

INTOSAI Compliance Audit Subcommittee Annual Newsletter 2026

CAS ANNUAL NEWSLETTER
CAS SECRETARIAT

Table of Contents

From the Editor's Desk.....	4
Brief Overview of CAS Activities	6
22 nd Annual CAS Meeting.....	6
Report on CAS Activities	6
CAS Work Plan 2026–2028.....	6
Concept Paper on Compliance Audit of Inclusiveness and Equality.....	6
Update from the Professional Standards Committee	7
Update from the INTOSAI Development Initiative.....	7
Presentation by SAI Brazil	7
Presentation by SAI Norway	7
CAS Newsletter 2024	7
CAS Triennial Work Plan 2023-2025	8
CAS Work Plan 2026–2028.....	8
Participation in Meetings.....	8
2026 International Competition on the INTOSAI Framework of Professional Pronouncements (IFPP).....	9
Three-level competency framework for Compliance Auditors.....	9
How SAIs can Audit the Use of AI by Audited Entities	11
AI and the Evolving Role of Compliance Auditing	11
Auditing AI in Public Administration	12
Practical Tools for Auditing AI Systems.....	13
Building Future-Ready Compliance Audits	13
PESA: Advancing Professionalisation in Compliance Audit Practice.....	15
A Recognised Qualification for Public Sector Auditors	15
Why This Matters for Compliance Audit	16
Supporting Sustainable Compliance Audit Practices	16
Learning That Reflects Real Audit Practice.....	17
Building Judgement Through Practice	18
A Clear Pathway for Auditor Development	18
Leaving No SAI Behind.....	19
What This Means for SAIs and Auditors.....	20
Looking Ahead	20
Continuing the Journey	20

Leaving No One Behind - Are We Actually Checking?	21
The problem isn't just bad policies- It's gaps nobody's watching.....	21
So what does this actually look like in practice?	22
The case studies tell the real story	22
What SAIs themselves are saying?	23
What comes next?	23
Making a Difference to the Lives of Citizens through Conducting Compliance Audits.....	25
Compliance Auditing for Better Governance	25
Strengthening Public Service Delivery through Compliance Audits.....	26
Promoting Accountability in Revenue and Education	27

From the Editor's Desk

My dear colleagues,

It gives me great pleasure to present the **2026 edition of the Annual Newsletter of the INTOSAI Compliance Audit Subcommittee (CAS)**. This edition reflects the continued commitment of the global compliance audit community towards strengthening public accountability through innovation, professional excellence and knowledge sharing. The Newsletter provides an overview of recent developments within CAS and showcases valuable contributions from our members and partners on emerging issues shaping compliance auditing.

The public sector is undergoing rapid transformation driven by technological advancements, evolving governance frameworks, and increasing citizen expectations. In this dynamic environment, compliance auditing continues to play a vital role in ensuring that public institutions not only comply with laws and regulations but also uphold the principles of transparency, accountability, fairness and good governance. At the same time, Supreme Audit Institutions are increasingly called upon to respond to new challenges such as artificial intelligence, digital governance, and the need to ensure that no section of society is left behind. This edition of the Newsletter captures these evolving dimensions of compliance audit through diverse perspectives from across the INTOSAI community.

The National Audit Office of Norway presents two insightful articles highlighting the growing importance of auditing artificial intelligence systems and demonstrating how compliance audits contribute directly to improving the lives of citizens by strengthening public administration and service delivery. These articles illustrate how compliance auditors can effectively respond to emerging technological risks while maintaining public trust.

The INTOSAI Development Initiative (IDI) has contributed an article on **Professional Education for SAI Auditors (PESA)**, highlighting the importance of professionalisation in compliance auditing. The article showcases how structured competency development, practical learning and internationally recognised

qualifications are strengthening compliance audit practices across SAIs and supporting the development of a highly skilled global audit community.

This edition also features an article from the Office of the Comptroller and Auditor General of India on the recently released **Concept Paper on Compliance Audit of Equality and Inclusiveness**. Developed under the CAS Triennial Work Plan 2023–2025, the Concept Paper provides a practical framework for integrating equality and inclusiveness considerations into compliance audits. It demonstrates how compliance auditing can help assess whether governments are effectively implementing legal commitments intended to protect vulnerable and marginalised sections of society, thereby contributing to the broader objective of leaving no one behind.

Collectively, the articles presented in this edition reaffirm that compliance auditing continues to evolve in response to changing governance landscapes while remaining firmly anchored in the principles of independence, professionalism and public interest. They also reflect the collaborative spirit of the INTOSAI community, where knowledge, experience and good practices are shared for the collective benefit of all SAIs.

I extend my sincere appreciation to all the authors for their valuable contributions and to the members of CAS, our observers and partner organisations for their continued support and active engagement. Your commitment enriches our collective knowledge and strengthens the global compliance audit community.

I hope this Newsletter serves not only as a source of information but also as a platform for learning, dialogue and collaboration. We encourage you to share your experiences, ideas and feedback as we continue to strengthen compliance auditing and promote excellence across the INTOSAI community.

I wish all our readers good health, success and continued inspiration in advancing the objectives of public sector auditing.

Best regards,

Siddhartha Singh Longjam

**Additional Deputy Comptroller & Auditor General and
Acting Chair
INTOSAI Compliance Audit Subcommittee (CAS)**

Brief Overview of CAS Activities

22nd Annual CAS Meeting

The 22nd Annual Meeting of CAS was held virtually on 26 November 2025. The meeting was attended by 29 participants representing CAS member and observer SAIs, the Professional Standards Committee (PSC) and the INTOSAI Development Initiative (IDI).

Report on CAS Activities

SAI India presented a report on activities undertaken since the Twenty-first Annual Meeting. The presentation covered progress in implementing the CAS Work Plan 2023–2025, including preparation of the endorsement draft of the Concept Paper on Compliance Audit of Inclusiveness and Equality, publication of the CAS Newsletter 2024, and participation of the CAS Chair in PSC Steering Committee meetings and subcommittee coordination meetings.

CAS Work Plan 2026–2028

The draft CAS Work Plan for 2026–2028 was presented for discussion. The proposed work plan includes development of guidance relating to compliance auditing of benefit transfer programmes, a study on enhancing the implementability of compliance auditing across SAIs, continued contribution to implementation of the INTOSAI Strategic Development Plan (SDP) 2023–2028, and coordination with PSC initiatives relating to the IFPP.

Concept Paper on Compliance Audit of Inclusiveness and Equality

SAI India presented the draft Concept Paper, outlining its objectives, structure and principal elements. The presentation covered the international policy framework, dimensions of exclusion, opportunities for compliance auditing, findings of the CAS member survey, and case studies contributed by member SAIs.

Update from the Professional Standards Committee

The PSC Secretariat (European Court of Auditors) presented an update on implementation of the Strategic Development Plan 2023–2028 and ongoing developments relating to the IFPP. The presentation highlighted opportunities for continued collaboration between CAS and other PSC bodies.

Update from the INTOSAI Development Initiative

IDI presented progress on the Professional Education for SAI Auditors (PESA) initiative, including work towards external accreditation and continued implementation of competency-based professional development for public-sector auditors.

Presentation by SAI Brazil

SAI Brazil presented the proposed International Competition on the IFPP, approved by the PSC Steering Committee and scheduled for implementation during the second half of 2026.

Presentation by SAI Norway

SAI Norway delivered a presentation entitled *Making a Difference to the Lives of Citizens (INTOSAI-P 12) through Conducting Compliance Audits*, highlighting examples of compliance audits undertaken to strengthen public service delivery and improve outcomes for citizens.

CAS Newsletter 2024

The CAS Newsletter 2024 was brought out in May 2024. The Newsletter reported on the progress of CAS initiatives during the past year in areas of knowledge development, capacity building and collaboration with INTOSAI partners. It also carried articles from the Federal Court of Accounts-Brazil, National Audit Office of China, the European Court of Auditors, INTOSAI Development Initiative, Office of

the Auditor General of Norway, SAO Slovak Republic and the Office of the Comptroller & Auditor General of India.

CAS Triennial Work Plan 2023-2025

Under the CAS Work Plan 2023–2025, CAS undertook the development of a *Concept Paper on Compliance Audit of Inclusiveness and Equality*. The project is led by SAI India, with participation from the SAIs of Brazil, France, Norway and Russia.

The endorsement draft was approved by the CAS Chair. Subsequently, comments received from the European Court of Auditors (PSC Secretariat) and SAI Norway were incorporated into a revised version, which was again approved by the CAS Chair. The revised Concept Paper was approved by the PSC Steering Committee in **April 2026**.

The link to the CAS concept paper on the PSC website is: <https://www.psc-intosai.org/2026/05/18/cas-concept-paper-on-equality-and-inclusiveness/>

CAS Work Plan 2026–2028

The CAS Work Plan for 2026–2028 was approved by the CAS Chair and endorsed by the PSC Steering Committee in **April 2026**.

The Work Plan identifies development of a **Concept Paper on the Use of Artificial Intelligence in Compliance Auditing**, as the major priority area.

Following approval by the PSC Steering Committee, the Work Plan and the accompanying Concept Note on the *Use of Artificial Intelligence in Compliance Auditing* were circulated to CAS members.

Participation in Meetings

SAI India as chair of CAS has participated in the Sub-committee Meetings organized by PSC from time to time.

2026 International Competition on the INTOSAI Framework of Professional Pronouncements (IFPP)

INTOSAI Professional Standards Committee (PSC, INTOSAI Goal-1) announced launch of the “2026 International Competition on the INTOSAI Framework of Professional Pronouncements (IFPP)”. The Competition is open to professionals from all INTOSAI member institutions and aims to promote knowledge and practical application of the INTOSAI Framework of Professional Pronouncements (IFPP), while supporting professional development of auditors across the INTOSAI community.

Detailed information, including rules and timeline, eligibility criteria, structure, and FAQs are available on the official website: <https://www.psc-intosai.org/2026-international-competition-on-ifpp/>

For the initiative, there is a Technical Group composed of subject matter experts for validating the questions and their respective answers. Based on invite from SAI Brazil, Ms Saranya Baskar, Senior Deputy Accountant General, is representing the Compliance Audit Subcommittee (CAS) as a member of the above Technical Group.

Three-level competency framework for Compliance Auditors

IDI invited SAI India as the Chair of INTOSAI Compliance Audit Subcommittee (CAS) to join the consultancy group for its new initiative aimed at developing a three-level competency framework for Compliance Auditors.

The initiative builds upon the existing professional-level competency framework based on ISSAI 150 on Auditor Competence /GUID 1950 - Guidance on the development of competency frameworks for auditors and seeks to expand it to include three progressive levels—foundational, intermediate, and professional. The objective is to better align learning interventions and educational materials with auditors’ competency needs, while providing a structured pathway for progression to the professional level.

For this purpose, IDI has constituted two teams:

- a drafting team (comprising representatives from IDI and the SAIs of Philippines and Costa Rica) and
- a consultancy group.

The drafting team has prepared draft competency descriptions for the foundational and intermediate levels and is now seeking expert feedback from the consultancy group.

In this regard, SAI India is participating as a member of the Consultancy Group.

How SAIs can Audit the Use of AI by Audited Entities

SAI Norway

AI and the Evolving Role of Compliance Auditing

The National Audit Office of Norway (NAO Norway) plays a crucial role as the government's auditing and monitoring body. Its overarching mission is to contribute to the safeguarding of democracy by ensuring sound, efficient, and lawful management of the state's resources in accordance with decisions made by the Storting (Parliament). The organisation is governed by a five-member board, each holding the title of Auditor General and appointed by the Storting for a four-year term.

A significant development in the work of NAO Norway is the introduction of a new Audit Law that entered into force on 1 January 2025. This law includes dedicated sections for compliance audits, strengthening the framework for assessing whether public entities follow applicable laws, regulations, and parliamentary decisions. Compliance audits have long been an integral part of NAO Norway's activities, and the new legal provisions further clarify their importance and scope.

The NAO Norway has adopted a strategy for the use of artificial intelligence in the office. The strategy lists four goals for the period up to the end of 2027:

- To develop and implement tools based on artificial intelligence to support existing efficiency plans and extract projected benefits.
- NAO Norway shall have access to the necessary infrastructure and cutting-edge expertise to safely implement artificial intelligence on a large scale
- NAO Norway shall be established as a leader in auditing artificial intelligence.
- NAO Norway shall ensure responsible use of artificial intelligence in line with current regulations and best practices.

Auditing AI in Public Administration

A performance audit report on the use of AI in government was conducted by NAO Norway in 2024. Some parts of the audit criteria can clearly be used as compliance audit criteria: As of today, there is no legal basis that directly covers artificial intelligence or the use of algorithms in the public administration in Norway, and the Public Administration Act does not impose any requirements for documentation of such use. Regarding the EU AI Act, it will be Norwegian law but is moving slowly through the legislative process. However, it is possible to derive requirements from fundamental ethical principles in the Human Rights Act and the Constitution, from general administrative laws and principles, and from general requirements for efficient and good administration.



Conclusions from this performance audit were that important prerequisites for the adoption of AI on a large scale are not yet in place; there is a strong need to clarify legal questions regarding the use of AI, the ethical principles for the responsible use of AI are observed to varying degrees, and that the coordination of AI-related efforts in the public sector is inadequate.

You can find the report sent to Parliament here (the full report is not translated to English): <https://www.riksrevisjonen.no/en/reports2/en-2023-20242/the-use-of-artificial-intelligence-in-the-central-government/>

Practical Tools for Auditing AI Systems

NAO Norway has together with international partners (SAIs of Germany, UK, Brazil, the Netherlands and Finland), prepared a guide for “Auditing AI Systems”. The guide provides advice for the practical implementation of auditing public sector entities' use of artificial intelligence. The document does not have a formal status yet in NAO Norway but can be seen as professional guidance. Made by auditors, for auditors. The guide was last updated on the 19th of December 2025 and has now also been updated with guidance on auditing systems that use large language models (generative artificial intelligence). You can find the guide here: www.auditingalgorithms.net and questions related to the guide can be directed to Carolin Prabhu at the NAO Norway: cap@riksrevisjonen.no.

In the guide you also find *The Audit Helper Tool*. The Tool is an Excel tool that contains suggestions for detailed audit questions and related audit evidence that auditors can look for in an AI system audit, ordered by steps along the AI lifecycle. Auditors can put together questions relevant for a specific audit and create a tailor-made questionnaire. In that way, the tool can help to prepare and guide through an audit of AI systems. The tool is meant to help as a starting point and aims to cover the most important aspects described in this guide. [Download the audit helper tool \(Excel\)](#)

Building Future-Ready Compliance Audits

Chapter 3 in the Auditing AI Systems guide deals with sources for audit criteria and how to deduct criteria from sources:

1. Since AI and machine learning are rapidly evolving, the legal frameworks governing their application are still changing. Different countries are developing regulations to guide the development and use of AI. This chapter provides an overview of the regulatory landscape in the authoring nations. It also highlights international standards and guidelines that auditors can use to assess whether AI is being used safely and ethically.

2. Not all aspects of planning, development, and use of AI systems are clearly regulated. In such cases, auditors may refer to existing regulations or guidelines from related areas, such as information security or data protection.
3. This chapter first introduces AI-specific legal foundations and regulations. It then lists other guidelines, standards and best practices, and briefly explains which requirements from the related fields are typically relevant to AI.

Auditing AI is an important topic for compliance auditing in a context when development is running at high pace, and the need to follow laws and regulations is pressing.

PESA: Advancing Professionalisation in Compliance Audit Practice

INTOSAI Development Initiatives (IDI)

“PESA has been a truly transformative learning experience for me. It helped me move beyond theory and apply the learning in practice.”

This is how Diana Fuentes Gutiérrez, an IDI Certified SAI Compliance Auditor from Costa Rica, describes her experience with the Professional Education for SAI Auditors (PESA).

Her experience reflects a shift many compliance auditors are already trying to make in their day-to-day work – moving from following procedures to understanding, applying, and explaining audit decisions with confidence.

Heads of SAIs across INTOSAI regions are also asking similar questions:

- How do we build strong compliance audit practices?
- How do we ensure consistency, quality, and credibility? And,
- How do we support auditors at different stages of their careers?

PESA is one way SAIs are starting to address this.

A Recognised Qualification for Public Sector Auditors

The INTOSAI community has formally recognised PESA as a credible and relevant professional qualification for public sector auditors. This recognition, endorsed at INCOSAI and reflected in the Sharm el Sheikh Declaration, signals a shared commitment to strengthening auditor competence across SAIs.

The introduction of INTOSAI co-branding further enhances PESA's visibility and credibility. Together, these developments position PESA as a qualification developed by the INTOSAI community, for the INTOSAI community, grounded in international standards and collective experience.

Why This Matters for Compliance Audit



SAI Antigua PESA Certified Auditor

If you work in compliance audit, you know the reality. Audits are not just about checking rules – they require interpretation, professional judgement, and clear reasoning in complex environments.

PESA is designed with this in mind. It is not just a training programme, but a

comprehensive qualification that brings together competencies, structured learning, practical experience, assessment, and continuing professional development.

Built on the INTOSAI Competency Framework and aligned with ISSAI standards, including ISSAI 150, PESA supports auditors in developing both technical expertise and the judgment needed for high-quality compliance audits.

Supporting Sustainable Compliance Audit Practices

Professionalisation is not only about individual learning – it is also about building sustainable compliance audit (CA) practices within SAIs.

Through its work, the INTOSAI Development Initiative (IDI) supports SAIs in strengthening compliance audits in a practical, collaborative way. This includes linking professional education, such as PESA, with real audit work and institutional development.



Three-level competency framework development meeting, Oslo

One example is the Cooperative Compliance Audit of Payroll (CCAP) in the Pacific region, carried out in collaboration with PASAI. In this initiative, 7 SAIs work together on a common audit topic, apply shared methodologies, and

learn from each other's experiences. On the ground, this leads to more consistent approaches, stronger capacity, and better audit quality across the regional SAIs.

These kinds of initiatives show that professionalisation, when combined with practice, leads to more sustainable and impactful compliance audits.

Learning That Reflects Real Audit Practice

One of the strengths of PESA is how closely it mirrors the way compliance audits are actually carried out. For compliance audit, the qualification is structured around five papers that follow the full audit cycle:

1. Understanding the purpose and concepts of compliance audit
2. Planning at the SAI level
3. Planning at the engagement level
4. Executing the audit and gathering evidence
5. Reporting, follow-up, and ensuring impact

This makes it easier for auditors to connect what they learn directly to their daily work and aligns closely with the Compliance Audit ISSAI Implementation Handbook.

In reality, this means auditors are better equipped to plan audits in complex compliance environments, assess risks and design appropriate procedures, gather and evaluate evidence, and produce clear, credible, and impactful audit reports.



SAI Nepal PESA Certified Auditor

Building Judgement Through Practice

PESA goes beyond theory. With around 170 hours of flexible digital learning, it combines case studies, interactive exercises, and real audit scenarios.

A key feature is the Initial Professional Development Portfolio (IPDP), where auditors reflect on their own assignments. Supported by SAI coaches, this creates a strong link between learning and real work.

PESA assessment questions are scenario-based. They test how auditors apply standards in real-life situations — not just what they know, but how they think and decide.

A Clear Pathway for Auditor Development

Professionalisation does not happen in one step — auditors develop over time, often through experience as much as training. PESA is currently aligned with GUID 1950, which defines professional-level competencies. To support earlier stages, IDI is introducing a three-level competency framework for compliance auditors.

The result is a clear progression:

- **Foundational level** – building core knowledge and understanding
- **Intermediate level** – applying audit practices with increasing independence

- **Professional level** – leading audits, managing complexity, and exercising strong judgement



Three-level competency framework development meeting, Oslo

This introduces a **laddering approach to certification**, allowing auditors to grow step by step. It also helps SAIs build structured career pathways and develop capacity in a more sustainable way.

The framework is being developed collaboratively, with contributions from the Compliance Audit Subcommittee (CAS), the INTOSAI Professional Standards Committee (PSC), and the Financial Audit and Assurance Subcommittee (FAAS), reflecting strong ownership across the INTOSAI community.

Leaving No SAI Behind

A key priority for INTOSAI and IDI is to ensure that all SAIs can access high-quality professional development. PESA supports this goal. It is already available in English and Spanish, with the Arabic version being launched in early 2026 and a French-language edition planned for 2027.

In practice, this expansion removes practical barriers to access, especially for SAIs that have had limited opportunities for structured professional development. PESA has already reached thousands of auditors across many SAIs, contributing to a more inclusive and connected global audit community.

Total enrolled in PESA	2877	28% in CA
Enrolled in CA	812	47% female
Total certified in CA	147	60% female

What This Means for SAIs and Auditors

For SAIs, PESA helps build stronger credibility and trust, a critical mass of competent auditors, and more consistent and sustainable compliance audit practices. At the same time, auditors benefit from a recognised professional qualification, practical and flexible learning, opportunities for reflection and growth, and access to a global professional network.

Learning continues beyond certification through the PESA Circle, supporting ongoing development and keeping auditors up to date with evolving practices.

Looking Ahead

PESA's INTOSAI recognition is an important milestone, but the journey continues. IDI is working with stakeholders to strengthen PESA's global positioning further. A benchmarking study is being planned to compare PESA with other professional qualifications and provide an evidence-based foundation for future development.

Continuing the Journey

PESA is helping to strengthen compliance audit practice across SAIs. For the compliance auditors, it builds knowledge, judgment, and confidence. For SAIs, it supports stronger, more consistent, and sustainable compliance audit practices. Most importantly, it supports stronger and more credible public oversight, which is what a compliance audit is ultimately about.

Leaving No One Behind - Are We Actually Checking?

SAI India

"Leave No One Behind" - It's a phrase we've heard so often in the development community that it risks becoming wallpaper- something we nod at in opening speeches and then move past. But behind those four words is a real question, one that Supreme Audit Institutions are uniquely placed to answer: when governments make commitments to their most vulnerable citizens, is anyone actually checking whether those commitments are kept?

That question is what drove the INTOSAI Compliance Audit Sub-Committee to develop its Concept Paper on Compliance Audit of Equality and Inclusiveness- a project that has been three years in the making. The paper was formally released in April 2026, and it marks something of a turning point in how the INTOSAI community thinks about the scope and purpose of compliance auditing.

The problem isn't just bad policies- It's gaps nobody's watching.

Here's what the paper keeps coming back to: countries have enacted a remarkable amount of legislation in favour of marginalised groups. For example- India's constitutional reservation policies, Brazil's disability employment quotas, Kenya's gender representation requirements in elected office, Norway's anti-discrimination reporting duties - these are real legal commitments. They exist on paper. But whether they exist in practice is a different matter entirely, and that gap is precisely where compliance auditors should be looking.

The paper identifies six dimensions of exclusion that consistently deprive people of the benefits, ie., gender, poverty, disability, age, ethnicity, and migration. These aren't treated as separate silos. One of the more important ideas in the paper is what it calls *intersectionality*: the recognition that a poor, elderly, differently-abled woman in a rural area isn't facing one disadvantage but several at once, compounding each other in ways that a narrow audit of any single scheme would never fully capture.

Further, the concept paper tries to drive home the fact that these are just conceptual issues, but have real implications on how audits are planned, what questions are asked, and which data is collected.

So what does this actually look like in practice?

The paper lays out entry points for SAIs, i.e., ways of systematically building equality considerations into compliance audit work at different levels.

At the most specific level, an auditor examining a single entity might ask: does this organisation have documented equality policies? Are they actually aligned with national law, or just generic statements on a website? Is there a functional complaint mechanism for workers who face discrimination, or does it exist only in the annual report?

A level up, at the programme level, the questions shift toward beneficiaries. Take a scholarship scheme for marginalised students, or a pension for persons with disabilities. Who is actually receiving the benefit? Are the identification processes catching the right people, or are funds leaking to ineligible recipients while the intended beneficiaries remain unaware the scheme exists? Are there delays that make the benefit meaningless by the time it arrives?

And at the sector level (be it health, education, housing, labour, etc.), the question becomes systemic. Is the entire sector functioning equitably, or are certain communities consistently left out in ways that no single programme audit would reveal?

None of this probably require SAIs to reinvent themselves or abandon their mandates. It requires asking slightly different questions of the same entities and programmes they already audit.

The case studies tell the real story

What makes this concept paper more than a theoretical exercise is the collection of real audits contributed by member SAIs- covering disability employment funds in China, scholarship schemes for marginalised students in India, healthcare access for women

in Brazil, and gender equality policy coordination in France, among others. Taken together, they span entity, programme, and sector-level audits, and touch on intersectional vulnerabilities like those faced by differently-abled senior citizens and women living in poverty.

The pattern that emerges across these audits is strikingly consistent: the frameworks exist, the funds are often allocated, and the intentions are generally genuine, but implementation breaks down quietly, in ways that only a well-designed audit will catch. Benefits don't reach intended recipients. Monitoring is weak or absent. Policies exist in silos with no one coordinating the bigger picture. In several cases, the audit findings led directly to tangible reforms - digital systems overhauled, programmes relaunched, supervisory mechanisms strengthened. It's what accountability looks like when it works.

What SAIs themselves are saying?

The paper includes results from a survey of ten CAS member SAIs – Brazil, the European Union, France, Georgia, Hungary, India, Norway, Qatar, Russia, and Thailand. All ten confirmed that their mandates allow them to audit equality and inclusiveness in some form. All ten said they've conducted audits in this space. India, Brazil, and Norway have each done more than ten.

But only three of the ten have dedicated teams for this work. Several flagged the non-availability of disaggregated data as a persistent obstacle – you can't audit outcomes for women, or persons with disabilities, or ethnic minorities, if the data isn't broken down along those lines in the first place. The survey signals something important: the appetite is there, the mandates broadly allow for it, but the tools, guidance, and institutional capacity need to catch up.

What comes next?

This concept paper is explicitly described as a first and foundational step for the INTOSAI community to build on together. The ambition is to eventually develop more detailed audit guidance, self-learning tools, and shared methodologies.

But there's something in the paper worth sitting with beyond the technical framework. It includes a quiet but pointed observation: SAIs cannot credibly audit governments on equality and inclusiveness if they aren't willing to examine themselves. Are women represented in leadership? Are persons with disabilities recruited and supported? Is gender-disaggregated data even collected internally? Leading by example isn't a soft aspiration. For an institution whose credibility depends entirely on its integrity, it's a prerequisite.

The concept paper is now available to the INTOSAI community, and the Subcommittee is actively seeking engagement - If your SAI is doing interesting work in this space, or struggling with questions this paper raises, the conversation is open.

The real question is whether governments are keeping their promises to the people most likely to be left behind? This deserves more than a nod at an opening speech.

The [Concept Paper on Compliance Audit of Equality and Inclusiveness](#) was developed by the INTOSAI Compliance Audit Sub-Committee as part of its 2023–2025 triennial work plan.

Making a Difference to the Lives of Citizens through Conducting Compliance Audits

SAI Norway

Compliance Auditing for Better Governance

The National Audit Office of Norway (NAO Norway) plays a crucial role as the government's auditing and monitoring body. Its overarching mission is to contribute to the safeguarding of democracy by ensuring sound, efficient, and lawful management of the state's resources in accordance with decisions made by the Storting (Parliament). The organisation is governed by a five-member board, each holding the title of Auditor General and appointed by the Storting for a four-year term.

A significant development in the work of NAO Norway is the introduction of a new Audit Law that entered into force on 1 January 2025. This law includes dedicated sections for compliance audits, strengthening the framework for assessing whether public entities follow applicable laws, regulations, and parliamentary decisions. Compliance audits have long been an integral part of NAO Norway's activities, and the new legal provisions further clarify their importance and scope.

The work of NAO Norway is closely aligned with international standards, particularly INTOSAI-P 12, which emphasises the need for Supreme Audit Institutions to demonstrate ongoing relevance to citizens, parliament, and stakeholders. In its strategic plan, NAO Norway states that it aims to be both relevant and value-adding. The organisation seeks to conduct audits that highlight key societal issues and provide new insights and knowledge to the Storting, the public administration, and citizens. This ambition underscores a broader purpose: to ensure that public funds are used effectively and for the benefit of society.

To support this work, NAO Norway has developed its own guidelines for compliance audits based on ISSAI 4000. These guidelines are updated annually to reflect new risks, regulatory changes, and lessons learned from previous audits. This continuous

improvement ensures that audit practices remain robust and responsive to emerging challenges.

Strengthening Public Service Delivery through Compliance Audits

The annual summary report for 2024 illustrates how compliance audits can make a tangible difference in the lives of citizens. The report includes an assessment of the central government accounts, a summary of conclusions from annual accounts audits, and detailed information on selected compliance audits considered particularly relevant to parliamentary oversight.

One of the key audit areas in 2024 concerned benefits to cover expenses for orthopedic aids, administered by the Norwegian Labour and Welfare Administration (NAV). In that year, NAV paid NOK 2.6 billion in such benefits, yet only 0.6 percent of the underlying invoices were checked before payment. The audit sought to determine whether NAV's control mechanisms met regulatory requirements, both before and after payments were made.

The findings revealed significant weaknesses. Invoice control covered only a very small proportion of transactions and was not adapted to risk and materiality. Furthermore, the controls were poorly documented. In some instances, payments were made before decisions had been finalised or even after applications had been rejected. NAV also lacked procedures to verify that aids had actually been delivered



before payment, and it had insufficient control over whether invoiced repair and adjustment costs were legitimate. Overall, NAV could not demonstrate that identified errors had been corrected.

The conclusion was clear: NAV's controls did not meet the requirements of the National Insurance Act or the financial management regulations for the state. Notably, NOK 2.3 billion in

benefits were paid without any invoice checks. This has serious implications not only for financial stewardship but also for fairness and trust in public systems. Weak controls increase the risk of misuse of funds, which can ultimately undermine services intended to support vulnerable citizens.

Promoting Accountability in Revenue and Education

Another important compliance audit focused on the Norwegian Tax Administration's control of value-added tax (VAT), a major source of state revenue. In 2024, NOK 563.2 billion was collected and NOK 176.2 billion was paid out in VAT. The audit examined whether the Tax Administration effectively prevents and detects economic crime and whether it correctly applies rules on additional tax when taxpayers provide incorrect or incomplete information.

The audit found several deficiencies. The Tax Administration does not sufficiently comply with financial regulations relating to internal control and anti-fraud measures. The number of notification checks – an important control mechanism – has more than halved since 2013, despite a high risk of VAT evasion and fraud. In addition, only a small number of credit notifications selected based on risk were actually checked. In some cases, inadequate follow-up of suspected fraud led to improper VAT payments.

Item	Value 1	Value 2	Value 3	Value 4
CURRENT ASSETS	1,098,625	2,289,415		
Equity	2,770,836			
Shareholders' Equity	32,062	30,653	20,658	12,050
Reserves	112,000	92,796	98,871	75,000
Loans from Financial Institution	255,000	175,416	245,600	147,915
Other	35,260	28,445	30,526	25,000
Total	434,322	327,270	395,655	265,000
CURRENT LIABILITIES	500,000	400,000	500,000	400,000
VAT LIABILITIES	350,000	200,000	350,000	200,000
Loans from Financial Institution	850,000	600,000	850,000	600,000
Total	1,284,322	927,270	1,245,655	860,000
NET EQUITY	10,000,000	10,000,000	10,000,000	10,000,000
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	165,000	165,000	165,000	165,000

The audit also revealed that the Tax Administration failed to apply additional tax in accordance with legal requirements in 20 out of 25 cases examined. This indicates inconsistent enforcement, which can weaken compliance incentives and

create unfair advantages for those who do not follow the rules. The overall conclusion was that the Tax Administration does not sufficiently meet regulatory requirements for preventing financial crime or for imposing additional tax as required by law.

A third audit addressed the Norwegian Directorate of Education's financial supervision of private kindergartens and schools. Public subsidies are allocated to

ensure access to kindergarten places and to support the operation of private schools, thereby enabling parental choice. These funds are regulated by the Kindergarten Act and the Private Schools Act, which aim to ensure that subsidies are used for the benefit of children and students.

The audit examined whether the Directorate carries out supervision and guidance in accordance with these regulations. It assessed whether risk-based selection processes were in place, whether financial supervision effectively ensures proper use of funds, and whether guidance is provided to institutions on how to comply with requirements.

The findings showed that the Directorate has not established systematic routines for assessing overall risk when selecting entities for inspection. Moreover, half of the inspections conducted were limited to documentation reviews rather than evaluating whether funds were actually benefiting children and students. The Directorate also failed to ensure that private schools received adequate guidance on the use of subsidies.



The conclusion was that the Directorate does not conduct financial supervision and guidance fully in line with current regulations. This raises concerns about whether public funds are being used as intended and whether children and students are receiving the full benefit

of these resources. Taken together, these compliance audits highlight the critical role of NAO Norway in identifying weaknesses in public administration. By uncovering deficiencies in internal controls, enforcement, and oversight, the audits provide valuable insights that can lead to improvements. These improvements are not merely technical; they have direct consequences for citizens. Better controls can reduce waste and fraud, ensure fairness, and enhance the quality of public services.

For feedback, please scan below QR code:



CAS Secretariat
Office of the Comptroller and Auditor General of India
9, Deen Dayal Upadhyaya Marg
New Delhi - 110124
Phone: +91-11-23509105
Email: cas.ir@cag.gov.in