Challenges and Solutions for Public Sector Auditors

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Topics

1. Chile and the General Comptroller Office
2. Challenges faced by GCO
3. Audits: Opportunities for Good Governance
1. Chile and the General Comptroller Office

- In 2010 Chile was the first South American country who was added to the OECD.

- Currently, the GDP per capita is above USD$ 24,000. In America, Chile is the third country in the Human Development Index, just behind Canada and USA.

- According to International Transparency 2017, Chile is the second country with a low perception of corruption in Latin America.
1. Chile and the General Comptroller Office

› The CGR is the principal institution of fiscal control; it ensures responsible use of public resources.

› The institution has the lowest perception of corruption in Chile, according to the Corruption Survey of 2017.
1. Chile and the General Comptroller Office
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**LEGAL**

Control of administrative acts, such as tenders and procurements, public works or public employment.

- **21,732** Administrative acts controlled (Toma de Razón)
- **18,569** Legal opinions (Dictámenes)
1. Chile and the General Comptroller Office

AUDIT

Oversight on national and local governments regarding the manner in which they spend public resources.

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Audits in 2017
Chile and the General Comptroller Office

Incoming member of United Nations Board of Auditors.
2. Challenges faced by GCO

1. Financial dependence
2. Resistance to GCO control
3. Technology trends
4. A new audit focus
2. Challenges faced by GCO

- Financial dependence
- Budgetary Independence Act
2. Challenges faced by GCO

- Resistance to GCO control

- GCO oversight to CODELCO
2. Challenges faced by GCO

- Technology trends
- Business Intelligence as audit tool
2. Challenges faced by GCO

A new audit focus

3E Principles: Effectiveness, Efficiency and Economy
3. Audits: Opportunities for Good Governance

- 3 levels of corruption
- Role in fighting against corruption
- Role of internal audit
- Help strengthen the public sector
### 3. Audits: Opportunities for Good Governance

**LEVELS OF CORRUPTION**

| 3 | Doing a bad job  |
|   | Bad administrative practices  |
|   | Exchange of favors  |
| 2 | Conflict of interest  |
|   | Influence peddling  |
|   | Kleptocracy, cronyism  |
| 1 | Bribery  |
|   | Fraud (judicial, accounting, electoral)  |
|   | Embezzlement  |
3. Audits: Opportunities for Good Governance

LEVELS OF CORRUPTION
Role in fighting against corruption:

Supplementing the internal and external audit role
3. Audits: Opportunities for Good Governance

ROLE OF INTERNAL AUDIT

Focus on identifying new and sophisticated acts of corruption.
3. Audits: Opportunities for Good Governance

Help strengthen the public sector
Assisting in the development of institutional capacities in the public sector.
Auditors have a key role in the fight against the corruption:

**Control**  
*(all levels of corruption)*

**Collaborate**  
*(Assist in the develop institutional capacities)*
OVERSEEING THE RESPONSIBLE USE OF PUBLIC RESOURCES

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