



# INTOSAI Development Initiative - Challenges towards the future regarding SAI independence

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*"Supporting SAs in strengthening performance and capacities"*

# WHAT DOES THE DATA INDICATE?

Various data sources\* indicate that even though some progress have been made, key aspects of SAI Independence are still at risk.

Data also point out to variation across the Regions, which should have an impact on how we look at and address the issue globally.

# FINANCIAL INDEPENDENCE IS STILL CHALLENGED

- **Most SAI budgets continue to be overseen by bodies the SAI audits**
  - Results presented in the global survey suggest that less than half of respondent SAIs operate within a legal framework that enables them to present their budgets direct to their legislatures.
  - For example, just two of the fourteen CREFIAF members who responded the question in 2017 said they submitted their budget directly to their legislature.

# FINANCIAL INDEPENDENCE IS STILL CHALLENGED

- **Increasing executive interference in the SAI budget process**

- Developing country SAs reporting executive interference in their budget process up from 41% in 2014 to 75 % in 2017 (INTOSAI Global Survey)

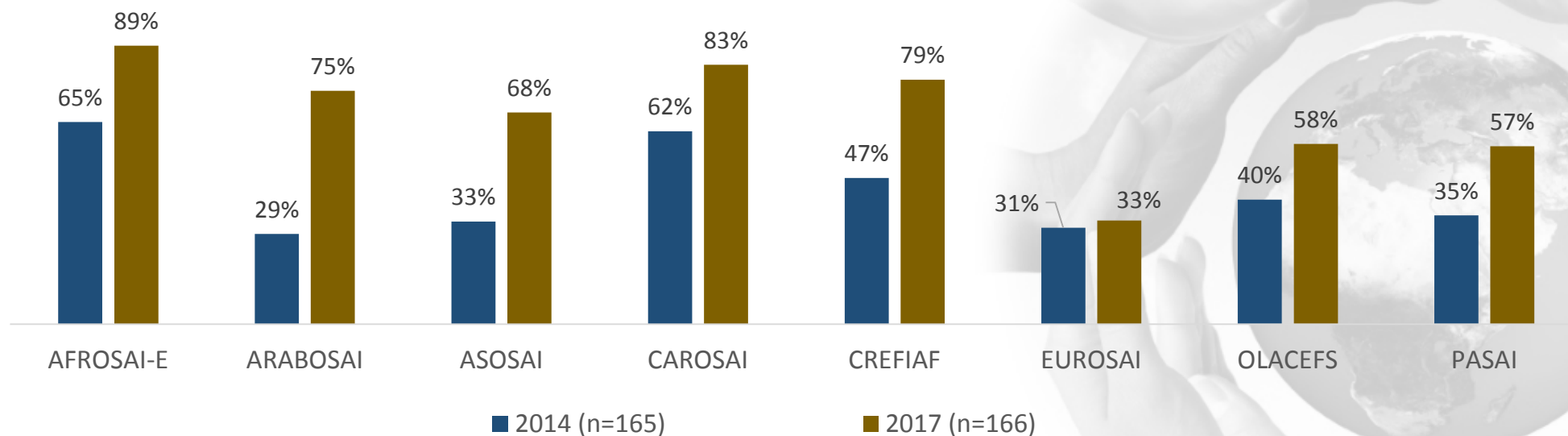
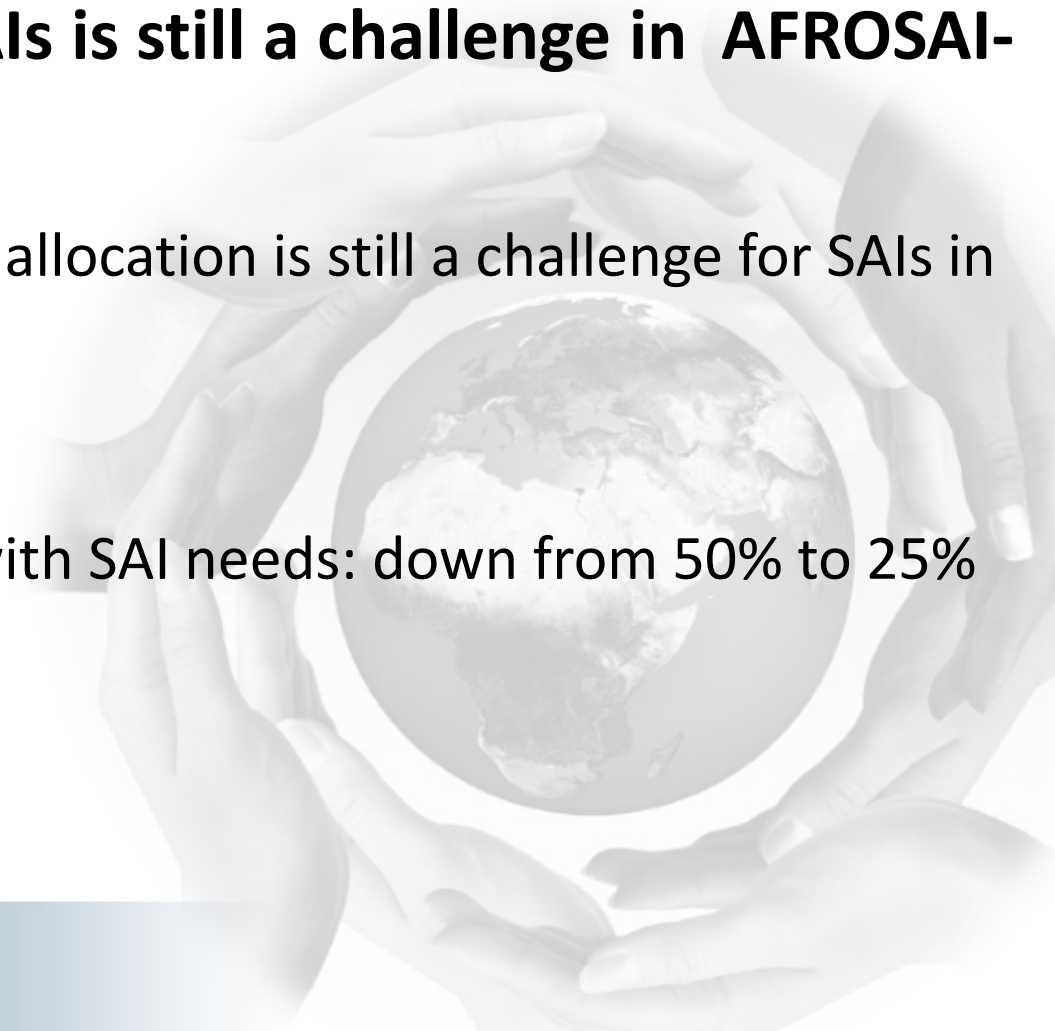


Figure 1: SAs reporting Interference from the executive on SAI budget process



# FINANCIAL INDEPENDENCE IS STILL CHALLENGED

- **The adequacy of the budget allocation to SAIs is still a challenge in AFROSAI-E, ARABOSAI and CREFIAF**
  - The right to appeal in case of inadequate budget allocation is still a challenge for SAIs in CREFIAF (63%) and ARABOSAI (50%)
  - Budgets approved by legislative and consistent with SAI needs: down from 50% to 25% in AFROSAI-E and ARABOSAI (OBI data)



# LEGAL FRAMEWORK AND SECURITY OF TENURE FOR THE HEAD OF SAI

- The existence of an appropriate and effective legal framework and the de facto application provisions of this framework need to be strengthened
  - ARABOSAI, CAROSAI, CREFIAF and PASAI are still facing challenges in that regard.

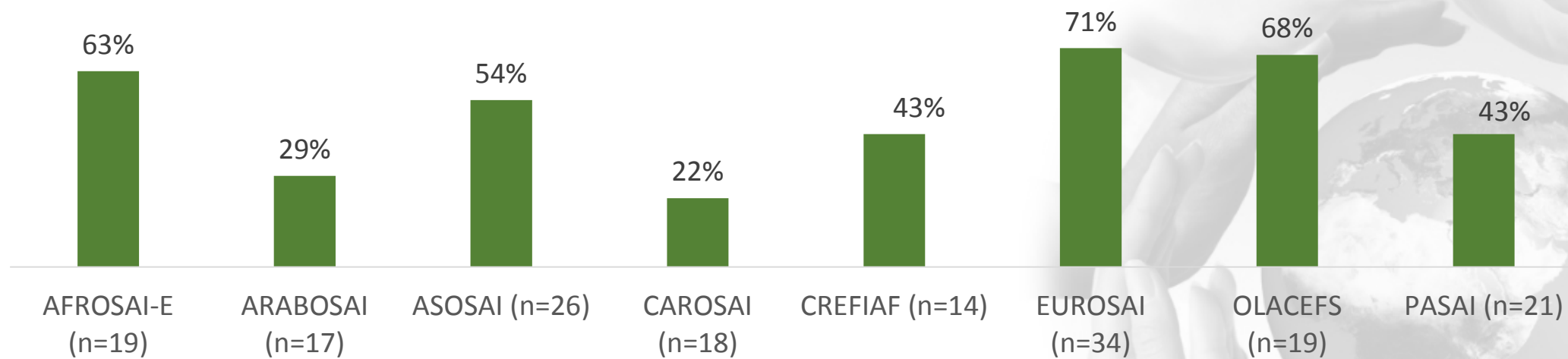


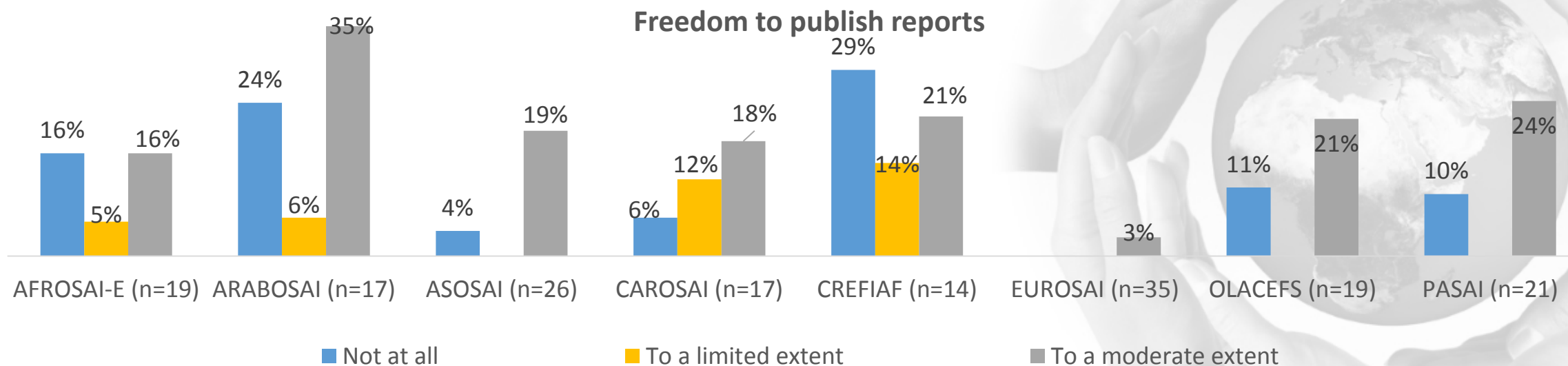
Figure 1: SAs whose legal framework fully protect their independence

# LEGAL FRAMEWORK AND SECURITY OF TENURE FOR THE HEAD OF SAI

- **Legal protection of SAI Heads from removal is particularly concerning in some Regions**
  - Declined from 27% in 2012 to 17% in 2017 in ARABOSAI (OBI data) – but exceeds 60% in all other regions
  - 50% of the respondents in CREFIAF confirmed the protection of the Head of SAI is not ensured ( 2017 INTOSAI Global Survey)

# MAKING REPORTS PUBLICLY AVAILABLE

- **Some SAIs continue to face restrictions in publication**
  - 10% have no freedom to publish reports; 31% face restrictions in publishing (INTOSAI Global Survey)
  - % of SAIs not publishing any audit reports up from 15% in 2014 to 27% in 2017 (INTOSAI Global Survey)





## FOLLOW-UP ON AUDIT RECOMMENDATION NEEDS TO STRENGTHENED

- **The role of SAIs within national systems, and the interest of legislatures in the SAI's work, is constrained, reducing the benefits of SAIs to citizens**
- 48% of national legislatures do not hold public hearings in which audit reports are reviewed and scrutinized (OBI data, 2015)
  - Around 18% did not hold any legislative hearings to discuss audit reports (OBI, 2012)
- In 57% of countries, neither the SAI nor the legislature reports publicly on steps the executive has taken to implement audit recommendations (OBI data)



# POTENTIAL FOR FUTURE ACTION/ROOM FOR IMPROVEMENT



# SAIs SHOULD LEAD BY EXAMPLE

- Leading by example can support SAI's advocacy plea for greater independence.

In that regard, **Leadership can and does make a difference.**

- **Publication of reports.**
- **Improve the engagement with stakeholders/building coalitions.**
- **Measure and report on its own performance.**



# RETHINKING INSTITUTIONAL SUPPORT TO SAIS

- Much work has been done by INTOSAI bodies to support SAI independence, however, it may be time to rethink the way Institutional support is provided:
  - **Emphasize peer to peer/region to SAI support to build on the rich experience existing in the SAI community**
  - **Showcase success stories and make resources widely available**
  - **Being responsive by providing SAIs a door to knock on when their independence is threatened or when they want to strengthen it**
  - **Establishing a High Level Advisory Panel**

# SECURING STAKEHOLDER SUPPORT

Institutional strengthening is a sensitive issue with political ramification, success will only be achieved if stakeholder commitment is secured:

- advocate at the country level on the value and benefits of independent SAIs in relation to the PFM context
- support from the donor community to influence the policy dialogue at the country level
- forging partnerships at the global and the regional levels





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Thank you

