Inspired by the ECA's Audit

New Trends in the Works of Supreme Audit Institutions

In his article, the author presents several elements of the practices of Supreme Audit Institutions (SAIs): a multiannual audit strategy, selection of non-routine audit topics, informing the public about planned audits or audits in progress, or giving citizens an opportunity to contribute to audits. These illustrate new trends in the works of some SAIs. The inspiration for the article came from the audit conducted by the European Court of Auditors on the performance of public consultations by the European Commission.

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Concept of the Article

Over the last 20-30 years, Supreme Audit Institutions – slowly and gradually – have been changing their working methods. This is due to external factors (changes in the operations of contemporary states and societies), however a big role is played by the examples of other SAIs and exchange of experience within the International Organisation of Supreme Audit Institutions (INTOSAI) and its regional organisations; some SAIs also introduce new solutions on their own initiative.

In my opinion, the most important new trends include:

• commitment to the principle, and its gradual implementation, that next to the parliament and the government, citizens are the main stakeholders of SAIs (this concept is followed by some SAIs only, though); this implies development of contacts with the media and constantly enhanced transparency of SAIs' works;

• development of performance auditing: the number of audits addressing problems of importance to citizens has been growing;

• INTOSAI's efforts to systematise the international guidance on public audit and the pressure from other SAIs to adopt and implement such guidance;

• development of advisory functions to the benefit of other public bodies (at some SAIs);

• development of analytical activities, parallel to digitalisation of SAIs' work, e.g. use of big data and electronic documents

received from auditees, or downloaded from the internet, improved software supporting the audit proceedings.

The above observations have been based on the documents elaborated by SAIs and the outcomes of discussions with my colleagues from other countries. I have also considered my working experience at the Supreme Audit Office of Poland and the literature on the issue. I realise that this is a simplified picture of the situation, as SAIs are different, and besides it is hard to get a full set of information on their activities. These observations relate mainly to democratic states, not to all of them, though, because in countries with such a system of government the models and practices of state auditing vary a lot. Yet, this is not about a theoretical analysis – I have attempted to describe several SAIs' activities that I consider worth discussing.

Progress is achieved through practice – that is why I have presented elements of the audit proceedings in relation to a specific audit, which was conducted by the European Court of Auditors (ECA or the Court)[1], on the performance of public consultations by the European Commission (hereinafter referred to as 'the Commission'). The audit was carried out in accordance with the international guidance on public audit. At the same time, due to its contribution to the performance audit methodology, it can serve as the background to discuss the experience of interest to other SAIs, and it may facilitate reflection on good practices in auditing. Hence, the article has been divided into two main parts: 1) a description of the ECA's audit, and 2) a commentary on selected issues: a multiannual audit strategy, selection of non-routine audit topics, informing the public about planned audits or those in progress, or giving citizens an opportunity to contribute to audits.

Description of the ECA's Audit

In 2018 and 2019, the European Court of Auditors conducted the audit of the performance of public consultations by the Commission. In order to evaluate the framework for consultations adopted by the Commission, the ECA analysed key documents, examined the preparations for twenty-six selected consultations and their performance, as well as inquired opinion of their participants. The audit report was published on 5 September 2019 on the ECA's website, and later in the Official Journal of the European Union[2].

Origins of the Audit

Article 11 of the Treaty on European Union requires the Commission to perform broad consultations, giving citizens and other stakeholders an opportunity

[1] European Court of Auditors is an institution of the European Union that audits the execution of the EU budget. The status of the ECA – a supranational organisation – differs from that of national SAIs, however its work does not differ much, because the ECA applies international guidance related to audit proceedings and methods. In this article, the ECA is approached as a Supreme Audit Institution.

[2] *Special Report* No 14, 2019, "'Have your say!': Commission's public consultations engage citizens, but fall short of outreach activities"; European Court of Auditors; <https://www.eca.europa.eu/Lists/ECADocuments/SR19_14/SR_Public_participation_EN.pdf> (accessed 8 February 2020); OJ C 314, 18.09.2019.

to contribute to policy-making[3]. In 2001, the Commission committed to increase EU citizens' engagement and developed a document on public consultations[4]. Another programme was introduced in 2015[5], and then the Commission rolled out the 'Contribute to law-making' website[6]. Two types of consultations were defined:

- public consultation, giving access to anybody who wishes to contribute. The Commission carries out public consultations using online questionnaires. Citizens express their views on a given topic by replying to a questionnaire in *EU Survey*[7];
- targeted consultation, addressing specific well-defined stakeholder groups. In a targeted consultation, stakeholders are pre-selected, and only explicitly invited stakeholder groups or individuals can participate in the consultation.

Public consultations allow for accessing a diverse group of EU citizens who contribute on a voluntary basis. However, since the respondents volunteer, the data gathered from consultations do not provide a representative opinion.

From 2015 until the end of 2018 the Commission conducted 417 public consultations[8]. The turnout was usually low. The top one for each year was:

- in 2015, the EU nature legislation (Birds Directive, Habitats Directive) public consultation had 550 000 responses;
- in 2016, the public consultation on the European Pillar of Social Rights had 16 500 responses;
- in 2017, the public consultation on modernising and simplifying the common agricultural policy had 63 000 responses;
- in 2018, the public consultation on summertime arrangements yielded 4.6 million responses, the highest number ever received in any public consultation by the Commission.

The annual average number of participants in all public consultations, not

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[3] Article 11 of the Treaty on European Union on participatory democracy: "(3) The European Commission shall carry out broad consultations with parties concerned in order to ensure that the Union's actions are coherent and transparent".

[4] *European Governance – A White Paper*, COM(2001) 428 final, 25.07.2001; *Communication from the Commission "Towards a reinforced culture of consultation and dialogue – General principles and minimum standards for consultation of interested parties by the Commission"*; COM(2002) 704 final, 11.12.2002.

[5] *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Better regulation for better results – An EU agenda"*; COM(2015) 215 final, 19.5.2015; *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Completing the Better Regulation Agenda: Better solutions for better results"* COM(2017) 651 final, 24.10.2017. *Better Regulation Guidelines*, SWD(2017) 350 final, <https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines.pdf> (accessed 7 April 2020).

[6] "Contribute to law-making" website; <https://ec.europa.eu/info/law/contribute-law-making_en> (accessed 7 April 2020); "'Have Your Say' website"; <https://ec.europa.eu/info/law/better-regulation/have-your-say> (accessed 7 April 2020).

[7] <EU Survey https://ec.europa.eu/eusurvey/> (accessed 7 April 2020).

[8] *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Better regulation: taking stock and sustaining our commitment"*, COM(2019) 178 final, 15.04.2019; <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0178&from=EN> (accessed 9 May 2020).

including the top consultation for the year in question, was around 500 participants in 2015 and 2016, and around 2 000 participants in 2017 and 2018.

Audit Scope and Audit Approach

The European Court of Auditors' Strategy for 2018–2020[9] considers the perceived distance between citizens and EU institutions as a threat for the EU. In February 2018, the European Parliament asked the Court to evaluate how citizens can directly participate and contribute throughout the EU law-making process, and to assess the effectiveness, appropriateness, transparency and openness of the tools used.

The Court assessed whether the Commission's public consultations were effective in reaching out to citizens and making use of their contributions. The audit examined in particular whether:

- the Commission's framework for consultations had taken into account the respective good practices;
- the audited consultations had been prepared and conducted in such a way that citizens could participate easily and effectively;
- the Commission had analysed data input from questionnaires reasonably, and presented transparent and comprehensive information on the consultation work and its outcome.

The ECA reviewed twenty-six public consultations carried out by the Commission in the years 2016–2018. They were dedicated, among other, to the following areas:

- agriculture (Modernising and Simplifying the Common Agricultural Policy);
- education (Programme „Erasmus+", Key Competences for Lifelong Learning);
- crime (EU Drugs Strategy, Prevention of and Fight Against Crime, Combatting Fraud and Counterfeiting on Non-Cash Means of Payment);
- fight against corruption (mandatory Transparency Register);
- migration (tackling migrant smuggling, support for refugees);
- transportation (Liability of Carriers of Passengers by Sea in the Event of Accidents, EU Air Safety List);
- social issues (promoting social inclusion and shared values through learning);
- EU citizens' rights (European citizens' initiative);
- summertime.

The ECA's auditors:

- analysed the public consultations framework adopted by the Commission, the documents related to stakeholders engagement, and the outcomes of the audited consultations;
- interviewed employees of the Directorates-General that organised the audited consultations and gathered information at other Directorates-General, and other EU institutions and bodies;
- in order to get a better understanding of the consultations framework in the

[9] *Fostering trust through independent audit – The European Court of Auditors' Strategy for 2018-2020*, 10 October 2017, <https://www.eca.europa.eu/Lists/ECADocuments/STRATEGY2018-2020/STRATEGY2018-2020_EN.PDF.pdf> (accessed 21 February 2020); *Strategy*, <https://www.eca.europa.eu/en/Pages/Strategy.aspx> (accessed 21 February 2020).

international context – they had audit missions to Member States (Estonia and Germany) and at OECD;
• conducted a survey among 16 007 citizens who had participated in the audited consultations. 2 224 responses were received, which were later analysed and used to complement the Court's own findings. The participants ranked their level of satisfaction with each of the phases of the consultation process and their level of agreement with the Commission´s general statements; they also provided with their views and suggestions on the public consultation process. A wide selection of responses was included in the audit report;
• had consultations with experts, which enhanced the analysis process and facilitated focusing on the areas where improvements could be introduced to the Commission's works.

The Court's audit criteria drew on the Commission's own Better Regulation guidelines and toolbox and the OECD Guiding Principles for Open and Inclusive Policy Making and recommendations on regulatory policy[10].

Audit Recommendations

The Court found that both the performance of the sample of the Commission's public consultations and the participants' perception thereof were satisfactory overall. The Court concluded that the Commission's framework for public consultations was of a high standard, however, the outreach activities needed improvement.

The audit identified further areas for improvement in the public consultation process: the focus on monitoring and assessment; the content of and publicity for the Commission's public consultation strategies; outreach activities; the criteria for categorising initiatives; the languages in which the consultation documents are available; the quality of questionnaires; data processing and security; and feedback for respondents about the outcome of the consultations.

The Court recommended that the Commission should: better monitor the public consultations; improve public consultation strategies; translate key consultation documents for priority initiatives and initiatives of broad public interest into all official languages; prepare general questionnaires for the public and specific questions for specialists; apply high standards of data processing and security; and provide participants with timely feedback on the outcome of consultations[11].

Commission's Response

The Commission gave a detailed response to the audit report and fully approved all (with one exception) recommendations of the Court.

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[10] *OECD Guiding Principles for Open and Inclusive Policy Making*; Expert meeting on "Building an open and innovative government for better policies and service delivery", Paris, 8-9 June 2010; <http://www.oecd.org/gov/46560128.pdf>; *Recommendation of the Council on Regulatory Policy and Governance*, The OECD Regulatory Policy Committee, 2012; <https://www.oecd.org/governance/regulatory-policy/49990817.pdf> (accessed 7 April 2020).

[11] *Special Report* No 14, 2019…, pp. 4-5.

With regard to the recommendation on the languages used during consultations, the Commission partially approved the Court's advice, and declared that it already translated questionnaires of public consultations for major initiatives and consultation webpages into all EU languages. However, the translation into all official languages of key consultation documents for all priority initiatives and initiatives of broad public interest would pose a considerable pressure on Commission's resources, would not meet the principle of economy and would further delay the policy making process. When proportionate or relevant, the Commission could consider translating other accompanying documents[12].

Commentary on Selected Issues of the Audit Proceedings

The Court's audit discussed in this article allows for presenting the experience that may be of interest to other SAIs, and for facilitating reflection on good practices in auditing. The starting point here is the international guidance on public audit.

International Guidance on Public Audit

INTOSAI has elaborated a system of guidance on the audit proceedings and methods for Supreme Audit Institutions[13], which since 2016 has been referred to as the *Framework of Professional Pronouncements*. It comprises four types of pronouncements:

- INTOSAI-P are pronouncements that define the role and functions of SAIs (e.g. *The Lima Declaration* – INTOSAI-P 1), and explain the principles of SAIs' activity and their role in the society (e.g. *Principles of Transparency and Accountability* – INTOSAI-P 20) (these documents were previously included in the ISSAI framework);

[12] The Commission's response is annexed to the Court's *Special Report* No 14, 2019…, pp. 72-81.

[13] Works on the system (framework) of the audit proceedings and methods for SAIs started more than 50 years ago, and have not been completed, although there has been a significant progress over the last 15 years. The works to date can be grouped into four main stages:
1) defining the fundamental principles of public auditing – on the basis of the conclusions and recommendations of the previous congresses – IX INTOSAI Congress (1977) adopted "The Lima Declaration of Guidance on Auditing Precepts";
2) setting public auditing recommendations – in 1984 the INTOSAI Governing Board established the Professional Standards Committee that elaborated "INTOSAI Auditing Standards" (the initial version adopted by XIII Congress in 1989, the final version – by XVII Congress in 2001). The document defined the basic precepts of auditing, general standards of auditing, technical standards and reporting standards for public finance audit. It was decided that "Standards" were a consensus of SAIs' best practices. Although in the title the term "standards" was used, it was more about "guidance", as the decision whether to apply them or not lay with the individual SAIs themselves;
3) systematising public audit guidance – XVII INTOSAI Congress (2004) decided to develop detailed standards and guidance for the public sector, which would take into account the experience of the private sector. The existing documents were selected and classified, and new once were elaborated (ca. 90 in total); they were approved by the subsequent Congresses (2007, 2010, 2013, 2016). The documents were classified as International Standards of Supreme Audit Institutions (ISSAI) (further grouped at for levels of regulation) and INTOSAI Guidance for Good Governance (INTOSAI GOV);
4) the current concept of the system – INTOSAI Framework of Professional Pronouncements – was approved by XXII (2016) and XXIII (2019) Congresses; works are still in progress.

• International Standards of Supreme Audit Institutions (*ISSAIs*);
• INTOSAI Guidance (*GUIDs*);
• (in the future) Competency Standards (*COMPs*)[14].

In the literature and SAIs' documents, a term of "international auditing standards" is sometimes used. As a result, a difference is blurred between the audits of the private sector, where the International Standards on Auditing (*ISAs*), issued by the International Federation of Accountants (*IFAC*), are mandatory, and the audits of the public sector, where there are no binding international standards, and SAIs operate on the basis of the national legislations, or set standards of their own. That is why I suggest using – with regard to Supreme Audit Institutions – the term "international guidance on public audit".

A Multiannual Audit Strategy

In accordance with the international guidance:
Auditors should select audit topics through the SAI's strategic planning process by analysing potential topics and conducting research to identify risks and problems. Normally a SAI's strategy covers several years: taking into consideration the dynamics of the public sector and changing priorities, it is hardly feasible to plan performance audits a couple of years in advance – that is why many SAIs tend to develop annual audit plans on the basis of both the multiannual strategy and a risk assessment conducted every year[15].

The ECA plans its development and sets its audit priorities in the form of multiannual strategies. The first strategies covered the years 2009–2012[16] and 2013–2017. The current strategy has been elaborated for the years 2018–2020, and its main assumption is to gain trust in the European Union through independent audits and by indicating which of the EU's measures work well, and which are ineffective. The strategic goals of the Court comprise:
• improve the added value of the Statement of Assurance in the context of today's EU financial management;
• increase focus on the performance aspects of EU action;
• get clear messages across to the Court's audiences;
• gear the Court towards its products[17].

[14] The concept and structure of the system can be found at the website dedicated to the "INTOSAI Framework of Professional Pronouncements", <https://www.issai.org/> (accessed 14 April 2020).
[15] *ISSAI 300 Performance Audit Principles*, INTOSAI, 2019, p. 25; <https://www.issai.org/professional-pronouncements/?n=300-399> (accessed 11 May 2020); *ISSAI 3000 Performance Audit Standard*, INTOSAI, 2019, pp. 23-24; <https://www.issai.org/pronouncements/issai-3000-performance-audit-standard> (accessed 8 February 2020); *GUID 3920 The Performance Auditing Process*, INTOSAI, 2019, p. 7; <https://www.issai.org/pronouncements/guid-3920-the-performance-auditing-process> (accessed 8 February 2020).
[16] The link between the Court's audit topics and the 2009-2012 Strategy was emphasised by the then President of the ECA during his lecture delivered at NIK: V. M. da Silva Caldeira: "Kontrola wykonania zadań prowadzona przez Europejski Trybunał Obrachunkowy (Performance Audits of the European Court of Auditors"), published in *Kontrola Państwowa* 4/2009.
[17] *Fostering trust*…, op.cit. (see footnote 9).

The current strategy identifies the perceived distance between citizens and European Union institutions as a threat for the EU. It was the reason for conducting the audit discussed in this article: the Court focused on public consultations because citizen engagement in the public consultation process is a key to fostering trust in the EU and achieving high-quality legislation.

The mechanism of strategic planning has been introduced by more and more SAIs. The process began in 1980s (Australia – 1985, Portugal – 1991, Brazil, the United States – 1995, the Netherlands – 1999), at present such plans are developed also by the SAIs of, among other, Belgium, Denmark, Estonia, Germany, Latvia, Lithuania, Slovenia, South Africa, Spain, and the United Kingdom[18] – these are institutions of various mandates, procedures and audit types. The strategic documents consider new trends in the state's operations and set the resulting assumptions on the directions of SAIs' work, audit standards, cooperation with stakeholders, human resources and internal organisation and management. Strategic plans are usually adopted for three or four years, but they also happen to cover longer periods of time (Belgium, the Netherlands – five years, the United States – six, Brazil, Estonia, Slovenia – seven, Austria – eleven). The contents and formats of the plans vary, too: they are usually general and set directions, although some of them are more detailed and set specific tasks. They are most often up to twenty pages long, although some happen to be longer, e.g. in the United Kingdom – 39 pages, in the United States – 68 pages, and in Brazil – 75 pages.

SAO of Poland

The Supreme Audit Office of Poland adopted the "Strategy of the Supreme Audit Office – Mission and Vision" in July 2002, which defined, in a general manner, the goals and tasks of the Office and the ways of their implementation, with no direct connection to annual audit plans.

Non-routine Audit Topics

In accordance with the international guidance:
In general, public-sector audits can be categorised into one or more of three main types: audits of financial statements, audits of compliance with authorities and performance audits[19]. Performance auditing examines whether decisions by the legislature or the executive are efficiently and effectively prepared and implemented, and whether taxpayers or citizens have received value for money. It does not question the intentions and decisions of the legislature, depending on the SAI´s mandate, but examines whether any shortcomings

[18] The names of these documents vary, e.g. 'strategy' (Estonia, Finland, Malta, the Netherlands, the UK), 'strategic intentions' (New Zealand), 'strategic plan' (Portugal, Spain, the USA), 'strategic plan and budget' (South Africa).

[19] *ISSAI 100 Fundamental Principles of Public-Sector Auditing*, INTOSAI, 2019, p. 11; <https://www.issai.org/wp-content/uploads/2019/08/ISSAI-100-Fundamental-Principles-of-Public-Sector-Auditing.pdf> (accessed 11 May 2020).

of the laws and regulations or their implementation have prevented the specified audit objectives from being achieved[20].

The Court's audit discussed here was a performance audit[21].

In performance auditing, unlike in financial audits, a Supreme Audit Institution is usually free to select topics. However, when making their choices, SAIs should be aware that the number of potentially important issues is significant, while the resources are limited; besides not all topics lie within the competence of the SAI, and not all of them can be audited with the use of the methods that the SAI has at its disposal. Performance audits are especially important in the case of issues related to economy, efficiency and effectiveness, and social trust in the auditees. It is vital to audit, though, mostly the areas that have not been audited yet, since the newly gained knowledge makes an added value[22].

The European Court of Auditors' performance audits address the quality of the EU's revenue and spending, and whether the principles of sound financial management have been applied. They involve an examination of programmes, operations, management systems and procedures of bodies and institutions that manage the EU funds, so as to assess whether economy, efficiency and effectiveness in the use of those resources are achieved. The ECA's performance audits cover a wide range of topics with a particular focus on issues related to growth and jobs, European added value, management of public finances, the environment and climate.

Performance audits require that different aspects of the public intervention process are evaluated, including inputs (financial, human, material, organisational, or regulatory means needed for the programme implementation), outputs (deliverables of the programme), results (immediate effects of the programme on its direct addressees or recipients), and impacts (long-term changes in the society that are attributable to the EU's action)[23]. "We select and design these audit tasks by considering the risks to performance or compliance and the level of income or spending involved as well as political and public interest"[24]. When audit topics are selected, numerous factors are taken into consideration (e.g. level of interest of citizens and other stakeholders), while the volume of budget spending is only one of them, and certainly not the most important one.

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[20] *ISSAI 3000*..., p. 11. See also V. Put and R. Turksema: *Selection of topics* [in:] *Performance Auditing. Contributing to Accountability in Democratic Government*, ed. by J. Lonsdale, P. Wilkins, T. Ling, Cheltenham 2011.

[21] *Special Report* No 14, 2019..., p. 93 (see footnote 2).

[22] *ISSAI 3000*..., pp. 23-24; *GUID 3910 Central Concepts for Performance Auditing*, INTOSAI, 2019, pp. 12-13, 31-33; <https://www.issai.org/pronouncements/guid-3910-central-concepts-for-performance-auditing> (accessed 8 February 2020); *GUID 3920*..., pp. 6-10.

[23] Based on information from the ECA website: *Audit Methodology. Performance audits*; <https://www.eca.europa.eu/en/Pages/AuditMethodology.aspx> (accessed 11 May 2020).

[24] *2018 Activity Report*, European Court of Auditors, 2019; <https://www.eca.europa.eu/Lists/ECADocuments/AAR18/AAR18_EN.pdf> (accessed 16 May 2020).

The Court's audit discussed here was related to the operations of the Commission, the topic of the audit was not routine, though: public consultations may have financial consequences, but – in the first place – they have an impact on the manner of political decision-making[25].

Many topics in performance auditing are politically sensitive because they may relate to the performance of public programmes prioritised by the government. In such situations SAIs need to be cautious so as not to exceed their mandates. However, audits of activities that are related to politics and may affect political decisions – have been conducted for a long time. Below I have presented some examples.

Activities of Political Parties and Voting Acts

Some Supreme Audit Institutions, which are authorised to audit financing of political parties, evaluate the issues related to voting, next to compliance of the subsidies and resulting correctness of financial transfers. For instance, the State Comptroller of Israel observed the discrepancies between the justification (intention) and the wording of the voting acts, and indicated the need to eliminate gaps: the act on political parties financing of 1973 reduced the amount of payments from citizens, and introduced the ban on financing electoral campaigns by legal persons, yet it did not define the method for verification; in the report to the parliament, the State Comptroller recalled several cases of those limits and bans being circumvented, and proposed legislative changes; in another report expressed a critical opinion about the parliament that retroactively increased the amount of allowed payments[26].

The United States of America Government Accountability Office (GAO)[27] examined the issues related to the voter registration. GAO analysed why the turnout was lower than in other democratic states, and why it had been decreasing in subsequent elections from 1960 to 1990, as well as what types of voting procedures and information campaigns could make it higher. The report comprised proposals for regulations to be considered by the Congress if there was the will to change the legislation[28].

The ECA's audit discussed in this article, related to public consultations conducted by the Commission, is also connected with this area.

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[25] I have not come across information about any other Supreme Audit Institution that would audit public consultations at the central level. The Supreme Audit Office of Poland has conducted audits of public consultations at the local level.

[26] I. Sharkansky: *Expanding the Frontiers of State Audit: Israel's Auditor as Critic of Political Morals* [in:] *Studies in State Audit*, ed, by A. Friedberg, B. Geist, N. Mizrahi, I. Sharkansky, Jerusalem 1995, p. 97.

[27] For many years the SAI of the USA was named *General Accounting Office*. In accordance with the *GAO Human Capital Reform Act of 2004*, a new name was announced in July 2004 – *Government Accountability Office*, which better denotes the subject and scope of the Office's activities, whereas the abbreviated version (GAO) remained the same. For the reasons of the change see: D. W. Walker: *GAO Answers the Question: What's in a Name*?; <https://www.gao.gov/cg/2004/rollcall07192004.pdf> (accessed 9 February 2020).

[28] *Voting: Some Procedural Changes and Informational Activities Could Increase Turnout*; General Accounting Office, November 1990; <https://www.gao.gov/assets/150/149827.pdf> (accessed 9 February 2020).

Ethics in Public Administration

Some Supreme Audit Institutions evaluate the ethical framework of public administration bodies' operations. For example, the Auditor General of Canada examined the preparedness and proceedings for conflict of interest situations, focusing on the ministries where cases of conflicts of interest were detected in previous audits[29].

The European Court of Auditors conducted an audit of the ethical frameworks established by the European Parliament, the Council of the European Union, the European Council and the Commission[30].

Transparency and Integrity

Several Supreme Audit Institutions evaluate the internal aspects of the operations of offices that support the highest state bodies, which in the past were treated as discretionary rights of those bodies, and consequently – were not audited. For example, GAO analysed the recruitment of staff of the Executive Office of the President of the United States[31], and assessed, among other, the legality of retroactive appointments and pay adjustments, and whether the obligation to publicise the data on the assets was fulfilled[32]. GAO also audited the use of government aircraft by the Attorney General and the Director of the Federal Bureau of Investigation (FBI), analysing, for example: the number of journeys, the principles of using the aircraft, and the activities that should be taken by the Department of Justice to ensure better management of the aircraft[33].

The State Comptroller of Israel delivered a critical opinion on the cases of nominating unqualified persons for top positions at an agency subordinate to the Minister of Housing and Construction[34].

The State Comptroller of Israel, apart from audits based on the criteria of legality, economy, efficiency and compliance with good governance principles, conducts audits from the perspective of *moral integrity*. On this basis, the State Comptroller many times informed the parliament on public bodies concluding contracts for goods or services for political reasons, or to the

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[29] *2010 Fall Report of the Auditor General of Canada*; Chapter 4—Managing Conflict of Interest; <http://www.oag-bvg.gc.ca/internet/English/parl_oag_201010_04_e_34287.html#hd3e> (accessed 29 February 2020).

[30] *Special Report No 13, 2019 „The ethical frameworks of the audited EU institutions: scope for improvement"*; <https://www.eca.europa.eu/Lists/ECADocuments/SR19_13/SR_ethical_frameworks_EN.pdf> (accessed 8 February 2020).

[31] The Executive Office of the President of the United States is a group of agencies at the center of the executive branch of the United States federal government. The Office supports the work of the President. It consists of several offices and agencies, such as the White House Office, the National Security Council, and the Office of Management and Budget. There are about 4,000 positions in the Executive Office of the President.

[32] *Personnel Practices: Retroactive Appointments and Pay Adjustments in the Executive Office of the President*; General Accounting Office, September 1993; <https://www.gao.gov/assets/220/218521.pdf> (accessed 9 February 2020).

[33] *Government Civilian Aircraft: Use of Government Aircraft by the Attorney General and FBI Director; General Accounting Office*, June 1990; <https://www.gao.gov/assets/150/149262.pdf> (accessed 9 February 2020).

[34] I. Sharkansky, *ibidem*.

benefit of family or friends, using their positions for personal gains, and other cases of ethical value breaches[35].

SAO of Poland

On the basis of the Constitution of Poland and the Act[36], the Supreme Audit Office (NIK) has a broad mandate: it is authorised to audit the state budget execution, but also to audit the implementation of acts and other legal regulations regarding the management and the financial, organisational and administrative activities; besides NIK submits to the Sejm (Lower House of the Polish Parliament) the opinion on the vote of discharge for the Council of Ministers, as well as recommendations on particular problems to be considered by the Sejm in relation to the activity of authorities performing public tasks, follow-up analysis of how audit conclusions concerning the making or application of legislation have been used, and statements containing charges concerning activities of the ministers and other top managers, resulting from audits. Some audits of NIK are then related to the issues that are connected with politics, and may have an impact on political decisions.

Informing the Public about Planned Audits or Audits in Progress

In accordance with the international guidance:
Supreme Audit Institutions should inform the public about their activities, especially by publicising their audit reports. Their work processes, activities and products should be transparent. Consistent with their mandates and governing legal frameworks, information about SAIs should be readily accessible and pertinent[37].

The European Court of Auditors provides information about the audits whose findings will be presented in the following year, and sometimes it makes their detailed concepts accessible.

For over a dozen of years, the ECA annually publishes a list and brief descriptions of the audits that have been commenced (or will commence soon), the reports on which are to be published in the following year. This practice has evolved gradually: at the beginning, the list of audits was published after the presentation to the European Parliament Committee on Budgetary Control, that is during the first months of the year they concerned[38]; starting from

[35] I. Sharkansky, *ibidem*.; *A List of Reports (all in Hebrew) issued by the State Comptroller of Israel concerning infringements of moral integrity 1953-1988 compiled by Edna Amir, Librarian, State Comptroller's Office* [in:] *Studies in State Audit*, pp. 151-158.

[36] Article 6 (2) of the Act of 23 December 1994 on the Supreme Audit Office (consolidated text: Dziennik Ustaw (Journal of Laws) of 2019, item 489, with amendments). For the English version of the Act access: https://www.nik.gov.pl/plik/id,2759.pdf.

[37] *INTOSAI-P 1 The Lima Declaration,* 2019, p. 6; <https://www.issai.org/wp-content/uploads/2019/08/INTOSAI-P-1-The-Lima-Declaration.pdf> (accessed 16 May 2020); *INTOSAI-P 20 Principles of Transparency and Accountability*, 2019, p. 4; <https://www.issai.org/wp-content/uploads/2019/08/INTOSAI-P-20-Principles-of-Transparency-and-Accountability.pdf> (accessed 16 May 2020).

[38] The plan was most often published in February, but the plan for 2007 was announced on 22 May 2007; <https://www.eca.europa.eu/pl/Pages/BrowsePublications.aspx?k=Work%20Programme%20for%202007&ty=&y=&top> (accessed 8 March 2020).

the plan for 2017, the planned audits have been published in the autumn of the preceding year[39]. Originally, they were available in English, French and German; starting from the plan for 2019 – they have been announced in 23 EU languages. It is worth appreciating their graphic layout and accessible presentation, as well as wide distribution of press information – which proves that one of the objectives of presenting the plan to the public is to have citizens informed.

The Court's audit discussed in this article was announced in the work plan for 2019 as "Public participation in EU law making", while its objective was defined as follows: "to assess whether the Commission's public consultations are effective. We will focus on the design and implementation of the Commission's framework on public consultations" [40].

The other form of informing about the Court's audits in advance is by publishing briefs called "Audit preview"[41]. It is a new practice, introduced in mid-2017, consisting in informing about a recently started audit – on the basis of the data on EU programmes and policies resulting from preparatory works. The scope of these pieces of information can be illustrated with the example of the audit discussed here dedicated to public consultations: the "Audit preview" contains eight pages with infographics presenting: 1) the EU's approach to law making, 2) the Commission's 2015 better regulation agenda, 3) public consultation in EU law making, 4) roles and responsibilities for public consultations, 5) main issues identified when preparing the audit[42]. "Audit previews" are published in English, and the accompanying press information – in 23 EU languages.

Many Supreme Audit Institutions (not all of them, though) publish annual work plans (e.g. Australia, Bulgaria, Croatia, Czechia, Hungary, Lithuania, Romania, Spain, Sweden), therefore the Court's announcing of annual programmes refers to the practices of other SAIs. While "Audit previews" add to the international practice, since few SAIs publish information about audits that have not been completed yet, among others:

• The Australian National Audit Office informs about the progress of performance audits (the data is systematically updated). This information covers the title and objective of the audit, main audit questions, the type of the audited activity (e.g. awarding of grants), the sector of public administration concerned, the list of auditees, the planned date of report publication (year and month)[43].

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[39] The work programme for 2020 was announced on 16 October 2019; https://www.eca.europa.eu/pl/Pages/DocItem.aspx?did=51725 (accessed 8 March 2020).

[40] *2019 Work Programme. European Court of Auditors*, p. 8; <https://www.eca.europa.eu/Lists/ECADocuments/WP2019/WP2019_EN.pdf> (accessed 16 May 2020).

[41] Originally, these were referred to as "Background papers".

[42] *Consulting the public when preparing EU law. Background paper*, May 2018; <https://www.eca.europa.eu/pl/Pages/DocItem.aspx?did=46041> (accessed 8 March 2020).

[43] *Performance audits: in progress*; <https://www.anao.gov.au/work-program/in-progress> (accessed 14 March 2020 – there was information about 40 audits on that day).

• The UK National Audit Office informs about the works on performance audits. The information comprises the title, objective and justification for the audit, the main audit questions, the data about the previous audits in the area, the sector of public administration concerned, the names of the director and manager of the audit team, the planned date of report publication (year and season, e.g. summer 2020)[44].
• The Slovenian Court of Audit provides information on the progress of audits included in the annual plan (information is available once the decision on launching the audit has been issued). In addition to the title and objective of the audit, the information comprises the audited period, the list of auditees, the date of launching the audit, the current stage of audit proceedings[45].
• The National Audit Office of Estonia informs about the progress of the audits included in the annual plan. The information is made up of the title and objective of the audit, the list of the ministries respective in the area (sometimes a separate list of auditees), the names of the director and members of the audit team, the planed and actual audit start date (year and its respective half), and the planned date for audit completion (year and its respective half)[46].

SAO of Poland

Since 2007, the Supreme Audit Office of Poland publishes (usually in December) the detailed audit plan for the following year. Over the last years, this information has comprised: the topic of the audit and the question that defines the main audit objective, the type of audit (financial, compliance, performance), the dates when the audit will be conducted as well as the dates of the development and approval of the pronouncement on audit results (year and quarter), and the department of NIK responsible for this audit[47].

Giving Citizens an Opportunity to Contribute to Audits

In accordance with the international guidance:
SAIs manage their operations economically, efficiently, effectively and in accordance with laws and regulations and report publicly on these matters. A number of SAIs use external feedback such as website consultations, stakeholders satisfaction surveys, media coverage[48].

The European Court of Auditors allows citizens and other interested parties to submit their information and comments. The standard wording of such an invitation

[44] *Work in progress*, <https://www.nao.org.uk/work-in-progress> (accessed 14 March 2020 – there was information about 19 audits on that day).
[45] *Audits in progress*; <http://www.rs-rs.si/en/audits-auditing/audits-in-progress/> (accessed 12 March 2020 – there was information about 87 audits on that day).
[46] *Audit plan*; <https://www.riigikontroll.ee/Auditeeritavaile/Audititeplaan/tabid/120/language/en-US/Default.aspx> (accessed 16 March 2020).
[47] NIK audit plans are available (in Polish) from the NIK website: <https://www.nik.gov.pl/kontrole/plan-pracy-nik/> (accessed 4 April 2020).
[48] *GUID 9040 Good Practices Related to SAI Transparency*, 2019, p. 11-12; <https://www.issai.org/wp-content/uploads/2019/08/GUID-9040-Good-Practices-Related-to-SAI-Transparency.pdf> (accessed 16 May 2020).

reads: "If you wish to contact the audit team, you may do so at the following email address (…)". Information about such an opportunity is included in the "Audit preview" (discussed above), it is also sometimes available from the ECA website[49].

Also some other Supreme Audit Institutions provide citizens (and other interested parties) with an opportunity to send information and comments that may be used during the audit:

• The Australian National Audit Office, during every performance audit, invites citizens to "Contribute to this audit". Comments and opinions can be sent in the specific period, which is usually 2-3 months, sometimes longer. The invitation is very detailed, and explains the role of the SAI: "The ANAO welcomes members of the public contributing information for consideration when conducting performance audits. Performance audits involve the independent and objective assessment of the administration of an entity or body's programs, policies, projects or activities. They also examine how well administrative support systems operate. The ANAO does not have a role in commenting on the merits of government policy but focuses on assessing the efficient and effective implementation of government programs, including the achievement of their intended benefits. The audit you have selected is currently collecting audit evidence and is seeking input from members of the public. We particularly value information that deals with significant matters or insights into the administration of the subject of this audit. Information can be submitted either by uploading a file, or by entering your information into the comments box below. While your contribution will be considered, and handled with care, you will not automatically receive feedback about your contribution. However, if you provide your contact details, you may be contacted regarding your contribution. Please note that contributions are intermittently monitored. We aim to consider all contributions within 14 days of receipt"[50].

• The UK National Audit Office, during some performance audits (about a quarter of them) informs citizens and other interested parties about an option to send data (evidence), usually with the use of the following invitation: "If you would like to provide evidence for our study, please email the study team on enquiries@nao.org.uk, putting the study title (…) in the subject line. The team will consider the evidence you provide; however, please note that due to the volume of information we receive we may not be able to respond to you directly"[51].

• Some Supreme Audit Institutions invite citizens and civil society

[49] *Consulting the public*..., p. 1.

[50] *Performance audits: in progress*; <https://www.anao.gov.au/work-program/in-progress> (accessed 14 March 2020 – there was information about 40 audits, including twelve audits on which comments and opinions could be voiced; in the other cases – the date for their submission expired).

[51] *UK NAO – Work in progress*; <https://www.nao.org.uk/work-in-progress> (accessed 14 March 2020 – there was information about 19 audits, including five on which comments and opinions could be voiced; in the other cases – there was no such a possibility).

organisations to provide information or comments that can be used as part of selected audits. US GAO has been active in obtaining direct citizen involvement for some of its audit work through the use of citizen focus groups and surveys, e.g. in order to study the effects of the recession and financial crisis on older workers in the United States. GAO was seeking assistance in this review from a contractor to organise focus group sessions that will be moderated by GAO staff. The purpose of conducting these sessions was to obtain information about the challenges unemployed older individuals have faced in finding re-employment and the strategies they have used to cope with unemployment. In another example, GAO conducted 10 focus groups in five cities on automobile safety to determine vehicle owners' awareness of recalls, their understanding of defect notification letters, and their willingness to comply with defect notices. GAO also conducted sample surveys of the U.S. adult population and certain subsets when appropriate, e.g. they have included asking adult cell phone users about their satisfaction with wireless phone service, asking U.S. adults about their knowledge of certain financial subjects or to assess the extent of public awareness of climate engineering and what factors may influence citizen perceptions of climate engineering research and development[52].

• Many Supreme Audit Institutions conduct questionnaires (surveys) during audits. As for the Court's audit on performance of public consultations (discussed in this article), a survey among 16 007 citizens has been recalled – these were persons who had participated in the public consultations subject to the audit; similar surveys are conducted for other ECA's audits, too[53].

• The State Audit Office of Latvia (SAO) may involve citizens and the civil society in the audit proceedings by carrying out surveys. For instance, during the audit "Effectiveness of Provision of Assistant's Services Necessary to Persons with Disabilities", a survey was carried out among persons with disabilities and their assistants, related to the conformity of the assistant service to the needs of persons with disabilities. Upon commencing the performance audit "Information Systems in Healthcare" – on the introduction of the e-health system in Latvia – the SAO invited healthcare professionals and pharmacists to provide anonymous opinions on their awareness of the introduction of the system and their readiness to use it in their work. The SAO, in cooperation

[52] GAO paper "Forms of citizen participation in government auditing"; 21st UN/INTOSAI Symposium "Effective practices of cooperation between SAIs and citizens to enhance public accountability" (Vienna, 13 – 15 July 2011); <https://www.intosai.org/fileadmin/downloads/news_centre/un_int_symp/en/EN_21_Annex_Symp_Seminarbericht.pdf> (accessed 4 April 2020).

[53] The Court elaborated guidelines for surveying: *Guidelines on Audit Interview,* ECA, October 2013; <https://www.eca.europa.eu/Lists/ECADocuments/GUIDELINE_INTERVIEW/ECA-Audit-Interview-Guideline-EN-Oct2013.pdf> (accessed 19 April 2020).

with the company "Latvijas fakti", also conducted a citizens' survey on ensuring public order and on out-of-family healthcare system, its problems, challenges and good practices. During the audit of the financing system of municipal infrastructure, its compliance with the principles of economic use of financial resources, efficiency and sustainability, citizens were invited to report on what they consider to be the most useless objects in their municipalities, e.g. sports facilities, cultural centres, educational institutions, reconstructed road sections, and other where large financial resources had been invested, but whose usefulness and sustainability were questionable.

• The State Audit Office of Lithuania also invites citizens and civil society organisations to provide information or comments that can be used as part of an ongoing audit. When planning performance audits and carrying them out, opinion polls or other surveys can be carried out. The NGOs associated with the audit topic are addressed during the preliminary study, concerning clarification of problems, the relevance of evaluation criteria and problems, or other issues. In some cases, draft audit reports can also be submitted to NGOs.

Citizen Participation in Audit Teams

A special example is to include representatives of civil society organisations in audit teams of the Commission of Audit (Supreme Audit Institution of Philippines, CA): some performance audits are conducted with the participation of citizens (*Citizen Participatory Audits*).

The general procedure is as follows: 1) CA defines the audit topic and the nature and scope of citizens' participation, 2) CA chooses a civil society organisation (or several) and sets the rules for participation, confirmed in a written agreement, 3) team members undergo training together, and elaborate the audit programme, 4) the team gathers information and develops the audit report, in accordance with the CA procedure; potential differences in opinion are decided on by the team – otherwise the CA decides. Since such audits are conducted under the CA chairmanship, they are – despite the mixed composition of audit teams – considered as CA audits. The participation of citizen-auditors is a social work: they are not paid, and receive per diems and reimbursements only.

The main criterion for participatory audits selection is the connection with the needs and interests of citizens, e.g. corruption-prone areas, urgent social needs, expected improvements in life quality, relation of the audit topic with the works of the given civil society organisation. The audits to date were related to, among other, anti-flood constructions, waste management, public healthcare, disaster response systems[54].

[54] For the description of the project, including presentation of audit examples see: M. G. P. Tan: *Citizen Participatory Audit in the Philippines – Pilot Phase I (2012–2014)* Washington 2019; <http://documents.worldbank.org/curated/en/995101557837621617/pdf/Citizen-Participatory-Audit-in-the-Philippines-Pilot-Phase-I-2012-2014.pdf> (accessed 4 April 2020).

SAO of Poland

The Supreme Audit Office of Poland allows citizens to submit information and comments on the audited areas through surveys. In 2018, various types of surveys were conducted during 30 audits; some were addressed to citizens, such as:

• During the audit *Support for competitive winter sports* (P/17/029), a survey was conducted among national team competitors and coaches, related to, among other, the evaluation of sports training and winter sports promotion.

• During the audit *Prevention and treatment of type 2 diabetes* (P/17/057), a survey was conducted among patients suffering from type 2 diabetes who used health services in clinics. There were 661 patients surveyed; the objective was to get to know their level of awareness of diabetes, and the circumstances in which the disease was diagnosed, as well as the course and results of treatment and potential complications.

• During the audit *Healthcare for children and schoolkids* (P/17/058), an online questionnaire was conducted among parents in order to obtain an opinion on how the preventive healthcare for children and schoolkids is performed. The questionnaire was completed by 3 514 persons.

• During the audit *Protection of intimacy and dignity of hospital patients* (P/17/103), a survey was conducted on how hospitals respected patients' right to privacy. In the survey, 1 104 convalescents participated.

• During the audit *Effectiveness of labour market services* (P/18/079), a survey was conducted among unemployed persons. The objective was to obtain their opinion on professional activation on the basis of their experience, to define their preferences as for the forms of activation, as well as to evaluate the usefulness of the available support measures. Responses were provided by 878 persons.

• During the audit *Implementation of tasks regarding consumer protection by the Trading Inspection* (P/17/019), a survey was ordered on the society's opinion on the knowledge and awareness of the consumer's rights. The survey was conducted by the Public Opinion Research Centre Foundation[55].

The above remarks do not exhaust the issue of the relations between SAIs and citizens, which can take various forms. Furthermore, several Supreme Audit Institutions consider relations with citizens and other stakeholders as one of the priorities in their activity. For example in Finland, the National Audit Office's customer feedback is treated as a part of the continuous development of competence and interaction, and a management tool. The goal is to make the audit proceedings more open, fluent and interactive[56]. In some countries, it is connected with

[55] *Sprawozdanie z działalności Najwyższej Izby Kontroli w 2018 r.* (*Activity Report of the Supreme Audit Office of Poland for 2018*), pp. 94-96; <https://www.nik.gov.pl/plik/id,20101.pdf> (accessed 15 March 2020).

[56] *Audit plan 2019–2023. National Audit Office of Finland*, Helsinki 2018, p. 35; <https://www.vtv.fi/app/uploads/2019/04/NAOF-Audit-plan-2019-2023.pdf> (accessed 15 May 2020).

regular (e.g. every four years) consulting with citizens and other stakeholders about the SAIs' work[57].

Final Remark

In accordance with the international guidance:
SAIs must be trustworthy. Their credibility depends on being seen as independent, competent and publicly accountable for their operations. In order to make this possible SAIs need to lead by example. SAIs should encourage knowledge sharing and capacity building in support of the delivery of outputs. SAIs should draw on the work of others[58].

The article presents several elements of the practices of Supreme Audit Institutions. Some of them are applied by many SAIs (e.g. multiannual audit strategies, publication of annual audit plans, auditing non-routine topics), other are rare and, possibly, experimental, as in the case of informing the public about audits in progress, or providing citizens with an opportunity to submit information and comments during audits. Possibly, changes in the works of some SAIs can become new trends that will shape the future image of state auditing.

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[57] Apart from Finland, an example can be given of the National Audit Office of Denmark (see *De revideredes syn på Rigsrevisionen*, <https://www.rigsrevisionen.dk/om-os/de-revideredes-syn-paa-rigsrevisionen/>; accessed 15 May 2020).

[58] *INTOSAI–P 12 – The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens*, Chapter „Being a model organisation through leading by example", pp. 12-14; <https://www.issai.org/wp-content/uploads/2019/08/INTOSAI-P-12-The-Value-and-Benefits-of-Supreme-Audit-Institutions-%E2%80%93-making-a-difference-to-the-lives-of-citizens.pdf> (accessed 5 April 2020).

Key words: Supreme Audit Institutions, SAIs, SAI work trends, European Court of Auditors, ECA audit, conducting public consultations

The views expressed in this article are personal, and should not be attributed to the institutions the author is employed in.