

Request for information for the 14th session of the Working Group on Prevention

Strengthening the role of Supreme Audit Institutions

Please describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the Convention and to promote the implementation of resolution 9/3.

In relation to article 9, paragraph 2 and measures/steps that have been taken, States parties may wish to consider including the following (see individual questions below):

4.Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution

The Office of the Comptroller General of the Republic of Chile (CGR) was created in 1927 and responds to a tradition of administrative control. It is the Supreme Audit Entity, autonomous from the Executive Branch and other institutions or bodies of the Government.

The mandate of the CGR is guaranteed at the constitutional level and can self-determine the scope of our audits.

Furthermore, according to the Organic Law of CGR (Law 10.336), it is independent of all Ministries, authorities, and State offices.

According to the Rule of Law Index, Chile ranks 24th worldwide concerning "limits to government power." Meanwhile, in the factor "limits to government power by independent audits," Chile ranks 10th. It is the only presidential Republic in the top 10, showing the robustness of Chilean institutionalism.

<https://worldjusticeproject.org/rule-of-law-index/downloads/WJPIIndex2022.pdf>

5.Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the International Organization of Supreme Audit Institutions,

- **with regard to ensuring the proper management of public finances and public property, and**
- **in areas such as public procurement.**

The Contraloría has established its financial audit regulations based on the audit standards in the Framework of Professional Pronouncements of INTOSAI (IFPP) composed of principles, guides, and the ISSAIs purpose of framing and guiding the work of its professionals.

Because the public sector attends to a broad spectrum of citizens' needs, it will require products and services from the private sector. Such transactions shall comply with specific rules to ensure effectiveness, efficiency, quality, transparency, and probity. The standardized interpretation of regulations about goods and services recruitment solves conflicts between public organizations, as well as in Public State Administration and private. As a result of the exercise of this function, it has achieved better coordination between State bodies.

Examples:

Ruling 2,453 from 2018 Instructions about the principle of probity in public procurement: It details instructions on compliance with the principle of probity in matters of public recruitment of supply of property goods and services provision.

Ruling 30,836 from 2019: On a procurement under framework agreement from the Chilean Air Force –FACH–The procurement through framework agreement did not comply with the established conditions for its use, causing, without justification, the exclusion of other possible offering parties in the process.

Ruling E64071N20 On a process of big procurement in the Investigation Police –PDI–: From the complaint of a supplier due to the invalidation of their selection in a big procurement process, the OCG concluded that the situation has adjusted to the rule, as well as the subsequent awarding to another supplier.

Ruling E117794N21

Represents resolution 7 from 2021 from the Healthcare Networks Undersecretary: It presents the rules for recruiting technical inspection services in health work in a hospital construction due to inconsistencies between the reviewed rules and the work project to inspect. Among them are the contradictory definitions regarding the field's experience and the professionals.

6.Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight.

According to the Chilean Constitution, the CGR is responsible for carrying State's accounting through multiple functions, such as ruling, exercising accounting oversight, providing technical support, consolidating and aggregating norms, and informing these norms.

The CGR has established its financial audit regulations based on the audit standards contained in the Framework of Professional Pronouncements of INTOSAI (IFPP), composed of principles, guides, and the ISSAIs, to frame and guide the work of its professionals.

7.Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption.

On the other hand, under the provisions of the Political Constitution of the Republic of Chile and its internal regulations, the CGR is mandated to keep the general accounting of the Nation and establish the basic accounting principles and standards and the procedures by which the accounting system is governed. This system is developed following IPSAS, with the authorization of the International Federation of Accountants (IFAC), thus allowing an adequate level of accountability, transparency, and comparability, setting standard and uniform criteria at the national level.

The CGR is responsible for determining applicable regulatory frameworks in this regard, including accounting instructions and procedures, which are mandatory for public entities. This allows the State to count on uniform, structured, and systematic accounting records,

facilitating the identification of irregularities and overseeing the execution of the national Budget in all stages.

In recent years, the CGR has worked on migrating to international accounting standards, such as NICSP and NIIF.

The CGR has issued Resolutions N° 3 and 16 -among others- to establish applicable norms in this regard to the public sector, municipalities, and State Universities:

- <https://www.bcn.cl/leychile/navegar?idNorma=1075059&idVersion=2020-01-17&idParte=>
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8.Measures taken to ensure that the audited entities respond to the findings of the audit reports, implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property.

The mandate of the CGR includes auditing compliance with the Chilean Constitution and the Law to safeguard public resources and the probity principle.

Through auditing, the CGR:

- Assesses the internal control systems;
- Oversees the implementation of dispositions regarding State financial administration;
- Checks the veracity of documentation provided by auditees;
- Verify compliance with statutory norms; and
- Formulates recommendations to rectify irregularities.

The audits of the CGR respond to an annual planning process approved by the Comptroller General, and the Institution performs follow-up activities to oversee the implementation of instructions, corrective measures, or dispositions. The CGR has a Compliance Support Programme to provide technical support to auditees in this process.

Within the audit process, the CGR can perform the following actions:

- Initiate a judgment of accounts process to determine civil and pecuniary liability;
- Instruct the restitution of funds;
- Request for further support documentation about expenditure;
- Submit background information and documentation to the Public Prosecutor when the audit process detects acts that may constitute an offense;

- Submit audit reports to other State Agencies; and
- Perform disciplinary procedures to determine administrative liability.

Plus, the CGR executes the following actions that accompany the audit process:

- Follow-up; and
- Compliance support

The CGR produces an annual audit report (<https://www.contraloria.cl/documents/451102/4775330/30082022/6b5fa1cc-8c25-1ab0-0656-cf562ca101e0>), which submits later to the Legislative Branch with an annual accountability report (<https://www.contraloria.cl/documents/451102/6637439/Cuenta+CGR+2021/01c8c4f5-68c8-c504-64e7-2a1aa0c537e8>). According to those reports, during 2021, the CGR produced 2421 oversight products, reaching 26% of auditable entities.

SAI Chile acknowledges the importance of communication with the auditee and those charged with governance throughout the audit process. Effective communication is a priority for us, in compliance with the requirements of ISSAI 200 and ISSAI 1260.

9.Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable.

The CGR played a vital role in the country's performance during the review of the implementation of chapter II of the United Nations Convention against Corruption (UNCAC). Under the leadership of the Ministry of Foreign Affairs, the CGR participated from the beginning of this process in all stages, including the preparation of the country review report and the country visit.

10.Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International Organization of Supreme Audit Institutions

The CGR is committed to the adoption of good practices in matters of probity and the fight against corruption and aligning itself with the recommendations established in the INTOSAI's International Framework of Professional Pronouncements, particularly ISSAI 130 that recognizes the importance of promoting the ethical behavior of officials of the Entity as a key strategy for good operation of the Institution.

In this regard, the CGR's 2017-2020 Strategic Plan incorporated, among its specific objectives, the implementation of an Institutional Integrity System, which aims to establish and develop initiatives aimed at promoting the ethical conduct of those who make up the Entity, supported by the respective code.

The CGR has an Integrity System, which is a set of rules, procedures, tools, and initiatives aimed at promoting and reinforcing the integrity of each of the officials of the Comptroller

General of the Republic, which aims to reduce the risks of corruption at all levels and processes made by the Institution.

The Code of Ethics and Conduct is a formal, written guide that provides a framework of reference to act with integrity in the performance of our work, supporting the right decision.

Aims to:

- Promote high standards of behavior of CGR officials.
- Help CGR officials in decision-making.
- Increase public confidence in our work.

The CGR's Code of Ethics was recently updated (Oct 2022) by a process led by the Integrity Officer.

11.Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole

Trust is at the core of the institutional vision of the CGR. During a trust crisis comprising not only public institutions but citizenship as well, the CGR has taken to the core of its work to enhance public trust based on three main pillars; to innovate, connect, and impact.

In the "Innovative pillar," collaborative work methodologies are crucial to becoming a data-driven organization.

By "connecting," the CGR promotes the relevance of the public function and the necessity of having accountable institutions at the service of citizens. But not only that, the CGR has set the goal of playing a role in these critical issues at the national and international levels.

With the last pillar, "to connect," the CGR aims to provide valuable and trustworthy information, prioritizing cross-cutting control in high-impact areas, enhancing its anti-corruption role and strengthening integrity.

12.Measures taken to build and strengthen relations between national legislatures and supreme audit institutions, and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions

Law N°10.336 establishes the obligation for the CGR to present an annual accountability report (<https://www.contraloria.cl/documents/451102/6637439/Cuenta+CGR+2021/01c8c4f5-68c8-c504-64e7-2a1aa0c537e8>) to the Legislative Branch. That law also states that the Comptroller General must present a financial report of the previous year every year.

13.Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption

The CGR leads the Anti-corruption Alliance UNCAC Chile, a collective action initiative created in 2012 by the CGR and the United Nations Development Programme. In 2022 the Anti-corruption Alliance UNCAC Chile celebrated its 10th anniversary on December 13 in the framework of international anti-corruption day. The event gathered authorities and

representatives from its 33 institutions, members of the public sector, private sector, academia, and the international community to launch the report "*Alianza Anticorrupción UNCAC Chile: 10 años trabajando por la integridad*" (Anti-corruption Alliance UNCAC Chile: 10 years promoting integrity). The document presents the main achievements of this network during its ten years of existence, highlighting the importance of continuing and strengthening this initiative.

Promoting integrity is part of the core of the CGR's work. International alliances have played a key role in enhancing the role the CGR has in this matter. The CGR is an active member of the Working Group on the Fight Against Corruption and Money Laundering of INTOSAI (WGFACML), the Network of Corruption Prevention Authorities (NCPA), the GlobE Network, leads the OLACEFS' Commission for the fight against transnational corruption, and contributes through the Ministry of Foreign Affairs to the Working Groups of the Conference of States Parties to the CoSP. The Contraloría has been active in the follow-up of the Abu Dhabi declaration to enhance collaboration between Supreme Audit Institutions and Anti-corruption agencies, working side by side with UNODC and SAI UAE.

At the regional level, the Office of the Comptroller General of the Republic of Chile (CGR), as the presidency of the Technical Commission for the fight against transnational corruption (CTCT) is leading the formulation of the first policy on prevention and the fight against corruption for OLACEFS.

The policy will focus on external and internal control, coordination and cooperation, integral digital transformation, transparency, and communication, training and awareness, international standards, and citizen participation and impact.

Among the relevant achievements of this process is the webinar on March 1 at 11:30 am in Santiago on the Good practices of SAIs in fighting corruption. Additionally, in April 2023, the 22 SAIs of OLACEFS will meet in Santiago to finalize the formulation and lay the foundation for this policy's follow-up and monitoring.

The present project counts on the support of the GIZ (German Cooperation) and the United Nations Office on Drugs and Crime (UNODC).

14. Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, including for consultative purposes

The CGR submits background information and documentation to the Public Prosecutor when the audit process detects acts that may constitute an offense.

The CGR has also participated in the expert meeting to construct the Practical Guide "Enhancing collaboration between Supreme Audit Institutions and Anti-corruption bodies in preventing and fighting corruption" of the Abu Dhabi Declaration Programme of UNODC. In this context, and as Presidency of the Commission for the Fight against Transnational Corruption of OLACEFS, the CGR supported the first regional training pilot to implement this guide.

The CGR has provided various audit guidelines framed in the ISSAI and other standards and internal regulations related to the execution of their audit assignments.

In this context, it has issued guidelines on incorporating the SDGs in its reviews, the technical audit procedures, and the effective use of technology tools for data analysis and sampling.

Considering this, and after a World Bank assessment, we have incorporated in our Strategy for 2020-2024 an objective towards our transformation into a data-driven organization, which has been implemented over the last three years. This project was structured around five dimensions: Strategy, People, Technology, Data, and Governance.

In this line, we have a state-of-the-art technological architecture. We have created an internal platform available to SAI Chile's personnel as a single data generation and analysis source.

Both data and technology are supported by cybersecurity protocols and measures to protect networks, systems, and devices from cyber-attacks and unauthorized access, managed by our cybersecurity officer.

The CGR is mandated to oversee compliance with Asset Declarations regulations according to Law N°20.880. The CGR has subscribed to Data Usage Agreements with different institutions to access databases automatically, facilitating the oversight of the veracity and opportunity of such declarations.

By becoming a data-driven organization, the CGR boosted this oversight process by incorporating data analysis. This way, the CGR can analyze the total amount of data in audit processes and detects potential conflicts of interest in a timely manner.

Finally, the CGR has developed an open data portal, a public platform that gathers detailed information about internal management. This Portal allows citizens and civil servants to review and download audits, State's accounting reports, and the State administration's staff information.

15. Measures taken to enhance the capacity of supreme audit institutions and develop the skills of their members and staff in preventing and combating corruption, including through training, education and knowledge exchange

The CGR performs multiple capacity-building activities on anti-corruption and integrity. The Capacity Building Department provides knowledge instances every year with the broad participation of CGR's staff. During 2022, these instances counted on 1.100 participants around asset declarations, conflicts of interest, integrity, ethics, lobby, transparency, fraud, technology, and risks assessment.

The State Administration Studies Center (CEA) is a body of the Office of the CGR dedicated to *"Strengthen governance through fostering debate and research on the state administration, and in particular public administration, integrity and the fight against corruption."* As such, articles of a scientific nature are published in the fields of public law, public governance, state administration, public ethics and administrative integrity, oversight, public control, and other related areas.

The CEA provides capacity building to the public sector, municipalities, and citizens, providing civil servants with essential tools around ethics, integrity, and anti-corruption.

16. Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions

Portal "Updated Budget of the Nation" (<https://www.contraloria.cl/web/cgr/presupuesto-actualizado-de-la-nacion>): Based on the 2021-2024 Strategy of the Comptroller General of the Republic, the Institution aligned its efforts with trust as a core value. The CGR seeks to produce helpful information for decision-making by the Administration, and under the Innovate axis, it aspires to achieve that by becoming a data-driven organization. The "Updated National Budget" portal offers timely information on this matter in an open and transparent format, taking into account the modifications that it has had concerning what was initially approved in the current Budget Law. Through the institutional page, citizens and interested parties can consult and download the respective data on budgetary evolution.

COVID-19 Portal (<https://www.contraloria.cl/web/cgr/covid19>) aims to provide information regarding Chile's institutional and State actions in the face of the Pandemic caused by COVID-19; the Comptroller's Office General arranged the relevant information portal where citizens could access said content in a simple and orderly manner. Among the available resources are opinions and letters, internal measures of the Institution, infographics and graphic resources, planned control actions, acts entered for a reason, laws processed, budget modification decrees, health information, letters sent to entities, and frequent questions.

Open data website (<https://www.contraloria.cl/multisite/datos-abiertos/index.html>) On this Portal, the Comptroller General of the Republic makes public information available in an accessible and open format so that citizens as well as public and private organizations and may consult, use and share them in accordance to the conditions of use of this site. Likewise, this initiative of the CGR is consistent with the innovation axis of its institutional Strategy, the technical standards of open data, and the current regulations that regulate this matter. Today's

agile and flexible institutions recognize the value of using data and technologies to generate valuable information in the integrated decision-making process. Thus, the CGR enables this space as an action aligned with the commitment to be an entity driven by data and public integrity since we know that data and technologies are essential tools to strengthen transparency and access to public information, promote integrity, probity and accountability in the State; and strengthen the impact of citizen participation.

Social media. The CGR's Social Media Unit comprises a team of public officials dedicated exclusively to strategic communication in the fight against corruption. To highlight the value of the fight against corruption and keep the public informed about opinions and audit reports, graphic illustrations and narratives are used to promote citizen interest in the processes. Since the Institution began to use social media heavily in 2018, especially Twitter, its social media profiles experienced a significant increase in followers. As a result, the number of complaints received by the Comptroller General has increased by 751% since 2015.

17.Measures taken to enhance transparency, accountability and good governance in the management of supreme audit institutions, including with regard to their organization, functioning and decision-making processes

CGR Proactive Transparency (<https://transparencia.contraloria.cl/>): It is a website of the Comptroller General of the Republic where the Institution's budget and expenditure information is available. The platform presents public information regarding how much has been spent, how it has been spent, the salaries of its officials, and information on per diems and transfers in real-time.

Annual Accountability Report. According to the provisions of article 143 of Constitutional Organic Law No. 10,336 on the Organization and Attributions of the Comptroller General of the Republic, the Comptroller General will annually prepare the Public Account on Management corresponding to the previous year. In compliance with this legal mandate, the State Powers and the community are generally informed about this Supreme Audit Institution's performance over a given year. All the reports may be found here: <https://www.contraloria.cl/web/cgr/cuentas-publicas>

18.Measures taken to enable supreme audit institutions to perform their roles in preventing and combating corruption when responding to or recovering from national crises and emergencies, especially with regard to their functions in upholding policies and procedures for the management of public finances and public procurement

As we all know, disasters mobilize enormous amounts of public resources quickly. There is no time more critical than these to ensure that public resources are reaching those who need them most and that they are being mobilized according to the norms we have set for ourselves in our countries to ensure accountability, efficiency, and effectiveness.

SAIs have a role to play in demonstrating that we can a contribution to our nations at times when state action is most needed.

In Chile, we were strongly affected by the covid Pandemic. Despite being a small country of about 19 million inhabitants, we had almost 5 million people infected and more than 61 thousand deaths.

The State, as in many parts of the world, was forced to mobilize unprecedented resources to strengthen the healthcare network and purchase millions of tests and vaccines.

However, catastrophes are not unfamiliar to our country. Due to our status as a seismic country and a persistent drought of more than a decade, we are frequently affected by earthquakes and fires.

Climate change has worsened these phenomena while, at the same time, bringing new ones, such as strong winds that have transformed into tornadoes, a phenomenon that did not exist for us until just a couple of decades ago.

Human action is one of the main contributors to climate change. This is in addition to a growing number of catastrophes caused by human activity. In short, catastrophes are no longer the exception but the rule. They are projected to become increasingly frequent in the coming years, with more than one catastrophe per day worldwide by 2030.

Crises force us to adapt and innovate to maintain the continuity and effectiveness of our work. Given the enormous resources being mobilized, the COVID crisis pushed our teams to the limit.

Despite the demanding nature of the task, I can say that the Comptroller's Office team maintained a permanent commitment to its work. However, we would not have been able to respond to what the country expected of us without the ability to adapt quickly, thanks to our operational agility and intensive use of technology throughout the process.

INTOSAI's new Strategic Plan has established among its priorities to increase resilience to disasters "...SAI operations are affected by uncertain or unforeseen conditions, such as political instability, health emergencies, economic and fiscal crises, natural and man-made disasters or the global climate crisis. In addition, rapid scientific and technological advances are increasingly available and utilized by governments and individuals. These rapidly evolving circumstances provide opportunities and challenges for SAIs to serve their governments and citizens".

In concrete, the CGR has implemented and reinforced an online complaints channel that allows all citizens to report and thus collaborate with the role of control of the State's Administration. More on the complaints channel here:

<https://www.contraloria.cl/portalweb/web/cgr/denunciar-en-linea3>

The Pandemic implied a change in the audit plan to enhance our anti-corruption role during the Pandemic. For more on the audit plan amid the Pandemic:

<https://www.contraloria.cl/web/cgr/acciones-de-fiscalizacion-planificadas>

19. Please provide examples of the implementation of those measures, including related court or other cases and available statistics. In relation to article 9, paragraph 2 and examples of implementation of those measures, States parties may wish to consider including the following:

- **Reports prepared by the supreme audit institutions, national legislatures of body or bodies that prevent corruption;**
- **External reports on the operation of the supreme audit institutions.**

COVID-19 emergency. We ruled over the legality of the decree dictated by the Ministry of Finance to determine specific sectors affected by the health crisis caused by COVID-19. What

did we conclude? The exempt decree determines the sectors affected by the Pandemic for the benefits assignment in support to micro, small, and medium-sized enterprises dictated by the Ministry of Finance conforms with the law since the Ministry is using its faculties without restricting or contravening the application of Law 21.354, which regulates that financial support

Climate Change. We audited the Adaptation and Mitigation Plan in infrastructure for Climate Change. In compliance to incorporate and adapt mitigation strategies for climate change in investment initiatives for port infrastructure, such as non-installation of the foreseen amount of weather and wave buoys. The port infrastructure development must conform to climate change adaptation and mitigation standards.

HIV. We audited the implementation of mechanisms developed by the Ministry of Health to prevent HIV transmission. What did we conclude? 15.835 cases are not recorded in the mandatory notification diseases system, EPIVIGILA.

Also, there is a lack of a traceability system of entry and follow-up of people diagnosed with HIV through rapid tests. Lastly, it is observed that there are no specific policies, as well as expanded education and prevention strategies of HIV transmission.

More examples available:

<https://www.contraloria.cl/documents/451102/4573494/Control-Publico-Oct-2022.pdf/0322e8ae-e00a-f1ee-f59c-1e500ab39433>