climate change.
- Initiated a needs assessment to guide tool development for 2026.

Challenges Encountered

- **Communication and Coordination Gaps**
The SAI Independence group faced difficulties in maintaining effective virtual communication, limited collaboration, and delays in member responses.
- **Low Participation and Resource Constraints**
The Emerging Issues group reported low

engagement from some SAIs due to competing priorities and limited resources, affecting inventory and awareness activities.

- **Technical Limitations** Challenges in hosting and maintaining the virtual audit results database included data standardization and secure accessibility.
- **Leadership and Implementation Delays** The Professionalization group experienced slow implementation due to earlier leadership gaps and delayed feedback. These were later resolved through new appointments and improved collaboration.
- **Scheduling Conflicts** The Environmental Audit group encountered delays in convening its Steering Committee due to coordination challenges, emphasizing the need for proactive scheduling.

As AFROSAI transitions into 2026, the achievements and lessons from 2025 provide a solid foundation for deeper integration, innovation, and leadership in public sector auditing across Africa. The ITCBC Working Groups have demonstrated that strategic coordination, regional ownership, and technical excellence are key to advancing the mandate of African SAIs.

Organizational Capacity Building Committee (OCBC) of AFROSAI

The Court of Auditors in Chad presides over the Organizational Capacity Building Committee (OCBC) of the AFROSAI.

The Court of Auditors in Chad was elected during the 16th General Assembly of the African Organization of Supreme Audit Institutions (AFROSAI), held in Tripoli, Libya, in December 2024, to chair the Organizational Capacity Building Committee (OCBC).

The Committee is tasked with implementing priority number 2 of AFROSAI's 2022-2027 Strategic Plan, titled "AFROSAI Enhances Performance."

The Committee includes 28 Supreme Audit Institutions from the following member countries: South Africa, Algeria, Angola, Botswana, Burkina Faso, Burundi, Comoros, Côte d'Ivoire, Djibouti, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Mauritius, Libya, Morocco, Mali, Malawi, Mauritania, Namibia, Nigeria, Chad, Togo, Tunisia, Senegal, Somalia, and Zimbabwe.

Committee Meetings

As the chair of the committee, the Court of Auditors in Chad organized two major meetings in 2025:

1. **Virtual General Assembly** - Held on May 15, 2025, this meeting focused on following up on the committee's work plan, assessing the level of its implementation, and reviewing its future prospects.
2. **In-Person Meeting in Rabat** - Held on July 7, 2025, in the Kingdom of Morocco, this meeting included a presentation of the activity report,

agreement on the working methodology, and the development of a program for new activities.

Committee Activities in the Framework of Capacity Building

The OCBC Committee, in collaboration with member supreme audit institutions, carried out four main activities during the 2024-2025 period, which were:

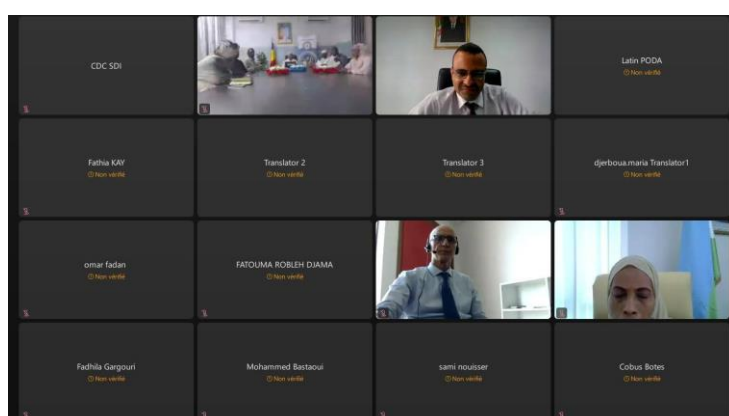
1. Training on the Supreme Audit Institutions Performance Measurement Framework (SAI-PMF) - Organized by the Moroccan Supreme Audit Institution from April 16 to 19, 2024.

2. Virtual Workshop on Stakeholder Awareness Organized by the South African Supreme Audit Institution on November 29, 2024.
3. Awareness Meeting for Senior Management of Information and Communication Institutions on the Importance of Quality Management Systems - Organized by the Senegalese Information and Communication Institution in collaboration with AFROSAI-E and the International Development Initiative of the International Organization of Supreme Audit Institutions (IDI) on June 25, 2025.
4. Virtual Workshop on Strengthening the INTOSAI Tool within Information and

Communication Institutions – Organized by the Algerian Information and Communication Institution, aimed at enhancing institutional integrity.

Towards More Effective Audit Performance

Through its leadership of this committee, the Court of Auditors in Chad reaffirms its commitment to strengthening the capacities of the Supreme Audit Institutions across the African continent. It aims to support transparency, accountability, and good governance practices in public financial management, in line with the goals of AFROSAI and its vision to improve performance and audit outcomes in Africa.





NEWS of AFROSAI - E



Two Decades of Impact: AFROSAI-E's Journey of Growth and Innovation in 2025

In 2025, AFROSAI-E continued to strengthen the professionalisation, independence, and impact of Supreme Audit Institutions (SAIs) across the English-speaking African region. Building on two decades of regional collaboration and innovation, this year marked both reflection and renewal. The organisation's 21st Governing Board meeting, held in Seychelles, reaffirmed the collective commitment of member SAIs to independence, quality, and sustainability. The milestone was also followed by the successful 20th Technical Conference in October, which celebrated AFROSAI-E's 20th anniversary - a significant opportunity to reflect on progress and chart a path for the next strategic cycle.

Driving measurable progress across workstreams

Under the 2025-2029 Strategic Plan, AFROSAI-E's work is structured across five interlinked workstreams designed to support SAIs in achieving sustainable institutional capacity. By the end of 2025, AFROSAI-E's programme comprised 270 activities across all workstreams - reflecting both strong delivery and the confidence of partners who enabled a mid-year expansion through additional funding.

More than 2500 SAI staff were trained across the region in the year. These outputs illustrate the scale of AFROSAI-E's technical engagement, while the outcome narratives under each workstream demonstrate the deeper institutional results achieved.

Promoting SAI independence

The independence of SAIs remains a cornerstone of effective public sector auditing and a key enabler for accountability, transparency, and good governance. In 2025, AFROSAI-E continued to prioritise

initiatives that strengthen the institutional and legal foundations underpinning SAI independence.

A major milestone in this regard was the finalisation of the AFROSAI-E Model Audit Act, completed in October 2025

and published in November. The Model Audit Act serves as a comprehensive legislative reference framework for member SAIs and their stakeholders to assess and reform their national audit legislation. It incorporates key provisions from the Lima and Mexico Declarations and aligns with the INTOSAI Principles of SAI Independence (ISSAI-P 10-12).

The Model Audit Act offers practical guidance to governments and parliaments on embedding independence clauses that protect the Auditor-General's tenure, ensure financial and administrative autonomy, and safeguard the SAI's mandate to audit all public entities without restriction. Already, several member SAIs - including Eswatini and Lesotho - have drawn on the draft version of the Act to inform legislative review processes in their countries.

While legislative reform remains a long-term and politically sensitive process, the publication of the Model Audit Act marks a significant step toward harmonising the legal basis for independent auditing across the region. It also underscores AFROSAI-E's commitment to enabling SAIs to operate without fear, favour, or prejudice, thereby enhancing their

credibility and impact in promoting accountable governance.

Strengthening Leadership and Collaboration

In 2025, AFROSAI-E continued to prioritise leadership development and peer collaboration across all levels of SAI management. The Strategic Leadership Workshop for Deputy Auditors General equipped participants with enhanced decision-making and governance skills, while offering a valuable space to exchange experiences on leading complex operations and managing stakeholder expectations.

To further encourage open dialogue among the region's leaders, AFROSAI-E launched its inaugural Auditors General Webinar Series - a new platform for high-level engagement on cross-cutting regional issues. The first session focused on organisational culture, featuring insights from guest experts and peer SAIs who shared practical lessons from their own reform journeys.

Targeted capacity-building initiatives also supported professional communities within SAIs. The Annual HR Workshop,

held in September under the theme “Building a Future-Ready Workforce: Collaborative and Integrative HR for SAIs,” gathered HR professionals from across the region to explore innovative and adaptive approaches to workforce development. Similarly, the Regional Communication Workshop, hosted in October in collaboration with the UK National Audit Office, focused on “Reporting for Impact,” equipping participants with tools to produce more meaningful and accessible audit and performance reports.

Building on our commitment to gender equality and inclusion, AFROSAI-E proudly hosted the third edition of SAI Brazil’s Women in Leadership (ProInter) programme. This high-impact seminar, held in South Africa, brought together female leaders from 24 countries to share their perspectives on power, governance, and leadership in the public sector.

At the country level, AFROSAI-E implemented a Management Development Programme (MDP) at SAI Ethiopia, providing practical support to strengthen middle management capacity and leadership pipelines within the institution.

Enhancing professionalisation and audit quality

AFROSAI-E’s technical programmes continued to strengthen audit quality and methodological consistency across financial, compliance, and performance audit practices. A key milestone was the launch of new e-learning programmes for the Financial Audit Manual (FAM) and Compliance Audit Manual (CAM), which complement in-country support and regional training. The structured blended-learning approach has proven highly effective-particularly in performance audit. This success demonstrates the growing potential of digital learning as a driver of continuous professional development across the region.

In the performance audit area, 48 auditors participated in the regional main study module in Ghana and South Africa, resulting in the review of 16 draft performance audit reports. Meanwhile, information systems audit capacity was expanded through the IS Audit Champions Programme and in-country support to Zimbabwe and Namibia, equipping auditors to assess critical government information systems.

With the implementation of ISSAI 140 on quality management, which took effect in 2025, AFROSAI-E played a key role in helping member SAIs align their systems with the new standard. Collaborative product reviews, regional workshops, and partnerships with the INTOSAI Development Initiative and other peers ensured the region remained at the forefront of global quality management reforms.

Championing sustainability and emerging issues

Environmental and sustainability assurance audits remained a growing priority in 2025. AFROSAI-E participated in key INTOSAI Working Group on Environmental Auditing (WGEA) activities and convened regional experts to design a roadmap for integrating sustainability reporting across methodologies.

Under emerging issues, AFROSAI-E advanced its work on extractive industries, anti-money laundering, and anti-corruption collaboration. The launch of the e-learning course on auditing extractive industries, developed from updated guidelines, provided auditors with a solid foundation

to address the sector's complexity. The annual Extractive Industries Workshop, held alongside the WGEI Steering Committee Meeting, deepened regional dialogue on governance and resource transparency.

AFROSAI-E also led the Anti-Money Laundering (AML) Audit Project in collaboration with the Netherlands Court of Auditors and GIZ, producing 16 knowledge resources across participating SAIs. Complementary initiatives strengthened collaboration among SAIs, internal auditors, and anti-corruption authorities (ACAs) by introducing new frameworks and research-based tools to enhance coordinated oversight.

Forward focus

As AFROSAI-E celebrates 20 years of advancing good governance through audit excellence, 2025 marks a pivotal moment of renewal. With a strengthened strategic direction, deeper partnerships, and growing regional ownership, the organisation remains committed to empowering SAIs to deliver credible, high-impact audits that improve the lives of citizens across English-speaking Africa.

A large teal circle with a white border and a dark teal outer ring. Two small teal dots are positioned on the left and right sides of the circle, connected by thin lines to the outer ring.

News of the African Union

- 1- ASA Vice-President participated virtually on behalf of H.E. Counsellor/ Mohamed El-Faisal Youssef in the meeting of the African Union Board of External Auditors (BOEA) held in a hybrid format in Tanzania on January 22 and 23, 2025, in the presence of the Heads of Supreme Audit Institutions members of the African Union Board of External Auditors. Among the most prominent topics addressed in the meeting was the election of the President of the African Union Board of External Auditors for the years 2025-2026, and the review and approval of the audit strategy and plan for the African Union's financial statements for the fiscal year ended December 31, 2024.

It is worth mentioning that the Board consists of eleven members from African Union member states and is responsible for auditing the African Union (the African Union Commission and its affiliated entities), and that the Arab Republic of Egypt, represented by the Accountability State Authority, is a permanent member of the Board as one of the six highest contributing countries to the African Union.

- 2- ASA conducted the audit of the African Union's accounts for the fiscal year 2024, whereby the Interim Audit of the African Union Commission (AUC) took place from February 24th to March 14th 2025, followed by the Final Audit during April 7-21, 2025. In addition, the interim and final audits of the Africa Centres for Disease Control and Prevention (ACDC) were carried out during the same periods in Addis Ababa, Ethiopia.
- 3- ASA participated in the meeting of the African Union Board of Auditors held on May 29, 2025, and the Audit Operations Committee meeting from May 26 to 29, 2025, in Addis Ababa, Ethiopia.

A large, stylized teal circle with a white border and a dark teal shadow. It is decorated with two smaller teal circles and lines on its left and right sides.

News of the COMESA

- 1- ASA representatives participated in-person in a coordination meeting held at the Ministry of Investment and Foreign Trade in the New Administrative Capital on February 26, 2025. The meeting focused on discussing a proposal by the COMESA Secretariat regarding the reformulation of the assessment formula for member states' contributions to the COMESA budget and its institutions, aimed at unifying the Egyptian national position.

The meeting was attended by representatives from the Ministry of Foreign Trade, the Central Bank of Egypt (CBE), and the Ministry of Finance. Key topics discussed included: Clarifying the objective of reformulating the assessment of member states' contributions.

- Reviewing and commenting on the components of the original formula upon which member states' contributions are generally based.
- Discussing the proposed scenarios for the reformulation of member states' contributions.

- 2- The ASA Vice-President participated in the virtual meeting of Deputy Auditors-General held from August 11-14, 2025. During the meeting, several audit tools that were not discussed in the previous meeting (September 2024) were reviewed, namely:

- Financial Audit Manual for the COMESA Board of External Auditors.
- Quality Assurance Manual for the COMESA Board of External Auditors.
- Rules of Procedure of the COMESA Board of External Auditors.
- Standard Operating Procedures (SOPs) Manual for the COMESA Board of External Auditors

These reviews served as a preliminary step toward the adoption of proposed amendments by the Auditors-General and their deputies. These tools were assigned to three groups of Supreme Audit Institutions (SAIs) for review and feedback to the COMESA Secretariat.

3- The ASA chaired the committee responsible for preparing the Quality Management Manual for the COMESA Board of External Auditors (COBEA), with a membership including the SAIs of Tunisia, Kenya, Malawi, Eswatini, Madagascar, the Democratic Republic of the Congo, and Uganda. The manual was developed to be presented to the Deputy Auditors-General and subsequently to the COMESA Auditors-General. The committee participated in several virtual preparatory meetings to draft the manual during September, October, and November 2025. It was finalized as per the designated timeframe.

The 204-page manual consists of eight chapters (covering pages 1 to 50) and 13 audit tools.

- Chapter One: relevant concepts and terminology,
- Chapter Two: Audit Quality management system,
- Chapter Three: Analysis of COBEA's needs in designing, implementing, and operating the system,
- Chapter Four: Responsibilities for Audit Quality,

- Chapter Five: The Quality Risk Management Process,
- Chapter Six: The Monitoring and remediation Process,
- Chapter Seven: Quality monitoring and Remediation,
- Chapter Eight: Engagement Quality Review.

4- The ASA representatives participated in the 29th Meeting of the Sub-Committee on Audit and Budgetary Matters, held from September 30 to October 3, 2025, in Lusaka, Zambia. The Sub-Committee examined several topics related to the financial affairs of the COMESA Secretariat and several of its institutions. It is worth noting that the ASA is a member of this Sub-Committee for the 2024-2026 term.

5- ASA representatives participated in the 47th Meeting of the COMESA Committee on Administrative and Budgetary Matters, held from October 28-30, 2025, in Lusaka, Zambia, as well as the orientation session on September 29, 2025. The meeting discussed several topics, including.

- The report on staff recruitment for professional category positions,
- The report on the renewal of professional category staff contracts,
- The report of the 29th Meeting of the Sub-Committee on Administrative and Budgetary Matters.

During the event, the Egyptian delegation participating requested amendments to the report of the 47th meeting, which were accepted by the COMESA Secretariat.

- 6- ASA representatives participated virtually in a meeting regarding the draft COMESA Medium-Term Strategic Plan (2026-2030) and its implementation plan on November 25, 2025. The session

aimed to discuss collected observations and reach a final approved version of the strategic plan for certification. During the meeting, the ASA provided comments on the plan, specifically examining the financial aspects and submitting its observations.

- 7- ASA representatives participated virtually in a technical meeting to adopt the COMESA Pharmacovigilance Strategy, Resource Mobilization Plan, and Communication and Visibility Strategy for the period 2026–2031, held in a hybrid format on December 10 and 11, 2025. The ASA examined the financial matters related to the strategy and submitted its observations.

