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Annual

Resolutions

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SPECIAL ISSUE

The 14th AFROSAI General Assembly Meeting

Windhoek, Namibia

25 - 27 October 2017

The 14th General Assembly (GA) of AFROSAI Meeting was held in Windhoek, Namibia in Oct. 25-27, 2017 with attendance of 174 participants from 40 AFROSAI member SAIs and 15 international and regional organizations.

Before the proceedings of this Meeting, the 52nd AFROSAI Governing Board Meeting was held, chaired by H.E. the President of the SAI of Egypt and AFROSAI at that time and during which all the topics to be presented to the GA were adopted.

The opening ceremony of the 14th GA Meeting was honored by the presence of H.E. Mrs. Saara Kuugongelwa; Prime Minister of Namibia representing the Namibian Government. In her speech, she focused on the importance of the support that governments must present to SAIs at both the professional and institutional levels to ensure an effective control capable to protect public funds.

The first plenary session of the GA witnessed, inter alia, the transfer of the AFROSAI Chairmanship from the SAI of Egypt to the SAI of Namibia for a three-year term starting in October 2017, as well as an inaugural speech on the theme: "Global expectations and ambitions for SAIs in supporting the Agenda 2030", presented by Mr. Herbert Baumgartner; Deputy Director of the INTOSAI General Secretariat.

During the meeting, four workshops were held; the first was on policy coherence and integration within the national context of the SDGs and Agenda 2063: Perspective of an auditor, the second was on Cooperation SAI-Justice, the third was on Certification of Accounts: Challenges and perspectives and the fourth on Risks analysis and audit strategy to tackle Illicit Financial Flows.

The GA Meeting procedures were followed by the 53th AFROSAI Governing Board Meeting with its new composition, during which it has been decided to hold the 54th Governing Board Meeting in Cameroun in August 2018.

RESOLUTIONS OF THE FOURTEENTH AFROSAI ORDINARY GENERAL ASSEMBLY

The Delegates of the Supreme Audit Institutions present at the 14th General Assembly of the African Organisation of Supreme Audit Institutions (**AFROSAI**), held on 25, 26 and 27 October 2017 in the KUISSEB hall of the SAFARI Court Hotel Conference Centre in Windhoek, Namibia, chaired by **Mr Junias ETUNA KANDJEKE**, Auditor-General of Namibia, assisted by **Mr Tahir SOULEYMAN HAGGAR**, First President of the Court of Accounts of Chad, Vice-Chair of the General Assembly, deliberated and took Resolutions on the following items on the agenda:

- **Resolution n◦1 to Amend Certain Provisions of the AFROSAI Statutes:**

The General Assembly decided:

Article 1: This resolution shall amend the provisions of Articles 20 and 21 of the Statutes.

Article 2: The provisions of Articles 20 and 21 of the Statutes of AFROSAI shall be amended as follows:

Article 20 (new):

(1) Expenses pertaining to activities and the development of the Organisation, including those concerning publications and all other expenses authorised by the Governing Board, shall be covered by:

(a) contributions from AFROSAI members at a rate determined by the General Assembly. The amount of contributions shall be notified to member Institutions by the General Secretariat and shall be paid no later than 30 April of each year;

(b) subsidies, donations etc. made by any public or private institution, or by individuals for the implementation of the Organisation's objectives shall be subject to acceptance by the Governing Board;

(c) income from publications and other activities of the Organisation;

(d) all other resources authorised by the Governing Board.

(2) Each member shall pay the annual contribution determined by the General Assembly. If a SAI fails to pay its contribution during one year, it shall be sanctioned in accordance with the conditions laid down in the financial regulations.

(3) AFROSAI's budgetary year shall cover the period from 1 January to 31 December at the end of which the Secretary-General shall prepare accounts pursuant to the provisions of the financial regulations.

(4) Budgetary, accounting, accountability and auditing details shall be determined in AFROSAI's financial regulations.

Article 21 (new):

(1) Financial statements, the financial report and financial management of AFROSAI shall be subject to auditing by statutory auditors.

(2) On a proposal of the Governing Board, the General Assembly shall elect two auditors for a three-year mandate. Auditors shall be chosen among Supreme Audit Institutions which are not members of the Governing Board. They shall primarily perform the functions of external auditors, two other non-Governing Board members shall be elected as first and second deputies to perform the same functions, in the absence of one or the two main members.

(3) The Institution designated as auditor shall be responsible for travel expenses for the round trip of its representative. AFROSAI shall pay for the living expenses of auditors, per diem according to the rate observed within the UNDP. However, auditors can request that the General Secretariat should cover travel expenses for a round trip while their SAIs pay per diem to cover their living expenses.

(4) The General Secretariat shall provide auditors with all information required to accomplish their mission and shall help them to perform their duties.

(5) The external audit shall be undertaken in accordance with the provisions of the financial regulations and, in any event, in accordance with professional auditing practices.

Article 3: The Governing Board and the General Secretariat, each in their respective capacity, shall be responsible for the implementation of this resolution.

- **Resolution n◦2 of Endorsing the Declaration on Curbing Illicit Financial Flows in Africa Through Good Financial Governance:**

The General Assembly:

- approves this resolution endorsing the declaration on curbing Illicit Financial Flows in Africa through Good Financial Governance signed by the African Organization of Public Accounts Committees (AFROPAC), the African Organization of Supreme Audit Institutions (AFROSAI), the African Tax Administration Forum (ATAF) and the Collaborative African Budget Reform Initiative (CABRI).
- request the Governing Board, the General Secretariat and the Technical Committees of AFROSAI to implement this resolution in their respective areas of competence.

refer to the document (Annex 1)

- **Resolution n◦3 Related to AFROSAI Financial Regulations:**

refer to the document (Annex 2)

- **Resolution n◦4 on Other Agenda Items of the 14th General Assembly:**

1. Designation of a new AFROSAI Chair and Governing Board

The General Assembly:

- acknowledges the satisfactory fulfilment of the SAI of Egypt's term of office as AFROSAI Chair;
- approves the election of the Auditor General of Namibia as AFROSAI Chair and Governing Board, till the next General Assembly.

2. Activity Report of the outgoing AFROSAI Chair

The General Assembly:

- approves the report presented by the SAI of Egypt, outgoing AFROSAI Chair and Governing Board;
- expresses its thanks to this SAI for the numerous and multifaceted efforts it made to revitalise AFROSAI.

3. Activity Report of the AFROSAI Secretary-General

The General Assembly:

- approves the Secretary-General's activity and financial report;
- approves the annual report and the 2015 audited annual accounts of the General Secretariat;
- takes note of the comments of the auditors, then approves the annual report and the 2016 audited annual accounts of the General Secretariat;

- gives mandate to the General Secretariat to continue the actions undertaken, in liaison with the Governing Board, the Technical Committees, the Language Sub-Groups, the Working Groups and members of AFROSAI.

4. Report of AFROSAI Auditors

The General Assembly approves the report presented by AFROSAI auditors concerning the financial statements for fiscal years 2015 to 2016, which are established, in all material respects, in accordance with International Public Sector Accounting Standards (IPSAS).

5. Reports of Technical Committees

The General Assembly:

- approves the report presented by the AFROSAI Technical Capacity Building Committee as well as attached documents notably:
  - Framework Document for Cooperation with RIOs;
  - Advocacy Framework Document for TFPs;
  - TORs of the AFROSAI-OLACEFS meeting needed to improve fund-raising procedures.
- approves the report presented by the Management and Knowledge Sharing Committee;
- mandates the two Committees to brainstorm on the choice of themes for the 15th AFROSAI General Assembly to be submitted to the 54th GB.

6. Activity Report of the AFROSAI Working Group on Environmental Audit (AFROSAI WGEA)

The General Assembly:

- approves the activity report of the AFROSAI Working Group on Environmental Audit;
- reiterate the mandate to the Working Group for the continuation of the actions undertaken, in liaison with the Governing Board, the Technical Committees, the Language Sub-Groups and the members of AFROSAI.

7. Report of the AFROSAI Comprehensive Audit Journal

The General Assembly:

- approves the report of the Comprehensive Audit Journal Editorial Board;
- mandates the Editorial Board to switch from the hard copy version of the journal to the electronic version;
- designates the SAIs of Côte d'Ivoire, Mozambique and Algeria as new members of the Editorial Board.

8. Report of Language Sub-Groups

The General Assembly acknowledges the reports presented by AFROSAI-E and CREFIAF.

9. New science competition rules

The General Assembly:

- approves the new science competition rules;

- mandates the General Secretariat and the Capacity Building Committee to implement these new rules.

10. AFROSAI funding strategy

The General Assembly:

- approves the funding strategy proposed by the AFROSAI General Secretariat, notably the increase in contribution rates;
- mandates the Governing Board to examine and adopt the criteria for the allocation of amounts to be paid by each SAI.

11. New AFROSAI financial regulation

The General Assembly:

- approves the new financial regulation proposed by the AFROSAI General Secretariat;
- approves the amendment of the Statutes to take into account the new provisions of the financial regulation;
- authorizes the recruitment of a permanent accountant for the General Secretariat, in the strict respect of standards and practices in force within AFROSAI.

12. Amendment of the 2015-2020 Strategic Plan

The General Assembly approves the amendments made to the AFROSAI 2015-2020 Strategic Plan relating to the integration of cross-cutting themes namely, the contribution of SAIs to the Sustainable Development Goals, the fight against illicit financial flows and the professionalization.

13. Presentation and approval of the AFROSAI 2018-2020 budget

The General Assembly approves the three-year budget of AFROSAI, composed of income and expenditure.

14. Memorandum of Understanding between AFROPAC, AFROSAI, ATAF and CABRI

The General Assembly:

- approves the Memorandum of Understanding between AFROPAC, AFROSAI, ATAF and CABRI;
- mandates the Governing Board, the General Secretariat and AFROSAI Technical Committees, each in its own sphere, to implement the said MoU.

15. Memorandum of Understanding between AFROSAI and PAFA

The General Assembly:

- approves the signing of the Memorandum of Understanding between AFROSAI and PAFA;
- mandates AFROSAI bodies, each in its own sphere, to implement the said MoU in the best interest of our Organisation.

16. Resolution to endorse the Declaration on Illicit Financial Flows

The General Assembly:

- approves the resolution endorsing the Yaoundé Declaration on Illicit Financial Flows;

- encourages SAIs and AFROSAI bodies to integrate, as much as possible, recommendations contained in this Declaration.

17. New members of the Governing Board

The General Assembly:

- approves the following composition of the Governing Board for a three-year term of office renewable, starting from this General Assembly:

  Chair: **SAI of Namibia**, in its capacity as the host SAI of this 14th AFROSAI General Assembly;

  1st Vice-Chair: **SAI of Senegal**, in its capacity as the host SAI of the 15th AFROSAI General Assembly;

  2nd Vice-Chair: **SAI of Egypt** which hosted the 13th AFROSAI General Assembly;

  Members:

  - **SAI of Algeria**, representing AFROSAI-A;
  - **SAI of South Africa**, member of the INTOSAI Governing Board, for the AFROSAI region;
  - **SAI of Burundi**, representing CREFIAF;
  - **SAI of Côte d'Ivoire**, representing CREFIAF;
  - **SAI of Gabon,** member of the INTOSAI Governing Board;
  - **SAI of Cameroon**, AFROSAI General Secretariat;
  - **SAI of Morocco**, representing AFROSAI-A;
  - **SAI of Sierra Leone**, representing AFROSAI-E;
  - **SAI of Mozambique**, representing AFROSAI-E.

- makes **Counsellor HESHAM BADAWY**, the second AFROSAI Honorary Chair, as long as he remains the Head of the SAI of Egypt.

18. Designation of AFROSAI Auditors

The General Assembly designates the following SAIs to perform the functions of External Auditors and Alternate External Auditors respectively for a three-year term of office:

- **External Auditors**: SAI of Chad and SAI of Zambia;
- **Alternate External Auditors**: SAI of Ghana and SAI of Togo.

19. Designation of the host SAI for the next General Assembly in 2020

The General Assembly approves the organisation of the 15th AFROSAI General Assembly by the SAI of Senegal.

WINDHOEK AGREEMENTS

PREAMBLE

Meeting in Windhoek in October 2017 on the occasion of its 14th General Assembly, the African Organisation of Supreme Audit Institutions (AFROSAI) adopted the Windhoek Agreements.

Such agreements were prepared against the following backdrop:

- **First,** AFROSAI's overall strategic planning process, which led to a review of its 2015-2020 Strategic Plan, in order to align it with the priorities of the new INTOSAI 2017- 2022 Strategic Plan, and to integrate emerging issues relating to the professionalisation of auditors, the contribution of SAIs to the Sustainable Development Goals and the African Union Agenda 2063, and the fight against illicit financial flows;
- **Second,** the need for AFROSAI to seek ways and means to sustain its actions, by brainstorming on the adoption of a funding strategy allowing AFROSAI to enhance and consolidate its position as a model Organisation at the service of member SAIs;
- **Third,** the requirement for AFROSAI to better organise its internal governance processes, through the adoption of a financial regulation to better regulate and introduce even more transparency in the management of AFROSAI's activities.

Noted that the 14th General Assembly was an opportunity for its delegates to brainstorm on two major themes:

1) SAI-Judiciary cooperation; and
2) the certification of accounts: challenges and prospects.

CONCLUSIONS DRAWN FROM DISCUSSIONS ON THE THEMES

Theme 1: SAI-Judiciary cooperation:

Responsible of the Theme:

Chair: SAI of Djibouti

Rapporteur: SAI of Senegal

1) The General Assembly Delegates, aware of the diversity of SAI models that coexist in the audit environment in Africa, questioned the content of SAI cooperation with the Judiciary, the types of relationship that SAIs could maintain with the judiciary, as well as the benefits associated with this cooperation.

2) The General Assembly Delegates observed that while for jurisdictional SAIs, most of which are under the Judiciary, relations with the judiciary are more obvious and direct, in the case of Auditor-General SAIs, such relations are not formalized and are indirect in most cases. These relations with the Judiciary are mainly maintained, for jurisdictional SAIs, through referral of the judiciary when facts likely to be the object of criminal prosecution are discovered.

3) The General Assembly Delegates acknowledged that there is a complementarity of action between SAIs and the Judiciary, and that this is reflected in the role played by SAIs in the detection of fraud, and prosecutions that can be incidentally initiated by the Judiciary, with the aim of punishing detected acts of fraud. Regarding jurisdictional SAIs, the Judiciary provides the avenue of appeal against the decisions taken by these SAIs with regard to budgetary discipline and auditing of accounts. The advantage of this complementarity of action helps to address an African public concern regarding the effective punishment of offences against public management and the fight against impunity.

4) In addition, the General Assembly Delegates indicated that for jurisdictional SAIs, their institutional position within the Judiciary is a guarantee of independence enshrined in the Constitution of the countries that establish these SAIs. The latter provide the security of tenure to Heads of SAIs. These guarantees also exist within the

framework of Auditor-General SAIs. However, the General Assembly Delegates observed the absence of a special status for judges of jurisdictional SAIs, whose careers are managed by the Ministry of Justice, thus may be limiting the independence of these SAIs.

5) As recommendations, the General Assembly Delegates called for a more sustained cooperation with the Judiciary, considering the value-added that such cooperation is likely to have on the efficiency of SAIs, and on the improvement of public governance.

6) The General Assembly Delegates therefore urged SAIs to:

- establish frameworks for consultation with judicial authorities, with a view to fostering a common understanding of challenges relating to the management of public funds;
- organise mutual training courses/seminars with judicial authorities for a better understand of the procedures and working methods of each party, for a more effective complementarity of action.

7) Similarly, the General Assembly Delegates recommended that AFROSAI should advocate with the African public authorities to provide SAI staff with statuses that guarantee their stability and independence. They also encouraged AFROSAI to prepare a framework document that will guide SAIs in their efforts to establish or strengthen cooperative relations with the Judiciary.

Theme 2: the certification of accounts: challenges and prospects:

Responsible of the Theme:

Chair: SAI of Sierra Leone.

Rapporteur: AFROSAI-E Secretariat.

1) The General Assembly Delegates were unanimous in stating that ISSAI financial auditing standards introduce a new approach, requirements and constraints, requiring improved knowledge of accounting standards and ISSAI standards in financial auditing.

2) The General Assembly Delegates identified five major areas that summarise the challenges regarding the certification of accounts by SAIs, namely: independence and legal framework, organisational frameworks and management of SAIs, human resources of SAIs, implementation of standards and audit methodologies as well as the management of communication and stakeholders. In addition, Delegates approved information sharing on existing tools or tools being developed, mainly tools developed by AFROSAI-E.

3) The General Assembly Delegates noted that the certification of accounts by SAIs involves changes in the following four points: organisational changes, professionalisation of SAIs, quality control and audits mandated to external firms.

4) With regard to organisational changes, the Delegates noted that, in the certification of accounts, SAIs need to have management structures adapted to the accounting environment of their countries marked by the computerisation of operations and continuous improvements in national accounting systems.

5) Similarly, they indicated that new abilities are required for SAI staff to enable them to effectively conduct their financial audits due to regular changes in accounting and auditing standards. In this regard, the professionalisation of SAI staff is a new requirement and a new necessity. It forms part of capacity building actions.

6) Moreover, the Delegates underscored that the quality of the audits is fundamental to support the opinions expressed while certifying accounts. In this regard, enhancing and improving audit function and quality assurance are crucial.

7) Lastly, the General Assembly Delegates indicated that, in the case of financial audits that are mandated to private firms, they allow SAIs, with such a mandate, to fully cover their annual audit plans, while fully or partially entrusting some of their activities to private firms. The Delegates highlighted some concerns regarding this type of audit, such as quality control, the added value of this type of audit on SAI staff capacity building, ownership of the report produced and responsibility for the conclusions, as elements to be taken into account by SAIs that resort to this practice.

8) At the end of the aforementioned discussions, the General Assembly Delegates made the following recommendations to SAIs:

- establishment of new technical units, more appropriate to the certification of accounts needs;
- development of capacity building programmes on ISSAIs in financial auditing;
- establishment of ISSAI 40-compliant quality control systems, notably including the development of practical quality control tools, training of staff assigned to these activities, and the strengthening of collaboration between SAIs;
- development by SAIs of systems and technical tools to monitor audits mandated to private firms and they should also provide training on various aspects of public sector auditing.

9) Similarly, the Delegates recommended that AFROSAI should develop a programme to support SAI activities regarding the certification of accounts.