

The Role of Supreme Audit Institutions in Addressing Corruption, Including in Emergency Settings

Sebastian Pompe, Alice French, Martin Aldcroft, Camilla Fredriksen, and Alain Memvuh, with contributions by Lara Taylor-Pearce, Daniel Domelevo, Monique Newiak, and Fazeer S. Rahim

ABSTRACT

This chapter considers supreme audit institutions (SAIs) as a key pillar of accountability in the management and oversight of public funds, notably in emergency settings. It acknowledges that the primary role of SAIs is to ensure the effectiveness and integrity in the use of public resources, and focuses on how SAIs can contribute to the prevention and detection of corruption, including through agile compliance audits (real-time audits) in emergency settings. The chapter illustrates some of the challenges SAIs face and explores the IMF's approach to audits. Sub-Saharan African country cases showcase how the role of SAIs in addressing corruption has been strengthened, and a discussion of agile compliance audits in sub-Saharan Africa highlights the role of SAIs in emergency settings.

INTRODUCTION

Supreme audit institutions are the national public sector's external auditors, a country's pillar of integrity. They can also play an important role in preventing and detecting corruption. By auditing all public financial operations, they are a critical element in the ecosystem of budgetary control and oversight in the public sector. Their audit reports and recommendations contribute to accountability and transparency in Public Finance Management (PFM), and in turn to good governance. In practice, SAIs audit expenditures, accounting, and reporting of public financial operations; compliance with laws and regulations; and performance of policies and programs. Through delivering on their mandates, SAIs may uncover irregular conduct (noncompliance), mispending, mismanagement, and poor performance. They also consider risks for misuse, evaluate entities' control environment, and uncover weaknesses (or red flags) that

may be indicative of corruption and fraud.¹ As external auditors, they examine the effectiveness of internal audits.

SAIs are particularly important during crises, in part because crises exacerbate corruption vulnerabilities (see Chapter 11). Crises and emergencies call for sudden and expedited budgetary adjustments and extraordinary procedures, such as extrabudgetary funds or bypassing of normal procurement rules, to expedite the fiscal response. These adjustments can weaken established safeguards and increase vulnerabilities to fraud or corruption. The fast-tracked budgetary responses should invite an equally timely and targeted response from the oversight agencies, such as the SAI, to ensure adequate transparency and accountability. As time passes, reconstituting the necessary paper trail or ensuring the effectiveness of the accountability framework becomes more difficult, rendering more distant oversight less effective. The emergence of the COVID-19 pandemic, and its impact on public health systems, economies, and public finance systems, has rapidly brought increased attention to the role of SAIs.

However, SAIs can only be successful if their role is well defined, well understood by stakeholders, and coherent within the national integrity system, and if they are equipped with the resources, powers, and tools to discharge their duties effectively. In that context, the International Organization of SAIs (INTOSAI) continues to underscore the importance for global norms (principles and standards) to be applied at the country level with respect to the role of SAI in assuring accountability and transparency. Through the *Lima* and *Mexico Declarations* (INTOSAI 2019c; 2019d), INTOSAI has established the importance of SAIs' independence for their credibility and effectiveness. The *Mexico Declaration*, or INTOSAI-P 10, further lays out eight pillars of SAI independence, including a framework ensuring their independence both in law and in practice, a broad mandate covering the use of public funds, and sufficient resources to discharge their mandates. These pillars are essential for any SAI to be effective and to maintain public trust.

SAIs can play a critical role in strengthening the institutional framework to fight corruption as part of their mandate. In ensuring accountability, SAIs can contribute to the broader fight against corruption by strengthening systems to detect corruption, although detecting corruption is not their primary goal. SAIs with jurisdictional responsibilities operate within administrative, not criminal, law, and therefore seek to remedy a wrong, rather than to punish a crime. Suspicions of corruption, as a criminal offence, are taken forward by prosecuting agencies. Nevertheless, in the 2013 *Beijing Declaration*, all INTOSAI members (SAIs of 193 countries and one supranational body) unanimously declared that “[SAIs] can help by enhancing transparency, ensuring accountability, promoting performance, and fighting against corruption and thus improve national good governance” (3). More specifically, INTOSAI has recognized that SAIs play a critical role in the fight against corruption through their audit reports and their

¹ Corruption and fraud share similarities in that both categories of crime involve the misappropriation of funds through, broadly speaking, dishonesty. Yet unlike fraud, corruption is defined as “the abuse of public office for private gain” (IMF 1997:3; 2018:9).

broader links with the enforcement environment. This enforcement environment of detection, investigation, and prosecution of illegal activities requires specific powers, techniques, and competencies, which the legislature typically assigns to the police and anticorruption agencies.

In addition, the contribution of SAIs to addressing corruption and fraud hinges on close collaboration with law enforcement agencies. The audit work of SAIs often provides leads for law enforcement agencies to pursue criminal investigations into corruption. Arrangements for exchange of information between SAIs and these agencies exist in most countries, but for effective collaboration often there is a need to create explicit procedures for referrals and sharing of findings with relevant law enforcement agencies along the audit process. Indications of irregularities detected by SAIs and passed on to enforcement agencies would have to meet the legal burden-of-proof requirement if such agencies wanted to use this information as evidence in court. However, the work of SAIs involves collecting audit evidence to provide assurance and identify noncompliance or areas in which to enhance performance; except for some SAIs with jurisdictional powers, this is not intended to meet the legal burden of proof. In some countries this gap is addressed by the SAI supporting enforcement agencies in their investigations, for example through forensic audit support. The work of SAIs may result in action against corruption being undertaken, but other agencies lead and take forward investigations and prosecutions, with possible support from SAIs. The impact of SAIs on corruption therefore depends heavily on strong collaboration with other agencies and parts of the public administration.

This chapter considers SAIs as a key pillar of accountability in the PFM cycle, notably in emergency settings. After an overview of norms and standards, it focuses on how SAIs can contribute to the prevention and detection of corruption, including through audits, notably via agile compliance audits in emergency settings. The chapter illustrates some of the challenges faced by SAIs, identifies specific challenges for sub-Saharan Africa, and explores how the IMF has approached audits in the IMF-supported programs in the region. Country cases in sub-Saharan Africa highlight ways in which challenges have been overcome and how the role of SAIs in addressing corruption has been strengthened. A discussion of agile compliance audits (real-time audits) in sub-Saharan Africa highlights the role of SAIs in emergency settings.

GLOBAL NORMS AND GUIDANCE TO HELP SAIs FIGHT CORRUPTION

INTOSAI principles call on SAIs' audits to respond to the risks of corruption by promoting transparency, including within their own operations.² INTOSAI's *Lima Declaration* (INTOSAI 2019c) defines "audit" as a part of a broader system

² See *INTOSAI-P 12: The Value and Benefits of SAIs—Making a Difference to the Lives of Citizens* (INTOSAI 2019e), principle 2, point 3; principle 5, point 3; and *INTOSAI-P 20: Principles of Transparency and Accountability* (INTOSAI 2019f), section 1, page 5; principle 4, bullet 2.

designed to reveal violations of principles and to hold those responsible to account.³ Audits focus on material matters, that is, those likely to influence the decisions of users of the audited information.⁴ Matters may be material based on their value, nature, or context. For example, the operations of high-profile public programs and the actions of high-profile public figures are often considered material by their nature, and thus may be examined for red flags indicative of corruption.

In addition to these principles and standards, INTOSAI has issued a specific guideline document, *GUID 5270: Guideline for the Audit of Corruption Prevention* (INTOSAI 2019b).⁵ INTOSAI's guideline documents, or GUIDs, constitute additional guidance, rather than being part of the core principles and standards SAIs are encouraged to adopt. *GUID 5270* postulates that it is better to prevent than to detect corruption and identifies five main tasks SAIs can consider to increase their contribution in the fight against corruption: (1) incorporate corruption issues into routine audit work; (2) heighten public awareness of corruption through public disclosure of audit findings; (3) improve methods and tools for combating corruption; (4) provide a means for whistleblowers to report suspicions of corruption; and (5) cooperate with other institutions in the fight against corruption. This guidance can also help SAI auditors in auditing the institutional framework for fighting corruption.

GUID 5270 can be used by auditors as a tool that also explains and illustrates the relevant features of anticorruption approaches and presents practical solutions for SAI auditors. It covers the setting up of anticorruption structures, the approaches for risk assessment and analysis, and monitoring processes. It emphasizes anticorruption drivers, such as segregation of duties, job rotation, role of internal review, and human capital. The guideline does not cover fraud investigations, although some SAIs have forensic audit units. Auditees (government departments or institutions) can use it to implement their own anticorruption programs and activities.

Finally, *GUID 5260: Governance of Public Assets* (INTOSAI 2019a) emphasizes the proper management of public assets to prevent corruption and promote good governance. It also suggests an understanding of basic governance terminology in the context of SAIs' work, including accountability, assets, corruption, fraud, good governance, integrity, money laundering, risk management, SAI stakeholders, and transparency, and proposes a comprehensive framework for asset management.

SAI INSTRUMENTS AND INSTITUTIONAL ARRANGEMENTS

SAIs have different audit disciplines at their disposal, as part of their regular mandates, which can help identify corruption. How the findings of such audit disciplines are then processed, depends on the particular institutional arrangements

³ See *INTOSAI-P 1: The Lima Declaration* (INTOSAI 2019c), section 1.

⁴ See *ISSAI 100: Fundamental Principles of Public-Sector Auditing* (INTOSAI 2019h), paragraph 41.

⁵ Originally issued as *ISSAI 5700*.

within which audit institutions are embedded. It may include reporting to the legislature, as well as other authorities (including law enforcement). In some systems the SAIs also have a judicial function.

Audit Disciplines at the Disposal of SAIs

SAIs have three main audit disciplines at their disposal: financial, compliance, and performance auditing (ISS100 Para 22 deals with all three types of audit). While each has its own specific objectives, each contributes to fighting corruption as follows, including by revealing red flags indicative of possible corruption.

Financial audits aim to assess whether financial information is free from material misstatement from fraud (wrongful or criminal deception intended to result in financial or personal gain) or error. Standards require financial audits to be planned to detect material instances of corruption and fraud, and to identify corruption vulnerabilities. Red flags could be incorrect reporting or budgeting, suspect transfers, over- and underspending, or excessive transfers of funds made just before, at, or after year's end. Further, they can include incomplete, ill-timed, or irregular recording of transactions, missing documents, unavailable originals, or seemingly altered documents.

Compliance audits are designed to identify whether a subject matter is in all material respects in compliance with laws, rules, and accepted principles. Standards require compliance audits—as well as financial audits to be planned to detect material instances of corruption and fraud. Red flags could be breaches of—or lack of compliance with—laws, regulations, procedures, and good government practices; unauthorized transactions or use of assets; nonapproved budget adjustments; or individuals with access to systems and records outside their usual authority. For crisis settings, SAIs in a number of countries have applied compliance audits organized as a series of audits of the use of emergency funds. These agile compliance audits, also known as real-time audits, aim to address the sudden and expedited budgetary adjustments and extraordinary procedures that characterize these emergency settings, through audits conducted within a much shorter time frame, with shorter feedback loops to allow for faster policy action.

Performance audits examine whether government undertakings, especially in high-risk areas, are operating economically, efficiently, and effectively. It is not uncommon for these audits to identify inefficiencies and other red flags that indicate suspicions of fraud and corruption. Red flags could be low output, lack of delivery of services, low quality, lack of results, overlaps in programs or services, and poorly functioning systems. Performance audits have also been used to audit the institutional framework for fighting corruption, whether at the national level or within a specific sector.

Institutional Arrangements for SAIs

Institutional arrangements vary, with SAIs being formed in the image of their country's administrative traditions. In sub-Saharan Africa, this tradition mostly follows the legislature or the judicial model. In both models, the overall impact

of the SAI and its ability to properly discharge its mandate depend on the broader institutional framework and issues such as clarity of mandates, degree of independence, role in the PFM system, and adequacy of resources.

The legislature model, sometimes referred to as the Westminster model, suggests that the SAI, often referred to as the national audit office or office of the auditor-general, has strong formal independence from the executive, and reports to the legislature, often by tabling reports to the public accounts committee (PAC). Its reports include observations or recommendations designed to remedy deficiencies and improve performance, though they have no legal force. Legislature SAIs often have a single head of the institution, the auditor-general, though some follow a board model. Typically, they rely on the strength of the PAC for scrutiny of their work and impressing on the executive the need to implement their recommendations. When SAIs report to the legislature on findings, it improves the transparency of the PFM system and helps hold government and its officials accountable. Thus, its reporting requirements set expectations for its role in fighting corruption.

Most such SAIs can also refer suspicions of corruption to the appropriate authorities, including law enforcement agencies or the country's national anticorruption agency for further investigation, and the SAI may even support those investigations through forensic auditing.⁶ Between 2010 and 2020, some SAIs have been given, or have been mandated to use existing, powers to issue surcharges on responsible public officials to recover funds.

SAIs with jurisdictional functions have additional powers in relation to mismanagement of public funds.⁷ Following observations in a financial, performance, or compliance audit report, these SAIs can lead civil law proceedings within the framework of their jurisdictional activities.

The judicial model of SAIs, normally present in Francophone and Lusophone countries in Africa, are closer to the judicial system, such as a court of accounts or a chamber of accounts within the supreme court. In addition to strong formal independence from the executive, such SAIs are often considered to be equidistant between the legislative and judicial branches of government. Such SAIs undertake jurisdictional control of activities based on their audit findings. The objective of jurisdictional control is to make rulings in the form of specific decisions: orders, rulings, or ordinances on the personal and financial liability of public accountants. In some cases, the jurisdictional control results in a ruling on the legal liability of public accountants via collegial decisions and, potentially, issuing administrative sanctions for any irregularity. However, judicial SAIs operate within the realm of administrative law. Suspicions of corruption, as a criminal offence, are referred to appropriate authorities for further investigation and possible prosecution. The SAI may be called upon to aid these authorities in their work.

⁶ A forensic audit is an examination and evaluation of an organization's financial records to derive evidence that can be used in a court of law or legal proceeding.

⁷ See *INTOSAI-P 50: Principles of Jurisdictional Activities of SAIs* (INTOSAI 2019g), paragraph 1.1.1.

CONSTRAINTS ON THE EFFECTIVENESS OF SAIs IN FIGHTING CORRUPTION

How SAIs contribute to preventing and detecting corruption depends on both internal and external factors. Internal factors include the SAI's ability to utilize its resources effectively, carry out high-quality audits, correctly identify and systematically organize red flags and audit findings, and correctly address them. External factors are those around the government system.

The SAI's mandate and the extent of its powers define the type of work it can do. A mandate to audit all public financial operations in line with international standards can enhance the contribution of SAIs to the fight against corruption, though the specific powers and institutional setups can vary. According to the *Lima Declaration*, "All public financial operations, regardless of whether and how they are reflected in the national budget, shall be subject to audit by SAIs" (INTOSAI 2019c, Section 18). Limitations in their mandate to audit certain financial operations, such as the defense sector, which often holds large procurement projects, hamper the ability of the SAI to issue assurances of the quality of the consolidated public finances and create loopholes for illicit activities. Furthermore, extrabudgetary funds not covered by the SAI's mandate also create a risk. Limitations in mandate could also cover the SAI's ability to choose audit approaches, submit documentation to other institutions, and follow up on or sanction deviations.

Lack of independence from the executive branch is a serious constraint to the SAI's effectiveness. It is essential that SAIs have sufficient legal, operational, and financial independence, and in each there is not just *de jure* (in law) but also *de facto* (in practice) independence. Independence is particularly relevant to successfully challenge vested interests in settings of endemic corruption. This independence includes the element that SAIs can choose within their mandate which matters to audit and can access information without interference from the executive, or without fear of reprisals on the SAI's head, board members, or staff. The legislature may request certain audits but should not direct the SAI in selecting audits. Independence is also key to the SAI's credibility and the quality of its reporting. A lack of independence of the SAI from the executive—actual or perceived by the public and the legislature—would reduce the likelihood of the SAI fulfilling its mandate effectively and of its audits' recommendations being acted upon.

SAIs need to be appropriately resourced to discharge their duties and contribute effectively to the fight against corruption. However, many SAIs, especially in low-income countries (LICs), face an imbalance between their available resources and their mandates. This imbalance often stems from constant pressure to expand the mandate of SAIs in response to expectations from citizens, legislatures, and international bodies. At the same time, countries face limited fiscal space and growing needs in other sectors, especially during a crisis. The *Open Budget Survey 2019* (International Budget Partnership 2020) shows that in 93 percent of developed countries, SAI funding is broadly consistent with the resources needed to fulfill its mandate. However, this share drops to 57 percent for low-income

countries and to just 31 percent in sub-Saharan Africa. Any expansion of SAI mandates thus needs to be appropriately resourced.

Expanding the mandate of SAIs that are already insufficiently resourced, without remedying these resource constraints, runs the risk of diluting the SAI's efforts and undermining rather than enhancing its effectiveness.

The *Global SAI Stocktaking Report 2017* (IDI 2017) found that SAIs' mandate limitations are common, but particularly acute in sub-Saharan Africa. Globally, 77 percent of SAIs have the mandate to share information with specialized anti-corruption institutions. However, only 55 percent have the mandate to investigate corruption and fraud issues, and only 18 percent can sanction them. In sub-Saharan Africa, fewer than 10 percent of SAIs have the mandate to sanction corruption and fraud. The *Global SAI Stocktaking Report 2017* found that only 44 percent of the SAIs worldwide met an international benchmark on independence and mandate. The benchmark is a score of 3 or higher (out of 4) on the two SAI performance measurement framework (PMF) indicators assessing SAI mandate and de jure and de facto independence.⁸ For sub-Saharan Africa, the Mo Ibrahim Index of African Governance, built from the Global Integrity 2020 Dataset, finds that SAI statutory independence is not adequately secured in 35 of the 47 sub-Saharan Africa countries.⁹

Many countries with a robust statutory framework face implementation challenges: half of the countries with sound statutory regimes score 0 on implementation. In the Global Integrity 2019 Dataset, Angola, The Gambia, Guinea-Bissau, Mozambique, South Sudan, and Togo have a perfect score on statutory independence of the SAI but score 0 on implementation. This does not contradict the point that a SAI can do excellent work even with an imperfect statutory framework, as countries such as Kenya and Sierra Leone exemplify. In the Global Integrity 2019 Dataset, these countries received a weak score on the statutory framework, but scored well on implementation. Ultimately, however, even when de jure independence seems broadly adequate, the key challenges lie in implementation.

Regarding institutional arrangements, the *Global SAI Stocktaking Report 2017* points to some of the external factors, which sit outside the control of the SAI. Forty-eight percent of the legislatures do not hold public hearings of audit reports, which are critical for transparency and effective accountability. Only 50 percent of the SAIs worldwide publish most of their audit reports, with the trend declining, while the number of SAIs not publishing any reports has

⁸ The independence data quoted here is from the SAI PMF, not self-reported data.

⁹ <https://www.africaintegrityindicators.org/data>. The Global Integrity 2020 dataset, similarly to the *Global SAI Stocktaking Report 2017* (IDI 2017), points at a gap between the laws on the books and their implementation. In regard to this gap as it concerns SAIs, see the Natural Resource Governance Institute (NRGI), *The Resource Governance Index: From Legal Reform to Implementation in Sub-Saharan Africa* (NRGI 2017): "A key finding of the 2017 Resource Governance Index from 28 countries in sub-Saharan Africa is that there is a significant gap between the state of resource governance according to laws, and practices on the ground." See also Wilkins (2017).

increased. The publication of these reports is a key feature for public accountability. In 57 percent of SAIs, no reports are issued on follow-up steps taken to implement audit recommendations—a critical feature in the domain of anticorruption, where, in most cases, it remains incumbent on the enforcement agencies to follow up on audit reports (INTOSAI 2017).

These worldwide challenges seem to be particularly acute for sub-Saharan Africa. The Mo Ibrahim Index on African Governance finds that close to 60 percent of the sub-Saharan Africa annual reports and audits are not published in a timely or routine manner.¹⁰ Public Expenditure and Financial Accountability (PEFA)¹¹ reports from 25 sub-Saharan African countries indicate that, in 72 percent of cases, the legislature considers the SAI report 12 months or more after receipt of the report. In none of these countries does the legislature issue recommendations on actions to be implemented by the executive nor systematically follow up on their implementation. PEFA reports also found that in none of these countries did the executive nor the audited entity follow up on the audit report in an effective and timely manner.

Reports also flag internal challenges to SAIs in sub-Saharan Africa because of mandate or resource constraints. Analysis of PEFA reports finds that, for the majority of the 25 sub-Saharan African countries they cover, there is only partial financial audit coverage of the state budget. This may be the result of an interplay between mandate and resources allocations: in settings in which the SAI is not constitutionally or statutorily obligated to audit all state audit agencies, it may be more vulnerable to resource constraints than in settings where such obligations exist. This helps explain why the Republic of Congo's SAI audits about 30 entities annually, whereas for other countries in the region where the SAI is constitutionally mandated to audit all entities, more than 600 audits are conducted every year. In sub-Saharan Africa, in only 17 percent of the countries have all entire central government agencies been audited in the past three years. In 32 percent of the countries less than half of the expenditures and revenues is covered. Even though some parts of the budget are explicitly outside the SAI mandate in almost all sub-Saharan African countries, the largest parts of the gaps in coverage reflect inadequate resourcing of the SAI. In addition to the resource constraint, the lack of a systemic, risk-based approach to audit selection, and the discretionary dynamic that underpins audit selection, creates corruption vulnerabilities. Another internal challenge is late processing by the SAI itself. In 56 percent of the countries, the time lapse between receipt of the financial reports by the SAI and submission of its audit report to parliament exceeded 9 months. This is particularly relevant

¹⁰ The Global Integrity 2019 Dataset says that in 28 out of 47 countries, the SAI does not publish their annual or budget reports in a timely manner, or do not publish those at all. These reports may be accessible to the government authorities. For the 25 sub-Saharan African countries for which a PEFA report was conducted, this group is 64 percent.

¹¹ The PEFA program provides a framework for assessing and reporting on the strengths and weaknesses of PFM using quantitative indicators to measure performance. See <https://www.pefa.org/about>.

in emergency or crisis settings, where the paper trail and extraordinary administrative procedures need close tracking.

IMPLICATIONS FOR AND ENGAGEMENT WITH THE IMF

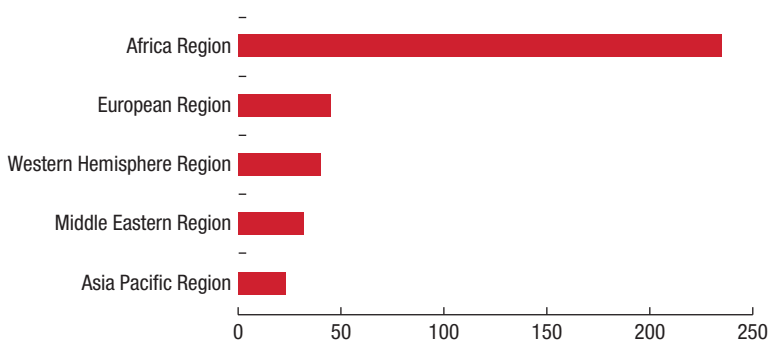
The constraints and implementation challenges have broader implications, including on the transparency and accountability of the PFM framework. For instance, in most sub-Saharan African countries, the SAIs have the mandate to audit oil companies. However, constraints and implementation challenges mean that audits can be inadequate (generating aggregate data only) or not conducted at all. Even in the countries where audits are conducted, only in one-third (Ethiopia, Sierra Leone, South Africa, Sudan, Tanzania, Uganda, Zimbabwe) are such audits released to the public (NRGI 2017). The outcome is that there is little transparency or accountability, notably regarding the activities of the 19 national oil companies in sub-Saharan Africa, which is a clear red flag for corruption in this sector (see “Constraints on the Effectiveness of SAIs in Fighting Corruption” in this chapter; and Chapter 6; NRGI 2017). These challenges have broader implications for the PFM framework and engagement of international financial institutions, including the IMF.

IMF-supported programs have sought to help countries address these challenges, including through targeted conditionality. Over the period 2002–2020, IMF programs with sub-Saharan African member countries included 234 structural benchmarks (SB) on audits (Figure 12.1).¹² This large figure is a result of an increasing number of programs and a higher number of SBs on audits in sub-Saharan African programs than for any other region. In addition, the audit benchmarks are rarely singular, and almost all IMF-supported programs carry numerous audit measures covering a wide range of issues and sectors, reflecting the extent of the implementation challenges.

For a number of sub-Saharan African countries, the domestic audit system faces vulnerabilities in both the public sector and the parastatal sector. The former has the largest number of benchmarks, ranging from audits of agencies (for example, central banks) to specific accounts or services (for example, domestic arrears, extrabudgetary funds, tax exemptions, customs services, special funds and social security, and wage bill). The latter, which covers the extractive industry and other state-owned enterprises (SOEs), was subject to 13 audit benchmarks on national oil companies and budget flows for several countries (for example, Angola, Côte d’Ivoire, Equatorial Guinea, Guinea, Gabon, Republic of Congo, and Senegal). IMF-supported programs also included audits of the oil revenue component in the budget, oil concession contracts, oil trader contracts, and so on. The need for these SBs points at weaknesses in the audits of the oil sector.

¹² See IMF, Monitoring of Fund Arrangements (MONA) database, <https://www.imf.org/external/np/pdr/mona/index.aspx>.

Figure 12.1. Number of Structural Benchmarks on Audits in IMF Programs in Sub-Saharan Africa (2002–2020)



Source: IMF, Monitoring of Fund Arrangements database, <https://www.imf.org/external/np/pdr/mona/index.aspx>

Other sectors are similarly targeted by benchmarks on audits, such as the more than 30 benchmarks on audits of SOEs spread across programs in the region. Some of these sectors may be statutorily subjected to private sector audits, and the numerous SBs in these sectors therefore seem to suggest that the entire audit sector is weak, whether public or private.

Only about half of the benchmarks request specifically a SAI, third-party, or internal audit. The third-party¹³ audit benchmarks are the most common (12.7 percent). Oil companies and other SOEs are subjected almost exclusively to third-party audits, which likely reflects absent or limited SAI audit reports of SOEs (including oil companies) in the region (which may arise from limitations in mandate or resource constraints, as discussed earlier). For several countries, the benchmarks also call for third-party audits for the public sector, almost always for narrowly defined issues—including domestic arrears (Côte d'Ivoire), financial statements of the central bank¹⁴ (Angola, Malawi, Rwanda), or special funds (Guinea Bissau's agricultural funds)—or areas within the mandate of the SAI. Third-party audits could be requested because the constraints hobbling domestic institutions are deemed to be too severe, and because addressing these issues requires sustained long-term reform, while what is needed is a short-term solution. At the same time, in some countries third-party auditors also face some of the constraints faced by SAIs, such as limited independence.

¹³ While the term “third party” in an audit sense is used to distinguish the auditor's role from that of the first party (the audited entity) and the second party (the user of audit reports), it has also in practice been used to refer to audits by an entity other than the SAI.

¹⁴ Auditing of the central bank often appears outside the SAI mandate, in part because many SAIs do not have the technical capacity for and experience in auditing complex financial institutions. Sometimes SAIs appoint external auditors to do the audit on their behalf (see Chapter 13).

While the vast majority of benchmarks aim to ensure that an audit is conducted, a modest number of SBs focus on the institutional framework. This includes benchmarks to strengthen the SAI statutory framework (Capo Verde), to ensure publication of the SAI report (Burundi, Uganda), or to ensure that recommendations made in the SAI's audit reports are implemented (Sierra Leone). These SBs seek to directly address some of the constraints identified in this paragraph and thus strengthen the domestic system of accountability.

BOLSTERING SAIS' CONTRIBUTIONS TO THE FIGHT AGAINST CORRUPTION IN SUB-SAHARAN AFRICA

Properly empowered SAIs can be very effective in reducing corruption. They can help strengthen the preventive system and the framework with which to deal with corruption cases, notably when using specialized (forensic and performance) audits (Menochal and others 2015; Transparency International 2015). Examples such as the Uganda SAI's audit (conducted in 2011), which uncovered the embezzlement of funds from development partners at the office of the prime minister, show the potential impact of these institutions (see Chapter 7). The role of Ghana's SAI in 2014 in addressing payroll fraud, which had been a challenge for close to two decades, is another example. Generally, the effectiveness depends on the capacity of the SAI involved and on the broader context within which it operates.

Audits of the Institutional Framework to Fight Corruption

Between 2015 and 2020, many SAIs began undertaking performance audits to assess the efficiency and effectiveness of the institutional framework for fighting corruption, building on *GUID 5270* (INTOSAI 2019b). Such audits help assess the functioning of the institutional framework, contribute to developing a systemic vision for addressing corruption, and support prioritization of remedial actions to strengthen the framework and address risks.

The SAI of Liberia conducted a performance audit related to the Liberian Anti-Corruption Commission in 2018. The audit looked at the Anti-Corruption Commission's performance in planning, implementing, and monitoring coordinated, consistent, and sustained interventions for the fight against corruption, both at national and sectoral levels. In its conclusions, the SAI audit pointed out the lack of coordination in implementing anticorruption measures in the country. It also recommended that the Anti-Corruption Commission strengthen collaboration with nonstate actors in support of a coherent agenda. The SAI of Liberia also undertook an audit of the country's legal framework and implementation of the asset declaration system. Acting under this initiative, Liberia's SAI undertook a special audit of the asset declaration system for public officials. It was found that the Liberia Anti-Corruption Commission (LACC) did not have a robust process in place for verifying and investigating asset declarations. Most

importantly, the SAI reported suspicious and unexplained wealth and false declarations by some officials, for which the investigators recommended application of sanctions.

Burkina Faso's SAI conducted an audit of its interests and asset declaration mechanism for public officials. In 2018 it conducted an audit of the effectiveness of mechanisms for managing declarations of interests and assets by public officials, including the president of the republic and members of government, members of parliament, members of the judiciary, and high officials in public administration. The audit stressed the lack of cooperation between the agencies involved in identifying public officials subject to interests and asset declaration, and in tracing their wealth as a major weakness that affected the scope and reliability of interests and asset information received by the country's SAI.

Since 2016 the INTOSAI Development Initiative (IDI) has been providing support to SAIs to undertake such performance audits under its SAIs Fighting Corruption Initiative.¹⁵ As part of this capacity development intervention, SAIs participated in a global program of cooperative performance audits addressing their whole government's institutional framework for fighting corruption, and one or more specific sectors. As part of the IDI's cooperative performance audit on institutional frameworks for fighting corruption, some SAIs undertook an assessment at the national level, focusing on themes such as the effectiveness and implementation of the national anticorruption strategy, assessment of corruption risks at the national level, asset declaration system for high-ranking public officials, and coordination between state anticorruption actors. Following are some examples of the audits of institutional frameworks for fighting corruption conducted by SAIs.

In 2017 the African Organisation of Supreme Audit Institutions (AFROSAI) signed the Yaoundé *Declaration on Curbing Illicit Financial Flows through Good Governance*.¹⁶ As part of this effort, 13 African SAIs committed to audit the implementation of the *United Nations Convention against Corruption*, focusing on

¹⁵ The INTOSAI Development Initiative's SAIs Fighting Corruption initiative is a capacity development intervention program created in 2016 for 58 SAIs in Africa, the Arabic world, Asia, Europe, Latin America, and the Pacific. The initiative "is supporting [SAIs] across the world in enhancing their effectiveness and their contribution to the fight against corruption." According to its website, the program aims to achieve this goal via the following strategies:

1. Auditing national institutional frameworks in place for fighting corruption
2. Establishing/strengthening cooperation between [SAIs] and their stakeholders in fighting corruption
3. Strengthening [SAIs'] own ethical behaviour and practice through sound integrity control systems

(See <https://idi.no/work-streams/well-governed-sais/sfc>.)

¹⁶ *Declaration on Curbing Illicit Financial Flows through Good Financial Governance* (signed in Yaoundé on May 2017), agreed between the African Organisation of Public Accounts Committee (AFROPAC), the African Organisation of SAIs, and the Collaborative Africa Budget Reform Initiative (CABRI). This declaration is not to be confused with the November 2017 *Yaoundé Declaration – Fighting Illicit Financial Flows in Africa*, which focused on international tax cooperation.

the implementation of asset declaration systems and public procurement.¹⁷ These audits led to an initiative, entitled “Cooperative Audit of Illicit Financial Flows,” (IFF) focused on corruption and coordinated by AFROSAI under the GIZ Good Financial Governance in Africa Program.

Cooperation with Law Enforcement Bodies

For SAIs, collaboration with the judiciary, including prosecuting and investigating agencies, and with anticorruption agencies, is critical, even if not sufficient, for effective follow-up on audit findings. Some SAIs—especially those with jurisdictional powers—have the mandate to impose sanctions directly; others do not. In either case, clearly defined working relations with the judiciary and prosecuting and investigating agencies should be established and maintained.

Examples of SAIs’ cooperation with law enforcement bodies in Francophone Africa include Chad and Comoros and Cameroon. The procedure between the Chad Court of Accounts and the enforcement agencies has been strengthened. The Chad SAI’s reports are communicated to the General Prosecutor’s Office of the Supreme Court, where prosecution procedures are mandatorily initiated on revealed irregularities. The collaboration between the Comoros Section of Accounts of the Supreme Court and the enforcement process has been tightened. The attorney general at the Supreme Court attends the SAI’s hearings in person or through its representative, and presents observations or conclusions on the facts discussed, for eventual further prosecutions. The authority of the Cameroon Supreme State Audit Office to engage the enforcement agencies has been enhanced. The SAI’s auditors may request police assistance during audits. Also, the SAI can be requested by courts to support investigations in financial crime with clarifications on facts from an audit report (generally a compliance audit) duly passed to the criminal justice (corruption, embezzlements, and so on).

Sanctions, Surcharges, and Other Legal Powers

SAIs with jurisdictional functions have additional powers in relation to mismanagement of public funds. In African countries where SAIs have such functions, the mandate generally includes exercising jurisdictional control over public accounting officers and public managers, and sanctioning liabilities. The mandate of a SAI defines the operational powers vested in it through the legal framework. In addition to having authority for carrying out performance, compliance, and financial audits, SAIs with jurisdictional functions generally have the power to issue formal rulings sanctioning the personal liability, either financial or disciplinary, of individuals (generally accounting officers and public

¹⁷ <https://gfg-in-africa.org/13-african-supreme-audit-institutions-join-forces-to-tackle-corruption-as-a-driver-of-illicit-financial-flows/>.

managers) found guilty of infringements to the public finance management regulation, as established in audit reports. In the case of public accounting officers, regular checks of records are undertaken by the auditors, both on- and off-site, to determine if books of public bodies are kept properly. Where accounts are in good order, the SAI generally delivers a discharge judgment. Where an irregularity in accounting operations is found and financial loss evidenced, the SAI registers the failure and declares the accounting officer a debtor of the public body. In such systems, public accounting officers are therefore personally and financially liable as established by the SAI, in the event of non-recovery of revenue or irregular expenditure. The same applies to de facto public accountants, that is, people who handle public money without being legally entitled to do so.

Public managers can also be fined by the SAI for their personal liabilities regarding mismanagement. They can be prohibited from exercising public office temporarily or indefinitely, also based on audit reports, but following a different procedure from the one used for public accounting officers. The principle of segregation of duties between public managers and public accounting officers applied in PFM systems in those countries also generally entails a segregation of liabilities, and therefore of the jurisdictions before which those liabilities can be adjudicated. In Cameroon, the Budget and Finance Disciplinary Board, a jurisdictional body presided over by the head of the SAI and in charge of judging public managers, has for the year 2019 rendered several rulings establishing public managers financially liable for a total of 2.7 billion CFA francs (about US\$5 million), for losses associated with cases of noncompliance reported in the SAI's audit reports (Cameroon National Anti-Corruption Commission 2019).

The Role of the Media and Civil Society Organizations

SAIs are paying increased attention to their contacts with the media and other sections of society, notably CSOs. Interactions with the media and CSOs are particularly relevant for identifying corruption, which is by nature a hidden transaction. In many countries, SAIs have strengthened communication channels and created an enabling environment for reporting concerns and suspicions to the SAI, including from third parties. These countries have established whistleblower support and protection (as envisaged under *GUID 5270* [INTOSAI 2019b]), witness protection programs, hotlines, and other reporting instruments, including ones operating through CSOs and the media.

The media and CSOs can also contribute to institutional empowerment. They can be important supporters of effective accountability in PFM systems and are typically supportive of giving SAIs more powers. In some countries, this has translated into specific institutional empowerment of SAIs. The close collaboration between CSOs, courts, and the SAI in Ghana is a case in point (see Box 12.1).

Box 12.1. Ghana: Combating Fraud and Corruption with “Disallowances and Surcharges”

by Daniel Domelevo

The following discussion highlights the close cooperation between CSOs and the Ghana Audit Service (GAS), and the role of the judiciary, which has resulted in the auditor-general assuming quasi-sanctioning powers (“disallowances and surcharges”) to combat misallocation of public funds.

The constitutional framework: The auditor-general of Ghana is required by the constitution to audit the accounts of the executive, legislature, judiciary, and any others and report to Parliament within six months after the end of the immediately preceding financial year to which each of the accounts relates. Additionally, Article 187(7)(b) provides, in common language, that the auditor-general may nullify any item of expenditure that is contrary to law (“disallow”) and impose the cost of that expenditure upon the person that effected it (“surcharge”).

The role of CSOs and the judiciary in implementing the constitutional framework: Although Article 187(7)(b) has been in the constitution since 1992, it had not been implemented. In 2014 OccupyGhana, a CSO, filed a suit before the Supreme Court for enforcement of the mandate. The Supreme Court unanimously upheld the claim and issued an order allowing the auditor-general to implement the power. After completing a special training course, the auditor-general conducted a special audit of government liabilities (as at December 2016) and in January 2018 issued a report that disallowed expenditures in the amount of GH\$5.5 billion (about US\$1.1 billion) out of total potential liabilities of GH\$11.8 billion.¹

Presidential support and rollout: This initiative received strong support from the president of the country. The auditor-general proceeded with the rollout of the powers and in December 2018 issued a report to Parliament on an additional 112 disallowances and surcharges for expenditures made contrary to law and for the recovery into the consolidated fund (a total of about US\$11 million). These included significant high-profile cases, involving over 200 senior state officials.²

Broad support from CSOs and the media: CSOs and the media played a major role in ensuring that the auditor-general exercised the mandate of disallowance and surcharge. Apart from enabling the auditor-general to exercise his constitutional powers through legal action, they exerted considerable pressure on the attorney general to follow up on the audit reports and prosecute the perpetrators of the fraudulent transactions. Press conferences and extensive media exposure sought to ensure that the audit reports would translate into effective accountability. CSOs also filed legal action to protect the auditor-general when he came under pressure.

Broader impact: Other countries, especially in Africa, have followed the steps of Ghana in enacting laws that mandate that the auditor-general hold public officers accountable.

¹ The auditor-general and 16 others went through training at the Judicial Training Institute on evidence-gathering for the purpose of disallowance and surcharges.

² In the State of the Nation address to Parliament on February 8, 2018, the president commended the efforts leading to the savings the nation achieved via the disallowance of some liabilities he had inherited from the previous regime. Also, during his address at the 61st anniversary of Ghana’s independence, the president stated: “A recent audit by the Auditor-General into the liabilities . . . led to the disallowance of some GH\$5.4 billion of claims. These are fictitious claims that would otherwise have had to be paid, but for the eagle eye of the Auditor-General. Can you imagine what we can do with GH\$5.4 billion? It can certainly finance the Free Senior High School for five years.”

These countries include Liberia, Sierra Leone, South Africa, and Zambia. The idea is to go beyond the annual reporting of infractions and abuses of public resources to parliament and grant SAIs powers to recover amounts wrongly spent by public officials or other persons whose negligence or misconduct leads to deficiencies or loss of public funds (see, for example, World Bank 2020).

AGILE COMPLIANCE AUDITS (REAL-TIME AUDITS) OF THE USE OF EMERGENCY FUNDS

Scope and Goals of Real-Time Audits

The term “real-time audits” conjures up the image of auditors certifying the legitimacy of expenditure as it is incurred. However, in reference to international audit standards, the term “agile compliance audits” appears to be more accurate. The audits are ex post audits—they review expenditures after they have been incurred, ensuring the auditor is independent from the audited expenditure control system. The approach is different from preaudit or ex ante audit, where the auditor is engaged in the expenditure approval process. Real-time audits involve a series of compliance audits (*ISSAI 400* [INTOSAI 2019i]), that is, an assessment of whether a subject matter is (in all material respects) in compliance with relevant laws, rules, and accepted principles.

Real-time audits, particularly in emergency contexts, need to be rapid and agile, conducted outside typical time frames and audit cycles to make them relevant and informative for corrective action. This means they should focus on high-risk systems and expenditures associated with the emergency. A series of short, focused audits with shorter-than-normal timelines and streamlined processes (as opposed to a single, larger audit) enable the examination of specific risk areas. Audit findings can then be shared with the audited entity on an ongoing basis to enable rapid adjustments. SAIs should then finalize each individual audit, submit it to the appropriate authorities, publicize it as soon as possible, and build learning points from each audit into the next series of audits. Real-time audits are neither defined in international standards, per se, nor widespread across the majority of SAIs worldwide but have evolved into modern-day practice. The slower uptake of these standards could be because, in some countries, these audits are not viewed as explicitly within the SAI’s mandate and therefore lack a clear legal basis. There can also be resistance from audited entities or capacity and underresourcing issues. The remote working environment during the COVID-19 pandemic has also posed challenges for some SAIs, in particular where digitalization of financial management is limited, or information and communications technology ICT, connectivity, and access to IFMIS systems make remote auditing difficult. Despite these challenges, real-time audits are becoming more widely acknowledged as more responsive and relevant to the needs of an ever-changing emergency environment.

Real-time audits will only realize their full impact if there is political support for the SAI to carry out this oversight function and if other actors in the accountability ecosystem are working well together—in particular the legislature. For example, in Jamaica, the SAI has been asked to conduct real-time audits of COVID-19 spending to account for any waste or fraud, but enhancements to the process as a result of audits will only be implemented if the appropriate legislative committee analyzes the report in a timely manner to impose corrective action (IBP IDI 2020). Building relations with the legislative committees responsible for tabling the audit report (particularly the PAC) is key for the SAI, and SAI officials will often testify in committee hearings.

Real-Time Audits during the Ebola and COVID-19 Crises

Many countries, including in sub-Saharan Africa, have been affected by the COVID-19 crisis, and have put in place emergency budget adjustments. The need to respond quickly to the emergency creates pressure for more rapid expenditure and approval processes, such that emergency spending rules are introduced or existing rules are relaxed. Both approaches increase the risks of less effective spending, error, misuse of funds, and corruption. Sudden surges in expenditure for other reasons can lead to similar situations in which corruption risks are heightened. For instance, in 2008 the Chinese SAI used real-time audits to verify sudden surges in expenditures related to the Beijing Olympics and to post-earthquake reconstruction.

Crisis and emergency situations result in significantly increased fund flows through specially affected financial systems, sectors, organizations, and emergency coordination units. During the COVID-19 crisis, many countries applied for emergency financing from international financial agencies, including the IMF, whose emergency support programs were designed for the expedited disbursement called for by emergencies.

The SAIs in some African countries were not unfamiliar with the crisis generated by a pandemic, having had to face up to the Ebola pandemic in 2014–2016. The Ebola crisis necessitated significant budget adjustments to strengthen the health sector and, more generally, the countries' crisis response. The adjustments were possible thanks to foreign support and significant private donations from the countries themselves. At the time, recognizing the immediate nature of the vulnerabilities on transparency and accountability of these emergency programs, SAIs in several countries commenced targeted compliance audits of the emergency financing, effected within a much shorter time frame of three to five months. The objectives were to ensure tighter audit controls through auditor presence during the emergency spending period to positively influence spending behavior and to shorten feedback loops between government expenditure and audit findings, enabling more timely remedial actions. These so-called real-time audits were effectively early-warning systems.

In particular, the real-time audit effected by the Audit Service Sierra Leone (ASSL) during the Ebola crisis is a classic example of how these agile audits are to be carried out in emergency settings (Box 12.2). These audits illustrate the added

Box 12.2. Sierra Leone: Real-time Audit during the Ebola Health Crisis¹

by Lara Taylor-Pearce, Monique Newiak, and Fazeer Sheik Rahim

This box highlights the lessons from a good-practice real-time audit undertaken by the Audit Service Sierra Leone (ASSL) on the management of funds during the early phase of the Ebola health crisis.

Context: The Ebola health crisis hit Guinea, Liberia, and Sierra Leone during 2014–2016. Sierra Leone reported its first case in May 2014, and case numbers rose to 14,000 people in the country throughout the crisis. Sierra Leone was declared Ebola-free in March 2016. The severity of the shock to the country's health systems, paired with a substantial commodity price shock, triggered substantial financial disbursements by the international community and private individuals. An emerging discussion on the need for transparent and accountable use of funds motivated ASSL to conduct its first real-time audit, covering the management of Ebola funds from May to October 2014.

Main lessons: ASSL identified several lessons from conducting the real-time audit that apply to the broader context of real-time audits in emergency contexts:

- *Focus of the audit:* Given the timing of the audit, a focus on decision-making and management processes, rather than an assessment of the final spending results, is appropriate. This focus on structures and processes (for example, which emergency procedures for procurement are in place, and how have they been followed?) allows the making of recommendations to influence the way funding is used in the remainder of the emergency response. At the same time, the provision for fast feedback in the early stages of the crisis allows for corrective action that may not be possible through a sole ex-post audit that would serve different purposes. In Sierra Leone, the September 2014 audit discovered a range of major weaknesses in the use of emergency funds. A second, subsequent, audit report, covering November 2014 to April 2015, found that many issues had been addressed, highlighting the benefits of a real-time engagement in shaping the emergency response when the need is most urgent.
- *Legal backing:* Experiences during the real-time audit revealed significant resistance to the audit, including to ASSL's legal mandate to do so. Although, as in many countries, the country's constitution empowered ASSL to audit the use of public funds, an amendment to the Audit Service Act 2014 was necessary to expand its role in carrying value-for-money and real-time audits.
- *Staff capacity:* Staff performing the audit should have experience in a combination of compliance, financial, and performance auditing. In Sierra Leone, limited staff size and training highlighted the need to scale up capacity for future audits.
- *Adequate IT and other communication infrastructure:* Communication infrastructure systems are also critical, in particular in the context of a health crisis when auditors need to work remotely. In Sierra Leone, obstacles due to documentation that was often paper-based highlighted the benefits of automating and digitalizing the spending process.
- *Communication:* During the audit, it is also critical to have constant engagement of stakeholders in order to obtain buy-in and allow for follow-up, including conveying goals and procedures of the audit. Prompt reporting to the legislature on the findings from the audit is also important to enable speedy reaction and follow-up. Finally, publication of the audit will increase accountability regarding the findings and inform the public.

(continued)

- *Visibility of the SAI:* SAIs have the responsibility to inform citizens through the legislature on how well public funds have been managed on their behalf. Real-time audits that bring out issues for prompt action in a timely manner, lend credence to the work of the SAI and ultimately improve the relevance and visibility of the SAI.

¹ ASSL has been widely sharing its experience on real-time audits, including during a training of sub-Saharan African country officials on good governance at the Africa Training Institute in November 2020.

value of this approach by revealing in the first round of audits high levels of expenditure lacking satisfactory supporting documentation and appropriate approvals and controls. Following publication of a first high-profile audit report, the second round of audit work found improved supporting documentation and a better functioning control system. This supports the notion that SAIs need to reinforce the expectation that emergency spending will be subject to audit and oversight from the outset, instead of at the end of the budget year, and the importance of being visible from the onset of a crisis.

With the COVID-19 crisis, several countries in sub-Saharan Africa have decided to apply the same model for auditing emergency financing. The first audit reports are being published to ensure the dual objective of exercising control over the emergency financing and its proper administration, even during the disbursement cycle, and to shorten feedback loops. Early examples include Sierra Leone, South Africa, and Zambia, with more audits to come out steadily (for example, from Kenya and Malawi).

The Sierra Leone report, which refers to itself as a “real-time” audit, was one of the first published audits on COVID-19 emergency financing in sub-Saharan Africa (ASSL 2020). Drawing on the experience of ASSL during the Ebola crisis, this report illustrates the benefits of real-time audits in crisis settings, including giving a heads-up on problem areas and transactions, raising a red flag to respect proper procedures, and keeping relevant documentation. The detailed report covers a range of issues, including procurement challenges, disbursement challenges (such as lack of proper documentation, failure to process withholding taxes, and informal payments to suppliers), payment of allowances, fixed asset management, payroll and ghost workers, hiring of vehicles, medical supplies, management of donations, and timing of payments.

The Zambia report’s focus and specificity also fully support the aim of real-time audits to serve as an early-warning system (Auditor-General of Zambia 2020). The report gives a detailed analysis of challenges, including irregularities in the administration of donations, the transfer of public funds, and cash withdrawals; overpayment of staff and abuse of allowances; various procurement issues, including acceptance of quotations after deadlines, delays in delivery, failure to pay suppliers or questionable payments to suppliers, questionable fuel calculations, and absence of receipts and proper documentation; and so on. All

items are documented in detail, with reference to contracts and specifics, and often include the response of the relevant authorities.

All three South African real-time audit reports cover a wide range of government initiatives, from wage protection to health care services, basic education services, agriculture, tourism, water, and other social relief. The first and second report give a largely qualitative overview together with audit opinions that highlight the significant deficiencies in the procurement and contract management processes. They report inadequate controls of payment processes and, at times, note duplicate payments or nonpayments, unfair awarding of government contracts, and a lack of attention to protect against overpricing, financial loss, fraud, and abuse of the system (Auditor-General South Africa). Recommendations are pitched at a higher level to address the systemic challenges in the PFM system that cause the issues reported, rather than addressing individual issues.

These examples of real-time audits on the financial management of expenditures related to the COVID-19 pandemic and Ebola public health crisis are encouraging and an important contribution to accountability of emergency finance. The reports are specific, cite concrete evidence for their findings, assess budgetary impacts, and make recommendations. The media coverage of these reports, including in international outlets, will play an important role in pushing toward greater accountability of emergency financing and reducing corruption vulnerabilities.

CONCLUSION

The primary role of SAI is in ensuring the effectiveness and sound use of public resources. They can also play a key role in supporting anticorruption efforts. Countries in sub-Saharan Africa that are at the forefront of innovations in this sector have illustrated the relevance and impact of SAIs in the fight against corruption. International guidelines support increased SAI engagement on corruption, even if this engagement will always remain dependent on other institutional actors, notably the enforcement agencies. The role of SAIs is even more marked in emergency settings, in which expedited budgetary adjustments and extraordinary procedures generate increased exposure and where stronger safeguards through timely and adequate accounting are important. Sub-Saharan African SAIs face internal and external challenges that are reflected in the large number of measures regarding audits in programs supported by international financial organizations, such as the IMF. The focus on audits sheds light on where the weaknesses sit and can be critical to transparency and accountability. In this light, the increasing support by international organizations for the SAIs is a welcome development.

This support from international organizations backs up long-standing capacity development programs such as from IDI. Challenges notwithstanding, SAIs in several sub-Saharan African countries have been forward-leaning on combating corruption, specifically in emergency settings. Notably, these SAIs have been highly innovative in agile compliance audits (real-time audits).

REFERENCES

- Auditor General of Zambia. 2020. *Interim Report of the Auditor General on the Audit of the Utilisation of COVID-19 Resources as at 31st July 2020*. Lusaka, Zambia: Office of the Auditor General.
- Auditor-General South Africa. 2020. *Second Special Report on the Financial Management of Government's Covid-19 Initiatives*. Pretoria, South Africa: Auditor-General South Africa.
- Audit Service Sierra Leone (ASSL). 2020. *Report on the Audit of Funds Managed by the National COVID-19 Emergency Response Centre and Other Ministries, Departments and Agencies: March to June, 2020*. Freetown, Sierra Leone: ASSL.
- Cameroon National Anti-Corruption Commission. 2019. *Cameroon's 2019 Anti-Corruption Status Report*. Yaounde, Cameroon: CONAC.
- General Auditing Commission of Liberia. 2018. *Audit Report on the Legal Framework and Implementation of the Assets Declaration Systems of Liberia*. Monrovia: General Auditing Commission.
- International Budget Partnership. 2020. *Open Budget Survey 2019*. Washington, DC: International Budget Partnership.
- International Budget Partnership and INTOSAI Development Initiative (IBP IDI). 2020. *Harnessing Accountability through External Public Audits: An Assessment of National Oversight Systems*. Washington, DC: International Budget Partnership and Oslo, Norway: INTOSAI Development Initiative.
- International Monetary Fund (IMF). 1997. "The Role of the Fund in Governance Issues." IMF Guidance Note EBS/97/125, Washington, DC.
- International Monetary Fund (IMF). 2018. "Review of 1997 Guidance Note on Governance—a Proposed Framework for Enhanced Fund Engagement." IMF Policy Paper, Washington, DC.
- International Organization of Supreme Audit Institutions (INTOSAI). 2013. *Beijing Declaration on Promotion of Good Governance by Supreme Audit Institutions*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2017. *Supreme Audit Institutions Performance Measurement Framework*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019a. *GUID 5260: Governance of Public Assets*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019b. *GUID 5270: Guideline for the Audit of Corruption Prevention*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019c. *INTOSAI-P 1: The Lima Declaration*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019d. *INTOSAI-P 10: Mexico Declaration on SAI Independence*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019e. *INTOSAI-P 12: The Value and Benefits of Supreme Audit Institutions—Making a Difference to the Lives of Citizens*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019f. *INTOSAI-P 20: Principles of Transparency and Accountability*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019g. *INTOSAI-P 50: Principles of Jurisdictional Activities of SAIs*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019h. *ISSAI 100: Fundamental Principles of Public-Sector Auditing*. Vienna, Austria: INTOSAI.
- International Organization of Supreme Audit Institutions (INTOSAI). 2019i. *ISSAI 400: Compliance Audit Principles*. Vienna, Austria: INTOSAI.
- INTOSAI Development Initiative (IDI). 2017. *Global SAI Stocktaking Report 2017*. Oslo, Norway: IDI.
- Melina, Giovanni, Hoda Salim, and Concepcion Verdugo-Yepes. 2019. *Macro-Fiscal Gains from Anti-corruption Reforms in the Republic of Congo*. IMF Working Paper 19/121, International Monetary Fund, Washington, DC.

- Menochal, Alina Rocha, Nils Taxell, Jesper Stenberg Johnson, Maya Schmaljohann, Aranzazú Guillan Montero, Francesco De Simone, Kendra Dupuy, and Julia Tobias. 2015. *Why Corruption Matters: Understanding Causes, Effects and How to Address Them*. London: Department for International Development.
- Natural Resource Governance Institute (NRGI). 2017. *The Resource Governance Index: From Legal Reform to Implementation in Sub-Saharan Africa*. New York: NRGI.
- Transparency International. 2015. *Successful Anti-corruption Reforms*. Transparency International. https://knowledgehub.transparency.org/assets/uploads/helpdesk/Successful_anti-corruption_reforms.pdf.
- United Nations Office on Drugs and Crime. 2004. *United Nations Convention Against Corruption*. New York: United Nations.
- Wilkins, Dana. 2017. "How the Resource Governance Index Can Be Used to Audit Extractives" (blog). *Natural Resource Governance Institute*, November 10, 2017. <https://resourcegovernance.org/blog/how-resource-governance-index-can-be-used-audit-extractives>.
- World Bank. 2020. *Enhancing Government Effectiveness and Transparency. The Fight against Corruption*. Washington, DC: World Bank.

This page intentionally left blank