



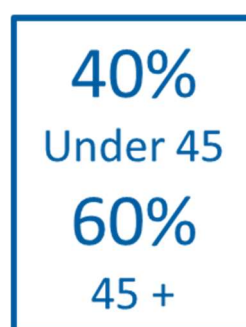
Inter-Parliamentary Union
For democracy. For everyone.



Parliaments and Supreme Audit Institutions (SAIs) partnering for greater audit impact, oversight, and accountability
High-level virtual event, 4 October 2022

Summary report

The high-level event was attended by more than 350 participants from parliaments and supreme audit institutions (SAIs) in 97 countries. It was convened by the Inter-Parliamentary Union (IPU) and the INTOSAI Development Initiative (IDI), a capacity development implementing body of the International Organization of Supreme Audit Institutions (INTOSAI).



Welcome

Ms. Margaret Kraker (Secretary General, INTOSAI), **Mr. Einar Gørrissen**, (Director General, IDI) and **Mr. Martin Chungong** (Secretary General, IPU) welcomed the attendees. In their introductory remarks, they underscored the importance of parliaments and SAIs working together as key players in the accountability chain, providing oversight, and holding governments to account. At the same time, parliaments, and SAIs face similar challenges in fulfilling their mandates at a time when democracy is in decline: they are under pressure to cover increasingly complex subjects and aspects of governance, and often lack the resources and capacities to do so.

How have good SAI-parliament relations contributed to greater accountability?

Mr. Ingvar Matsson (Secretary-General, Parliament of Sweden) and **Ms. Sue Winspear** (Auditor General, Cayman Islands) moderated this session. Participants heard from seven presenters – from parliaments and SAIs – about how they work together, about the importance of good relationships between the two institutions and about how this contributes to greater accountability:

- *SAIs reporting to parliament: Good practices and international experiences*
Mr. Khalid Al Maskati (member of parliament and Chair of the Economic and Financial Affairs Committee, Shura Council, Bahrain)
Mr. Ibrahim Jimissa (Director, Department of Parliamentary Budget Office, Parliament of Sierra Leone)
- *Parliamentary arrangements for co-operating with SAIs, including the functions of parliamentary committees: Good practices and international experience*
Mr. David Dennis (Auditor General, Office of the Auditor General, Solomon Islands)
Ms. Keiba Jacob Mottley (Senior Clerk, Public Accounts Committee, Parliament of Trinidad and Tobago)
- *Communication between SAIs and parliaments*
Mr. Hussain Niyazy (Auditor General, Auditor General's Office, Maldives)
Mr. Jesús Rodríguez (President, National Audit Office, Argentina)
- *More effective SAI-parliament cooperation in relation to follow-up*
Mr. Mindaugas Macijauskas (Auditor General, National Audit Office Lithuania)

How can SAIs and parliaments advocate together for greater accountability?

In this interactive session, participants were asked to reflect on the following questions and propose ideas:

- How can parliaments and SAIs work together to be more responsive to citizens' emerging needs?
- How can parliaments and SAIs work together to contribute to stronger democracy?

Three invited guests contributed as panellists:

- **Mr. Dasho Tashi** (Auditor General, Royal Audit Authority, Bhutan)
- **Mr. Darren Carabott** (member of parliament and Chair of the Public Accounts Committee, House of Representatives, Malta)
- **Mr. José Tavares** (President, Court of Accounts, Portugal)

Key messages from the sessions

The presentations and discussions raised several key issues that need addressing in order to support good relationships between SAIs and parliaments and to enable effective impact for their respective oversight functions. These issues are presented below, along with relevant examples shared by the speakers and participants.

- *Appropriate institutional arrangements and levels of independence to ensure impact of oversight work*

Several speakers and participants highlighted the fact that, while it is important for SAIs and parliaments to work together, they must remain operationally independent in order to maintain credibility in their work. The presentations and contributions showed that institutional arrangements can sometimes affect this independence.

In **Solomon Islands**, the Public Accounts Committee derives its functions and powers from parliament's standing orders, which require the Committee to examine public accounts through the audit report, to examine other audited accounts as it sees fit, and to report its findings and make recommendations to parliament prior to the budget debate. The Auditor General serves as Secretary to the Public Accounts Committee. The Committee does not oversee the Office of the Auditor General (the SAI) but benefits from the use of its staff. **Mr. David Dennis** (Auditor General, Solomon Islands) confirmed that his role as Secretary to the Public Accounts Committee has raised many questions as to the Office of the Auditor General's independence, which is provided for in the Constitution. Neither parliament nor the OAG are truly independent since they depend financially and operationally on the executive. This situation is challenging for the OAG on both fronts. The OAG is currently exploring the possibility of codifying its role and practice, with the goal of bringing in new legislation to regulate its work.

In **Malta**, the Public Accounts Committee and the Auditor General also have a close working relationship. The Auditor General is appointed by parliament with a two thirds majority. The Public Accounts Committee is one of the most closely followed committees in parliament. It is chaired by the opposition, while most of its members are from the governing party. Another challenge stems from the fact that, in Malta, MPs are not full-time representatives unless they are part of the executive. This part-time working arrangement means that parliament lacks the resources and technical expertise necessary to examine reports from the National Audit Office (the SAI).

In **Portugal**, which has a different parliamentary system, the Court of Accounts (the SAI) plays a judicial oversight role with respect to financial accounts and accountants, but still reports to Parliament. Under a court model of this kind, distance between the court and parliament is important in order for the SAI to fulfil its mandate. The two institutions should nevertheless build a good working relationship that is genuinely substantial rather than merely formal.

Institutional arrangements also include having an appropriate legal framework for facilitating cooperation. In **Gabon**, the Constitution calls for collaboration between the Court of Accounts (the SAI) and parliament. The 2015 organic law states that the Court may conduct investigations on behalf of parliament. However, the law is silent on the matter of follow-up. As a result, when the Court submits a report to parliament, there is no legal requirement for feedback. Similarly, there is no form of interaction what would allow MPs to better understand the audit reports.

In **Lithuania**, monitoring of the implementation of audit recommendations made by the National Audit Office (the SAI) is now regulated under a new law for parliamentary committees working with SAIs. This cooperation arrangement is a key factor for public sector quality and development, as well as for the impact of public auditing. More importantly, this monitoring work covers not only adjustments of audited entities but also the impact of these adjustments.

- *Appropriate reporting channels to create impact*

Both parliaments and SAIs can benefit from being responsive to each other's needs. In **Maldives**, the Auditor General's Office (the SAI) has restructured its audit work to better cater to the expectations of the Public Accounts Committee and to reflect the creation of new parliamentary committees. Now, the OAG's work is more relevant to parliament and the two institutions interact more frequently.

In **Sierra Leone**, parliament appoints auditors to the SAI – the Audit Service Sierra Leone (ASSL) – as required by law. In turn, the ASSL has the constitutional responsibility to audit parliament's accounts and operations. As part of the working relationship between the two institutions, the ASSL has a dedicated office and staff assigned to support parliament as necessary, including providing technical support to the Public Accounts Committee as it takes action against defaulting ministries. A key challenge for the Committee is its inability to investigate all issues raised in the audit report within the year, for capacity reasons.

In **Trinidad and Tobago**, the Constitution mandates the Auditor General's Department (the SAI) to submit an annual report to parliament. This report is then referred to two committees: the Public Accounts Committee, which examines government ministries and departments, and the Public Accounts (Enterprises) Committee, which examines state enterprises. This arrangement allows parliament to achieve more of its work programme. Open and ongoing communication helps parliament and the Auditor General's Department to secure what may best be described as mutual understanding and visibility of their respective work, allowing them to find possible points of convergence and promoting what is referred to as "horizontal accountability". Many Committee meetings are held in public with the Auditor General present.

In **Morocco**, the House of Representatives has two committees: one to adopt the budget and a second to oversee expenditure. Both work closely with the Court of Auditors (the SAI). The challenge for the Public Accounts Committee is that it can only deal with reports from the Court of Auditors, as requested by the House, or with the annual audit report. Often, this takes a lot of time.

In **Chad**, the Chamber of Accounts of the Supreme Court (the SAI) provides ongoing technical support to the government and parliament. This support comes in two forms: in response to parliamentary requests on a particular subject, and through the Court's annual and regular reports. In theory, parliament should review these reports and provide feedback but, regrettably, this happens rarely. Parliament admits that it should make better use of these reports and provide feedback to the Court. One contributor called for an informal, permanent, and regular exchange between the two institutions.

In **Solomon Islands**, the Public Accounts Committee carries out biannual budget inquiries and inquiries into audit reports, although the number of public inquiries into audit reports is minimal (one in the last five years). Parliament has been receptive to changes to standing orders that require a mandatory inquiry for each tabled audited account. In the past year, the Committee has conducted five budget enquiries and, in 2022, civil society organizations (CSOs) provided input into these inquiries for the first time.

- *Close and regular communication*

The speakers, participants and invited guests all agreed that regular communication between SAIs and parliaments can help the institutions develop a clearer joint understanding of recent developments and citizens' needs.

In **Malta**, the Public Accounts Committee's weekly live-streamed meetings are attended by the Auditor General and the Deputy Auditor General.

In **Lithuania**, the National Audit Office and parliament hold regular joint conferences. In May 2022, for instance, the two institutions invited experts to a joint conference on the management of emergencies, to discuss lessons learned. Participants were reminded of the substantial insights that can be gained from the public auditing of emergency management.

In **Bhutan**, the Royal Audit Authority (the SAI) works with the Public Accounts Committee in order to be responsive to citizens' needs. The Committee reviews and reports on the annual audit report, as well as on other reports submitted by the Authority to parliament. In each of its two main annual sessions, parliament devotes two days to discussing audit reports. The Royal Audit Authority, led by the Auditor General, informally presents the annual audit report to all MPs to familiarize them with its content. It also holds a series of meetings with the Public Accounts Committee before audit reports are formally debated in parliament.

In **Bahrain**, close communication is especially important for the Economic and Financial Affairs Committee, which emphasizes the need for a good working relationship between the National Audit Office (the SAI) and parliament. Reports prepared by the Office's accounting and economics specialists are shared with the Committee for discussion, and the relevant parties are then called to answer questions.

Mr. Jesús Rodríguez (President, National Audit Office, **Argentina**) stressed that, while communication between SAIs and parliaments is important, more needs to be done. Considering political developments globally, and in Latin America in particular, there is a need to create civil society bodies in order to keep citizens informed about government performance, to allow them to hold governments to account, to mitigate the problem of mistrust in government institutions and to strengthen democracy.

- *Greater responsiveness to citizens' emerging needs*

The speakers and participants agreed that there is potential for SAIs and parliaments to be more responsive to citizens' needs. Some of the related proposals are set out below:

- Make audit reports and recommendations publicly available.
In oversight work, focus on the status of recommendations and clearly prioritize the most important policy areas; in **Portugal**, for instance, the Court of Auditors has published a citizen information booklet containing outstanding recommendations in different policy areas.
- Live-stream Public Accounts Committee sessions, as is the case in **Malta**, where these sessions are especially popular.
- Create an open data portal, following the examples of **Peru** (where a joint working group was set up by the SAI, CSOs and non-governmental organizations to develop a portal on COVID-19-related expenses) and **Ecuador** (where a similar portal was created on public procurement).

- *Working together to contribute to stronger democracy*

Parliaments and SAIs could work together to apply pressure on governments for outcome-based budgeting and increased performance reporting. They could also use hearings as a way to hold institutions with issues to account. Some examples of tools and approaches that could be employed for this purpose are given below:

- In **Bhutan**, the last parliament passed an interesting resolution, based on an observation by the Royal Audit Authority, which required every government agency to have an annual performance agreement that includes an obligation to address audit recommendations.
- In **Portugal**, the Court of Accounts informs parliament whether its recommendations have been addressed in the budget for the following year.
- In **Maldives**, the opening of committee discussions on audit reports to the media has increased audit impact and accountability, since officials of public entities know that they will be held to account for the use of public resources.

Summary of good practices shared by participants

- Offer training to all new parliamentarians.
- Have the SAI work with different parliamentary committees.
- Live-stream Public Accounts Committee proceedings.
- Have parliaments and SAIs work together to apply pressure on governments for outcome-based budgeting and increased performance reporting.
- State, in audit reports presented to parliament, whether SAI recommendations are addressed in the following year's budget.
- Maintain close and regular communication between the two institutions.
- Put in place institutional arrangements to ensure follow-up to audit reports and their recommendations.

Building capacity for public engagement

Building on the wealth of lessons and experiences shared at the meeting, the IPU and the IDI will work together to put in place support to strengthen collaboration between SAIs and parliaments, including:

- capacity-building (regional, national, and international, both online and in-person)
- knowledge products (developed with SAI and parliamentary input to ensure these products are useful for both institutions)

Participants were polled to gain some initial insights into capacity-building topics that would be of interest to SAIs and parliaments. The options are listed below, with the top three choices appearing first:

- Institutional arrangements across SAIs and parliaments
- Understanding and using audit results
- National progress towards the 2030 Agenda and the Sustainable Development Goals

- Public engagement
- Thematic topics
- COVID-19 audit and accountability
- Gender-sensitive audits of public expenditure
- Responsiveness to climate change

Wrap-up and close

At the end of the meeting, the IPU and the IDI thanked the presenters, moderators, and participants for their contributions. They noted that the discussions had underscored the importance of SAIs and parliaments working together, as well as emphasizing the need for regular, transparent, and open communication, and for both institutions to be sufficiently independent in their work. They also recalled that this truly global event, with a variety of participants sharing experiences from different systems, served as a reminder of the need to be aware of local contexts. The two organizations concluded by noting that they looked forward to working with the participants on this journey going forward.