Policy Brief

Supreme Audit Institutions and Citizen Engagement

The **Effective Institutions Platform** is an international partnership of over 60 (high, middle, and low income) countries and organisations (multilateral and bilateral development agencies, civil society, think tanks) which aims to support country needs and expectations in strengthening their public sector institutions. The Platform was created in 2012 in response to international commitments (such as the *New Consensus on Effective Institutions*) on the need to strengthen the effectiveness of our public sector institutions for the delivery of better public services.

Supreme Audit Institutions are vital to good governance

Supreme Audit Institutions (SAIs), also often referred to as Comptroller Offices or National Audit Offices, are essential players in countries' national accountability systems. SAIs are oversight bodies that have the very important task of ensuring that, at a minimum, government transactions are tracked according to the required accounting standards, and that these (transactions) are in keeping with what is outlined in the approved budget. The main distinctive feature of SAIs is that they are autonomous bodies.

There are 3 ideal type models: Westminster, Court, and Board. All three models share a central common feature: their formal independence from the executive (with very few exceptions). In practice (due to the political economy of the country), the actual independence of SAIs from the executive may vary and they may be more or less subject to political influence. They are also linked, to varying degrees, to the legislature
Each year SAIs audit line ministries' financial reports and produce an annual financial audit report. These reports can help validate the picture of how government finances stand in relation to predetermined fiscal targets and rules, and in turn help inform national discussions on the fiscal health and sustainability of government finances over the longer term.

It would be inaccurate however to limit the nature of SAIs work to financial auditing, as important as this task is. In many countries, SAIs go far beyond this scope, conducting sophisticated performance audits and evaluations of government activities, processes and services. In short, SAIs check not only for financial compliance, but also for integrity, effectiveness, quality,

efficiency and value for money, and even fairness (i.e. the impacts of policies or programmes on different groups of society). Furthermore, their uniquely-placed, "bird's-eye view" of government has great value in terms of assessing policy coherence and supporting a whole-of-government approach to reform.

Increasingly, SAIs are realising the value of greater engagement with external stakeholders, which can take several forms

A core value of SAIs' work stems also from their independence and objectivity, and their outputs and recommendations carry strong legitimacy and weight because of this trait. However, SAIs have increasingly recognised the importance of striking a balance and, while maintaining their independence, also demonstrating their relevance to citizens and other stakeholders by communicating and co-operating more proactively and effectively. Indeed, greater engagement with citizens and other external stakeholders (i.e. parliamentary committees and budget offices, ministries of finance, think thanks and the media) can also strengthen SAIs' own capacities and effectiveness in holding governments to account for the use of scarce public resources and for performance on stated objectives.

As a relatively new phenomenon for SAIs, a study was undertaken in December 2013 to assess SAIs approaches for engaging stakeholders as part of efforts to strengthen state-society relations. The study also sought to analyse some of the relevant dimensions that may influence SAIs engagement strategies, including the enabling conditions, the mechanisms and instruments used for engaging, the costs and benefits of such engagement, the risks, and the emerging results. Members of the Effective Institutions Platform (or EIP) took on this study as part of their work on "accountable and inclusive institutions", one of five other of the Platform's work streams, or pillars, on public sector reform[1].

The results, based on a stocktaking of 32 SAIs from around the world, revealed that citizen engagement strategies were varied and present throughout the audit cycle- from design to the monitoring and follow-up of recommendations. The sample cut across different regions and income levels, and covered a wide range of political/legal contexts as well as a diverse range of engagement instruments and tools. 15 cases were from OECD countries and 17 from non-OECD countries. Nine cases were from Latin America and the Caribbean, eight from Europe, four from Africa, three the Middle East and North Africa, three from Asia, 3 from the Pacific, and 2 from North America.

The study found that engagement with citizens and civil society organizations was more common than with other actors (parliaments, the media) for the studied countries. Furthermore, one-way communications (platforms and forums to gather citizens' inputs) were more prevalent than participatory, two-way interactions. Some strategies were quite innovative, taking advantage for example of Information and Communication Technologies (ICTs). Finally, some regions (including non-OECD member countries), as well as different SAI institutional models (the Westminster and Collegiate models in this sample), showed greater proclivity to adopt such approaches than others.

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[1] For more information on the Effective Institutions Platform and the activities related to the Pillar on 'Accountable and Inclusive Institutions', please visit the EIP website: http://www.effectiveinstitutions.org/pillars/accountableandinclusiveinstitutions/

Audit Stage	Examples of citizen engagement strategies used by SAIs in EIP study	Benefits
Risk mapping (identifying where audits should take place)	Complaints mechanisms ("hotlines" or whistle-blower lines and web portals); citizen audit request programmes	Allows SAIs to analyse complaints and identify high-risk areas for fraud or corruption
Audit planning/design	Joint (participatory) and/or citizen audits	Makes the scope of audits more responsive and, ultimately, effective at finding and deterring corruption
Audit implementation	Joint (participatory) and/or citizen audits	Allows SAIs to access information/expertise they may not have had otherwise (i.e. citizens can attest to whether government programs or services delivered on what was intended, or were conducted properly)
Formulating audit recommendations	Joint (participatory) and/or citizen audits	Improved audits result in better recommendations for reform
Dissemination of recommendations	Joint communications (citizen-friendly audit reports, greater use of ICTs and social media)	Much wider dissemination, with recommendations shared in a more user-friendly way that citizens can digest; attracts stronger attention from media and parliaments; applies greater pressure for compliance
Follow-up and monitoring on compliance with recommendations	Sanctions registries; joint workshops/training; supplementary citizen investigations (social audits)	Helps ensure recommendations are carried out in practice

Source: Effective Institutions Platform Working Paper (2014), *Supreme Audit Institutions and Citizen Engagement: A Stocktake.*

Institutionalising external engagement in SAIs will take time and internal changes

Engagement strategies are still rarely institutionalised. The implementation of engagement practices and mechanisms is not without potential risks and drawbacks, and very real challenges can hinder their adoption and results. Some of these challenges include: a lack of legal/regulatory frameworks for the implementation of these mechanisms; weak capacities on both the part of SAIs and CSOs; cultural and organisational reluctances to share information or cooperate; and the need to strike a balance between the benefits of engaging with citizens and maintaining SAI independence and legitimacy. Moreover, the implementation of engagement practices is still incipient and there is room for improvement; while participatory mechanisms tended to be inclusive, for instance, they are not necessarily representative in all cases.

Costs were also an issue. Even if the use of ICTs can reduce the costs of engagement, the implementation of these practices requires hiring or reassigning staff, formalizing new procedures, and the creation of new offices. The costs of participatory practices tend to be distributed between the SAI and its counterparts, frequently with donor support in developing countries.

Sharing of good practice amongst SAIs will help move engagement strategies forward

SAIs and citizens are natural allies in the pursuit of more transparent, effective and accountable governments. Although the nature and scope of their co-operation can vary, the impact of their efforts can be multiplied when they work together. This has been recognised in the SAI community. Sharing good practice on what mechanisms work best for certain purposes, when, or how, and how to effectively address some of the implementation challenges will be critical for mutual learning and to help move engagement strategies forward globally.

The EIP Secretariat

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