

**New Year's Address by CHOE Jae-hyeong,
Chairman of the Board of Audit and Inspection
January 4, 2021**

Dear BAI colleagues!

I would like to express my heartfelt gratitude to you for your diligence and sincerity that you have shown in your work throughout the past year in spite of a series of difficult situations.

Last year, for the consistent vision of becoming “the Board of Audit and Inspection (BAI) that invigorates the public sector and is of help to the citizens”, we have been eager to join our nation’s efforts for overcoming the current crisis. We established broad sets of principles for exempting punitive measures for proactive administrative actions by public officials, and introduced a fast-track system for providing pre-consulting service to help the public sector focus on responding to the unprecedented health crisis called COVID-19.

It is obviously time for the public sector to have a sense of responsibility more than ever as the prolonged COVID-19 threatened the life and health of our citizens, and loads even more difficulties than before on their livelihood as well as the national economy.

We, the BAI, should beef up our own efforts to buoy the exemption of punitive measures for proactive administrative actions to help public officials do their parts in a more advisable way, and to support the government in bringing a substantial success to their policies toward overcoming crises and stabilizing people’s livelihood.

Against this background, I would now like to share with you the directions of “what to audit and how” that I believe the BAI should follow this year.

First, we should check and improve, if necessary, the national purse to make sure it is used in a sound and effective way.

As the government plays a bigger role during this crisis, the government spending is consistently on the rise. Under these circumstances, it is necessary for the BAI to ensure

whether the government makes a correct forecast on fiscal risks to operate its finance effectively through the financial audit, one of the fundamental functions of the BAI – namely, to examine the government’s final accounts of revenues and expenses.

It is also needed to induce financial policies to bear actual fruits of enhancing growth potential and creating jobs by checking whether the management systems for government spending on mega-scale financial programs are operated properly, and systematically analyzing and bringing improvement to the entire process of carrying out major financial programs from planning to execution and evaluation.

As for the employment insurance and the health insurance, both of which require a long-term fiscal management, it would be significant for us to deeply analyze, forecast and manage accordingly the risks of financial soundness of their accounts.

Second, we should pay a keen attention to assisting the government in making a success to their policies designed to reinvigorate the national economy and overcome crises.

In an effort to help the various public policies and programs to be substantially successful and lead the economic recovery, including those for providing micro-loans to people in need, supporting shipping industry, and promoting traditional markets, the BAI will need to eliminate rapidly unnecessary hassles that may disturb execution so as to minimize trial and error, in the first place.

Furthermore, it is requested for the BAI to help the government enhance the effectiveness of deregulatory innovation policies, such as regulatory sandbox, and bear tangible fruits in their policies toward promoting innovative growth through, for example, investing in small and medium-sized enterprises/start-ups, establishing smart cities, and etc.

Third, we should ensure that our audits bring the results of enhancing the effectiveness of public policies for people’s livelihood and safety, so the citizens can sense the benefits of the policies in their day-to-day life.

As the economic crisis adds more difficulties to socially-marginalized people than others, it is

important to upgrade the quality of social safety net by scrutinizing such public programs as providing jobs to the vulnerable and providing care to the elderly living alone.

Also for the issues closely relevant to people's life, such as providing public rental houses, protecting consumers' rights, disposing of packaging waste, and etc., it is required for the BAI to draw audit results that actually benefit the citizens – the users of the afore-mentioned services – by getting rid of any inconvenience they feel through its audit.

Moreover, it is also important to create an environment where people can rest unworried in their life by checking out a wide range of safety issues from the safety of infrastructures, including highways, bridges, rainwater harvesting facilities, and etc., the operation of the budget allocated for calamities and disasters, and to the cyber security for protecting personal information.

Fourth, we should ensure that the public sector stand firm to well-function at the time of national difficulties.

You are requested to provide the public sector with firm principles, so they can well-function in an unwavering manner amid social and political conflicts.

As it is all-important for public officials to play an active role in preventing the spread of COVID-19 and overcoming the ensuing economic crisis, you are asked to lay a ground where hard-working officials are treated preferentially while maintaining a rigid principle of unwelcoming those exercising bureaucratic inertia, hesitant to work or putting it off, and even inflicting punitive measures on them.

Dear BAI colleagues!

We are witnessing various unprecedented crises take roots in our life as a new normal at a time when the international situations around our neighbor countries are fast-changing. Under these circumstances, in order for us to bring a sustainable development, it is essential for all of us, individual citizens, enterprises, and the public sector, to make a concerted effort.

For our part, it seems necessary that we make sure our audits aim at maximizing the capability of the public sector to the fullest extent possible.

In this respect, let me please share with you a few things that I would like you to keep in mind when performing your duties.

Before anything else, please contemplate always what you are called upon to do as a public auditor of supreme audit institution and reflect it in your audit so it deserves to be dubbed as a “BAI product”.

For doing this, you would need to look into the difficulties and risks that our nation and society are suffering, away from the conventional audit framework you are already used to, and lead the public sector to resolve the difficulties through carrying out their responsibilities in the most legitimate and proper way. As our country’s supreme audit institution, this must be the way we should fulfill our responsibilities, which are bestowed upon us by the Constitution.

Please, let us perform our duties resolutely without taking it for granted that the public sector can stay firm to well-function when the BAI maintains laws and principles unwaveringly.

Next, please make a special effort to enhance the virtue of BAI audit as the administrative environment changes.

On the basis of trust in our auditees, the public sector, please bear in mind that you are a partner of your auditees resolving problems together with them, as well as a supporter helping them perform their duties in a legitimate and reasonable manner. By doing so, you can contribute to creating a matured audit culture, in which you can communicate with the auditees in a strict and yet flexible fashion.

When the BAI solidifies this new trust-based audit paradigm, the audited entities will notice the change. When a mutual trust exists between them, the capacity of the public sector for performing national tasks will be maximized to the greatest degree.

More importantly, I would like to ask you to apply even stricter principles to yourselves, so you always abide by proper principles and procedures when conducting your audit, thereby enhancing the virtue of BAI audit.

Lastly, please make another effort to innovate the current mode of work into a future-oriented one to further strengthen our audit capabilities.

The spread of COVID-19 requires a fundamental change to the mode of our working. And, those innovative elements inherent in the change will possibly anchor as a new normal even in the post-corona era.

In other words, it would be advisable for us to break boldly free from the conventional mode of work and exert strenuous endeavors to establish a more flexible and effective audit system by developing modules for ICT-based analyses as well as other contact-free audit methodologies.

Then, in order to adapt ourselves into such a new audit environment, we will need to familiarize ourselves to the new audit methodologies, have a deep understanding about the work of audited agencies, and build up further the capabilities of individual auditors and the BAI as a whole. I am confident that all of you will not spare sincere efforts for doing this.

Dear BAI colleagues!

There are a myriad of unseen challenges awaiting us at the dawn of a New Year.

Please, let us be one to envisage our future together by performing our duties in the sincerest way, so we can turn all the challenges coming ahead of us into a meaningful stepping stone for the better future of the BAI and our nation, Korea.

Thank you.