

## Transparency International Anti-Corruption Helpdesk Answer

# Supreme audit institutions' anti-corruption strategies

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**Date:** 28 August 2020

There is growing awareness of the role that supreme audit institutions (SAIs) can play in the fight against corruption. SAIs can help enhance transparency, make risk visible, and build robust and effective internal controls to contribute to the prevention of corruption within public entities.

This paper examines various auditing tools that SAIs have at their disposal that could help control corruption. It finds that of all the tools considered, performance audits offer the greatest potential contribution to anti-corruption work. Performance auditing, when applied to the institutional and legal framework for fighting corruption, can be used to assess the strength of anti-corruption policies and procedures, thus helping to identify systemic weaknesses. Other key elements of SAIs' anti-corruption work include: strengthening internal control systems in public bodies, focusing audits on areas at high risk of corruption, forwarding information about suspected illegal/corrupt practices to the relevant authorities, cooperating with other anti-corruption bodies, providing training and capacity building on auditing and risk management to public sector entities, engaging with parliament on audit findings and recommendations, engaging civil society in audit processes, raising public awareness of corruption risks and supporting whistleblowing.

Engagement with external stakeholders, in particular, should form a critical component of an SAI's anti-corruption strategy. Where SAIs work with citizens, civil society and the private sector to build their technical capacity, this can increase these groups' ability to meaningfully participate in auditing processes and demand accountability from government, such as by assisting SAIs to identify possible areas of mismanagement and corruption, improving oversight and follow-up of audit findings, and building trust in SAIs.

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The Anti-Corruption Helpdesk is operated by Transparency International and funded by the European Union.



## Query

Please provide an overview of strategies adopted by supreme audit institutions to support the fight against corruption. What elements do such strategies contain? What tools and mechanisms have been used? What lessons can be learned about designing such strategies in a participatory way?

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## The role of SAIs in controlling corruption

A supreme audit institution (SAI) is a country's lead public sector audit organisation. The principle task of an SAI is to examine whether public funds are spent economically, efficiently and effectively in compliance with existing rules and regulations (OECD 2011). Although SAIs are not considered anti-corruption bodies *per se*, there is a growing awareness of the role SAIs in measures to counter corruption (Chêne 2018).

The four core objectives outlined in the Lima Declaration of Guidelines on Auditing Precepts agreed by the International Organisation of Supreme Audit Institutions (INTOSAI 1998) are highly relevant in this regard. These are:

- the proper and effective use of public funds
- the development of sound financial management
- the proper execution of administrative activities
- the communication of information to public authorities and the general public through the publication of objective reports

### Main points

- Although supreme audit institutions (SAIs) are not considered anti-corruption bodies *per se*, in practice they perform a number of key functions that can contribute to efforts to curb corruption.
- When suitably adapted, performance auditing can be particularly useful for identifying systemic weaknesses in a country's anti-corruption system.
- Engagement with external stakeholders is critical to strengthen SAIs' effectiveness in holding governments to account. For example, citizens and CSOs can provide information on areas of possible corruption for audits and help monitor the executive's response to audit recommendations.

SAIs can thus help increase transparency on the performance and probity of public entities, make risk visible, and build robust and effective internal controls to contribute to the prevention of corruption (INTOSAI 2017a).

A survey of 171 SAIs worldwide carried out by INTOSAI in 2017 found that the mandated roles of SAIs to curb corruption varied across countries. Most SAIs (77 per cent) have the mandate to

share information with specialised anti-corruption institutions, while just over half of the SAIs (55 per cent) have the mandate to investigate corruption and fraud issues. Meanwhile, 39 per cent of SAIs have the mandate to exercise oversight of national institutions whose role is to investigate corruption and fraud issues (INTOSAI 2017b).

Despite these expansive mandates, the relatively limited anti-corruption work performed by SAIs in practice may be partly due to the fact that many auditors tend to see corruption as outside the scope of their work. Indeed, financial auditing has traditionally excluded corruption from the definition of fraud and instead classified it as “non-compliance with laws and regulations” (Jepperson 2018). However, it is also often due to limitations in the legal framework that regulates SAIs (especially under systems where SAIs are conceived of as courts rather than independent agencies) (Reichborn-Kjennerud et al. 2019). Nevertheless, there are a number of strategies which SAIs have adopted to tackle corruption, as outlined below.

A more detailed discussion of the role of SAIs in fighting corruption can be found in the U4 Helpdesk Answer 2018:9 The role of supreme audit institutions in fighting corruption (Chêne 2018) <https://knowledgehub.transparency.org/helpdesk/the-role-of-supreme-audit-institutions-in-fighting-corruption>

## Key elements of SAIs' anti-corruption work

SAIs can contribute to anti-corruption approaches in two main ways: detection and deterrence.

SAIs can detect fraud and corruption through compliance audits, which are designed to ensure that laws, rules and regulations are observed. Non-observance with these rules and regulations may indicate a fraudulent transaction, although not all cases of non-observance are fraudulent. Fraud and corruption can also be detected through forensic audits which are designed to gather evidence to prove the existence of fraud and corruption, although these kinds of audits are less commonly performed by SAIs. In some countries, SAIs are required to report indications of certain types of fraud to law enforcement or investigatory authorities before extending audit steps and procedures (Dye

2007). This is the case, for example, in Germany, Sweden and the UK (Chêne 2018)

Meanwhile, SAIs contribute to the prevention of corruption by promoting sound public financial management systems based on reliable reporting and robust control mechanisms, which contribute to support transparency and accountability in the public sector. The disclosure of wrongdoing through the publication of audit reports can also have a deterrent effect and discourage public officials from engaging in fraudulent or corrupt behaviour (Gherai, Tara & Matica 2016).

To exercise their anti-corruption role, INTOSAI suggests that SAIs need to understand the national anti-corruption system in its entirety and institutionalise their efforts as part of their long-term strategy. To inform this strategy, SAIs first need to understand the complexities involved in the workings of the different agencies which play a role in the anti-corruption system, including (INTOSAI 2017a):

- the mechanisms and processes for coordination and cooperation between agencies
- existing processes to engage with stakeholders both in government as well as others civil society, citizens, media, parliament, etc.
- the mechanisms in place to implement anti-corruption policies and related legislation

As discussed below, conducting an audit of the institutional framework for fighting corruption that spans different agencies and organisations can be a useful way to do this (see section on tools and mechanisms to support anti-corruption efforts, below). This can then inform a more strategic approach to auditing, which focusses, for example, on areas where the anti-corruption system may be weak. One strategy that can support such a holistic approach to anti-corruption work is to establish a core group of anti-corruption experts within the SAI to review government-wide laws, regulations and procedures to identify corruption risks. Such an expert group can also help develop standard audit criteria to deter and detect corruption across different agencies and departments and take responsibility for coordinating the training of other auditors in corruption auditing (Otalor & Eiya 2013).

A review of the available literature suggests that the principle approaches and strategies adopted by SAIs to counter corruption are as follows:

## 1. Strengthening internal control systems in public administration

A strong financial management and control system incorporates: accurate, complete and timely financial reporting; a reliable system of internal controls; compliance with laws and regulations; and cost accounting capabilities.

To help ensure this, SAIs can evaluate internal controls within public agencies and make recommendations to strengthen any weaknesses identified, including by (INTOSAI 2019a; INTOSAI 2017a):

- verifying whether proper procedures are in place for authorising payments
- ascertaining whether there is a strict separation of needs specification, planning, contracting, and accounting and settlement in government procurement
- checking whether staff in areas prone to corruption (such as procurement, construction and licensing) are being rotated

INTOSAI's International Standards of Supreme Audit Institutions (ISSAI) also suggest that SAIs should encourage public organisations to use effective pre-employment screening procedures. Such procedures should verify the qualifications, suitability and experience of potential candidates for employment. Specific techniques typically include confirmation of educational and professional qualifications, verification of employment background, criminal history searches and credit checks. Such pre-employment screening techniques must, however, be carried out in accordance with appropriate laws and regulations. Screening applicants can reduce the likelihood of individuals with a history of dishonest or fraudulent behaviour being given a role within the organisation, and is therefore an important corruption prevention procedure (INTOSAI 2019a).

## 2. Focusing audits on areas at high risk of corruption

By identifying and monitoring corruption "hotspots", some SAIs have taken specific measures to embed anti-corruption approaches into their work, from the planning process onwards (Chêne 2018). Areas particularly prone to risks of corruption, fraud or money laundering include: the management of aid and subsidies; procurement; tax administration; and creation of publicly funded entities that are outside the scope of administrative law (Corte di Conti 2009).

The SAI can analyse corruption risks (including occurrence, causes, areas and mechanisms) through performance audits, and identify ways to reduce arbitrariness in the application of rules and regulations, simplify administrative procedures, and eliminate unequal access to information (INTOSAI 2019a). For further details, see the discussion below on performance auditing.

## 3. Forwarding information about suspected illegal/corrupt practices to the relevant authorities

Ideally, SAIs should be empowered to refer suspicions of fraudulent and criminal activities uncovered during their audits to the competent authorities (Chêne 2018).

Where this is the case, the SAI can notify the body responsible for investigating and prosecuting corruption offences (for example, law enforcement agencies, anti-corruption agencies, prosecutors or courts). In some cases, auditors may play an important role during criminal prosecutions by acting as witnesses for the prosecution. The SAI's effectiveness and efficiency in the area depends on its capacity to systematically assess and improve its methodology to identify and counter wrongdoing through, for example, forensic auditing or compliance auditing (INTOSAI 2019a).

## 4. Cooperating and coordinating with other anti-corruption bodies

A strong and supportive institutional environment is critical to ensure that effective mechanisms exist for implementing the recommendations of audit reports.

In countering corruption, SAIs can demonstrate their ongoing relevance by responding appropriately to the expectations of different stakeholders such as anti-corruption agencies (ACAs), heads of administration, the judiciary, the ombudsman, as well as non-state actors such as the media, civil society and citizens (see below). The expectations of stakeholders will vary depending on whether the relationship is based on laws and regulations (relationship with institutionalised stakeholders) or arises out of interactions that are not supported by law or regulations (relationship with non-institutionalised stakeholders) (INTOSAI 2017c). Furthermore, to serve as a credible voice for beneficial change, it is important that SAIs have a good understanding of developments in the wider public sector and undertake a meaningful dialogue with stakeholders about how the SAIs work can facilitate improvement in the public sector (INTOSAI 2017a).

However, interagency coordination of anti-corruption activities remains poor in many countries. The difference in mandates and rivalry between different agencies can undermine anti-corruption efforts. To address the issue, some countries have established specific coordination bodies and law enforcement agencies. In Bulgaria, for example, the Interministerial Commission for Coordinating Actions against Corruption was established in 2002, while in Bolivia, this anti-corruption coordination mandate was given to the SAI (Chêne 2018).

## 5. Training and capacity building

SAIs also have an important role to play in training and raising staff awareness in public sector departments and agencies to fraud and corruption. A study in Malaysia found four fraud training and education approaches to be particularly effective, namely fraud awareness-raising activities, training in ethics or codes of conduct, training in privacy principles, and training of employees involved in fraud control activities (Mat et al. 2013). A useful entry point for such activities is to work with internal auditors within these bodies, for example, through (INTOSAI 2010):

- communication of audit planning and strategies between external auditors from the SAI and internal auditors from the

- public entity (for example, joint planning sessions, regular meetings)
- arrangements for the sharing of information (for example, findings, consultation procedures, background documentation)
- organising common training programmes and courses
- secondment or lending of staff
- use of certain aspects of each other's work to determine the nature, timing and extent of audit procedures to be performed
- collaborating on certain audit procedures, such as collecting audit evidence or testing data

## 6. Engaging with parliament on audit findings and recommendations

Strengthening the relationship between parliament and SAIs is of decisive importance to ensure effective oversight of government financial operations, for example, with regard to the exchange of information, access to audit reports and follow up on recommendations (Transparency International 2015).

For example, many SAIs perform a consultancy role, giving advice and opinions on budgetary and/or accounting issues as they may relate to proposed legislation (Corte di Conti 2009). Moreover, through regular analysis of irregularities identified during audits and analysis of legislation, the SAI can contribute its expertise to influence laws and regulations so that they do not encourage corruption, although this role rarely goes beyond an advisory one (INTOSAI 2019a).

In some countries, SAIs are required to report their findings to a parliamentary committee, such as a public accounts committee (PAC). This can help improve the effectiveness of SAIs as public accounts committees and can pressure audited bodies to comply with SAI recommendations. They publish the report findings, demand reforms and follow-up on whether audit findings and recommendations have been addressed (Chêne 2018).

## 7. Engaging civil society in audit processes

There are good practice examples of SAIs working with civil society, particularly in audit planning to

better identify and address corruption risks in the audit process (Transparency International 2015). Civil society has an important role to play in supporting and contributing to audit and oversight work through the use of various tools such as social audits and budget monitoring (Transparency International 2015). This is discussed further in the section on stakeholder engagement and participation in SAIs' anti-corruption work, below.

## 8. Raising public awareness of corruption risks

INTOSAI suggests that SAIs should work to heighten public awareness of corruption and other wrongdoing through the timely and public disclosure of their audit findings to foster accountability (INTOSAI 2019a).

Practices developed by SAIs to disclose information on the results of audits, as well as on their internal governance procedures, among others (OECD 2014):

- proactive disclosure of information held by SAIs
- implementation of an active communication policy
- publication and dissemination of audit reports
- user-friendly audit result summaries
- disclosure of information about the use of SAI resources, bids and contracts
- publication of SAI personnel, including positions, salaries and contact information
- publication of sworn declarations of assets and previous professional relationships of SAI officials

In 2015, the French court of accounts signed up to the national action plan for the Open Government Partnership (OGP) and committed to making financial data publicly available via an online platform (Chêne 2018). Numerous other countries have implemented OGP commitments to better share audit findings, including Colombia, Costa Rica, Georgia and the Philippines, while others have engaged with the Global Initiative for Fiscal Transparency, which supports citizen participation in public debate and discussion about the design and implementation of fiscal policies (World Bank Institute & ACIJ 2015).

## 9. Supporting whistleblowing

An additional anti-corruption role played by many SAIs is to act as a channel for whistleblowers to provide information about suspected or actual wrongdoing in the workplace. Many SAIs have a complaint gathering system, including telephone hotlines and online submission forms. The effectiveness of any whistleblowing system depends on whether it ensures the anonymity of whistleblowers and is able to build confidence in citizens that information on irregularities they provide will be acted upon. All information gathered from such individuals by an SAI's complaint system should be transmitted over a secure connection, and the SAI should safeguard all information provided by whistleblowers or others against unauthorised disclosure (INTOSAI 2019a).

For example, South Korea's audit office has established a complaint hotline and whistleblower mechanism through which citizens can report suspected irregularities or corruption, and can request audits. The hotline collects reports on unjust handling of petitions by administrative agencies, complaints and actions such as wrongful receipt and handling of petitions on the grounds that they may be later pinpointed by audit and inspection. The hotlines also receive reports of corruption and fraud of public officials, including bribery, idleness, embezzlement and the misappropriation of public funds. This mechanism has been widely disseminated in South Korean society and has a dedicated page on the SAI's website (INTOSAI 2017c).

## Tools and mechanisms to support anti-corruption efforts

SAIs typically have the mandate to conduct three types of audits (Chêne 2018):

- financial audits that focus on providing a financial opinion on the annual accounts of public institutions
- compliance audits that seek to verify the legality of the transactions made by public institutions
- performance audits that assess the efficiency and effectiveness of public institutions' use of resources

Of the three types of audits performed, performance audits are considered the most useful contribution to anti-corruption work as they can help identify systemic weaknesses in the system (INTOSAI 2017a). They can help prevent corruption by assessing whether the institutional framework and resources allocated to curbing corruption are being used efficiently, effectively and equitably. The following two sets of guidelines are considered particularly useful for this.

### **ISSAI 5270: Guideline for the Audit of Corruption Prevention<sup>1</sup>**

<https://www.issai.org/pronouncements/guid-5270-guideline-for-the-audit-of-corruption-prevention/>

This guideline is designed to help SAI auditors prepare and conduct the audit of anti-corruption policies and procedures in government organisations within the scope of their mandate. It highlights anti-corruption policies, structures and processes in these organisations and can be used as an audit tool by the auditors. It may, however, also be used by the auditees (such as government departments, government institutions, and so on) as guidance for implementing and carrying out their own anti-corruption activities. Those SAIs that do not have a mandate to conduct performance audits can use this guideline for internal purposes.

The guideline covers key areas of anti-corruption structures and procedures that may be found in government organisations. It also describes the setting up of anti-corruption structures, the approaches for risk assessment, and risk analysis and monitoring processes. The main emphasis is placed on the features of an effective anti-corruption organisation, such as the delimitation of duties, job rotation, role of internal review, and human capital, including awareness raising and employee training.

### **Guidance on Audit of Institutional Framework for Fighting Corruption**

<https://www.idi.no/en/elibrary/cdp/sais-fighting-corruption-programme/548-guidance-on-audit-of-institutional-framework-for-fighting-corruption-1/file>

To support implementation of the ISSAI 5270 standard, INTOSAI has developed this Guidance on Audit of Institutional Framework for Fighting Corruption.

It focusses on how to conduct a performance audit of the institutional framework for curbing corruption that spans different agencies and organisations. An institutional framework is understood to mean the system of formal laws, regulations, and procedures, as well as informal conventions, customs and norms that affect socio-economic activity and behaviour. This is underpinned by the legal framework for fighting corruption, which might include a national anti-corruption act, the penal or criminal code, and international conventions such as the United Nations Convention against Corruption (UNCAC).

The guidance proposes addressing the whole of government institutional framework and then auditing one or more specific sectors through a mix of system-oriented (which examines the proper functioning of management systems) and problem-oriented (which examines, verifies and analyses the causes of particular problems or deviations from criteria) approaches. Key areas addressed in the guidance include:

- operations of specialised ACAs including functional autonomy and independence from government
- effectiveness of other oversight agencies with a role in the anti-corruption system and related systems, policies and provisions for preventing corruption
- coordination and cooperation among agencies
- adequacy and implementation of anti-corruption roles, such as education and awareness raising, prevention and coordination (and, to a lesser extent, investigation, prosecution)
- role of other agencies like the prosecutor, ombudsman, civil society organisations, and so on
- results and follow up mechanisms for prevention of corruption

<sup>1</sup> This standard was endorsed in 2016 as ISSAI 5700 - Guideline for the Audit of Corruption Prevention in Government Agencies. With the establishment of the INTOSAI Framework of Professional

Pronouncements (IFPP), it was relabeled and renamed as GUID 5270 Guideline for the Audit of Corruption Prevention with editorial changes in 2019.

More specifically, performance audits typically focus on assessing the economy, efficiency, effectiveness and equity of the institutional framework for countering corruption with reference to the following key questions:

- Economy: have human, financial or material resources been used economically to prevent corruption? Are management activities performed with sound administrative principles and good financial management policies?
- Efficiency: is the system delivering the best services for the resources allocated? Are anti-corruption institutions or structures using their capacities (mandate, resources, and so on) to the maximum level? Do the anti-corruption policies or programmes pay due consideration to the coordination of interventions and collaboration between several entities to avoid duplication of actions?
- Effectiveness: is the institution in question meeting its policy objectives? Are they achieving programme objectives in all sectors of governance and service delivery?
- Equity: how are resources allocated vis-à-vis the distribution and socio-economic profile of the target population? What strategies are adopted to adjust the supply of anti-corruption services or benefits to different needs? What strategies are adopted to consider gender issues and the inclusion of minorities in corruption prevention measures?

## Additional tools

To successfully undertake the roles and activities described above, INTOSAI suggests that SAIs should also increasingly focus on training staff to ensure they have appropriate skills, knowledge, and abilities to identify and assess potential irregularities (INTOSAI 2019a). As noted earlier, the SAI may also consider establishing a dedicated core group of anti-corruption experts within the SAI. Just as importantly, SAIs must earn the trust of stakeholders (citizens, legislative and executive bodies, auditees and others). Therefore, they need to act as model organisations and inspire confidence and credibility (INTOSAI 2019b).

The following are further examples of useful tools to ensure that SAIs adhere to the highest standards of probity and lead by example:

### ISSAI 130 – Code of Ethics

[https://www.intosai.org/fileadmin/downloads/documents/open\\_access/ISSAI\\_100\\_to\\_400/issai\\_130\\_ISSAI\\_130\\_en.pdf](https://www.intosai.org/fileadmin/downloads/documents/open_access/ISSAI_100_to_400/issai_130_ISSAI_130_en.pdf)

This code of ethics is designed to provide SAIs with a set of values and principles on which to base behaviour along with guidance on how to embed those values in daily work and in the particular situations of an SAI. It is intended for all those who work for, or on behalf of, an SAI as well as those in the governance structure of an SAI.

### IntoSAINT – A Tool to Assess the Integrity of Supreme Audit Institutions

<https://www.intosaicbc.org/intosaint/>

Originally developed by the Court of Audit of the Netherlands, IntoSAINT is a tool to assess the vulnerabilities and the maturity of the integrity controls of SAIs and to strengthen integrity in SAIs. The ultimate output is a concrete management report/action plan that explains to management where urgent measures must be taken to strengthen the organisation's resilience in response to potential integrity violations.

## Stakeholder engagement and participation in SAIs' anti-corruption work

As noted above, engagement with citizens and other external stakeholders can strengthen SAIs' capacities and effectiveness in holding governments to account for the use of public resources (OECD 2014). Increased engagement leads to synergies that raise the effectiveness of SAIs, citizens and civil society organisations (CSOs) alike. For example, citizens and CSOs can help identify areas of possible corruption providing valuable information for government programme audits. They can also help monitor the executive's follow-up to audit reports and subsequent decisions taken by parliamentary committees, helping to ensure a proper response to audit recommendations. This should result in more

efficient use of public resources, reduced waste and ultimately improved delivery of public services. (World Bank Institute & ACIJ 2015).

The following section provides an overview of some of the forms and benefits of engaging stakeholders in SAI work. It also briefly discusses approaches to including stakeholders in the development of an SAI's anti-corruption strategy itself, based on experience from similar exercises undertaken as part of national anti-corruption strategy design processes.

## Forms and benefits of stakeholder engagement

According to a 2014 OECD stocktaking review, stakeholder engagement practices are still scattered and tend to be unique and specific to individual SAIs. In terms of the depth of participation, mechanisms tend to be inclusive (including a large number of individuals) rather than representative (including individuals from a broad spectrum of social groups) (OECD 2014). Engagement is more common with citizens and civil society than with other actors. The institutionalisation of engagement approaches varies widely, has advanced only recently, and is incremental (OECD 2014).

There are a number of roles that stakeholder engagement can play in SAIs' work that benefit both SAIs as well as civil society and other stakeholders. These can be summarised as follows (OECD 2014; World Bank Institute & ACIJ 2015; TAP Network no date):

- Building technical capacity: SAIs can provide accessible and relevant information to enable citizens to meaningfully participate and demand accountability. They can do this by working with CSOs to build citizen literacy on financial management and oversight. CSOs working in specific fields can build upon the information SAIs produce, and adopt their methodologies for financial management and auditing to promote advocacy strategies aligned with their own objectives. Meanwhile, SAIs can also learn from civil society's experience and methodologies for tracking public funds.

- Providing information for audits: citizens and CSOs can help SAIs identify possible areas of mismanagement, inefficiency and corruption through joint audits and social audits, thus expanding SAIs' scope. They can provide valuable information for the audit process, which can enrich the audit results, especially for areas in which those stakeholders have specific knowledge and expertise.
- Strengthening oversight and follow-up: citizens and CSOs can put pressure on legislative and executive agencies to take and enforce corrective actions as well as help monitor the executive's follow-up to audit reports and subsequent decisions taken by parliamentary committees. They can encourage open debates in parliament on SAI reports that include civil society and citizens. They can also perform a watchdog role over the appointment of SAIs' board members and management to strengthen their institutional autonomy, and in some cases participate directly in the appointment of comptrollers, auditors and high-level officials.
- Building trust: as SAIs make their work visible and engage with external stakeholders, they can build trust and a strong reputation for the operations they perform. CSOs can support SAIs in this regard by running public awareness campaigns that raise the profile of audit reports and educate citizens about the role SAIs play in holding governments to account. Such campaigns could be built, for example, around databases that track what the government is doing to address audit findings.

At the same time, there are a number of risks and challenges associated with stakeholder participation in SAIs that need to be taken into account. These include the potential undermining of the independence, objectivity and credibility of SAIs (because involvement in audits is considered beyond the capacity of many CSOs or because direct CSO participation in audits might compromise their role in audit selection, raising awareness of SAI findings, and monitoring the implementation of SAI recommendations). Other

risks include delays and higher costs of the audit process, work overload, participatory fatigue and bureaucratic resistance (OECD 2014).

To address these risks, SAIs need to strike a balance between engaging with other stakeholders and maintaining their distance from those that use their findings to impose accountability (such as parliamentary committees or CSOs), whether through institutional mechanisms or the pressure of public opinion. In practical terms, this means that SAIs need to maintain a clear separation, for instance, between communicating findings and recommendations to the relevant parliamentary committee(s), and becoming involved in, or commenting on, proceedings of the committee that go beyond a strict interpretation of the findings.

Similarly, while engaging with CSOs and media to ensure maximum visibility of its findings is vital, the SAI needs to ensure a certain distance from those stakeholders because it cannot control exactly what they will do. This is particularly important in cases where either CSOs or media are associated with a particular political viewpoint or orientation, or are perceived to be so (Reed 2013).

## Tools to support stakeholder engagement

### E-Guide on Participatory Audit

<https://www.e-participatoryaudit.org/introduction.php>

See also: <https://www.e-participatoryaudit.org/module-02/audit-proper-participatory.php>

The World Bank and Asociación Civil por la Igualdad y la Justicia (ACIJ) in Argentina have developed an e-guide on participatory audits. The guide includes a tool for conducting an action-oriented assessment of the readiness of both SAIs and CSOs to design, mainstream and evaluate citizen engagement in the audit process. It introduces a framework for understanding SAI-citizen engagement and provides an overview of the chief international standards and regulations governing SAI-citizen engagement. It presents a range of tools and methods for understanding the various entry points to the audit cycle for SAI-citizen engagement, putting in place effective partnership-building mechanisms and designing appropriate indicators to measure progress and results.

### Guidance in Supreme Audit Institutions' Engagement with Stakeholders

<https://www.idi.no/en/elibrary/cdp/sais-engaging-with-stakeholders-programme/697-idi-sais-engaging-with-stakeholders-guide/file>

This guidance is intended to help SAIs formulate and implement strategies aimed at enhancing audit impact through stakeholder engagement. The guidance describes the mechanisms by which SAIs can engage with stakeholders at the different stages of the audit cycle, and the different stakeholders the SAI may consider engaging with to achieve greater audit impact, including the legislature, executive, audited entities, the media, the public, development partners, and professional and academic bodies.

In addition, the TAP Network also has a selection of guidance material for engaging with SAIs: <https://sdgaccountability.org/working-on-oversight-for-accountability/utilizing-supreme-audit-institutions/>

## Selected country examples of stakeholder engagement with SAIs

### Colombia

Colombia's Comptroller General (CGRC) has developed a guide on the promotion of joint audits with citizens and CSOs as well as with beneficiaries of public interventions. As part of the audit process, stakeholders have provided input on-site, at meetings and roundtables, or through reports. From 2006 to 2010, it carried out 2,232 outreach activities, implemented 120 coordinated audits and created 763 citizen oversight committees. It carried out 4,964 training activities, enabling 177,196 citizens to actively participate in the oversight process (INTOSAI 2017c; TAP Network no date).

### Argentina

Argentina's SAI ([Auditoría General de la Nación, AGN](#)) holds annual public meetings and informational gatherings with CSOs to receive proposals on institutions and programmes that these CSOs believe should be audited. AGN then considers their potential inclusion in its operational action plan (OAP). The goal of participatory planning is to improve the OAP through technical

knowledge and information provided by CSOs. Even when participatory planning has not taken place, AGN has maintained close contacts with CSOs. This has facilitated cooperation and collaborative work as well as the implementation of further mechanisms to enhance AGN transparency. To date, there have been five instances of participatory planning since 2003, when it first took place. (INTOSAI 2017c)

### The Philippines

The [Commission on Audit in the Philippines](#) has created an internal unit to institutionalise the engagement of CSOs in conducting participatory audits of government projects. The commission's strategy includes holding discussions with civil society on its mandate, vision, mission, goals, core values and principal function, and capacity building on concepts, principles, approaches and tools of good governance and social accountability for stakeholders involved in the audits (INTOSAI 2017c).

### South Africa

South Africa's Auditor General Office (AGO) has developed a stakeholder management framework involving stakeholder identification, stakeholder analysis, planning for stakeholder engagement, stakeholder engagement process, and monitoring, evaluation and reporting. According to AGO, the development of the framework has greatly helped to improve its engagement with stakeholders. (INTOSAI 2017c)

### Engaging stakeholders in the development of anti-corruption strategies

As well as engaging stakeholders directly in the auditing process and follow-up activities, SAIs can also involve civil society and other actors earlier in the development of their anti-corruption strategies. While the research conducted for this Helpdesk Answer has been unable to find any specific examples of such approaches by SAIs, experience from the participatory development of anti-corruption strategies at the national level offers some useful lessons.

Experience from the Asia-Pacific region shows that external and internal consultations during the

drafting process are key for the successful implementation of anti-corruption strategies. For this reason, it is recommended they conduct a series of workshops, consultative meetings and academic seminars in different parts of the country to solicit input from CSOs. The public should also be invited to submit their views (UNDP 2014).

When designing such processes, it is critical to ensure a sufficiently long consultation period to allow stakeholders to provide well-grounded feedback. The short consultation window is something that civil society organisations have often criticised in anti-corruption strategy drafting exercises in the past (COE 2013).

UNODC (2015) has suggested a set of general principles when setting up a process for drafting an anti-corruption strategy, including:

- assigning responsibility for drafting the strategy to a small, semi-autonomous group, which is able to consult broadly with a range of stakeholders and experts. The group should be made up of individuals who have the expertise and vision to construct a strategy that has a coherent vision while not having an attachment to any preconceived agenda.
- ensuring the continued support and involvement of senior political leaders and regular consultation with all government agencies that will be affected by the strategy. This is especially true for those agencies with different kinds of expertise that may improve the quality of the strategy, for example, by identifying problems and challenges that the lead drafters may have missed (or misunderstood) and by suggesting creative solutions.
- engaging all sectors of society in the drafting process (including civil society organisations, the business community, the media, academics, the general public and other stakeholders) to build a common vision and increase the legitimacy of the strategy in the wider society. However, too much emphasis on achieving consensus or trying to reflect the input of all stakeholders can result in a watered-down strategy. On the other hand, if participating stakeholders feel that their views were ignored, they may feel alienated by the strategy-drafting

process, and thus be less likely to become strong allies in its implementation.

- carefully considering the timing of engagement exercises. This might include structuring consultations in stages: first soliciting general input about corruption challenges, then producing a preliminary draft or outline and then seeking more focused input. Another, complementary approach might be to structure early consultations around recent findings concerning the country's corruption problems.
- emphasising communication, transparency and outreach throughout the drafting process to encourage more, and more diverse, input into the process. This can also help increase the legitimacy of the strategy-drafting process and sustain interest in, and bring attention to, the strategy-drafting process, particularly given that the process is likely to take time.
- taking advantage of other countries' experience and expertise while ensuring full ownership lies with those drafting the strategy. The drafting should not be "outsourced" to foreign experts.

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