



INICIATIVA TPA

TRANSPARENCIA

PARTICIPACIÓN CIUDADANA

ACCOUNTABILITY

en Entidades de Fiscalización Superior de América Latina

**Best Practices of Transparency, Citizen
Participation and Accountability in Supreme Audit
Institutions**

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Initial clarification

The present document was created with the aim of advancing a foundation for the joint construction of standards of transparency, citizen participation and accountability (TPA) in Supreme Audit Institutions (SAI) in the Region. Far from being a finished work on the topic or an exhaustive inventory of best practices, the document is an initial draft to be analyzed, discussed, criticized and enhanced by the support of the participants in the Initiative.

Introduction

In the context of strengthening democracy in Latin America, it is necessary to adopt institutional reforms that will increase transparency in the functioning of the State and both guarantee accountability of public officials.

The principal characteristic of a representative system is the delegation of power to elected authorities by means of periodical elections. Public officials are responsible for informing the citizenry about their duties and the administration of public money.

The republican system of separation of powers helps to diminish the risks of concentration and abuse of power through the establishment of controls across different organs of the State. However, the growing professionalization and technification of government functions have required the establishment of oversight institutions, specialized in monitoring the administration's duties, safeguarding the efficiency of public agencies and detecting eventual irregularities in its functioning. In fact, Supreme Audit Institutions (SAI) are examples of these monitoring agencies.

Although the institutional design and degree of development in SAIs differ from one country to another, these professionalized agencies display great technical capacity to supervise complex issues concerning the implementation of medium and long term government plans and programs. Nevertheless, in order to achieve their goals, it is necessary that SAIs comply with certain basic prerequisites connected to their organization, functioning and context in which they exercise their duties. Among these conditions, the following should be highlighted:

- **Functional Autonomy.** SAIs should be able to govern themselves without undue political interference that undermines effective development of their control tasks. Thus, it is necessary to give SAIs financial, budgetary and technical autonomy, and any other attribute that will guarantee it. Transparency in recruitment and dismissals is crucial. Likewise, SAIs should have enough personnel for the optimal completion of their duties and members of the staff should be recruited and/or promoted based on criteria of technical appropriateness, through public and competitive procedures.
- **Competencies.** Legal acts that regulate the functioning of SAIs should assign them the necessary capabilities and areas of responsibility for the effective completion of the

Institution's goals. It is essential that audited agencies and other agencies of control provide the necessary information so that SAIs can perform their duties. State agencies should be compelled to collaborate with them in order to facilitate the auditing process.

- **Comprehensive control.** SAIs should be able to perform the auditing process deeply and comprehensively. This task certainly goes beyond an analysis of legal acts and agency records, for it implies an appropriate and efficient utilization of resources and accomplishment of goals. The objective of SAIs is to watch over the operations of State agencies, which makes it necessary for these institutions to be independent from the agencies they control.

- **Temporality.** No matter what type of control SAIs are able to exercise (*ex ante* or *ex post*), it is important to assure the temporality both of the presentation of the reports and their subsequent analysis; in fact, the utility of the analysis depends on the timeliness of these reports. Audits should be periodic and timely.

A variety of experiences carried out by audit institutions in different countries prove that the incorporation of best practices of transparency, citizen participation and accountability contribute to the effective realization of the enunciated principles. At the same time, these practices allow the citizenry to directly engage in government control. Beyond the election of representatives, these practices honor the most elemental principles of republican democracy.

Tightening the bonds between citizenry and specialized agencies of control is a challenge that should be faced in view of strengthening the system of control itself. The cooperation between civil society organizations (CSOs) and SAIs has proved to be an effective tool in enhancing SAI work, in overcoming its constraints and in encouraging citizenry's oversight on public policies which are of special interest to them. Finally, it is important to be aware of the fact that audit institutions themselves are state agencies that should be transparent in their procedures and account for their work.

Following, several mechanisms or best practices that should be incorporated by SAIs are shortlisted.

Best practices on TPA in SAIs

1. Transparency

It is imperative that SAIs bring their activities into the public light, conferring the highest possible level of transparency to the proceedings they undertake. They should also establish mechanisms that assure public access to the information they generate. This information should be complete, reliable, relevant, clear, accessible, complete, verifiable, and useful to citizenry.

In achieving this objective, SAIs should adopt practices such as the following:

- Publicity of institutional information related to the oversight system as well as its legal basis.
- Wide access to public information in hands of the audit institution.
- Dissemination of audit reports -together with the recommendations and monitoring measures undertaken- through the media in view of ensuring their reception by all potentially interested actors. As regards those SAIs which take the form of Audit Courts, they should give publicity to the sanctions imposed on public officials. In both cases it is important that technical vocabulary displayed on audit reports is also understandable to a non-specialized audience.
- Publication of the auditing plan the institution will undertake as well as the parameters set for selecting the agencies or programs to be monitored.
- Public access to meetings held by SAI's directors and dissemination of adopted decisions.
- Transparency in the process of staff recruitment, through the implementation of public and competitive procedures.
- Publicity of academic and professional references from the staff working at the audit institution as well as its relation with different government agencies and public officials
- Adoption of public ethics regulations, and creation of a special department to monitor its implementation.

2. Citizen participation

The involvement of civil society in the process of public oversight is a tool that contributes to the strengthening of the whole system of control. Access to information and publicity are essential to ensure citizen participation, but they are not sufficient themselves to guarantee an effective control. Civil society tends to be thorough in its monitoring, as they are particularly interested in controlling what the government does with public funds. Therefore, their potential should be exploited.

In view of strengthening the current oversight system, the incorporation of the following practices is recommended:

- Including citizen participation in the process of recruiting staff at the SAI, admitting the possibility of making observations or objections to the proposed candidates
- Training of citizenry and dissemination of information regarding participative mechanisms and citizen control.

- Opening channels for citizen participation in the selection of government agencies or programs to be audited (participatory elaboration of the auditing plan).
- Carrying out joint audits that involve civil society organizations and rights groups during the process of oversight.
- Engaging citizenry in monitoring the fulfillment of audit reports recommendations.
- Opening channels for citizenry to put forward their complaints to the SAI regarding irregularities in the functioning of state agencies or government programs through simple and informal procedures.

3. Accountability

SAI should be accountable to the citizenry. It is necessary that SAIs adopt measures that guarantee transparency in their internal functioning and accountability for the activities they develop. Public entities have an obligation to inform the citizenry of their actions in the most ample and comprehensible manner. Not only must these entities prevent irregularities inside SAI, but they also must create confidence in the citizenry about SAI, so as to strengthen their capacities for control.

Among the best practices of accountability, the following should be highlighted:

- Elaboration of SAI periodic reports including performance indicators, both qualitative and quantitative.
- Implementation of quality management norms and independent monitoring mechanisms.
- Elaboration of periodic public reports about the handling of resources in the SAI (budgetary transparency)
- Transparency in bidding and contracting processes involving the SAI.
- Creation of internal audit departments that contribute to better efficiency of the SAI
- Publicity of SAI employees nominee and salaries
- Availability of SAI high rank officials affidavits
- Implementation of regulations on the responsibility of SAI officials.
- Adoption of informal mechanisms to receive and process citizens' complaints and suggestions