

**INTOSAI PUBLIC DEBT COMMITTEE MEETING  
JUNE 23-24, MÉXICO CITY**

**CHAIRMAN REPORT**

**Welcome Message**

I extend to you the warmest welcome to our great country, thanking you for your attendance to this Public Debt Committee Meeting, which takes place in this fair city. I kindly salute the representations of Canada, Fiji Islands, Gabon, Jordan, Republic of Korea, Portugal, Russian Federation, Sweden, United Kingdom, United States of America and Zambia, as well as the representatives of the INTOSAI Development Initiative (IDI).

I'm proud to chair and coordinate the efforts, the experience and the best of the human resources of this fine group of countries, in order to improve and strengthen the INTOSAI and this Public Debt Committee. I thank you for your support and I reiterate my commitment to giving my best to move forward the labors of this Committee.

First, I'd like to point out the fact that next October I will be attending the INTOSAI Board meeting, at Budapest, Hungary. As you know, this year we celebrate the 50th anniversary of the first INTOSAI Congress, which took place in November 1953, in Havana, Cuba. The commemorative ceremony will be held during the Board meeting, with the participation of three speakers: Dr. Franz Fiedler, Secretary General of the INTOSAI, Mr. Attila Chikán, Rector of the Budapest University of Economics, and myself, whom has been requested to underline the benefits of the INTOSAI for the Supreme Audit Institutions. This invitation represents a great privilege for all

the members of the Committee, as an acknowledgement of the importance of our activities, efforts and achievements within the INTOSAI.

## **Agreements**

In the last meeting of this Committee, which took place in June 2002 in Stockholm, Sweden, it was decided that training activities would be a priority within our work schedule for the next years. As the first step to achieve this objective, the following tasks were defined:

- To integrate a working group (Mexico, Canada and the United States of America) coordinated with the IDI to define the contents of the survey and the public debt management audit training pilot program for 2003.
- To propose the elaboration of a training pilot program for the members of OLACEFS in 2003, during the OLACEFS' XII General Assembly — September 24-28, 2002— in Mexico City.
- Additionally, to apply a questionnaire in order to define the OLACEFS training needs.

On that matter, I'm glad to tell you that all these agreements were duly accomplished. Meetings were held in December 2002 in Ottawa, Canada and in February 2003 in Panama City, Panama. Canada, the United States of America, Mexico, the IDI and OLACEFS took part in these meetings, where the themes and the program for the workshop were agreed, according to the OLACEFS public debt audit training needs detection survey.

After extensive planning and preparation efforts, the Regional Workshop for Public Debt Auditors was carried out from April the 28th to May the 30th, 2003, in Mexico City. 24 auditors coming from 12 Supreme Audit Institutions of this region took part: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Nicaragua, Peru, Panama, Uruguay and Venezuela. Four IDI/OLACEFS graduate instructors from Mexico, Uruguay and Venezuela took part in the program, as well as the IDI Project Manager, who was in charge of the coordination of the event. 17 lecturers specialized on public debt management and audits participated in this event, representing the World Bank, the Inter-American Development Bank, the GAO, the UNCTAD, the IMF, Moody's, KPMG-Mexico, the Mexican Ministry of Finance and the SAI of Mexico.

In particular, I want to thank OLACEFS, the IDI, the UNCTAD and the World Bank for their kind support to the organization of this workshop.

Besides accomplishing the aforementioned agreements, this workshop's success represents an incentive for the continuation of training programs development in coordination with the IDI, to fully develop the INTOSAI Supreme Audit Institutions potential regarding public debt audits.

In fact, in the last Committee meeting was decided that once the OLACEFS training pilot program was finished, the Committee should develop the subsequent programs for the different interested regions of INTOSAI in coordination with the IDI.

On the other hand, the development of several investigation documents was agreed in Stockholm; it was established that:

- The United Kingdom would develop a document on the relationship between debt management audit methodology and INTOSAI's audit standards.
- The United States of America would continue working on the Substantive Proceedings Guidance.
- Sweden would write a document on development and results of the fiscal exposures audits working group.
- The Fiji Islands would present a report on developments on public debt audits in the South Pacific Region of the INTOSAI (SPASAI).
- The Russian Federation would write a document on public debt management in that country.

I'd like to tell you that, in the agenda for this meeting, the presentations of all these documents by the representatives of the United Kingdom, the United States of America, Sweden, the Fiji Islands and the Russian Federation, have been included.

As for the publication of documents written within the Committee, the Presidency fulfilled the agreement reached in the last meeting of the Committee regarding the dissemination of the following documents among the member countries of the INTOSAI: (1) "Guidance on the Reporting of Public Debt" and (2) "Guidance for Planning and Conducting an Audit of Internal Controls of Public Debt"; these documents are properly placed for their knowledge and proper effects.

It was also agreed the review, translation and publication of the final versions of the following documents: (1) “Fiscal Exposures: Implications for Debt Management and the Role for SAIs”, prepared by the United States of America, and; (2) “Public Debt Management and Fiscal Vulnerability: Potential Roles for SAIs”, prepared by Canada.

On that matter, it must be said that both the United States of America and Canada delivered the documents’ final versions in the second semester of 2002.

Once received, the Supreme Audit Institution of Mexico (ASF) prepared the translations in the INTOSAI’s five legal languages (German, Arabic, Spanish, French and English).

In order to secure the best quality, the ASF sent the French, German and Arabic translations to Canada, Germany and Jordan respectively for their technical review, in order to assure the accuracy of the translation to the official languages.

During the meeting, Dr. Jorge Manjarrez Rivera will give a briefing on the final publication of the mentioned documents.

## **Agenda**

In order to achieve the pending tasks and to continue with the strategic actions of our Committee, I want to present for your consideration this previously distributed agenda.

Today, June the 23rd, we’ll have the following activities:

1. Presentation of the INTOSAI Development Initiative (IDI) Training Programs, by Else Karin Kristensen of the IDI.
2. Briefing on the outcomes of the Workshop on Public Debt Management organized by PDC / IDI / OLACEFS which took place in Mexico City on April 28 –May 30, by Mr. Jorge Barajas Palomo, General Director of the ICADEFIS of the Mexican SAI, and Mr. Luis Esteban Arrieta of the IDI, as its Projects Manager.
3. Briefing on the publication of the studies: “Public Debt Management and Fiscal Vulnerability: Potential Roles for SAIs” and “Fiscal Exposures: Implications for Debt Management and the Role for SAIs” by Mr. Jorge Manjarrez-Rivera, Liaison Officer of the Mexican Supreme Audit Institution .
4. Discussion on Potential Public Debt Committee publications.
5. Presentation on Mexico’s experience on Value for Money Audits, by Mr. Roberto Salcedo-Aquino, Performance Specialist Auditor, of the Mexican SAI.
6. Presentation on Public Debt Audits in México, by Mr. José Miguel Macías, Planning and Information Specialist Auditor, of the Mexican SAI.
7. Presentation on the Guidance for using Substantive Tests in Audits of Public Debt, by Mr. José Oyola, of the United States’ GAO.

8. Report on the results of the Working Group on Auditing Fiscal Exposures, by Mr. Birger Persson, of Sweden's NAO.

Tomorrow, June the 24th, we'll discuss the following themes:

1. Presentation on the Relationship between Debt Management Audit Methodology and INTOSAI Audit Standards, by Mr. Mark Allen, of the United Kingdom's NAO.
2. Report on the Auditing of Public Debt in the South Pacific Region of INTOSAI by Mr. Ajay Nand, of the General Auditory of the Fiji Islands.
3. Report on the main problems related to Public Debt as faced by the Russian Federation, by Mr. Sergey O. Shokhin, of the Accounts Chamber of the Russian Federation.
4. Selection of the site and date for the next meeting.
5. Other Business

According this agenda, we may be sure that our meeting will come to an end tomorrow at noon. If everybody agrees, we may proceed with our meeting.

I wish to remind you that I remain at your service and thank you again for your attendance to this meeting, which I'm sure will prove very productive for the accomplishment of the objectives of the Public Debt Committee, aiming always at the improvement of both the INTOSAI and the SAIs.

Ladies and gentlemen, thank you very much.

Mexico City, June 23, 2003