



Risk-Based Audit: The Case of El Salvador

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USAID Assistance in El Salvador

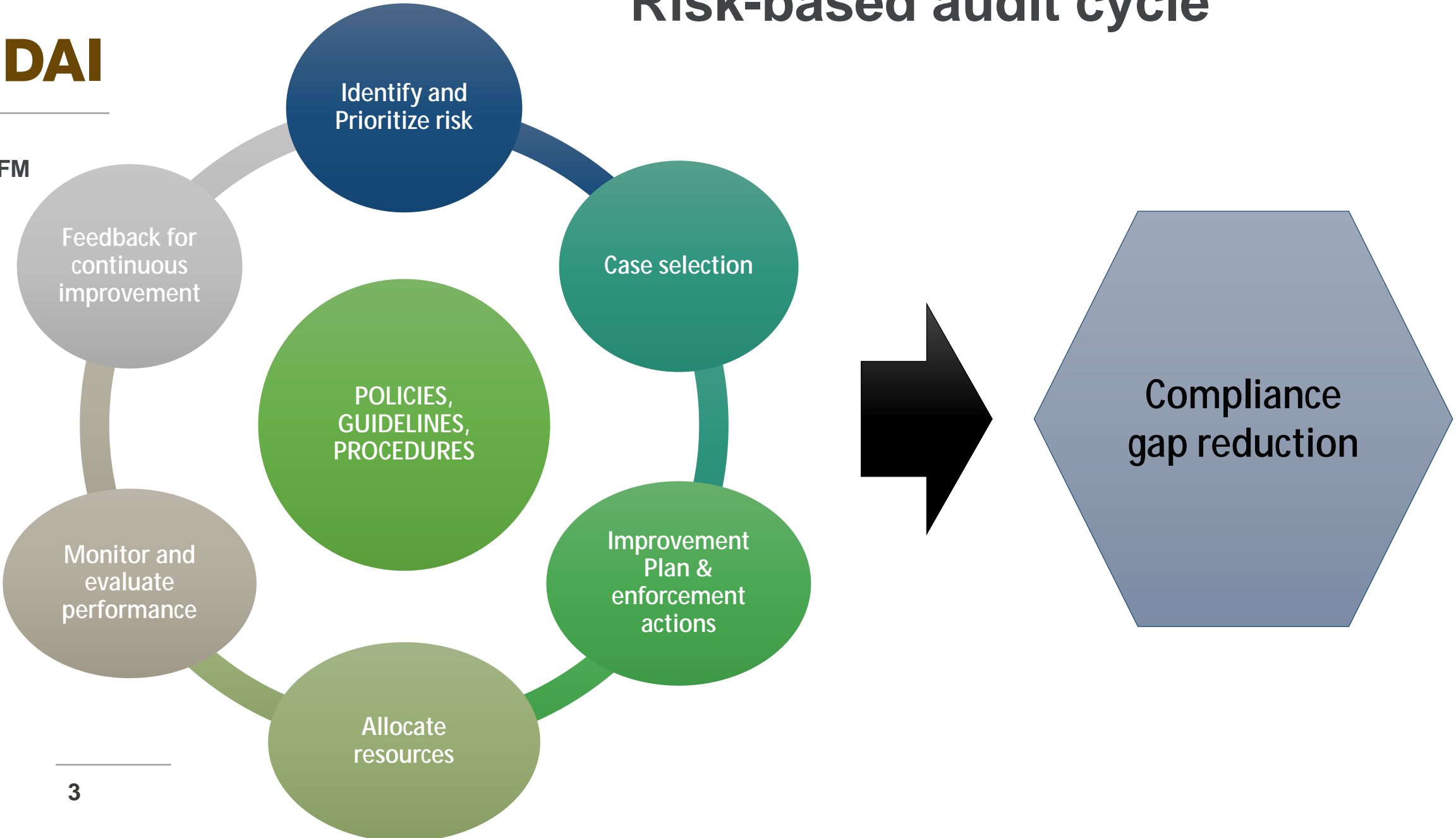
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- Tax Policy and Administration Program (TPAR): 2005-2010
- Fiscal Policy and Expenditure Management Program (FPEMP): 2011-2017
- Domestic Resource Mobilization (DRM) Program: 2017 - 2022

Risk-based audit cycle

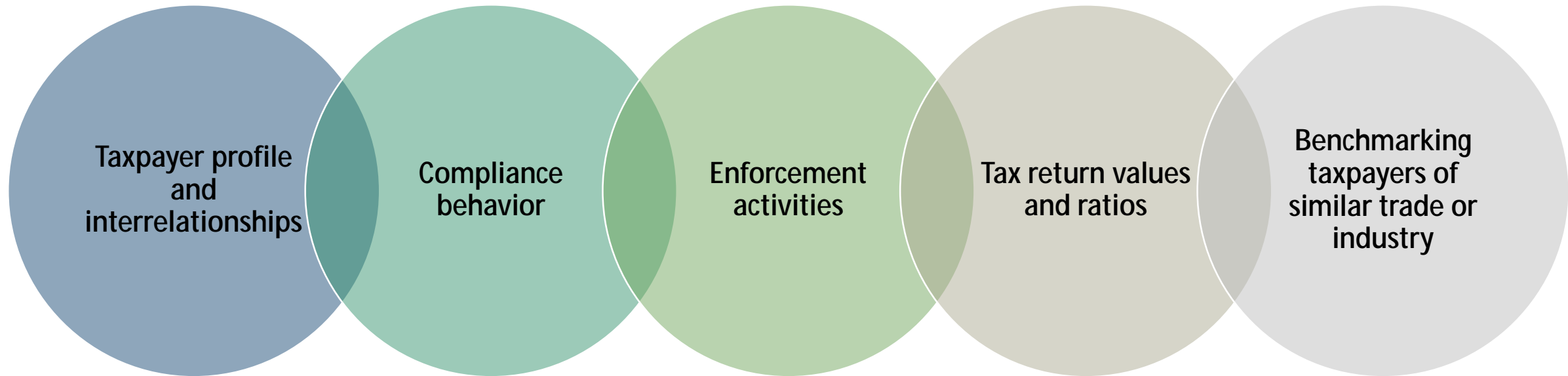


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Common Risk Criteria Utilized for Audit Case Selection

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Objectives of the Case Selection and Management System (CSMS II)

Reduce/eliminate discretion

- Data mining and algorithms in case selection
- Transactional system

Promote transparency

- Automatic case assignment
- Electronic documents

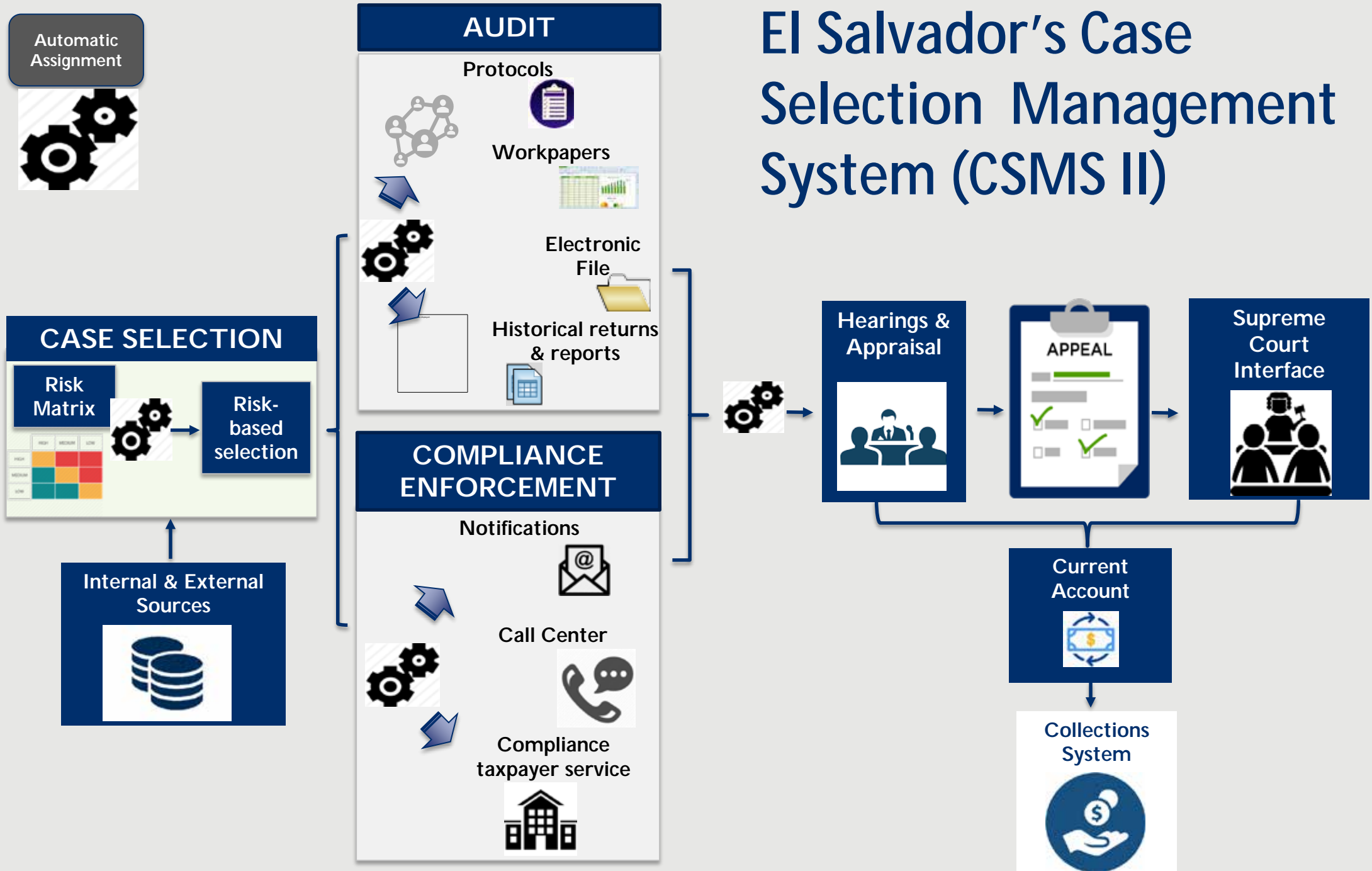
Standardize the investigation process

- Integration and use of information
- Investigation/research protocols
- Research hypothesis
- Early alerts

Monitoring performance

- Indicators and KPIs
- Evaluation and decision making
- Adjust and retrofit

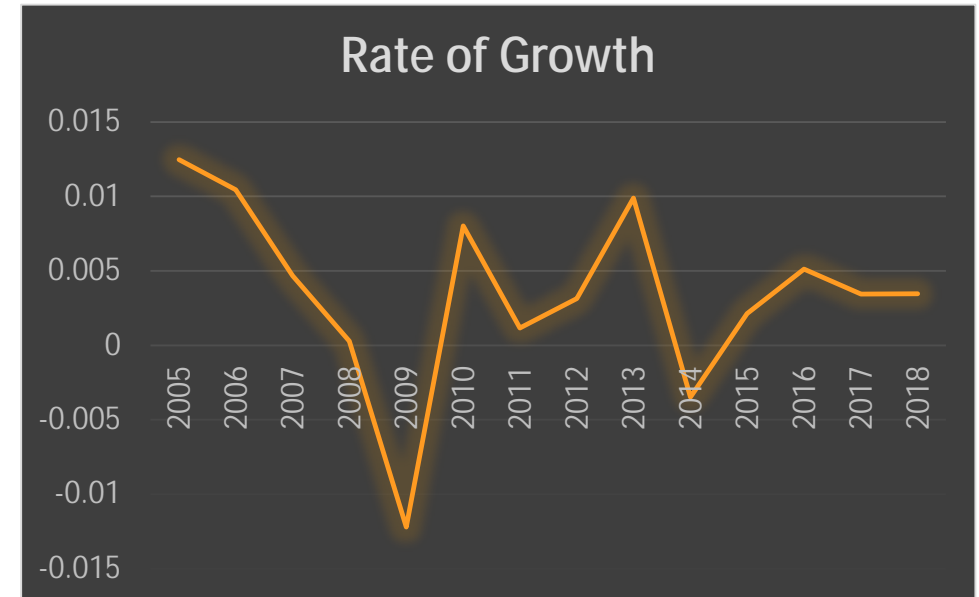
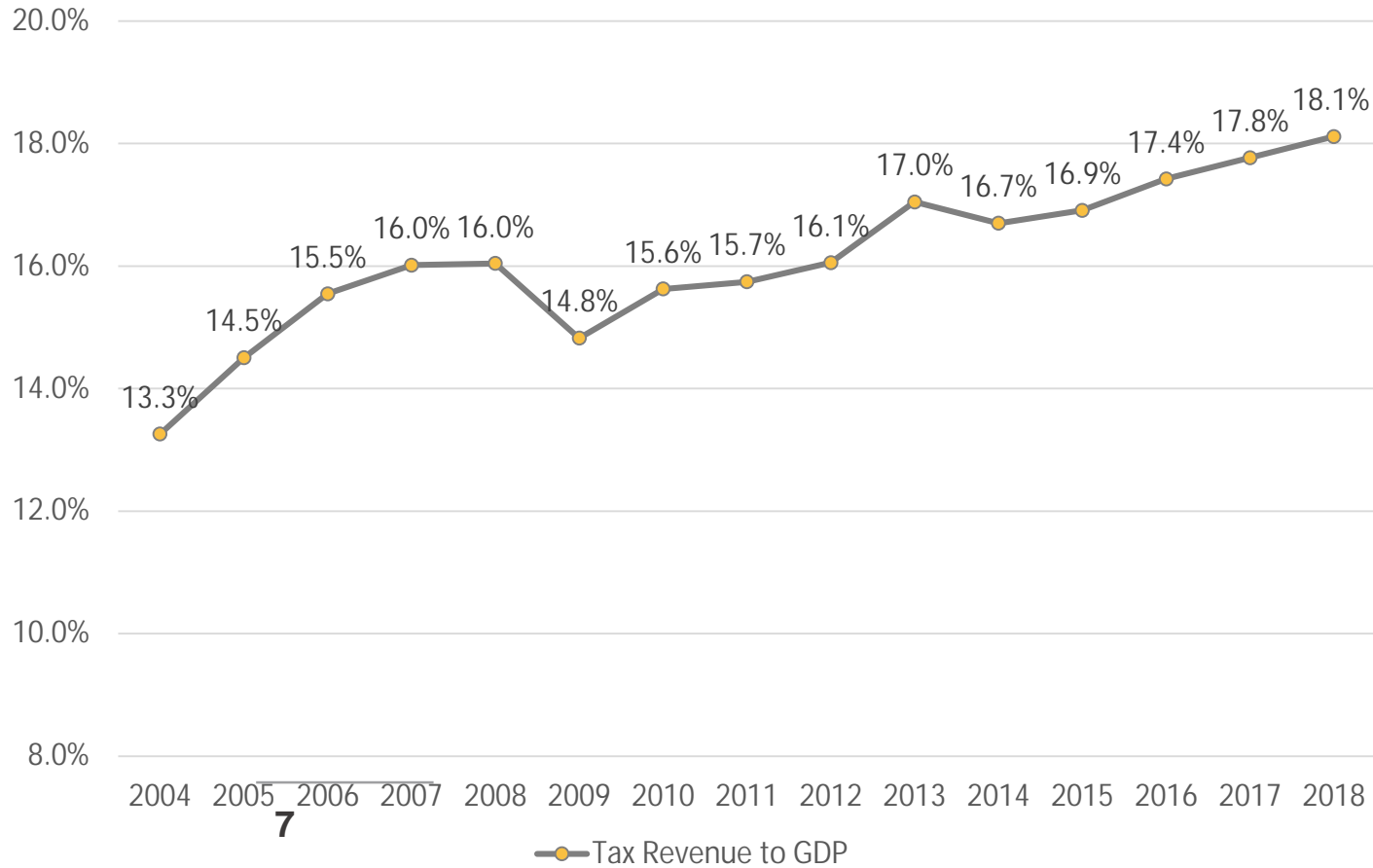
El Salvador's Case Selection Management System (CSMS II)





El Salvador's Tax revenue (2004-2018)

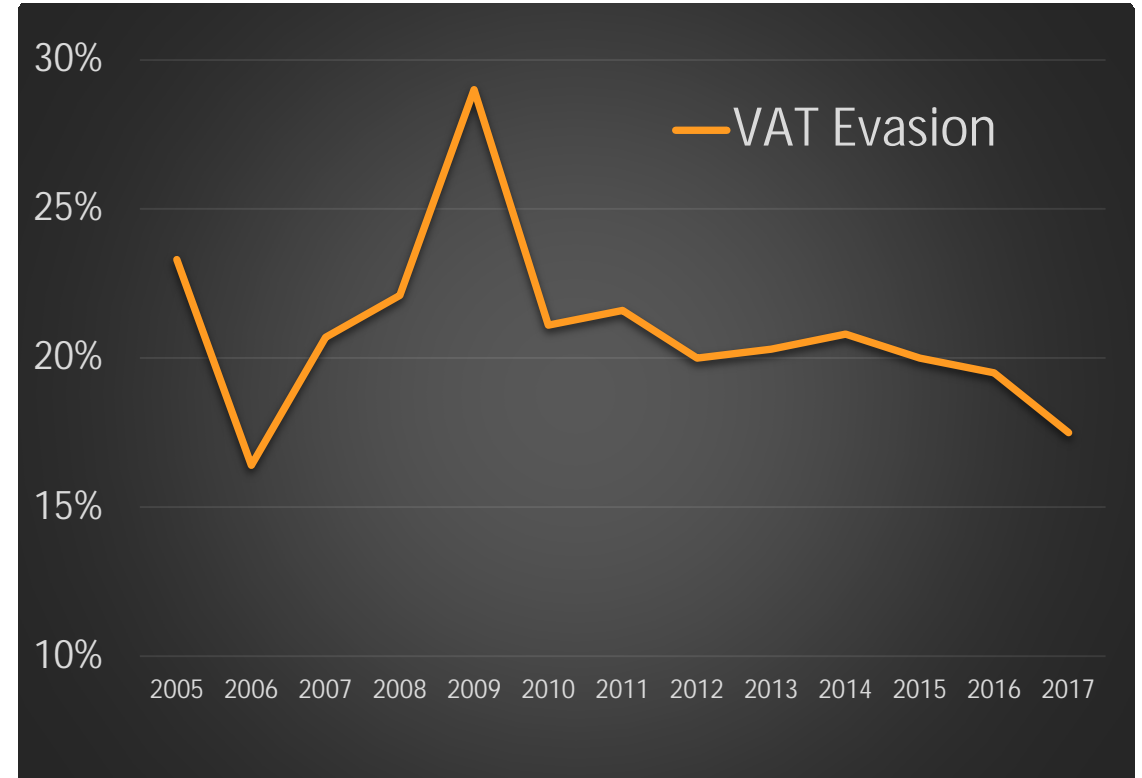
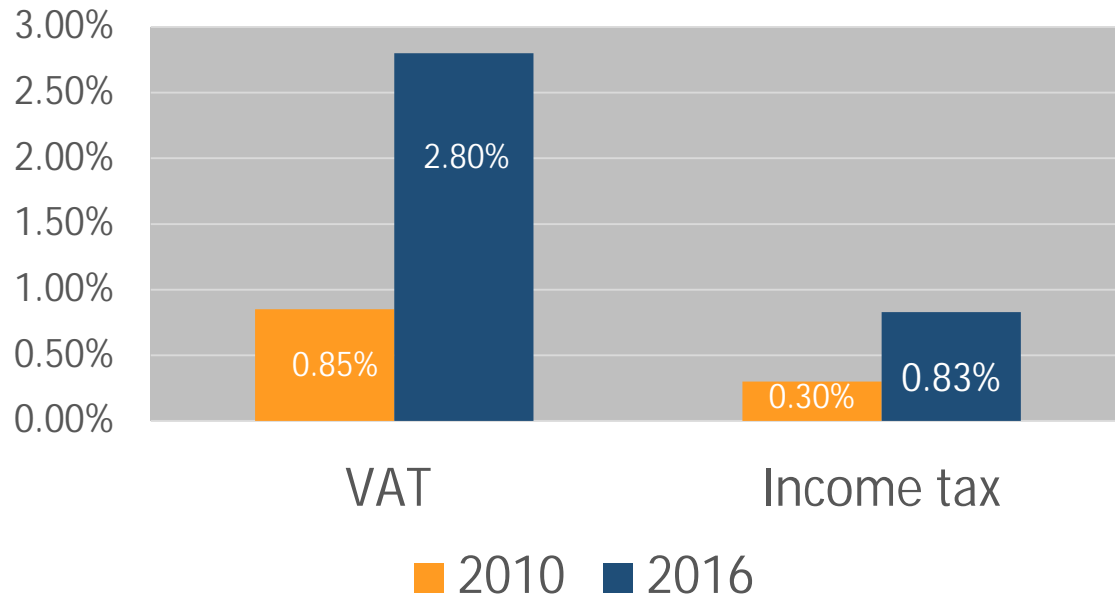
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Audit Coverage and VAT Evasion Rate

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Audit Coverage Rate



Contributions to Financing self-reliance (FSR)

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- Strengthening capacity of government institutions
- Institutionalizing change
- Embracing innovation and field driven solutions
- Fostering a more flexible, adaptive implementation
- Sustainable domestic resource mobilization



Shaping a more livable world.