

Guideline for implementing principle 3, 6, 7, 9 and 11 underpinned by ISSAI 12

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1. Background

The ISSAI 12 is one of INTOSAI's "prerequisites for the functioning of SAIs" according to INTOSAI's Framework for Professional Pronouncements, and together with other important documents such as ISSAI 10: the Mexico Declaration on SAI Independence, is a fundamental standard for Supreme Audit Institutions (SAIs) that underlines the key principles and business processes whereby SAIs can strengthen their accountability, transparency and integrity as model institutions setting an example to government and public sector entities.

Given the vast requirements of ISSAI 12, the working group on values and benefits of supreme audit institutions (WGVBS) conducted a survey two years ago with the SAI members of the working group on whether they were implementing the ISSAI 12 principles". The results of the survey revealed that there are SAIs that are struggling to implement the ISSAI 12 principles. The results of the survey were further analysed to identify the principles within ISSAI 12 which most SAIs were struggling to implement. It was noted that principles 3, 6, 7, 9 and 11 were the principles that SAIs struggled to implement, as SAIs did not have processes/measures in place to implement these principles.

The vision of the WGVBS, which resulted in the survey being undertaken, is to ensure that all the SAIs are in a position to fully implement ISSAI 12 in order to ensure "accountability, transparency and integrity of government and public sector entities", whilst building public confidence and improve the lives of the citizens. The implementation of ISSAI 12 will further ensure that the SAIs are better positioned to implement the sustainable developmental goals (SDGs); the goals set by the United Nations in ensuring that the lives of all the citizens are improved in the world. The WGVBS would want to contribute to this initiative as most of the principles under these SDGs are linked directly to ISSAI 12; hence the vision to ensure that most SAIs develop processes to implement these principles will directly ensure that they are better positioned to implement SDGs and also have better processes in terms of the performance measurement framework (PMF).

2. Objectives

The purpose of this document is to outline a proposal for the development of guidelines to assist SAIs that are struggling to implement the five principles identified under ISSAI 12. Amongst other things, the WGVBS exist to ensure that the SAIs have support and guidance in implementing ISSAI 12 and in a transparent manner, which will ensure that values and benefits are provided to all citizens.

3. Benefits and challenges of developing the guidelines to support SAIs

3.1. Benefits

The SAI will have guidelines to refer to in instances where there is a lack of or insufficient strategy, processes and/or activities to implement the ISSAI 12 principles. The full implementation of ISSAI 12 by respective SAIs will ensure that quality products are provided to the relevant stakeholders. This will also result in better processes being put in place to ensure that information received or used by various stakeholders is relevant and credible, which will result in strengthening the accountability, transparency and integrity of government and public sector entities, and ultimately result in the citizens getting value from the public sector entity, who is responsible for service delivery, through effective reporting on utilisation of resources in most countries.

The SAIs will need to evaluate their current processes, and identify weaknesses, which caused the SAIs to not implement the ISSAI 12 principles. The employees of the SAI will benefit from the overhaul of the SAI processes and activities, but ultimately will result in employees that are more empowered through initiatives to improve their capacity in order to fully and effectively implement the ISSAI 12 principles in the best way possible.

The SAI PMF (PMF), which is currently residing under the governance control of the capacity building committee, was prepared using the fundamental principles from ISSAI 12. Ideally, all SAIs should undergo SAI PMF assessments in order to identify performance variations in a meaningful way, and assists the SAI in understanding the causes of strong and weak performance. In the absence of a SAI PMF assessment, ensuring the full implementation of ISSAI 12 will benefit the SAI as they will ensure that they have attended to all the key principles, which results in a SAI being comparable with other SAIs globally, as their activities and processes will be aligned to best practices. This will be the biggest achievement, as most SAIs are striving to adhere to the requirements/criteria included in the PMF.

The implementation of all the principles will better position the SAI to implement target 16.6 of goal 16 of the SDGs “Develop effective, accountable and transparent institutions at all levels”

3.2. Challenges

We acknowledge that most SAIs are funded by their government, therefore there might be limited budgets to fully fund the activities and processes that are required by SAIs to fully implement the ISSAI 12 principles. Most SAIs will require capacity in the form of resources, as they will need to appoint people with relevant skills and expertise. In some instances, the current employees might require training to ensure that they are skilled to implement the best practices from other SAIs. All these initiatives will require sufficient funding or budget allocations as appropriated annually, or peer support in order to develop the required skills.

In some instances, the SAIs might be required to source experts from other countries or second their staff to other SAIs to observe the best practices. It is going to be crucial that besides these challenges that are identified in terms of resources, respective SAIs need to come up with cost-effective measures to implement these initiatives. The implementation of the ISSAI 12 principles is paramount, because without these good practices, government will not operate effectively, which could result in the implementation of Agenda 2030 not being achieved.

4. Initiatives to achieve set goals

The WGVBS, represented by the task force consisting of SAI South Africa, Mexico and Namibia, performed surveys throughout the INTOSAI community in 2017 and 2018, whereby the main purpose was to collate the best practices from SAIs. The best practices were informed by the content of the initial survey, which confirmed that most SAIs experience challenges in implementing principles 3, 6, 7, 9 and 11 as stipulated in ISSAI 12. The best practices from respective SAIs, as collected were assessed whilst similar best practices were combined.

The WGVBS task force of Mexico, Namibia and South Africa developed the guideline which includes all the best practices from SAIs that responded to the survey. The WGVBS task force wishes to propose that this guideline be enhanced and widely shared with all SAIs experiencing difficulties, but also be shared widely throughout INTOSAI.

In the current guideline the survey results for 23 countries have been included, whilst the intention is to ensure that the document is enhanced with the additional information that was received from the survey performed in 2017, as the 23 SAIs that provided their inputs on the survey is not considered a representative sample of the INTOSAI community, thus the countries that provided information in the prior year survey will also be incorporated in the guideline document. The assessment will be performed to ensure that instances of similarities to the ones that are already included, are identified and included as such in the document so as to avoid duplications.

Whilst the document will mainly include the best practices, it is crucial to have a general definition of such best practices. Therefore, members need to agree that these practices are perceived to be those processes or the activities used by other SAIs in their daily operations, which results in the SAI fully implementing or complying with the ISSAI 12 principles.

5. Monitoring and success of guideline

The WGVBS task group will develop the key measures to assess whether the guidelines that were issued to SAIs, were successful by ascertaining whether the guideline was used by the affected SAIs by conducting a high-level survey among the various SAIs. The working group will establish a communication mechanism with the affected SAIs in order to obtain feedback about the implementation progress by the SAIs

However, the SAIs will be encouraged to carry out SAI PMF assessments, or peer assessment of these specific principles, in order to properly assess their implementation progress, thereby taking accountability for their own performance

6. Way forward

The WGVBS would have achieved its goal if it succeeds in providing high quality¹ guidelines that assist other SAIs in implementing all the principles included in ISSAI 12. The implementation of these principles will ensure that SAIs are better positioned to strengthen the accountability, transparency and integrity of government and public sector entities, which will result in the improved supreme state institutions, and ultimately the implementation of the 2030 SDGs and the SAI will be in a better position to identify lots of strengths when they are assessed/reviewed in terms of the PMF.

The task team is therefore **recommending the following** in order to maximise the impact of the guidelines to the SAIs that are struggling to implement principle 3, 6, 7, 9 and 11 of ISSAI 12.

- More focus on enhancing the guideline document – for this the WGVBS should be expanded by at least another two-three members
- Channel the effort and energy on supporting the SAIs rather than revising ISSAI 12 (revision of ISSAI 12 is only due in 2022 according to the ISSAI website managed by the INTOSAI Professional Standards Committee – see www.issai.org under “Prerequisites for the functioning of SAIs”)
- Create awareness by communicating the work of the WGVBS task force through social media, etc. to ensure that SAIs are aware of the work that the working group is currently performing
- Set timelines for enhancement and issuing of the comprehensive guidelines document (if the WGVBS can provide additional members and priority to the guideline project, it may be possible to produce the enhanced guideline in time for the 2019 INTOSAI Congress)

¹ High quality guideline will include being based on global better practices and relevant to the practical challenges being experienced by the SAIs.