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Supreme Audit Institutions' engagement with external stakeholders

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SAIS IN THE ECIS REGION

- 2 Models: collegial and judicial
- Strong protection of independence
- Hierarchical system
- Performing various types of audits (including performance) and expanding the scope of activities (e.g. control over the financing of political parties)



WHY TO ENHANCE COOPERATION BETWEEN SAIs AND CIVIL SOCIETY

- A call for an enhanced role of the SAIs in relation to the citizens. INTOSAI, ISSAI new principles (Draft):
- **Demonstrating ongoing relevance** to stakeholders by being responsive to emerging risks
- **Communicating effectively with stakeholders:** increases stakeholders' knowledge and understanding of the role and responsibilities of the SAI
- **Being a credible source of independent and objective insight** and guidance to support beneficial change in government and public entities



MAIN OBSTACLES

- Cultural resistance within the public administration
- difficulties in establishing well-functioning mechanisms of formal and/or political accountability, lack of cooperation
- weak civil society, general lack of non-governmental organisations that would seize on the issue of state audit to advocate for improved accountability.



IDEAL SCENARIO

- **Audits (auditees) are selected** on the basis of a mixture of initiatives from relevant stakeholders;
- **audits are conducted** with proper engagement with auditees and, where appropriate, involvement of other stakeholders (e.g. NGOs);
- **audit reports are finalised** in such a way as to maximise their clarity and credibility;
- **reports are disseminated** both widely (to the entire public) but also using targeted mechanisms for key stakeholders such as the media;
- **follow-up** (including implementation of SAI recommendations) is assured through effective engagement between the SAI and both other institutional counterparts (as formal accountability mechanisms) and external stakeholders (to create public pressure);.



THE ROLE OF THE CIVIL SOCIETY

Identification of the bodies and/or operations to be audited (auditees)

- Current approach in many countries: SAI completely autonomous in the selection of the auditees
- From a random selection approach to a risk based approach
- Best practice: Slovenia, Court of Audit
 - established channels through which NGOs that have a special interest in notifying suspicions or concerns about financial management within public institutions may communicate them to the SAI.



HOW TO ENHANCE THE ROLE OF NGOs IN THE SECTION OF THE AUDITEES

- Ensuring that there is sufficient awareness among external actors of the role of the SAI and the way in which audits may be initiated on the basis of initiatives/complaints;
- ensuring that there are user-friendly channels by which ordinary citizens may submit complaints to the SAI;
- publicising these channels; and taking such complaints seriously
- Issue: manage expectations



CONDUCTION OF AUDITS

- Very few actual examples: Philippine Commission on Audit and several NGOs cooperate to conduct performance audits
- No relevant experience of NGOs directly involved in conducting Audits (in the region)
- NGOs to keep their watchdog function: Separate, independent monitoring of budget spending .e.g, through Public Expenditure Tracking Surveys or more recently budget monitoring tools.



AUDIT REPORTS: HOW SHOULD THEY LOOK LIKE

- Readable and easy to understand (as much as possible), contain: Summary figures/statistics
- **Best Practice:** Macedonia, each audit report contains a summary at the beginning designed for those who are not audit professionals
- Provide information on impact: the amount of budget funds audited – irregularities – follow ups by other agencies
- **Best Practice:** The Croatian SAO plans to include information on funds saved as a result of its audit activities;
- Montenegro SAI it provides a breakdown of which laws were broken most often, along with an explicit statement of how many and which of its recommendations from the previous year had been implemented



DISSEMINATION

- Dissemination and communication strategies not very common (mostly info on the websites)
- Cooperation with the media has to be managed carefully (details often lost)
- SAIs should **periodically assess** whether stakeholders believe the SAI is communicating effectively.
- **Best Practice:** Slovene Court of Audit issues press releases to accompany the release of audit reports, and in addition holds press conferences to highlight more important audit findings.



FOLLOW UP

- NGO's, monitoring of audit findings and the implementation of SAI recommendations: a potentially crucial role of NGOs
 - Issuing additional recommendations
 - Monitoring the implementation of the recommendations
 - Raising awareness of the public on the activities of the SAIs
- Best practices: *Institut Alternativa* Montenegro;
- Serbia, 'Coalition for Oversight of Public Finance'



THANK YOU!

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