



Achieving Audit Independence in the Pacific (Part 2)

Audit independence is vital to establish the credibility, public confidence and trust in the work of public audit offices. This blog post is the second in a series of two exploring the concept of audit independence and its role in promoting transparency, accountability and good governance in a country. In our previous post, we explored the definition and measurement of audit independence.

This post explores the SAI Performance Measurement Framework (SAI PMF) results for audit independence in the Pacific region. We discuss strategies to strengthen and achieve SAI independence. Finally, we outline the PASAI Secretariat's initiatives to support SAIs in the region to achieve audit independence.

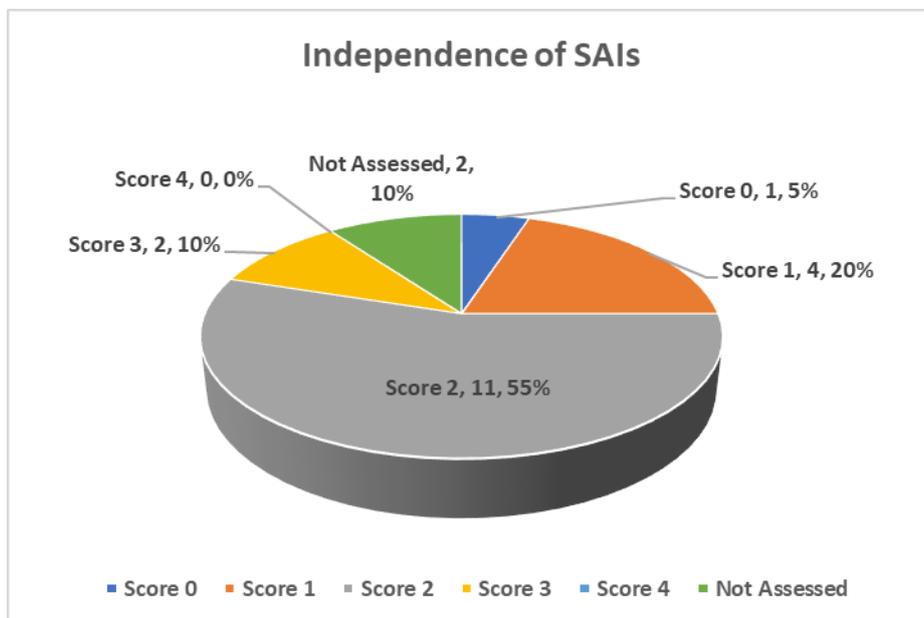
The PASAI Secretariat's work on audit independence is funded by the 'Strengthening of Public Finance Management and Governance in the Pacific Project' (PFM). This project aims to strengthen oversight over public financial management in the Pacific region through improving the budgetary scrutiny, public financial oversight and accountability capacities of parliaments, supreme audit institutions and civil society within the region, aligning with international public financial oversight and accountability standards, and fostering citizen engagement and oversight. PFM is funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP) in partnership with PASAI.

INTOSAI SAI Performance Measurement Framework 2016–2019

The assessment of SAIs in the last three years using the SAI PMF tool shows a clear picture of the current state of audit independence in the Pacific region. The assessment is based on the following levels:

| Level | Minimum Requirement for Scores |
|-------|---|
| 0 | The feature is not established or barely functions. |
| 1 | The founding level: The feature exists but is very basic. |
| 2 | The development level: The feature exists and the SAI has begun developing and implementing relevant strategies and policies. |
| 3 | The established level: The feature is functioning broadly as expected under the ISSAIs (levels 1–3). |
| 4 | The managed level: The feature is functioning following the principles in the ISSAIs (levels 1–3) and the SAI implements the activities in a way that enables it to evaluate and continually improve its performance. |

We have yet to assess two SAIs, one SAI had a score of 0, four SAIs had a score of 1, 11 SAIs had a score of 2 and two SAIs had a score of 3. None achieved the ideal score of 4 indicating true independence.



Graph 1: Independence of the SAI – Overall Assessment

PASAI has developed an [Independence Resource Kit](#) to help SAIs with their strategies in achieving independence. PASAI also provides technical assistance and resources to support SAIs in their initiatives to achieve independence.

The PASAI Secretariat is available to work in collaboration with SAIs and parliamentarians of the Pacific countries to implement changes to improve these assessments so that more results meet the level 4 standard.

What does it take to achieve SAI independence?

- **Strong leadership:** Change can be implemented with strong leadership and commitment. It takes courage to institute change and to advocate to parliamentarians that this change is a positive alternative for any nation planning for economic growth and sustainable development. Hence there is a need for SAIs to inform parliamentarians, the public sector and the country as a whole about what they do and the importance of their role.
- **An informed Parliament:** Some SAIs have submitted proposed amendments of provisions allowing for independence but they do not get passed in Parliament. SAIs are encouraged to design a programme to inform parliamentarians. There should be staff allocated to answer queries of parliamentarians at any time especially during parliament committee meetings. When parliamentarians understand the need for a SAI to be independent and are informed regularly of the SAI work and reports, it paves the way of getting parliamentary consent for independence.
- **Regular publication of audit reports,** ideally annually. These reports should be made available to Parliament and the public so that the performance of public entities can be properly scrutinised. Reports can be published on the website of the SAI and/or the public entity and through Parliament. Their release can also be publicised through social media platforms. There should be greater visibility of the role of the SAI to the country as a whole. The results of investigations, special audit work, financial audits, performance audits and any work done by the office should be reported and published on their website. In some countries timelines for audit reports are set through legislation, which is also a recommendation from the Public Expenditure and Financial Accountability framework discussed in the first part of this blog. Outside of the legislative process, Parliament or the executive government should not have any influence to hasten or delay reports or alter when these reports are to be published.
- **Design and implementation of a practical Communications Strategy** to strengthen the communications function and capability of a SAI, enabling it to communicate clearly and

regularly to the public what the SAI does and also how people can understand the reports. **Social media platforms** can be used to inform the public about the work of the SAI and any reports it issues. SAIs need to be prepared to manage public and media probing into these reports.

- **Informed public servants:** There should be a targeted communications programme to inform public servants and every entity in the public sector about the role of the SAI and the value that it adds by promoting accountability, transparency and good governance in the public sector in particular and the wider community in general.

Is it an impossible mission?

Far from it. Some SAIs are already on the way to achieve complete audit independence. This process requires long-term commitment and includes taking one step towards progress at a time. Without a step forward, there is no progress.

PASAI continues to work with SAIs in the region to advocate for audit independence with parliaments and key stakeholders. The Secretariat supports SAIs to achieve audit independence by providing:

- an up-to-date [Independence Resource Kit](#) to be used as a guide for audit offices
- legal consultants who can work with the SAIs in reviewing the legislation and consulting with parliamentarians and the public and
- assistance to SAIs to develop Communication Strategies to effectively plan how and when to communicate about their role and reports to Parliament, the public and other key stakeholders.

We welcome your feedback and look forward to hearing about other areas of interest to you. Please email secretariat@pasai.org.

The Pacific Association of Supreme Audit Institutions (PASAI) is the official association of supreme audit institutions (SAIs) in the Pacific region, and a regional organisation of INTOSAI and promotes transparent, accountable, effective and efficient use of public sector resources in the Pacific. It contributes to that goal by helping its member SAIs improve the quality of public sector auditing in the Pacific to recognised high standards. Due to the global coronavirus pandemic (COVID19), this has restricted PASAI's delivery of our programmes to our Pacific members and in lieu of this PASAI will be providing a series of blog posts on various topics that may help auditors think about some implications to service delivery as a result of COVID19.

For more information about PASAI refer www.pasai.org
