

SAI Innovations

Innovative SAls going F.A.R.





Welcome to join us to go F.A.R.

- All the audience is muted in order to facilitate the simultaneous interpretation, you may choose the language preferred on the bottom right
- Please use the chat function for questions
- In case of any technical challenges please use the VoiceBoxer support ("?",) function on the bottom left
- Please note that the session will be recorded



Agenda

09.00 – 09.10 Opening of the webinar

Outi Jurkkola, IDI

Welcome to Innovative SAIs going F.A.R. webinar

Archana Shirsat, Deputy Director General, IDI

09.10 – 10.00 Panel Discussion on Innovative SAIs going F.A.R.

09.10 – 09.20

Setting the scene for the panel and introduction of panel members

Tytti Yli-Viikari, Auditor General, National Audit Office of Finland

09.20 – 09.30

An innovative public sector delivering value

Piret Tõnurist, PhD, Project Manager, Lead on Systems Thinking and Anticipatory Innovation Governance, OECD's Observatory of Public Sector Innovation

09.30 – 09.40

How can SAIs leverage on technology for innovation?

Taka Ariga, Chief Data Scientist, Director, Innovation Lab, US Government Accountability Office

09.40 – 09.50

Innovating to include citizens – Citizens participatory Audits

Aida Maria Talavera, Director in the Project Management Office of the Office of the Chairperson in the Commission on Audit of the Philippines

09.50 – 10.00

Innovative SAIs going F.A.R.

Tytti Yli-Viikari, Auditor General of Finland

10.00 – 10.20 Open floor

Written questions and contributions from participants

10.20 – 10.30 Next Steps

Archana Shirsat

Innovative SAIs going F.A.R.





PIRET TÕNURIST

PROJECT MANAGER,
SYSTEMS THINKING AND
ANTICIPATORY INNOVATION
GOVERNANCE

@piret.tonurist

Overview

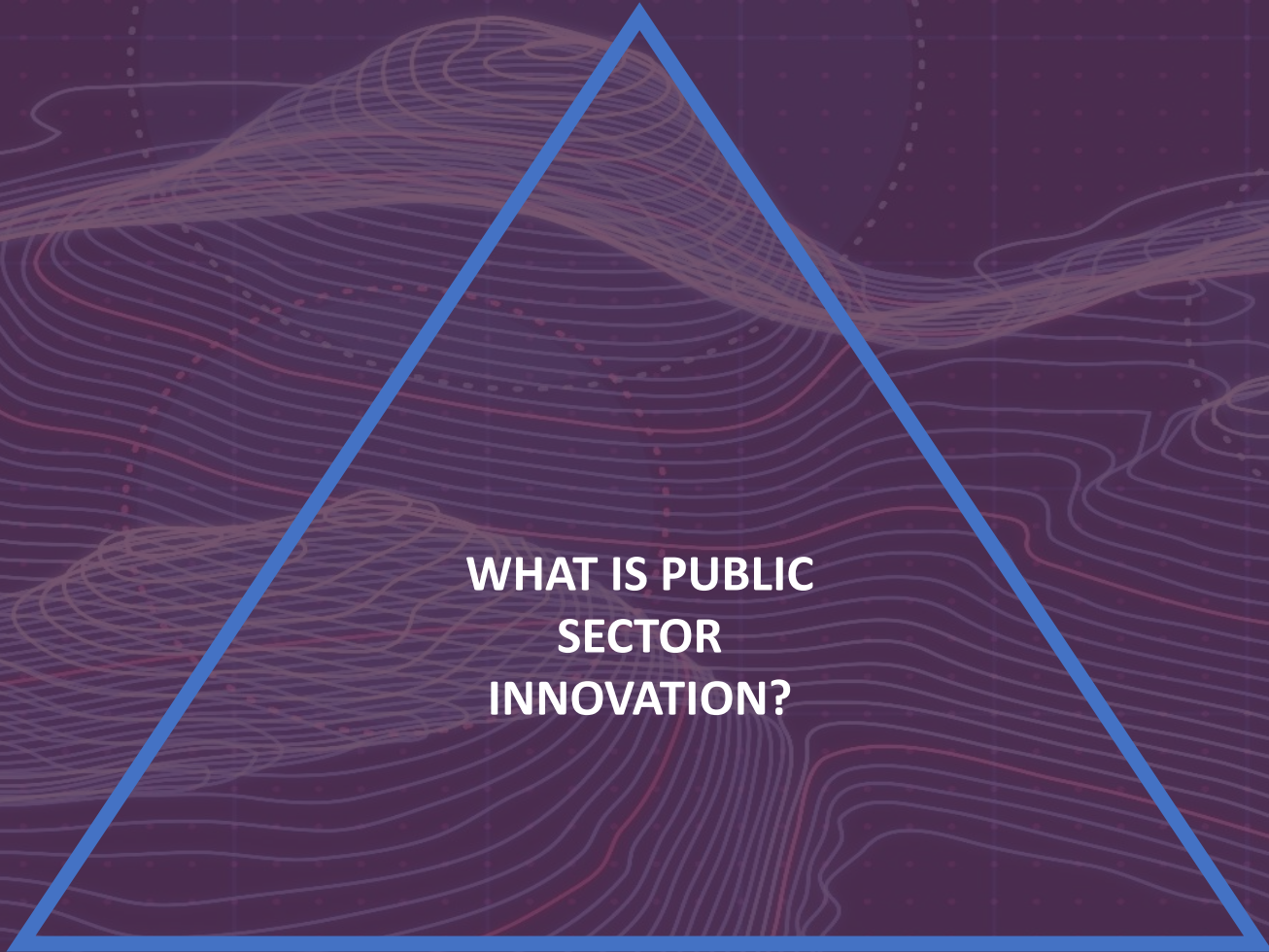
An innovative public sector delivering value

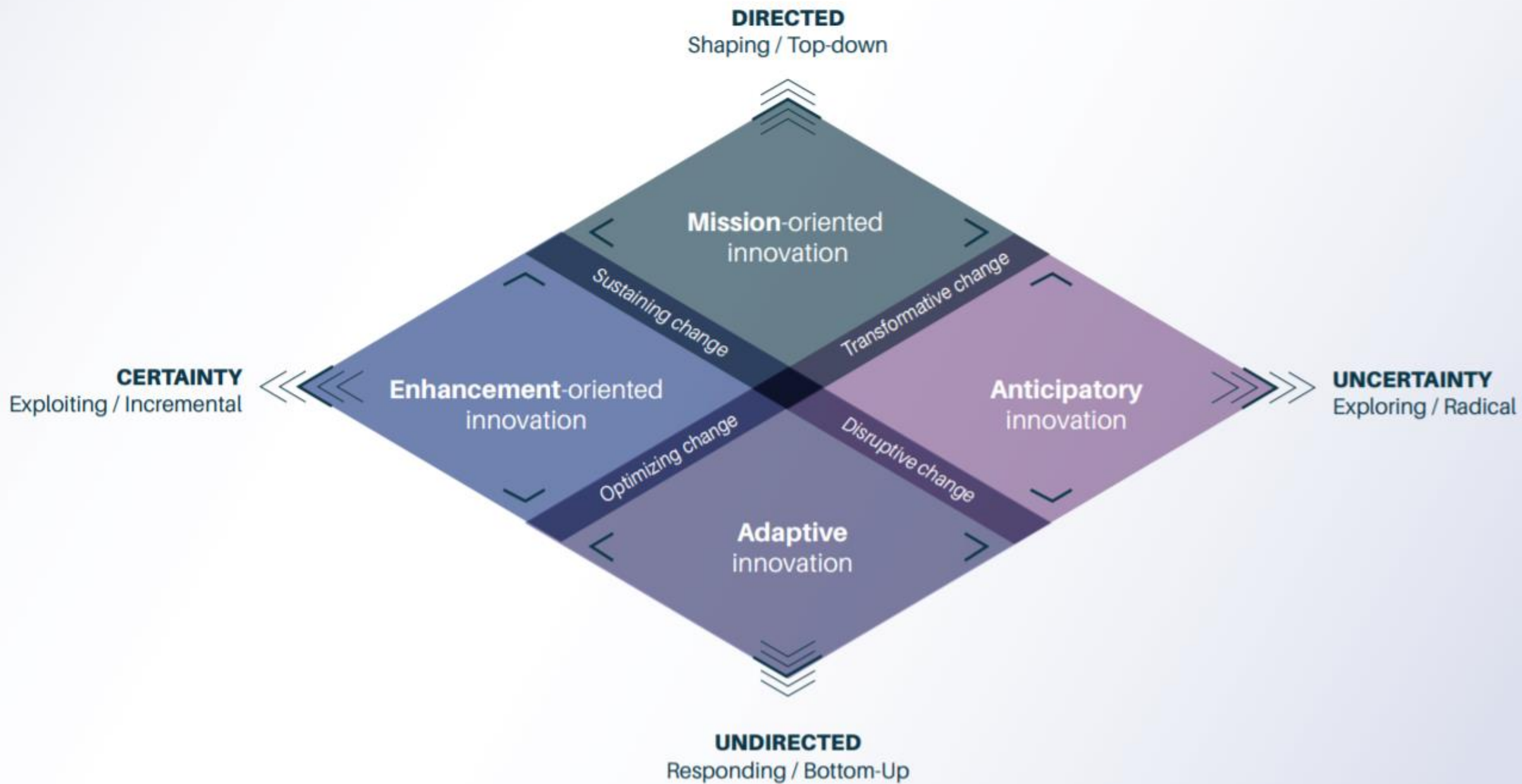
It is new to the context

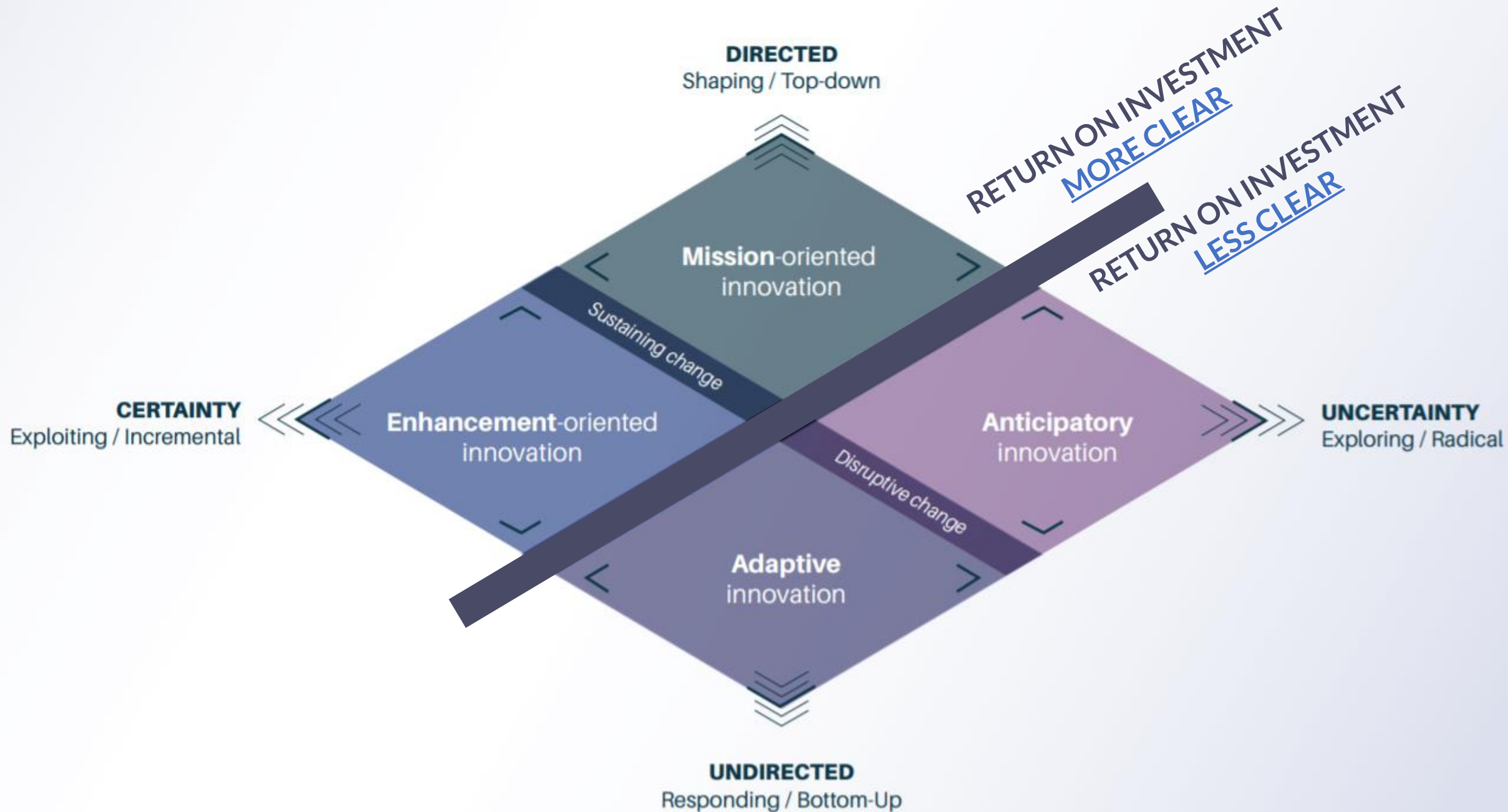
**WHAT IS PUBLIC
SECTOR
INNOVATION?**

**It is implemented in
the real world**

**It has impact on
public value**







The trick is to do something about it

Black swans

The term “black swan” refers to unanticipated, unpredictable events with large impacts (unknown unknowns), such as the September 11, 2001 terrorist attack on the United States.

Black jellyfish

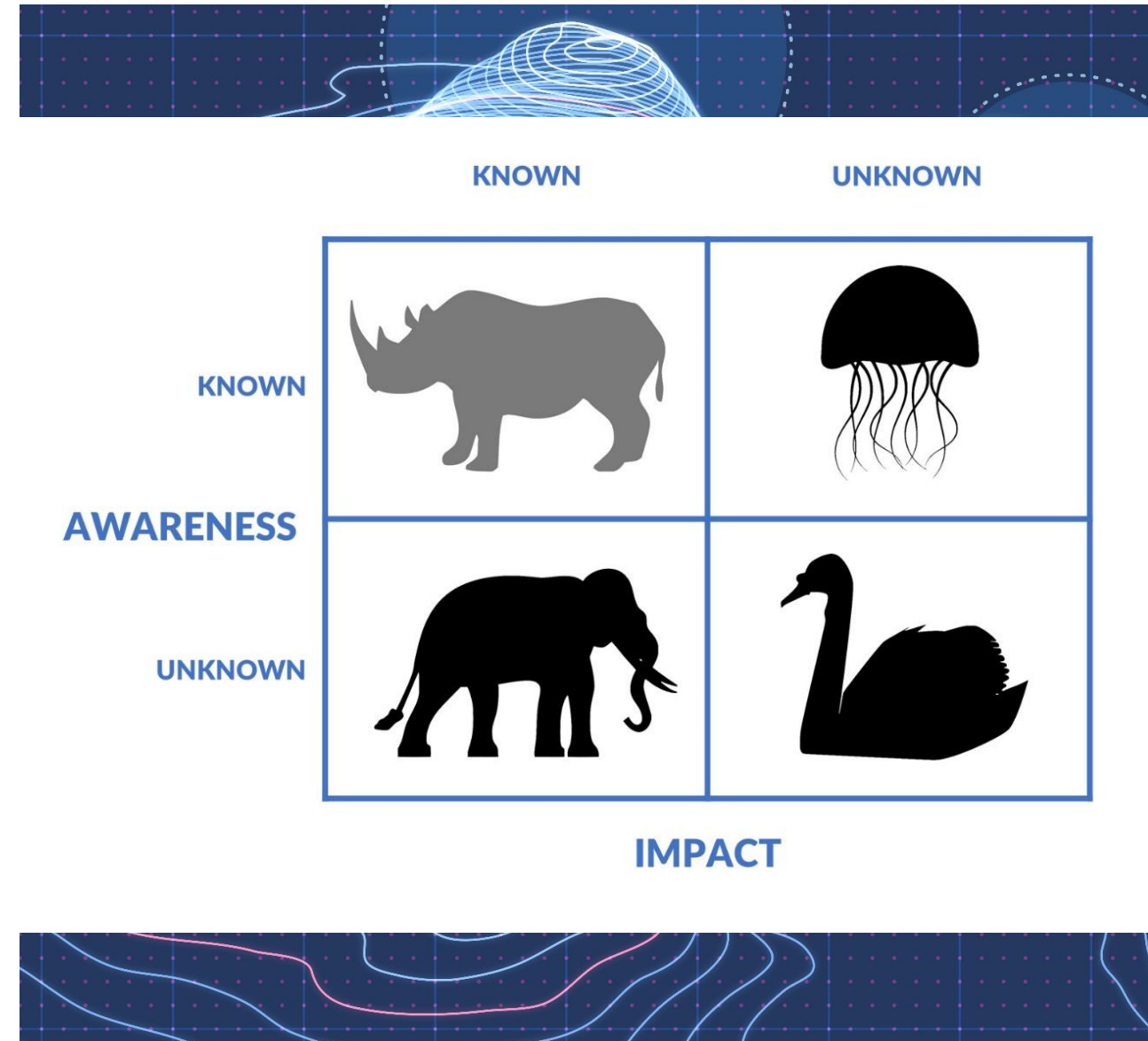
Unknown knowns exemplifying how small changes within complex systems can lead to large impacts, such as increased life expectancy or human migration. Usually meant to describe ‘normal’ phenomena that becomes abnormal or post-normal due to positive feedback that accelerates change.

Grey rhino

The term “grey rhino” refers to highly likely, high impact events (known knowns). The term for obvious events that people largely ignore, such as a global pandemic like covid-19

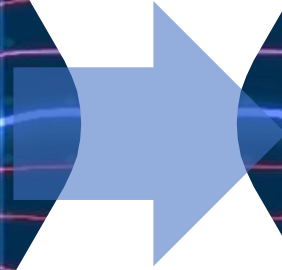
Black elephant

Having a “black elephant in the room” is a metaphor for events that either no one can see or they chooses to ignore (known unknowns). They can be widely predicted by experts, but once occurring they are likely to be framed as black swans.



REACTIVE GOVERNMENT

- *Position of 'wait and see'*
- *'End-of-pipe' solutions that often fail to anticipate or address long-term systemic implications*



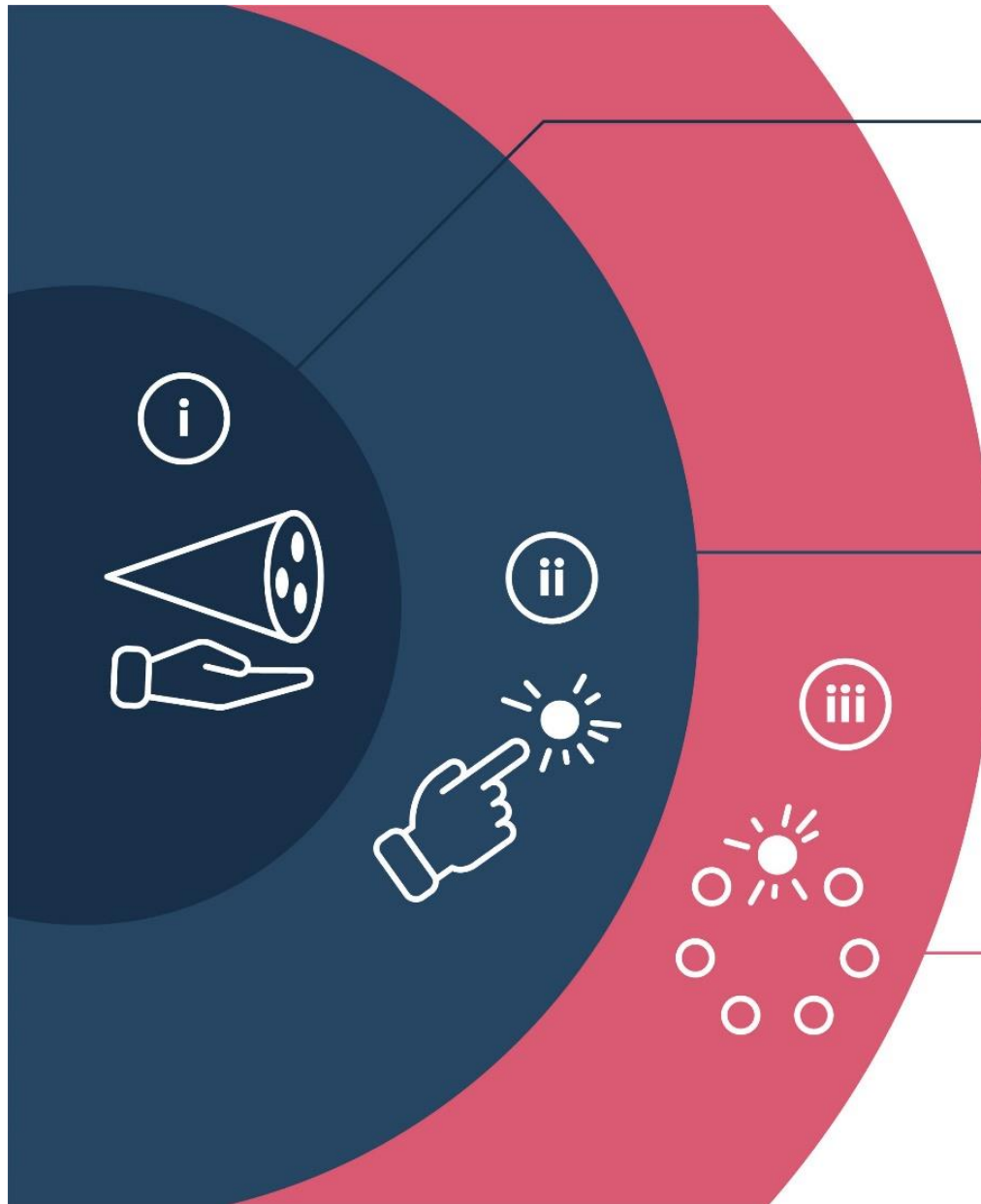
PROACTIVE GOVERNMENT

- *Government as an active shaper*
- *Anticipating various futures and actively exploring options in practise.*

Innovation ecosystem

In SAls and SAls role in the broader PSI
ecosystem

Example: anticipation



Anticipation

The creation of knowledge about the future, drawn from existing contextual factors, underlying values and worldviews, assumptions, and range of emerging developments

Anticipatory Innovation

Acting upon knowledge about the future by creating something new that has the potential to impact public values

Anticipatory Innovation Governance

The structures and mechanisms in place that allows and promotes anticipatory innovation to occur alongside other types of innovation



OPSI

Our role is to...



Analyze global trends in PSI and normalize new practices

Do research in innovation capacities, skills, ecosystems, evaluation etc. and advise public sector organization across the world.

Do demonstration projects with public sector innovation bodies from which other countries can learn from.

The background of the slide is a dark blue field with a fine grid of lighter blue lines. Overlaid on this grid are numerous thin, wavy lines in red and blue, resembling topographic contour lines or a complex data visualization. These lines form various loops and patterns across the entire frame.

Thank you!

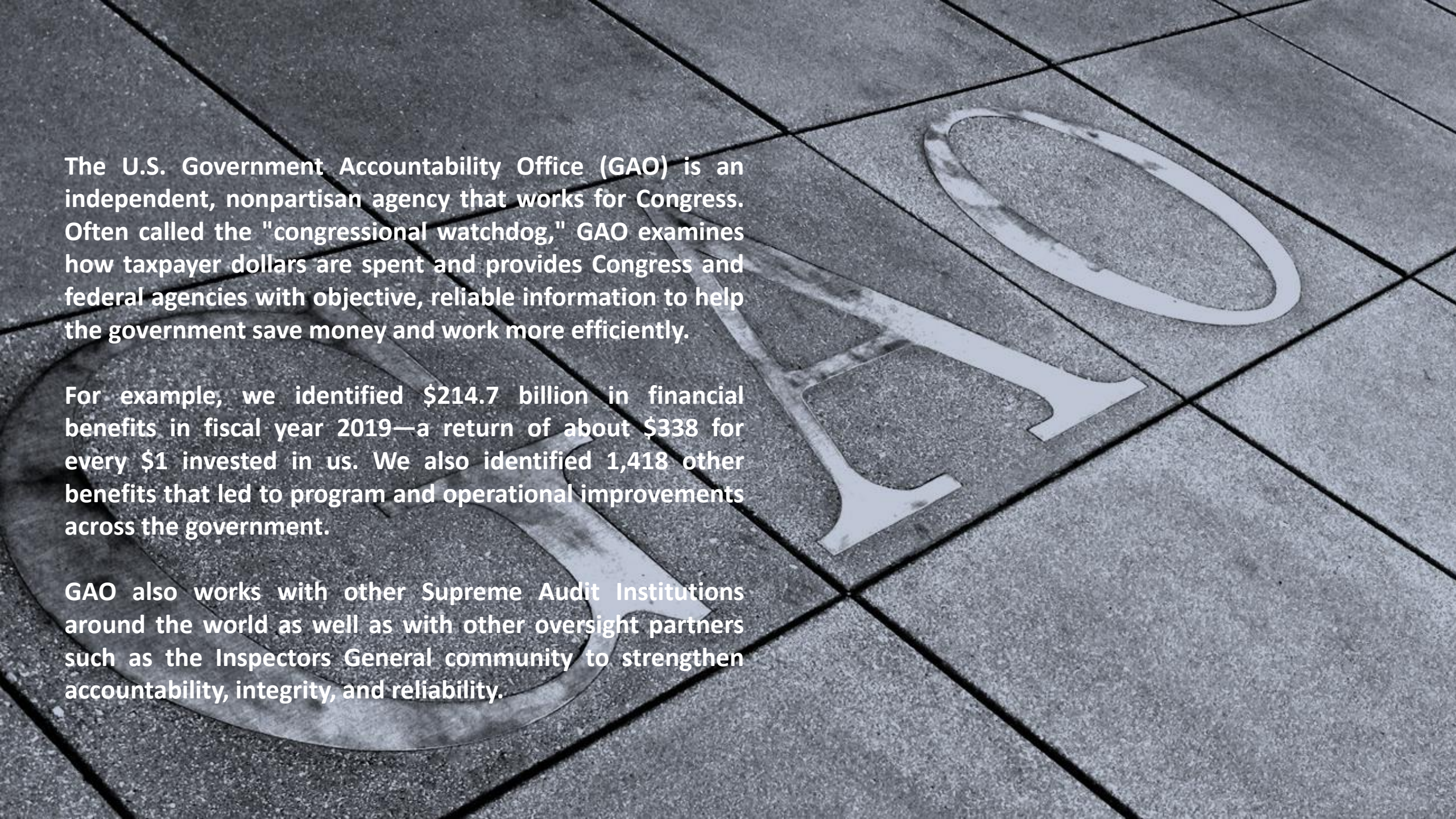


Sailing or Flailing? Driving audit Innovations in the Digital World

NOVEMBER 2020



Innovation Lab
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

A large, stylized number 10 is painted on a dark, tiled floor. The number is white with a slight shadow, giving it a three-dimensional appearance. The tiles are dark and rectangular, with visible grout lines. The number 10 is positioned diagonally across the frame, with the '1' on the left and the '0' on the right.

The U.S. Government Accountability Office (GAO) is an independent, nonpartisan agency that works for Congress. Often called the "congressional watchdog," GAO examines how taxpayer dollars are spent and provides Congress and federal agencies with objective, reliable information to help the government save money and work more efficiently.

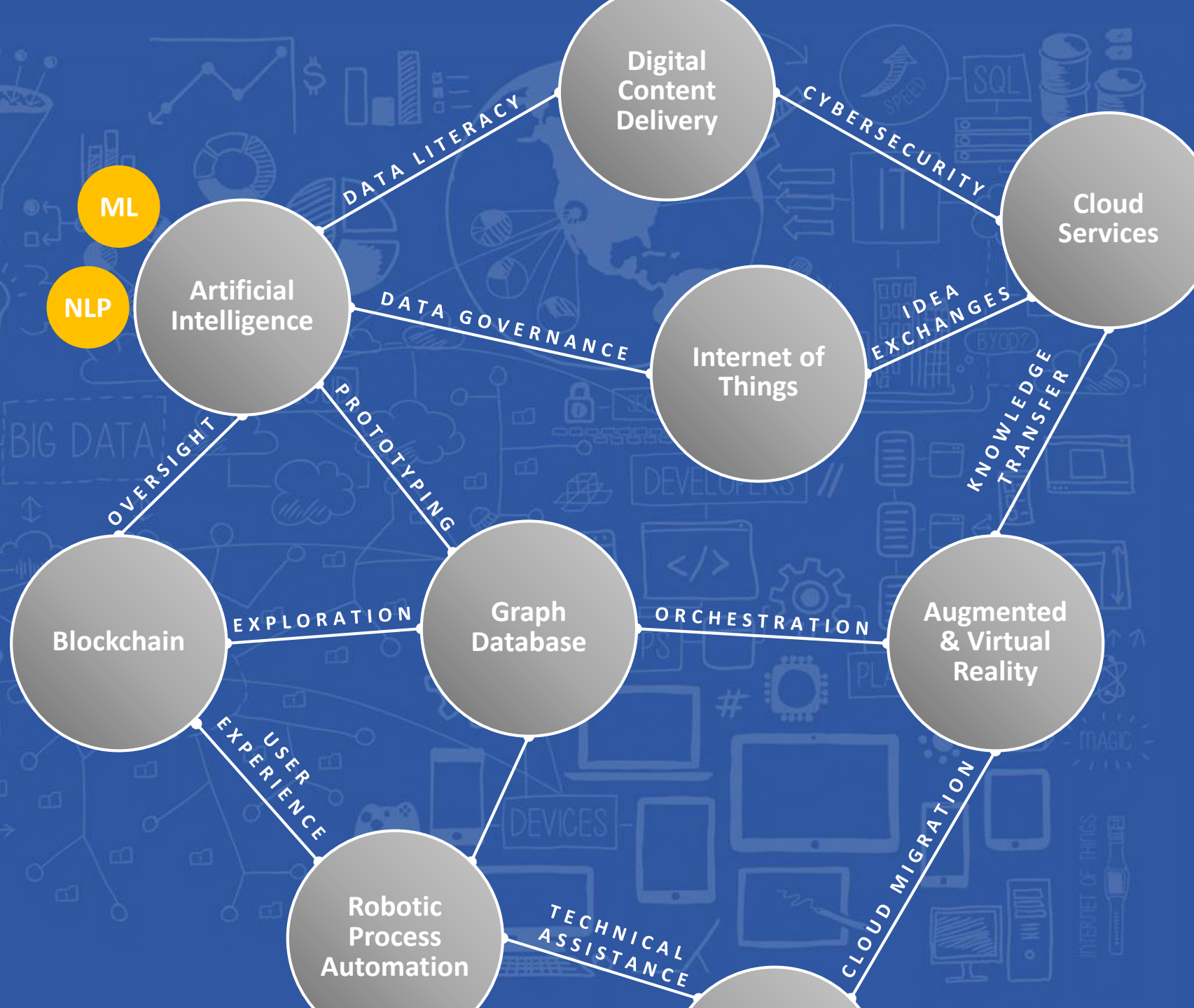
For example, we identified \$214.7 billion in financial benefits in fiscal year 2019—a return of about \$338 for every \$1 invested in us. We also identified 1,418 other benefits that led to program and operational improvements across the government.

GAO also works with other Supreme Audit Institutions around the world as well as with other oversight partners such as the Inspectors General community to strengthen accountability, integrity, and reliability.



How do we equip GAO with new capabilities to tackle emerging oversight challenges of the fourth industrial revolution?

The Innovation Lab applies leading-edge capabilities to ideate, incubate, iterate, and evaluate the art of possible. Our aim is to develop prototypes that help GAO mission teams operate with greater speed, scale, and depth.



Innovation **sounds** great
but doesn't happen
automagically

1

Hammers looking for nails approach
to innovation does not work

2

De-risk focus on art of possible
with the right incentives

3

Practice agility by iterating on
Minimally Viable Products

4

Solve basic data challenges and
democratize technology functions

5

Do not hoard knowledge

Guiding principles on enablement

CLOUD FIRST



- Leveraging commodity services to reduce cost of ownership
- Enabling access leading edge services
- Providing real-time cost transparency and usage metrics

MISSION FOCUS



- Enhancing user experience through self service
- Scaling capacity based on needs, not wants
- Focusing expertise on mission, not infrastructure
- Enabling re-use and collaboration

ACCOUNTABLE SLA



- Maintaining high availability
- Right-sizing computational resources
- Shifting to on-demand consumption
- Enabling rapid support response

ENHANCED COMPLIANCE

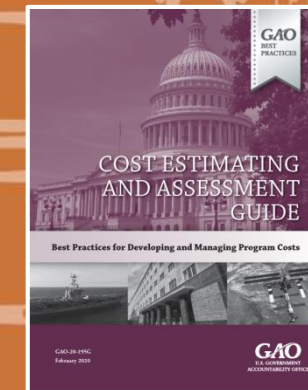
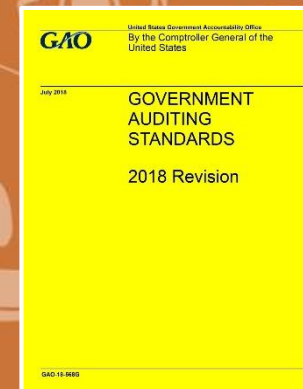


- Enforcing governance and security controls
- Optimizing access and data policies
- Scaling cybersecurity best practices

Digital content delivery

Enhance user experience of the Yellow Book beyond the current PDF format with modernized digital features using open-source capabilities.

- Fully adaptive to a variety of consumption models, including smartphones and tablets
- Integrated keyword, reference, and footnote highlights
- Elastic search to support concepts, synonyms, and misspellings
- Embedded Google Analytics to track user behaviors
- Automated 508 compliance



AI accountability

Convening a cross-sectoral panel of experts to develop an oversight framework of models and algorithm aligned with the Generally Accepted Government Audit Standards (GAGAS).

The forum under the Comptroller General's authority will evaluate assessment criteria and identify related technical artifacts necessary to provide assurance on AI systems.



Relationship-based analyses

GAO's audit of the US General Fund is a prototypical accounting review – scaled to \$14 trillion. How might we take a novel application of graph database technology to persistently and scalably manifest transactional analyses?

- Mapping relationships of posting logics to evaluate inconsistencies
- Pivot away from sample-based selections by ingesting all data points
- Enhance the ability to identify outliers, anomalies, and other audit-relevant issues with greater speed, depth, and scale



Blockchain (distributed ledger)

Beyond cryptocurrency applications, a distributed ledger's decentralized transparency and security features are starting to find use cases across federal agencies.

- What is the current state of technologies (e.g., open-source vs. proprietary platform vs. –as-a-service)?
- How might we think about future audits of blockchains?
- What are the inherent change management challenges?

Decentralized Ledger



Natural language processing

Soliciting public comments is an important element of rule making. However, dealing with the volume, cacophony, and variety of inputs solicited through sites like Regulation.gov is no small challenge.

- Leverage AWS's Comprehend service to perform topic modeling at scale
- Develop knowledge wheels to help user quickly navigate through relevant contents
- Design the architecture in ways that can extend use case to a variety of unstructured data

Innovation Lab
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Soliciting public comments is an important element of rule making. However, dealing with the volume, cacophony, and variety of inputs solicited through sites like Regulation.gov is no small challenge.

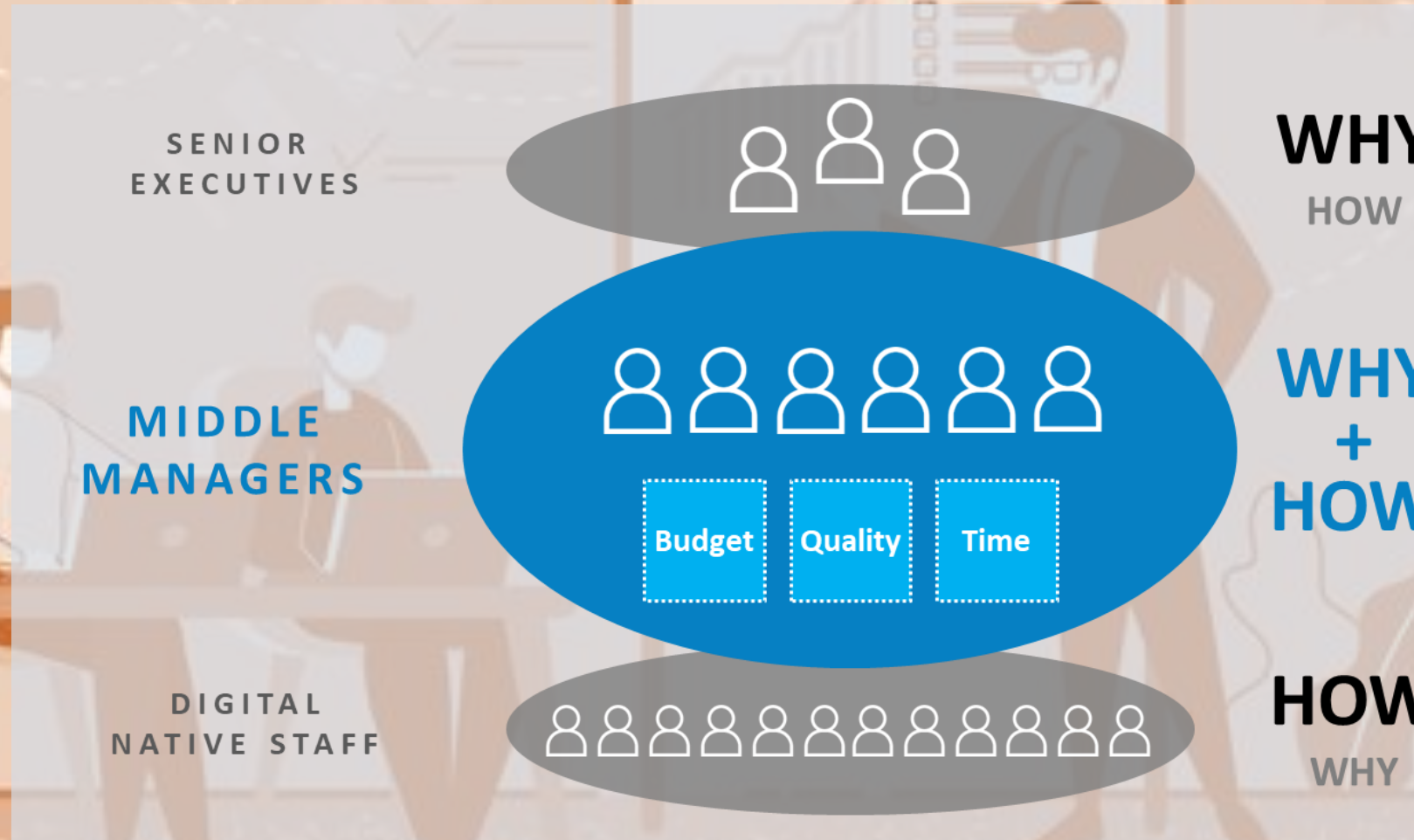
- Leverage AWS's Comprehend service to perform topic modeling at scale
- Develop knowledge wheels to help user quickly navigate through relevant contents
- Design the architecture in ways that can extend use case to a variety of unstructured data

- Soliciting public comments is an important element of rule making. However, dealing with the volume, cacophony, and variety of inputs solicited through sites like Regulation.gov is no small challenge.
- Leverage AWS's Comprehend service to perform topic modeling at scale
 - Develop knowledge wheels to help user quickly navigate through relevant contents
 - Design the architecture in ways that can extend use case to a variety of unstructured data



Transforming audit tradecraft through data literacy

- **Empower** you to ask what's analytically possible in meeting mission/operational objectives
- **Think differently** – shifting mental energy from manual work to distilling novel insights





Citizen Participatory Audit in the Philippines

Enhancing Government Transparency
and Accountability

November 24, 2020
SAI Innovation Webinar

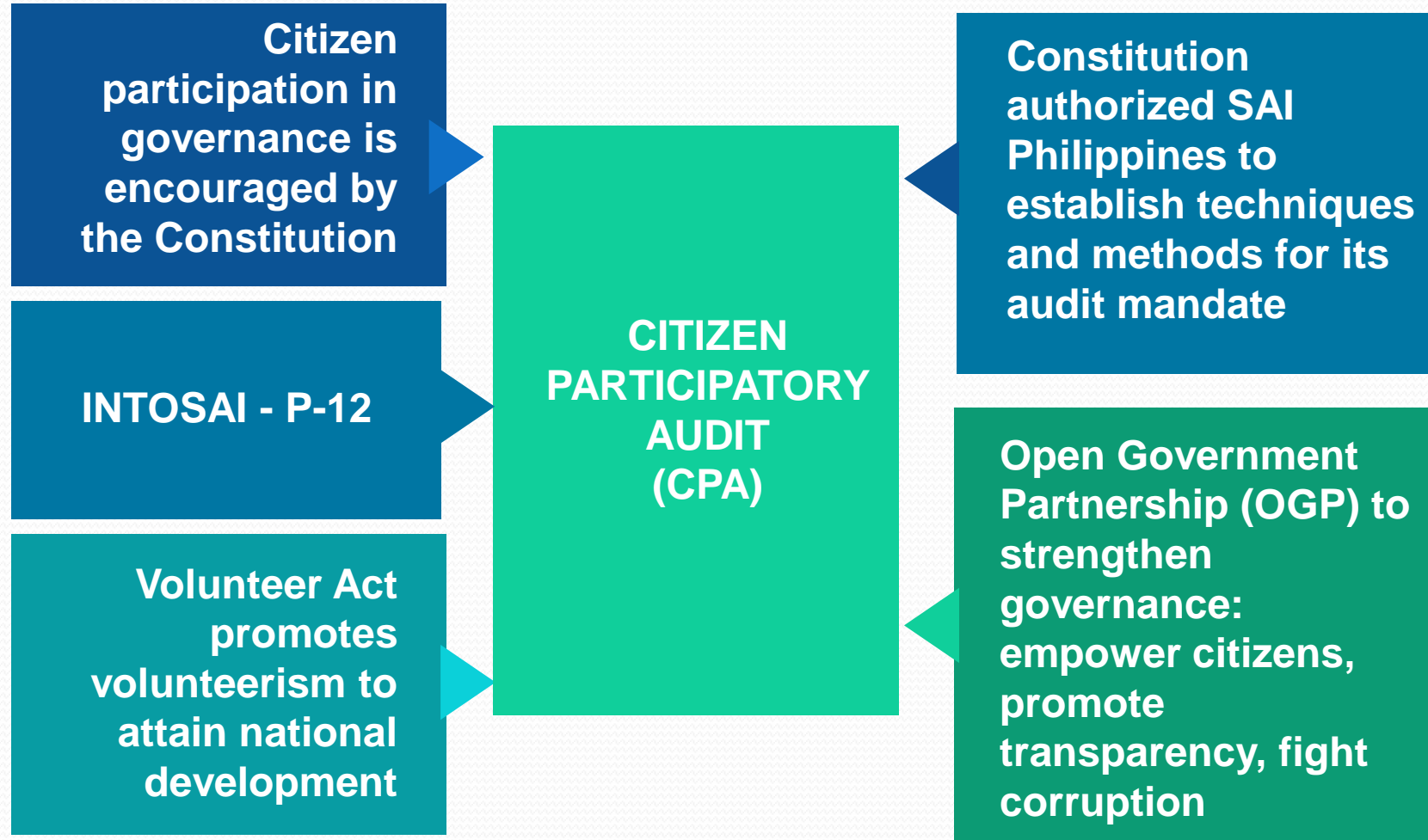


Main Points of the Presentation:

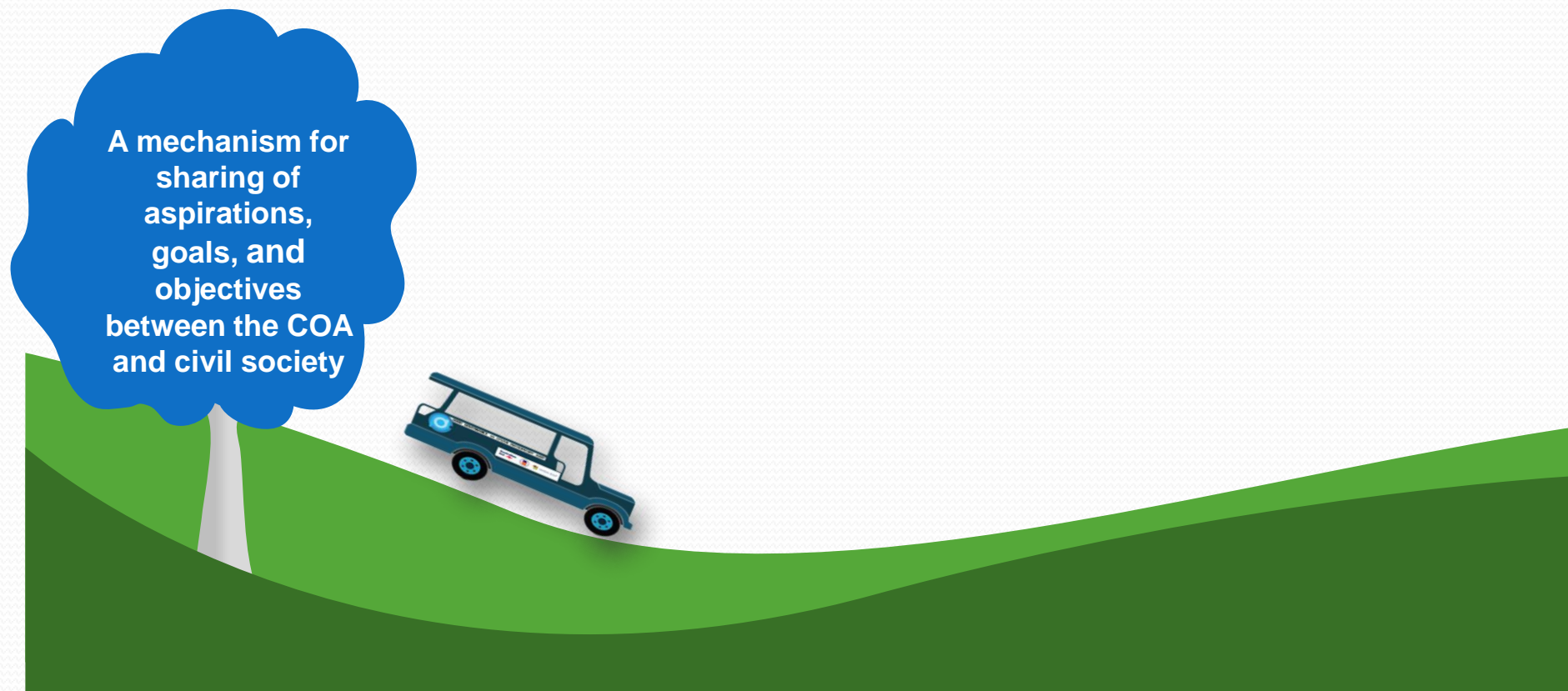
1. Why innovate?
2. What is the
Citizen Participatory Audit (CPA)?
3. What is the CPA Process?
4. What are the successes?
5. What were learned?



WHY INNOVATE?



What is the Citizen Participatory Audit (CPA)?



CPA Dialogues



What is the Citizen Participatory Audit (CPA)?



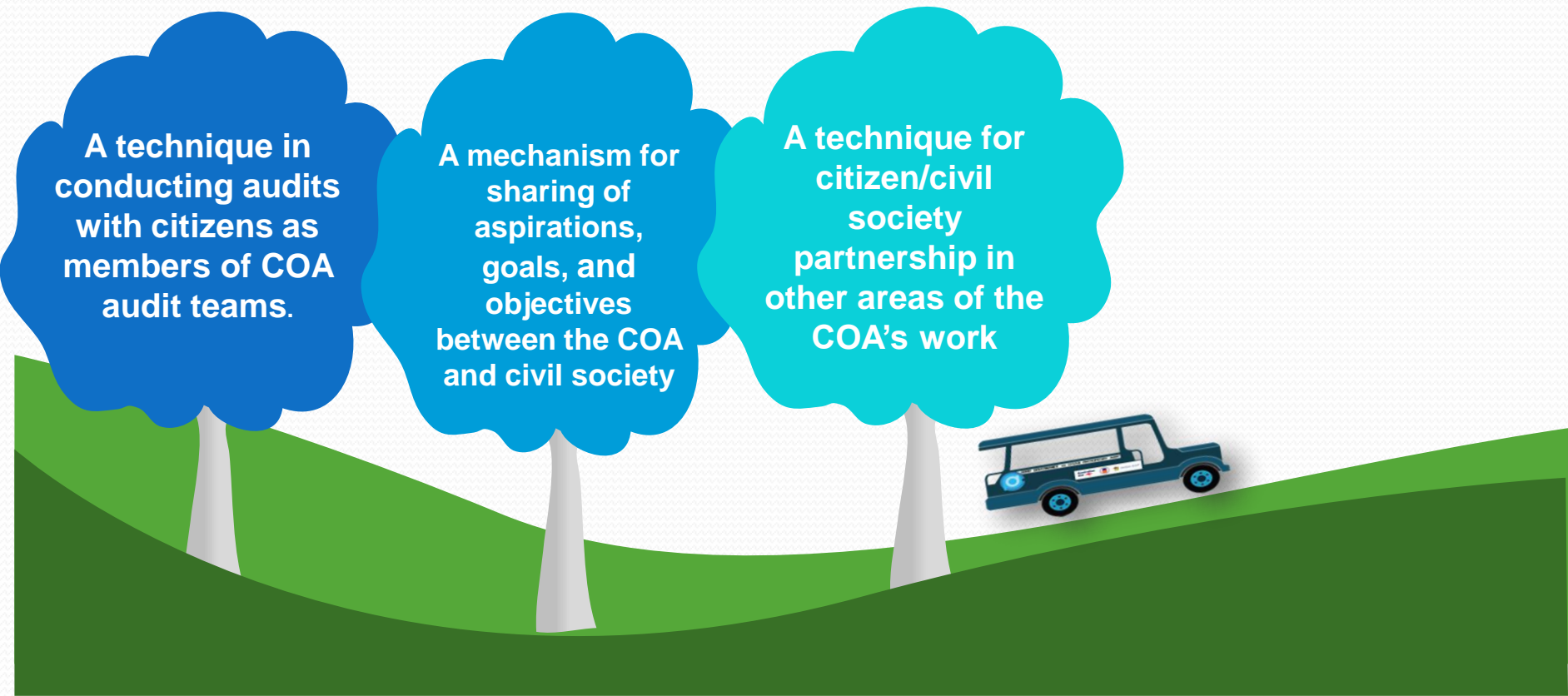
A mechanism for sharing of aspirations, goals, and objectives between the COA and civil society

A technique in conducting audits with citizens as members of COA audit teams.

KAMANAVA Flood Control Project



What is the Citizen Participatory Audit (CPA)?

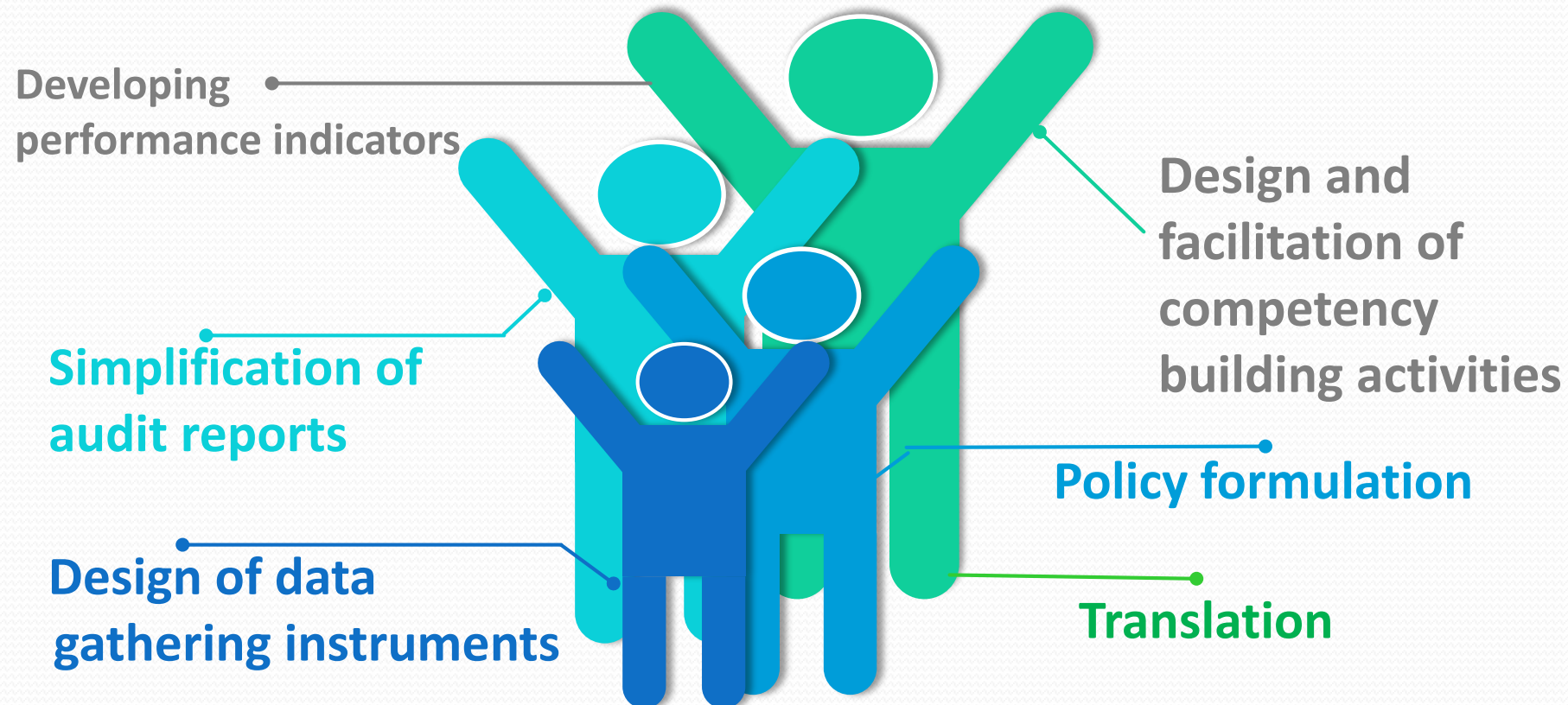


A technique in conducting audits with citizens as members of COA audit teams.

A mechanism for sharing of aspirations, goals, and objectives between the COA and civil society

A technique for citizen/civil society partnership in other areas of the COA's work

Other Areas for COA- Citizen Partnership



What is Citizen Participatory Audit (CPA)?

A technique in conducting audits with citizens as members of COA audit teams.

A mechanism for sharing of aspirations, goals, and objectives between the COA and civil society

A technique for citizen/civil society partnership in other areas of the COA's work

A strategy for reform to uphold the people's primordial right to a clean government and the prudent utilization of public resources, founded on the premise that public accountability can prosper only with a vigilant and involved citizenry,





**... after all, democracy
is not just FOR the people;
it is also BY the people.**

CPA Process



1

Audit Design

• The Audit Team meets to prepare the audit design/plan as basis for the preparation of materials for the Exploratory Meeting and Citizen Buy-in.



2

Exploratory Meeting and Citizen Buy-in

• Invited CSOs are briefed on what the CPA is, on the forthcoming audit engagement, and their participation -- to obtain their commitments to join the audit team or to assist in other ways such as designing survey questionnaires, facilitating FGDs, designing and acting as resource persons in capacity building activities.

CPA Process

3

Competency Building

Trainings are conducted for the audit teams and prospective citizen partners on the details of the audit topic, the audit scope, audit objectives, and audit activities.

4

MOA Signing and Citizen-Partner Nomination and Authorization

- COA and CSO or citizen-partner sign the Memorandum of Agreement.
- The CSO-partner nominates the CSO members to the CPA Team.
- COA official with delegated authority from the COA Chairperson, authorizes the participation of the nominated Citizen-partner as members of the CPA team. Authorized citizen-partners sign the *conforme* portion of the authorization document.

CPA Process

5

CPA Team Planning

- The Audit Team composed of the Supervising Auditor, Audit Team Leader, and Audit Team Members (COA organic personnel and authorized citizens) develop the Audit Program, identifying specific duties and responsibilities of each individual. The Directors perform oversight supervision over the audit team.

6

Audit Field Work

- The Audit Team implements the audit program to gather evidences to support audit findings, conclusions, and recommendations.

CPA Process

7

Data Analysis

Audit team analyzes data gathered in relation to the audit objectives and develops audit findings, conclusions, and recommendations.

8

Audit Reporting

The Audit team presents the results of the audit in a written report with comments from the auditee obtained during an audit exit conference. The audit report is transmitted to the auditee and published in the COA's and the CPA Websites.

CPA Process



Monitoring of Implementation of Audit Recommendations

As part of his/her regular audit functions the COA auditor monitors the status of implementation of audit recommendations. The Citizen-partners may be asked to join the CPA team again to validate such implementation.

WHAT ARE THE SUCCESSES?



SAI Philippines institutionalized the CPA

- Policy Institutionalizing and Mainstreaming CPA in place
- CPA Budget in the SAI's national budget
- CPA Management Unit (Project Management Office) in place
- Included in Strategic Plan
- Included in Strategic Audit Planning Framework



Photo by ABS-CBN News.

Open Government Partnership (OGP)

*Bright Spots Prize
2013*

(Awarded in London)






2017 Special Mention Award from the Jury
Global Initiative for Fiscal Transparency (GIFT)

LESSONS LEARNED

- ☐ Don't bite more than you can chew
- ☐ Ensure sustainability
- ☐ Don't expect things to happen "overnight"
- ☐ Creativity is important



THANK YOU!



<https://theculturetrip.com/asia/philippines/articles/how-the-jeepney-became-a-filipino-national-symbol/>

“Sakay na”
(*Hop on*)

25th November 2020 Session

The experience of an innovation Lab in SAI Brazil and the 10 steps for innovating

Carla Ribeiro da Motta, Designer, Federal Auditor, Innovation Lab -
coLAB-i, Brazilian Court of Account

Innovative SAls going F.A.R.

**The experience of an Innovation
Lab in SAI Brazil (coLAB-i) and the
10 steps for innovating**



Carla Motta
Nov/2020

Challenges...



Another challenge...



Prospection

"VUCA" World

Vulnerability

Uncertainty

Complexity

Ambiguity

Does Government also need to innovate?



What about a SAI?



Did we adopt an approach to foster innovation?



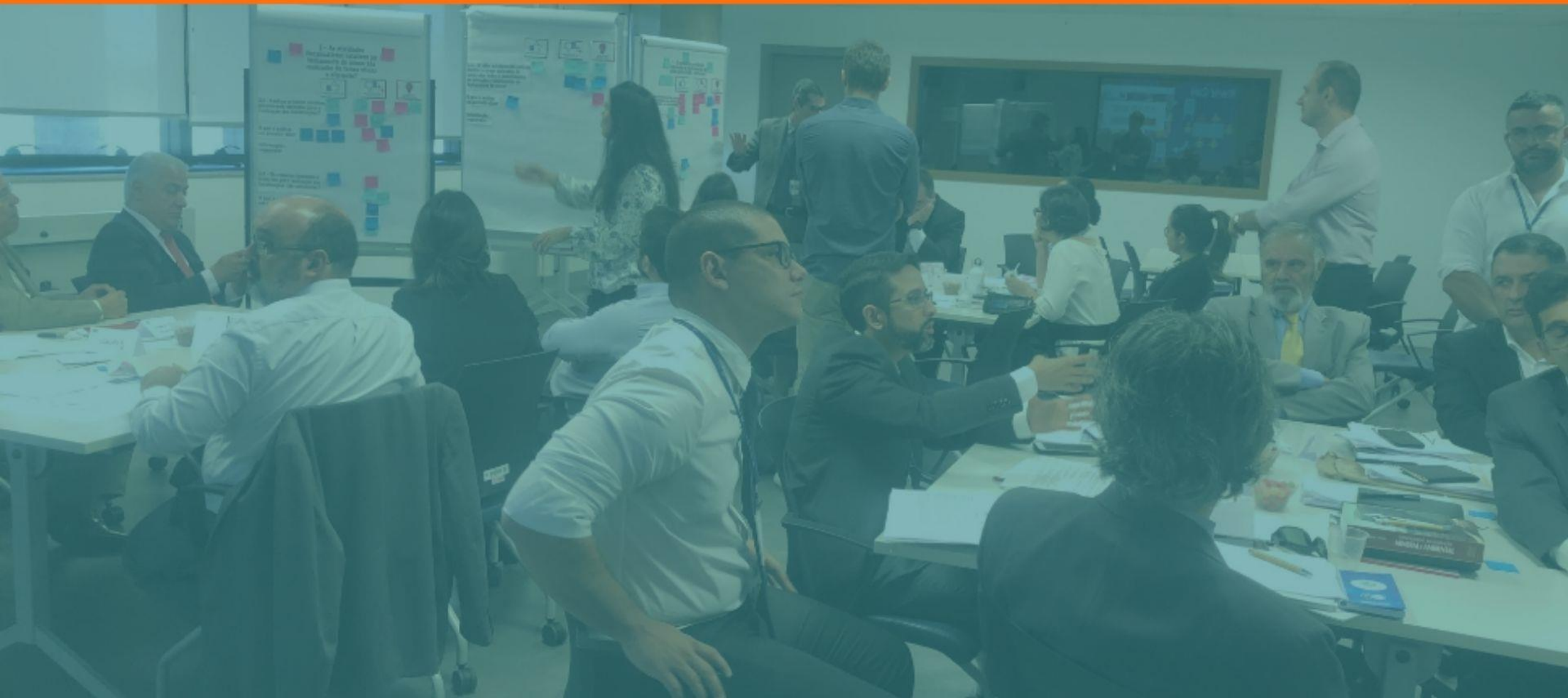
**Did we adopt a
strategy?**



Did we succeed in applying the approach and the strategy?



How?



Where?



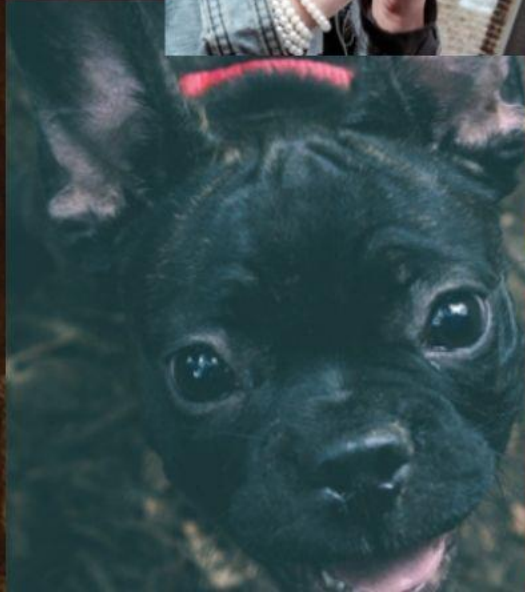
What were the Lab main results?



A hand holds a lit sparkler in the center of the frame. The sparkler is emitting bright orange and yellow sparks that radiate outwards. The background consists of tall, dark green grass blades, some of which are out of focus, creating a bokeh effect with soft, glowing circles of light. The overall scene is set at night, with a dark sky visible in the upper right corner. The text "What is needed to innovate?" is overlaid in a bold, orange font across the middle of the image.

What is needed to innovate?

10 Steps



An advice?



Call to action!!!



**If you want to know the answers for
these and other questions...**

If you want to know the answers for these and other questions...

Stay tuned for the Webinar about the experience of an Innovation Lab in SAI Brazil and the 10 steps for innovating in 20 Jan, 2021!

See you there!

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. **The credit belongs to the man who is actually in the arena...**"

Theodore Roosevelt

Thanks!!!

CARLA MOTTA

Innovation Lab
Federal Court of Accounts - Brazil

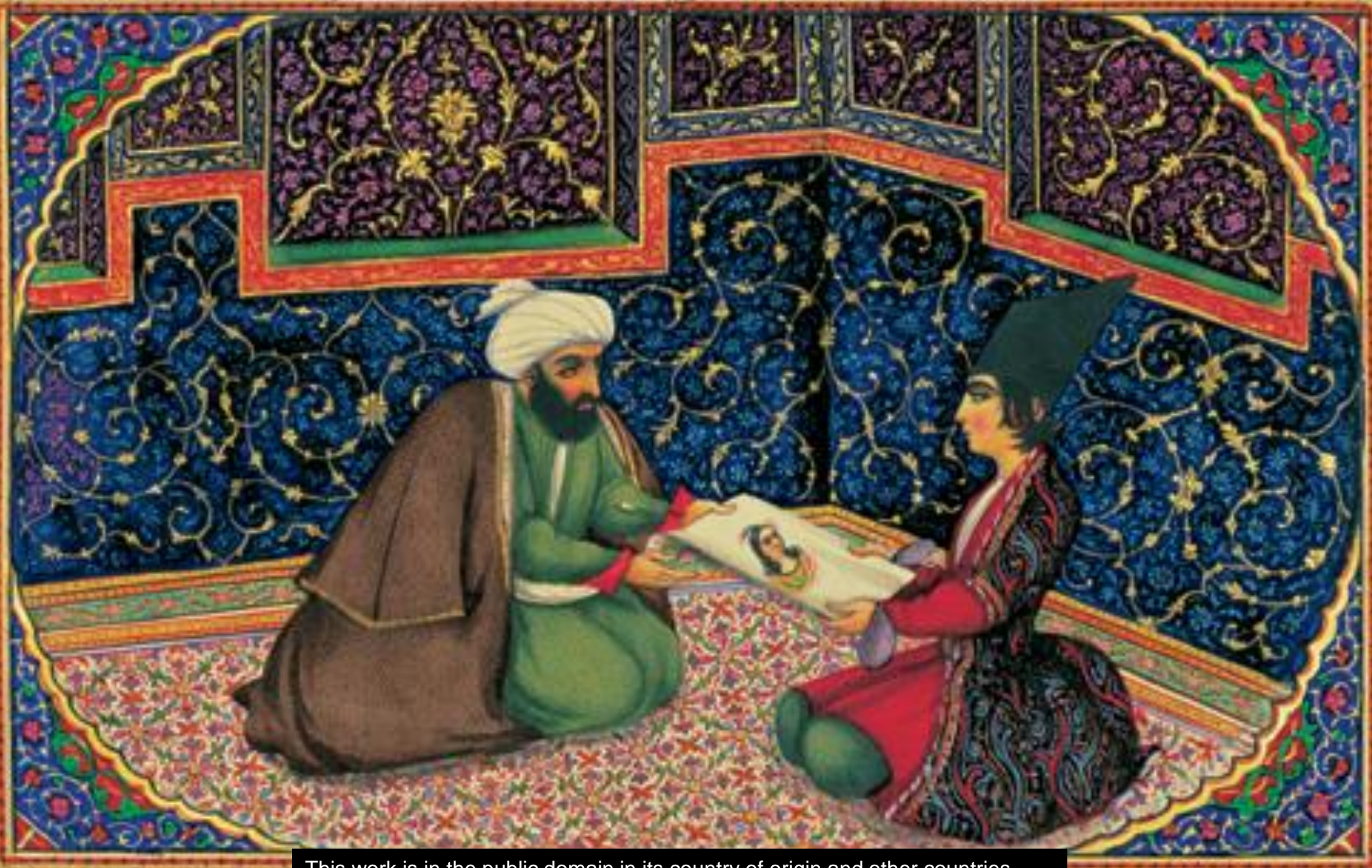


Innovative Supreme Audit Institutions

INTOSAI IDI Innovative SAIs Going F.A.R.

Ms Tytti Yli-Viikari
Auditor General
National Audit Office of Finland





Oversight, Insight and Foresight

- Independence and autonomy of external auditors reinforces credibility and in terms of auditing public finances, provides assurance to the public that the state funds are used in accordance with the law and in a reasonable manner.
- Supreme Audit Institutions are important actors in a country's accountability chain providing oversight of public expenditure in terms of accuracy and compliance.
- New channels of impact
 - from assurance to contributing to more informed policy-making at every stage of policy cycle
 - effectiveness, efficiency and economy of policies and programmes
 - in addition to oversight, **insight** into the trends, overlaps and gaps and **foresight** to assess preparedness

Emerging Issues in Public External Audit

- How to innovate in a rapidly changing operating environment
- New audit tools, new stakeholder expectations
- Professionalization of the public auditor (INTOSAI CBC)
- EUROSAI has identified emerging issues relative to SAIs:
 - The UN's 2030 Agenda for Sustainable Development (incl. climate change and natural disasters)
 - Digitalization and data analytics (incl. cyber security and the audit of AI, machine learning and other new technology like cryptocurrencies)
 - Competence development and strategic management (incl. the role of leadership in change management)
 - Societal changes and transitions such as the ageing of the population
 - Changes in public administration and in the civil society

A turbulent operating environment and rapidly changing strategic context challenge SAI's structures and operating models

VUCA: Volatility, Uncertainty, Complexity, Ambiguity

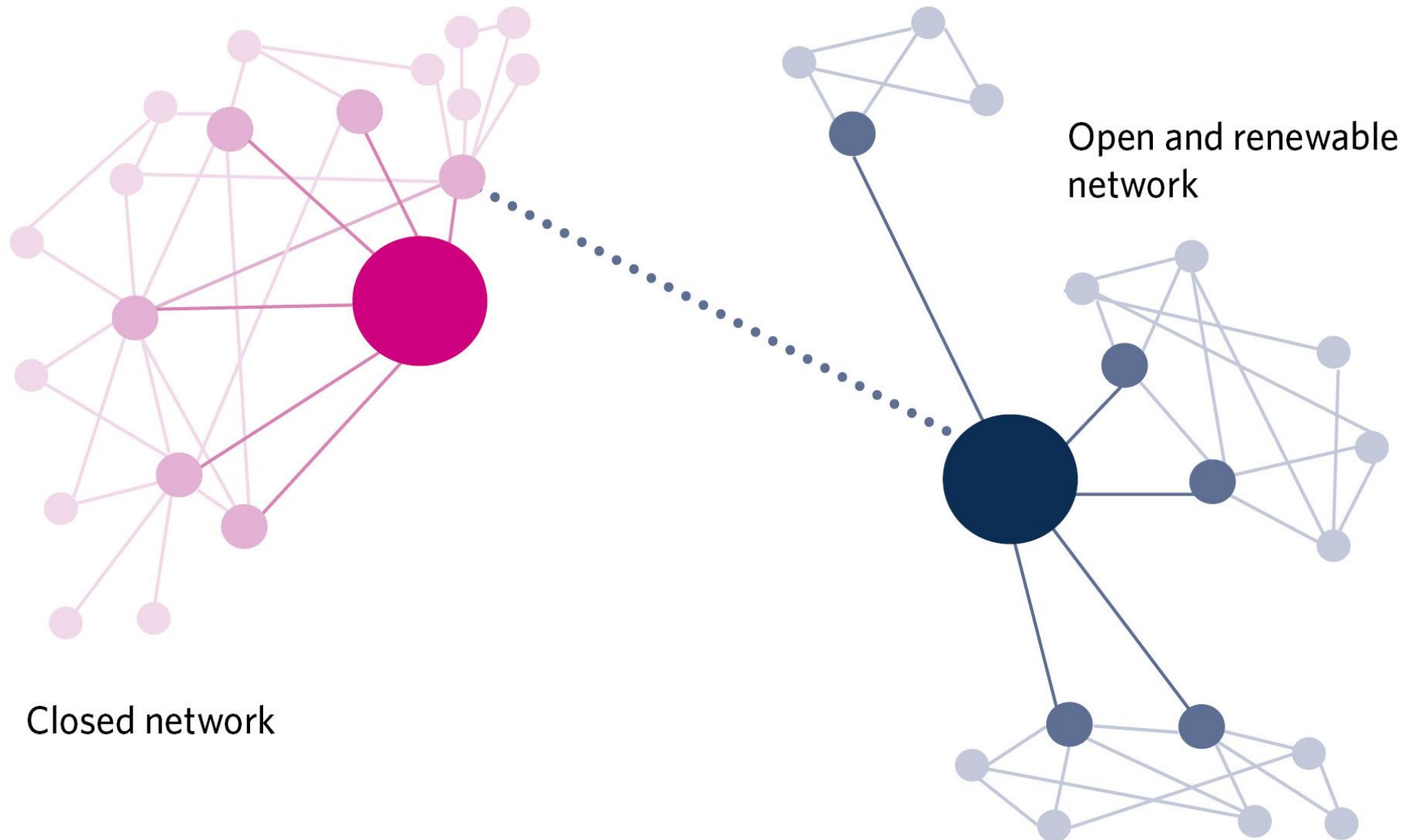
TUNA: Turbulent, Uncertain, Novel, Ambiguous

Strategic foresight is to be integrated to expert work and policy making. Open and flexible networks can broaden the perspective and scope of public policy making.

Ks. Klaus Schwab, *The Fourth Industrial Revolution, What it Means and How to Respond?*, Foreign Affairs 12.12.2015

J. Peter Scoblic, *Learning from the Future*, Harvard Business Review 07/2020

Open Networks Enable Innovation



Source: inspired by Professor Charles Galunic, INSEAD, 2020

Thank



You!

Floor is open for written questions / comments



Next steps to go F.A.R.

Marketplace events

- Two in December this year
 - December 9th – International Budget Partnership
Innovating SAI-CSO engagement to go F.A.R.
 - TBC – SAI Costa Rica
Rethinking the way we audit: experience in agile auditing

Next year more of the marketplace events to follow

- January 20 – SAI Brazil
SAI Brazil's experiences and 10 steps for innovations

Thank you so much for your participation!