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Enabling impact of public oversight through better understanding and use of audit results in parliament Webinar series 2024 Concept note

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Context

During the last ten years, levels of democracy, civil liberties and accountability have declined to those of the 1990s, wiping out the achievements of building strong and open societies, where government is held to account. As a result, trust in government has receded.

Oversight institutions have an important role in strengthening and restoring trust in the social contract between citizens and government. Overseeing the government is a formal constitutional or long-standing statutory responsibility of most parliaments. Through their oversight function, parliaments keep in check the power of the executive, helping improve the quality of government. Parliament's oversight role has grown in importance in response to the expanding power of the executive witnessed in recent years. From a citizen's perspective, it is important that their elected representatives can exert control on the executive and hold it accountable including in terms of oversight of the budget. Yet, while public demand for oversight has been increasing for nearly all legislatures, parliamentary responses differ enormously.

Supreme Audit Institutions (SAIs), as pillars of integrity, also play vital roles in facilitating processes for accountability to work as intended, through their external audits and reports to both the executive and parliament. The independence of SAIs from direct government interference, both in law and in practice, is necessary to allow them to report comprehensively and freely about how well the government performs, and how it spends public resources. Public sector audits contribute to improved standards of governance, better management and decision-making, and more effective use of public funding.¹

Parliaments rely on the objective, professional view of SAIs to provide assurance and information about the reliability of financial reports and the use of public resources. The [Global Parliamentary Report 2022](#), prepared jointly by the Inter-Parliamentary Union (IPU) and the United Nations Development Programme (UNDP), emphasizes the importance of access to diverse information sources to enable government oversight, stating that parliaments "are usually able to access high-quality information from independent State institutions" such as SAIs. It is vital that SAIs ensure their work is relevant, adds value and has impact, not only by reviewing and reporting on what has happened, but also by looking forward, identifying improvements and promoting good practice.

In the current global environment, with backsliding democracy and shrinking civic space, audit reports are important tools in strengthening transparency, and informing parliament and citizens of the growing complexity of government operations, to allow for proper oversight and response.

However, SAIs are not always able to interact strategically with parliament. The new [Global SAI Stocktaking Report 2023](#) confirms again that SAIs involvement of parliament through regular communication and during follow-up of audits could be better, and that there is a potential for enhancing impact through directed efforts and continuous dialogue. The IPU and the INTOSAI Development

¹ Brétéché, B. and A. Swarbrick, "Developing Effective Working Relationships Between Supreme Audit Institutions and Parliaments", *SIGMA Papers*, No. 54 (2017): doi.org/10.1787/d56ab899-en.

Initiative (IDI) have joined in a strategic partnership to enhance and strengthen collaboration between parliaments and SAIs.

Measures that can strengthen the relationship between SAIs and parliaments are as follows:

- Advocate mutually for institutional strengthening
- Create opportunities for engaging and informing the public through joint efforts to strengthen accountability
- Engage in joint efforts to raise awareness and address emerging and other issues of national importance as well as global agendas such as the Sustainable Development Goals (SDGs)
- Ensure impact of oversight activities through better use of audit results by parliament

Objective of the webinar series

The objective of the webinar series is to raise awareness, share experiences and inspire to more active engagement and use of audit reports tabled to parliament or published by the Supreme Audit Institutions.

The webinar series aims to focus on the three different audit types and discuss how their reports can be useful for different committees of parliament. Members of parliament may not be aware of all SAI audit reports, and SAIs do not always have a clear strategy of who to address in parliament to ensure results are being used and debated. Parliaments are unique and each have different ways of undertaking oversight. While all parliaments will have a committee to deal with the budget, many parliaments have more than just finance or parliamentary accounts committees with an oversight role and ideally audit reports should go to these committees as well. Furthermore, sectoral audit reports linked to the work of technical committees do not always reach those members of parliament who are best suited to use the results of such reports as input to debates on new policies.

The webinar series is intended to uncover practices and ideas that could help SAIs and parliaments to bridge the gap in practices linked to the following:

- How reports feed into existing oversight processes
- Information needs of committees
- The timing of receiving audit reports
- How to understand the results of different audit reports

The webinar series aims to provide examples of good practices, to reflect on strategies both SAIs and parliament can adopt, and to identify areas with more potential to use the audit results .

Series overview

The webinar series will consist of the following online events:

[Financial audit impact: Using reports to inform budgetary processes](#)

Date: Tuesday, 1 October 2024 (14:00 – 15:30 CEST)

The first session will explore the results of financial audit reports and how these results are used. Financial audit is the exercise of providing assurance on the presentation of financial statements. The objective of a financial audit is, through the collection of sufficient appropriate evidence, to provide reasonable assurance in the form of an audit opinion and/or report as to whether financial statements or other forms of presentation of financial information are fairly and/or in all material respects presented in accordance with the applicable financial reporting and regulatory framework (for example the finance law or financial regulation).

In financial audits the purpose is for SAIs to provide reasonable assurance and enhance the confidence of the users. SAIs provide audit findings and recommendations, in addition to an overall opinion on the financial statements. In this regard many SAIs experience challenges due to either lack of appropriate reporting framework or lack of capacities to reach over to all entities under its mandate, sometimes due to untimely submission of financial statements. Financial audit practices vary across regions; some SAIs submit individual financial audit reports while others submit an annual audit report covering all audits.

In many countries the natural addressees of the SAIs' annual audit reports are the Public Accounts Committees (PACs) which take the reports forward through parliamentary debate and the questioning

of the ministers in charge. If a country does not have a PAC, the addressee of an audit report will be the budget and finance committees as well as other oversight committees.

In this first webinar we will explore how the information in financial audit reports can be used wider to feed into other parliamentary processes. We aim to highlight what the SAIs are already doing to make sure financial audit results have broader impact and to consider how parliamentarians can use audit results in budgetary processes.

Compliance audit: Building arguments for improving systemic weaknesses in governance

Date: Thursday, 7 November 2024 (14:00 – 15:30 CET)

The second session of the webinar series will cover compliance audit results and reporting. According to the ISSAIs,² the objective of public sector compliance auditing is to enable SAIs to assess whether and to what degree the activities of public sector entities are in accordance with criteria established by the authorities governing those entities.

Most SAIs conduct compliance audits which often include other audit objectives. However, the results are usually reported only to the audited entity with recommendations on what the audited entity should rectify. Also, many SAIs compliance audit practices lack an aggregated analysis of situations for compliance with government regulations. In addition, cross-analyses of individual audits often uncover that there are many similar issues across the government and that these issues could be better addressed as a part of broader government reforms that would create the conditions needed for the changes to take place.

In this session we will discuss how SAIs convey to parliament government-wide weaknesses uncovered through compliance audits. We will also look into what information parliament needs from the SAI to be able to provide useful input for government reforms.

Performance audit: Audits as input for sector policy development and dialogue

Date: Tuesday, 26 November 2024 (14:00 – 15:30 CET)

The third session will focus on the performance audit. This audit focuses on whether interventions, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness, and whether there is room for improvement. Performance is examined against suitable criteria. The aim is to provide recommendations for improvement.³

The Global SAI Stocktaking Reports 2020 and 2023 have shown that SAIs are increasingly taking on more complex tasks to respond to the increased complexity of service delivery BY government. Performance audit is one way to assess government performance in specific sectors, ranging from tax policy to environmental issues and the SDGs. Still, it is not always clear whether the results of performance audits reach those parliamentary committees that could make best use of the information during debates and the adoption of new sector policies.

During the third webinar, we will ask how performance audits have helped inform specific policy areas and how relevant parliamentary committees have made use of topical sector audit reports, either to hold government accountable or to inform debates on new sector policies. We will also look into how SAIs can liaise with relevant parliamentary committees to make sure the information is more broadly disseminated.

Target audience

The event will target senior leadership in invited parliaments including chairs of parliamentary public accounts, budget and/or audit committees, and SAI leaders and senior staff.

² ISSAI: International Standards of Supreme Audit Institutions.

³ Source: [ISSAI 100](#).

Duration

Each webinar will last 90 minutes

Format

Each event will take place online through the Zoom platform. Individual invitations for registration will be distributed for each event.

The working languages will be English, with interpretation and opportunities for contributions in Arabic, English, French and Spanish.