14TH AFROSAI GENERAL ASSEMBLY

23-27 October 2017, Windhoek, Namibia

WINDHOEK AGREEMENTS

PREAMBLE

1. 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.

2. 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.

3. The 14th General Assembly was an opportunity for its delegates to brainstorm on two major themes: **i)** one on **SAI-Judiciary cooperation**; and **ii)** the other on **the certification of accounts: challenges and prospects**.

CONCLUSIONS DRAWN FROM DISCUSSIONS ON THE THEMES

☐ On the first theme relating to SAI-Judiciary cooperation:

4. 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.

5. 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, and 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.

6. 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.

7. 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.

8. 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.

9. 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 understanding of the procedures and working methods of each party, for a more effective complementarity of action.

10. 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.

- ☐ **On the second theme relating to the certification of accounts: challenges and prospects**:

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

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