

Leading the Way in Fraud and Corruption Audits

EUROSAI President Matanyahu Englman (SAI Israel) presented audit methods and reports addressing fraud and corruption in auditing during the ASOSAI seminar on this topic (October 21-25, 2024)

During the ASOSAI seminar titled "Dealing with Fraud and Corruption in Auditing," Matanyahu Englman, President of EUROSAI and Israel's State Comptroller and Ombudsman, discussed audit methods and reports related to fraud and corruption. The seminar, held in Manila, Philippines from October 21-25, 2024, was organized by the Capacity Development Administrator of ASOSAI - SAI Japan - in collaboration with the Commission on Audit of the Republic of the Philippines (SAI Philippines). A representative of EUROSAI's First Vice-President, Mr. Ľubomír Andrassy (SAI Slovakia), participated in the seminar.

In his presentation, Mr. Englman reviewed the key activities undertaken by EUROSAI members, including SAI Israel, in recent years regarding the auditing of fraud and corruption. He emphasized their focus on ethics, integrity, and transparency within the public sector.

These areas have attracted increasing public attention, and the guidelines provide Supreme Audit Institutions with practical tools to address these challenges.

Mr. Englman highlighted several significant audit reports published by EUROSAI members, including:

- **Corruption prevention systems in government departments (SAI Austria)**
- **Integrity in administrative culture (SAI Hungary)**
- **Efficiency of ethical infrastructure in government bodies (SAI Croatia)**
- **Government whistleblowing policies (SAI UK)**
- **Corruption prevention in rural municipal organizations (SAI Estonia)**

He also detailed methods by which Supreme Audit Institutions (SAIs) can fulfill their role in combating corruption and fraud:

"In my view, we have three main approaches. First is compliance auditing, which ensures that audited bodies adhere to laws and regulations. But we need to go beyond this. We must engage in performance audits focused on prevention and treatment efforts within public bodies. Lastly, we should audit regulatory bodies responsible for prevention, supervision, and oversight, such as law enforcement agencies, to assess how effectively they address anti-corruption measures".

Mr. Englman cited several audit reports from SAI Israel: "In the Audit Report on the Prevention of Embezzlement in Government Ministries and Companies, we examined how many government ministries are using innovative technology to detect and prevent embezzlement. We also reviewed the activities of Israel's Money Laundering and Terror Financing Prohibition Authority."

He also spoke about Israel's unique position, being the only country where the State Comptroller also serves as Ombudsman. "This dual role allows the Ombudsman of Israel to provide whistleblower protection," Mr. Englman noted. "Under Israeli law, individuals who suffer workplace harm for reporting corruption, severe legal violations, or significant breaches of governance can seek protection from the Ombudsman. In the past five years, we have received 245 requests for protection from public sector employees. We also published a best practices paper within the International Ombudsman Institute (IOI) on whistleblower protection".

Mr. Englman outlined the types of protections provided, including financial compensation, reinstatement, and halting dismissals or job transfers. He emphasized, "We not only protect whistleblowers but also use the information they provide as part of our audit work".