

Overall improvement of SAI performance in a challenging situation

Leading by Example – improving SAI performance through an external peer-review and audit (SAI Liberia)

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In 2006, the government's Supreme Audit Office was re-established under a new democratically elected President of Liberia following years of protracted civil conflicts. The motto of the audit office then was "fighting fraud, waste and abuse." The financial auditing style adopted, at the time, was somewhat autocratic and carried a "police-man mentality". This meant trying to catch thieves, as opposed to ensuring that financial systems were being followed to guarantee the achievement of stated institutional goals and project objectives in transparent and accountable ways. We were often feared and auditee institutions were frightened of being audited. Most auditees felt the audits were "witch hunts". Consequently, we found it difficult to obtain relevant documentations and complete audits timely. In some cases, because of the uncooperativeness of auditees, we had to abandon audit assignments.

Upon the current management team's assumption of office at the Supreme Audit Institution, we made a conscious effort to dispel the bad reputation of the institution by subjecting the Supreme Audit Office itself to a comprehensive audit. Unlike other auditees, the Legislature independently authorized and selected the auditor who audited the Supreme Audit Office. The newly appointed Auditor General convened a meeting with the Public Account, Audit and Expenditure Committee (PAC) of the Legislature to get its support for the proposed audit of the audit office. Because of his professional background the Chairman of the PAC knew the importance of audits and was very open to the suggestions. This was further supported by media attention at the time. The Chairman was also aware that as a newly formed postwar entity and more so as the Supreme Audit Institution of the Republic, it was best to have a reputable sister Supreme Audit Institution (SAI) perform a comprehensive audit and provide recommendations to move the SAI towards international standards. He suggested that we contact SAIs in English speaking Africa that are well versed and respected internationally. After months of multiple appeals to relevant SAIs, the Office of the Auditor General of Kenya accepted our request to conduct the audit, and with the acquiescence of the PAC, the audit was conducted. A major challenge remained the financing of the audit as the Government of Liberia had not budgeted for a peer audit of the SAI. The Auditor General reached out and made the case to the World Bank Representative to Liberia. The World Bank consented and the funding was provided from the Integrated Public Financial Management Reform Project (IPFMRP) fund.

Just like our auditees, the new management was somehow apprehensive about submitting the audit office to the much-needed audit. The management was unsure and unsettled about what would be revealed. Was there a possibility the problems uncovered would be like what was found by audits conducted on other government entities? **By having our organization audited and creating awareness that audit is done to improve systems, auditees gradually became more receptive to audits. We led by example and showed the openness to external scrutiny we demand from auditees ourselves. This we believe could be a smart move for other SAIs in challenging situations where government staff may resist audits.**

