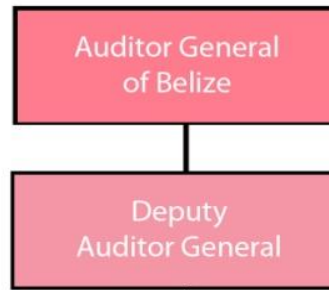


Office of the Auditor General

- ▶ Office was established in 1877. In that year the Office had two staff members- a Colonial Secretary and a Clerk
- ▶ First Belizean Mr. Bernard Mahler appointed to Principal Auditor in 1968
- ▶ In 1974 the title of Principal Auditor was changed to Auditor General
- ▶ First female Auditor General Mrs Dorothy Bradley was appointed in 2011
- ▶ Current staff is 52 of which 10 is support staff

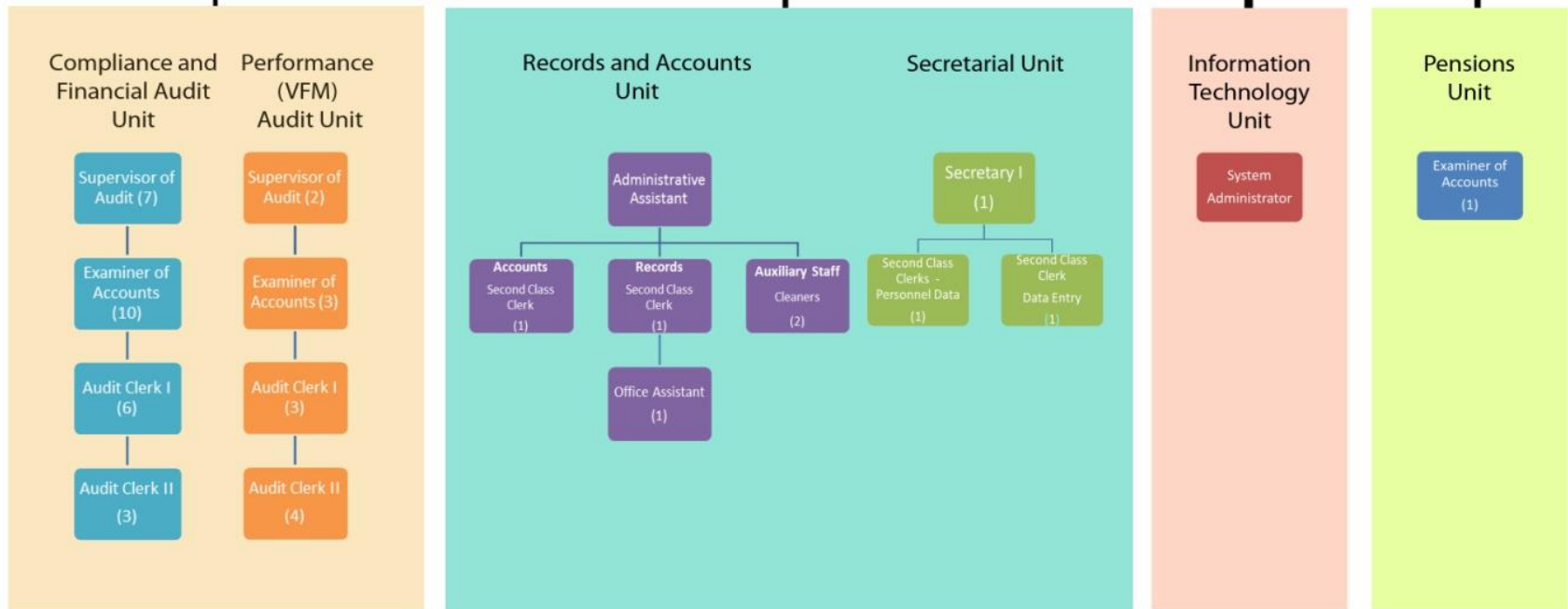


Organisational Chart
Office of the Auditor General
Belize



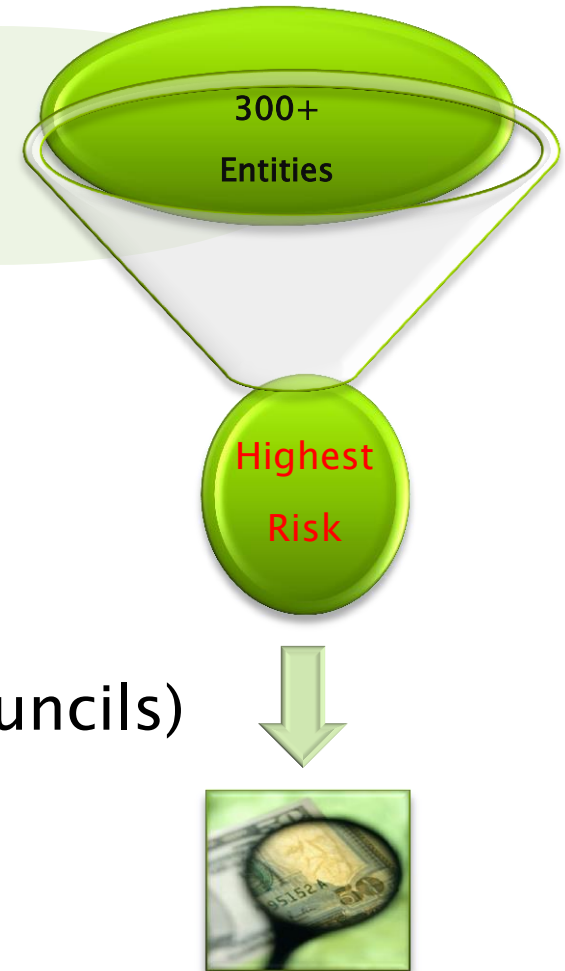
Audit Units

Administrative Units



Audit Universe – 300+ Entities

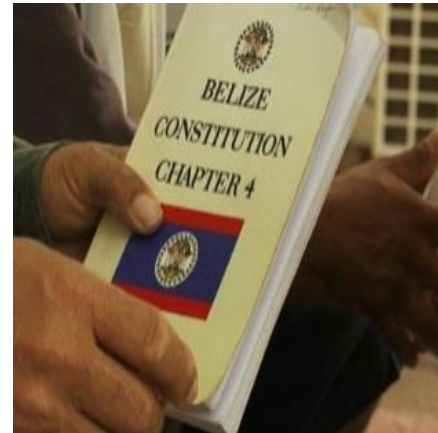
- ▶ Central Gov't.
 - National Accounts – GOB
 - Govn't. Mins. & Dept's.
- Statutory Bodies
- ▶ Local Gov't.
 - Municipalities– (City and Town Councils)
 - Village Councils
 - All Rural water Boards



Our Business – “AUDITING”

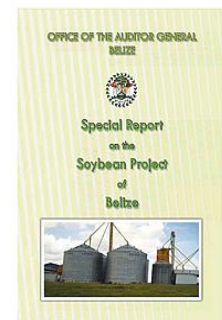
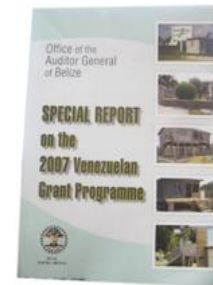
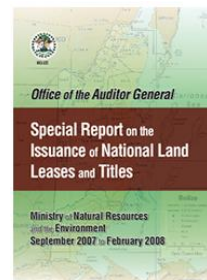
▶ AG’s Mandate:

- The Constitution of Belize (Section 120).
- Finance and Audit Reform Act 2005 (Sections 11-16).
- Regulations – Financial Orders, Stores Orders, Control of Public Expenditure, Public Service Regulation and Services Commission Regulation



Our Business – “AUDITING” cont.

- ▶ The Office of the Auditor General of Belize (OAGB) provides reasonable assurance to stakeholders that public funds and assets are accounted for through (4) audit products/services:
 - ▶ **Financial**
 - ▶ **Performance/VFM**
 - ▶ **Compliance**
 - ▶ **Investigative**



Financial Audits

- ▶ The purpose of financial audits is to give assurance that the financial statements are not misleading
- ▶ Fairly present the economic transactions of the enterprise (GOB) in accordance with an accounting framework.
- ▶ GOB financial statements prepared in accordance with International Public Sector Accounting Standards (IPSAS)
- ▶ Standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Compliance Audits

- ▶ Compliance Audits are designed to ensure that laws, rules, and regulations are observed.
- ▶ Compliance audit objectives relate to compliance criteria established by laws, regulations, contract provisions, grant agreements
- ▶ Compliance criteria could affect the acquisition, protection, and use of GOB's resources

Performance Audits

- ▶ Performance audits aim to provide information and assurance about the quality of the management of public resources.
- ▶ They assess the economy, efficiency, and effectiveness of the management of public sector entities
- ▶ We examine resource use, information systems, delivery of outputs, and outcomes
- ▶ This includes performance indicators, monitoring systems, and legal and ethical compliance.

Investigative Audits

- ▶ Investigative Audits provide investigation and litigation support to GOB and its law enforcement departments.
- ▶ Auditors design their audits to gather evidence to prove the existence of fraud.
- ▶ Two officers completed the Certified Fraud Examiners (CFE) course

Scope of Auditor General's functions

- ▶ Auditor General's duties and responsibilities are outlined in Section 120 of the Belize Constitution and Sections 12 to 16 of the Finance and Audit Reform Act (FARA).
- ▶ Auditor General can audit government accounts as she deems necessary . FARA Section 12(1)
- ▶ She is not under the control or direction of any person or authority. FARA section 13 (3).
- ▶ Presently no exceptions to the scope of the Auditor General's functions

Institutional coordination mechanisms and regime of competencies.

- ▶ There are limited coordination mechanisms in place between Auditor General and other oversight bodies within the Public Service.
- ▶ Fraud cases are reported to Ministry under examination for them to take action
- ▶ Police and DPP gets copies of reports so they can decide on the legal action
- ▶ FIU is consulted to substantiate audit findings concerning banking information etc.
- ▶ Sol Gen is contacted for legal advice with respect to audit activities

Institutional coordination mechanisms and regime of competencies (cont'd)

- ▶ No mechanism in place to resolve eventual conflicts of competencies
- ▶ Auditor General's authority is superior to that of private auditors with respect to government accounts
- ▶ No coordination mechanism/legislation to harmonize functions of Aud. Gen's Office with oversight bodies/public authorities
- ▶ Whenever the need arises Aud. Gen requests assistance of Solicitor General, Contractor General, Financial Intelligence Unit (F.I.U)

Adoption of decisions

▶ **Internal**

- ▶ Auditor General can make and adopt internal decisions to ensure the office carry out its mandate in an efficient and effective manner. (adoption of international audit standards)

External

- ▶ After report is completed there is an exit discussion with management for them to agree with findings and recommendations

Adoption of decisions cont'd

- ▶ It is up to the Ministries/departments to make a decision to adopt the recommendations
- ▶ Auditor General cannot enforce the adoption of decisions by government ministries/departments
- ▶ No penalties in place for not implementing recommendations

Legal and administrative human resources regime

- ▶ Human resources are identified depending on the nature of operations.
- ▶ Entities to audit expanding in numbers (more village councils etc.)
- ▶ Auditor General desires to audit more Ministries within the fiscal period
- ▶ Current need for additional technical staff and a legal person
- ▶ Legal officer should provide timely legal advice

Legal and administrative human resources regime cont'd

- ▶ Approval to fill post is then received from Ministry of Public Service and Ministry of Finance
- ▶ In some instances the posts are advertised
- ▶ In other cases Ministry of Public Services choose the persons to fill vacancies

Internal rules/norms for the fulfillment of Auditor General's responsibilities.

Audit Manuals

- ▶ The current audit manual and guides were last updated in 1985
- ▶ Manual focuses mainly on Compliance Auditing
- ▶ We are currently updating manual with the aid of the International Organization for Supreme Audit Institution.
- ▶ 3 officers taking training in International Standards of Supreme Audit Institution (ISSAI)

Internal rules/norms for the fulfillment of Auditor General's responsibilities (cont'd).

- ▶ Updated manual will include procedures for Compliance Audit, Financial Audit and Performance Audit
- ▶ Investigation team will prepare a manual on fraud investigations

Internal rules/norms for the fulfillment of Auditor General's responsibilities (cont'd).

▶ **Training**

- ▶ Through the Office's international affiliation training is adequate as it meets our internal needs.
- ▶ Over the last 5 years senior and junior officers completed in training in the following areas
 - Financial Audits
 - Performance Audits
 - Environmental Audits
 - Fraud Examinations
 - Information Technology Audits

INTERNATIONAL AFFILIATES

- ▶ INTOSAI – International Organization For Supreme Audit Institutions
- ▶ NAO–National Audit Office
- ▶ CAROSAI – Caribbean Organization For Supreme Audit Institutions
- ▶ CFR–SICA – Comite Fiscalizadora Regional Del Sistema De Integracion Centroamericana
- ▶ OLACEFS – Organizacion Latinoamericana Y Del Caribe De Entidades Fiscalizadoras Superiores
- ▶ OCCEFS – La Organizacion Centroamericana y del Caribe de Entidades Fiscalizadoras Superiores.
- ▶ **CCAF – Canadian Comprehensive Auditing Foundation**
- ▶ **GAO – General Accounting Office**



Institutional strengthening and implementation of technological tools

- ▶ Data extraction software such as IDEA, Microsoft Excel and Access are now used in all audit examinations
- ▶ Software reduce the time it takes to conduct examinations
- ▶ Information is shared with international affiliates through teleconferencing
- ▶ Peer review to be performed by Supreme Audit Institution (SAI) of Peru

Accountability Mechanisms

- ▶ The public is informed on the objectives and functions of the audit office through
 - News letters
 - Presentations held at educational institutions
 - Infomercial (to be launched)
 - Radio discussions
 - Annual Public Service day presentation
 - News Papers
 - Presentations at Chamber of Commerce
 - Strategic Plan (on Website)

Accountability Mechanisms (cont'd)

- ▶ Strategic Plan covers period 2012-2017
- ▶ Assistance of the Canadian Comprehensive Auditing foundation (CCAF) who conducted a SWOT and RISK Workshop
- ▶ Entire staff attended workshop

Accountability mechanisms (cont'd)

► Four strategic goals

- Advocacy - To raise the profile of the SAIB
- Assurance Services – To increase the strength and span of assurance services
- Professional Competency – To continuously improve staff competencies and capabilities
- Organizational Capacity of SAIB – to strengthen operational efficiency and transform the organization's image

Accountability mechanisms (cont'd)

- ▶ Annual Audit reports, on the stewardship of government resources by the ministries/departments, are sent to the Minister of Finance
- ▶ Section 120 (4) of the Belize Constitution
 - “The Auditor-General shall submit every report made by him in pursuance of subsection (2) of this section to the Minister responsible for finance who shall, not later than seven days after the House of Representatives first meets after he has received the report, lay it before the House. The Auditor General shall forthwith notify the Clerk, National Assembly, of the date on which he submitted the report to the Minister.”

Accountability mechanisms (cont'd)

▶ Section 120 (5)

- If the Minister fails to lay a report before the House in accordance with the provisions of subsection (4) of this section, the Clerk, National Assembly, shall forthwith inform the Auditor-General who shall promptly transmit copies of that report directly to the Clerk, and the Clerk shall, as soon as practicable, lay the report on the table of the House of Representatives and the Senate.

After a report is tabled in National Assembly it becomes a public document

Internal Controls

▶ Complaints

- ▶ Persons can submit complaints/allegations to
 - Audit Website
 - Auditor General through phone calls/walk ins/letters

Auditor General then evaluates situation and decides whether to investigate

Internal Controls cont'd

Code of Ethics

Public Service Regulations (PSR) of 2001 provide guidelines concerning the conduct of Audit Staff and other public officers

In addition, we have formally adopted the INTOSAI code of ethics which provide further guidance for staff members

Internal Controls cont'd

- ▶ **Chapter 1:** Trust, Confidence and Credibility
- ▶ **Chapter 2:** Integrity
- ▶ **Chapter 3:** Independence, Objectivity, and Impartiality
 - ▶ Political Integrity
 - ▶ Conflict of Interest
- ▶ **Chapter 4:** Professional Secrecy
- ▶ **Chapter 5:** Competence, Professional Development

Budgetary resources

- ▶ Budget is prepared based on annual work programme
- ▶ It is then submitted to the Min of Finance for approval
- ▶ Since 2005 the Auditor General's budget is given first priority call on the Consolidated Revenue Fund. (Section 118(6) of the Constitution)
- ▶ Audit Office's Budget 2014-15 : BZ \$2,010,819
- ▶ GOB's Budget 2014-15: BZ \$1,032,794,470
- ▶ 0.002% of GOB's Budget

Results in relation in the fulfilment of Auditor General's responsibilities

- ▶ Citizen participation
 - World Bank Consultant held workshop with Audit Office and Media houses
 - We developed an agenda to share awareness of the roles and functions of the Auditor General Office with public at large
 - Universities, Media, Chamber of Commerce, Public Service Day, Radio stations, Audit News letter, Infomercial

Results in relation in the fulfilment of Auditor General's responsibilities

- ▶ Results of Fraud cases
 - We have not encountered cases of corruption over the last 6 years
 - Audit Examinations begun and completed: 60
 - Fraud Investigations completed: 17
 - Investigations ongoing: 1
 - Investigations suspended: 0
 - Investigations shelved: 0

Difficulties related to the fulfilment of Auditor General's responsibilities

- ▶ Access to information-documents etc.
- ▶ Heads of departments reluctant to produce records
- ▶ Incomplete records
- ▶ No penalties in place to address these issues

Technical cooperation needs

- ▶ Attachments to other SAI (Exchange programme)
 - Officer sent to another audit office abroad for a period of 6 months

Certification in

- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Association of Certified Chartered Accountants (ACCA)

THANK YOU

Questions ?

