

Supporting SAIs in Complex and Challenging Contexts

An introduction for parliaments

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Supreme audit institutions (SAIs) are key players in the public financial management (PFM) system of a country. By auditing the public sector, information on how public monies are spent, as well as on the efficiency and effectiveness of the public sector, is made available to parliaments and citizens.

For SAIs, to meet these objectives, they need be professional and trustworthy organization, with the competence and integrity needed, to present high-quality impartial audit reports. For SAIs to have impact, it is also necessary that countries have accountable public sectors willing to act on the findings of the audit reports.

Standards for Supreme Audit Institutions

SAIs are part of INTOSAI, the International Organization for Supreme Audit Institutions, which has developed an internationally agreed set of standards which provide guidance on what is expected from supreme audit institutions.

The international standards of supreme audit institutions, or ISSAIs, cover not only the audit disciplines, but also organizational issues including ethical requirements, quality assurance, management, independence and transparency. There are three main groups of standards covering the three main types of audits carried out by SAIs – financial-, performance- and compliance audits. However, it is up to each SAI to decide whether it

wishes to, and can legally, adopt these standards – they are not mandatory.

Implementation of Standards

The first step to understand how to support SAIs on their path to becoming compliant with international standards is to conduct a rigorous gap analysis. This analysis serves to evaluate how far the SAI has come, in relation to the standards. It is also necessary to evaluate how well the legal framework in the country is in line with what is expected, as well as the strengths and weaknesses of the overall PFM system. External technical support may also be needed in this process.

Parliaments

Parliaments, particularly, financial oversight committees or public accounts committees, have a major role in ensuring that countries have strong SAIs. They can ensure that the SAIs have the legal framework to guarantee their independence and adopt the ISSAIs, and the resources needed to conduct the audits, and employ competent, professional staff. Implementing the ISSAIs for many SAIs is a major challenge and takes time, Parliaments can play an important role in supporting and encouraging SAIs during this transition. Once the audits have been completed, Parliaments can play a major role in ensuring that the audit findings and recommendations are made widely available and are implemented. Parliaments also have a central role in strengthening the PFM structure of a country and in promoting greater accountability.

Where can I find more information?

- Read the CBC document “Helping apply the ISSAIs in complex and challenging contexts - A background briefing for international development partners”.
- www.issai.org – the INTOSAI Professional Standards Committee (PSC) leads the efforts within INTOSAI to provide to the Supreme Audit Institutions (SAIs) relevant, professional and clear standards and guidance that add credibility to the work of the individual auditor and the resulting audit reports.
- www.intosaicbc.org – contains useful materials on SAI capacity development and specialist section on auditing in complex and challenging contexts, including access to webinar recordings.
- www.idi.no – offer a wide range of support as SAIs start to implement the ISSAIs including through initial assessments, e- training courses, training and guidance materials.