

**Information Requested from States Parties in Relation to Strengthening
the Role of Supreme Audit Institutions in the Prevention of and Fight
against Corruption (Resolution 8/13 of the Conference of the States Parties
to the United Nations Convention against Corruption)
Answers from the United Arab Emirates**

1. Introduction

The UNODC has drawn the attention of the State Parties on Resolution 8/13 of the Conference of the State Parties to the United Nations Convention against Corruption. In particular, pursuant to that Resolution, the UNODC decided that the State Parties should focus on the role of Supreme Audit Institutions in the prevention of and fight against corruption, considering the issues that are mentioned under article 9, paragraph 2, according to which: “Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:

- (i) *A system of accounting and auditing standards and related oversight;*
- (ii) *Effective and efficient systems of risk management and internal control;*
and
- (iii) *Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph”*

As its Law mandates the Supreme Audit Institution of the United Arab Emirates (SAIUAE) is mandated to audit the federal budget of the UAE government. A well as mandated with responsibility for fighting corruption. SAIUAE is the central anti-corruption authority and therefore, the response that follows covers both responsibilities in parallel.

Please describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the relevant provision of the Convention and to promote the implementation of resolution 8/13.

- *Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution:*

The Supreme Audit Institution of the United Arab Emirates (hereafter SAI) is the supreme body for financial control and accounting in the United Arab Emirates, it is the central authority competent to prevent and combat corruption, and one of the most prominent bodies concerned with combating corruption in the UAE. SAI was established in accordance with Article No. (136) of the UAE Constitution, and with Federal Law No. (7) Of 1976, which was reorganized under Federal Law No. (8) Of 2011¹, as the mandate of the SAI included the main following duties:

- Detecting fraud and financial corruption.
- Verify the integrity and legality of managing *federal government* funds
- Control over state funds and the funds of the entities subject to supervision, and verify the soundness and legality of managing these funds.

1. Measures taken to enhance the independence of the Supreme Audit Institution in accordance with the basic principles of legal systems:

The SAI enjoys the constitutional and legislative guarantees to maintain its independence and carry out its tasks without any influence. The Constitution of the United Arab Emirates stipulates in Article No. (136) the following “An independent federal administration shall be established and headed by an Auditor General whose appointment shall be by decree to

¹ <https://saiuae.gov.ae/en/Pages/sai-history.aspx?term=bf8d0ac9-4c76-4468-a97f-23651312393a&item=4&lawscurrentpage=1&olawscurrentpage=1&arterm=82a47f1f-88e6-44c3-87a7-16874686641d>

review the accounts of the Federation and its agencies and bodies”. “The law organizes this administration and defines its functions, the powers of its employees, and the guarantees that must be provided to it, its president, and its employees in order to carry out their duties in the best way possible”.

Federal Law No. (8) Of 2011 reorganizing the SAI, and Article No. (2) Stipulated the following: “The SAI is the supreme organ for financial oversight and accounting for the state. It has public legal personality and enjoys financial and administrative independence”.

Article (6) lay down that: “The SAI shall exercise its powers stipulated in this law in the manner it deems appropriate without being subject to the direction of any party,”

- *Financial and administrative independence:*

Based on the text of Article (43) of the aforementioned same law, the SAI has an independent budget, and the President of the SAI draws up the draft budget in agreement with the President of the Federal National Council who sends it to the Minister of Finance as one figure. The president of the SAI shall have all the necessary powers in the management and use of the SAI’s budget without being subject to oversight by the (Cabinet), or the Ministry of Finance, or any other body.

• ***Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the INTOSAI, - with regard to ensuring the proper management of public finances and public property, and in areas such as public procurement:***

SAI-PMF issued by the INTOSAI Development Initiative (IDI):²

The SAI formed a team that works to measure its performance according to the SAI-PMF framework in coordination with the INTOSAI Development Initiative (IDI); the team has attended workshops to take the necessary instructions in the proper implementation of this framework. The outputs of which contribute to enabling senior management to develop

² <https://www.idi.no/work-streams/well-governed-sais/sai-pmf>

strategies the appropriate way to fill the gaps in the SAI's performance and bring it to the ranks of the typical SAIs.

The SAI-PMF developed by the INTOSAI Development Initiative (IDI) is considered one of the important frameworks that are unanimous in all accounting SAI for measuring the performance of the regulatory body, the extent to which it performs its role derived from the oversight systems set by INTOSAI. This framework is an effective tool in identifying gaps in the work of the regulatory body to reach optimal levels in terms of carrying out the tasks entrusted to it and its commitment to the objectives of the INTOSAI organization, which seeks to enhance the principles of accountability, integrity and transparency. This plays a major role in fighting all forms of corruption and preventing their occurrence, the SAI-PMF seeks to make the SAIs ideal in the application of these principles among their governments.

Moreover, the supervisory functions undertaken by the SAI, which embody the principles of the rule of law, good management of public affairs and property, integrity, transparency, accountability, and the promotion of community participation, in accordance with both paragraph (c) of Article 1, and Paragraph 1 of the fifth article of the Convention. Whereas, the SAI's methodology in financial audit is based on the legal rules in force in the UAE, and on the basis of the International Standards of Supreme Audit Institutions (ISSAI), through a unified audit methodology based on identifying risks, which passes through three main stages, namely planning, implementation, And reporting.³ The SAI conducts the following types of audit; Financial, Compliance, IT and Performance Audit.

• Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight:

The SAI in addition to the previously mentioned duties, it is also chairing the Subcommittee on Financial Supervision and Accounting Standards (FAAS) emanating from the INTOSAI

³ <https://www.issai.org/professional-pronouncements/>

Professional Standards Committee (PSC) since 2013, where the role of the committee is to develop and update the guidelines for public sector financial standards. ⁴

• ***Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption:***

As per Article (7) of the Federal Law 7 of 2011, the SAI examines and studies various laws, regulations, financial and accounting systems, and the manner of conducting financial operations in the entities subject to its control, in order to verify the extent of their integrity. As well as, identify deficiencies in them, and propose whatever means it sees fit to reform and improve them. This includes but not limited to; setting accounting standards and best practices, to achieve the maximum level of safety, efficiency and accuracy in managing funds covered by control.

Besides Article (5) of the same law, the SAI, in order to exercise its powers, shall have the right to examine the systems, actions, and reports of the internal control units of the entities subject to its control, to review and evaluate their reports and methods of work.

Correspondingly, to propose appropriate means for their development, in terms of building technical capabilities in them. Alternatively, proposing the technical, professional and legal tools that regulate its work, in a manner that guarantees the management and use of public funds.

In recent years, UAE's federal government adopted the initiative of transforming the accounting system of modified cash basis it was using into the accrual basis, which would make it the first country across all Arab nations to follow accrual basis accounting standards. The adoption of Accrual basis accounting can allow presenting financial reports in a more fair and transparent manner and provides clear picture of the government's financial position. This in turn enables to promote transparency that is key to confronting and fighting corruption by adopting the accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB).

⁴ <https://www.intosai-faas.org/>

• *Measures taken to ensure that the audited entities respond to the findings of the audit reports implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property:*

Firstly, Based on Article (10) of the Federal Law 7 of 2011, the SAI shall lay down the reports and present them to the entities subject to the audit in the form of reports containing its observations and recommendations regarding them, and communicate them to the concerned authorities. The SAI issues initial reports on the results of the monitoring processes, and informs them to the competent ministers and heads of the entities subject to its control. These bodies must provide the SAI with their responses to its observations, fulfill the SAI's recommendations, and take the necessary measures to avoid deficiencies, address errors, and collect the amounts lost or disbursed unlawfully, or which were due or neglected in their collection, within a month of the date on which it was reported to it.

Secondly, Based on Article (2) of the Federal Law 7 of 2011, the SAI is concerned with detecting fraud and financial corruption, according to the following:

- *Means of detecting fraud and corruption:*

Based on Article (8), the SAI uncovers corruption through the following:

- Investigations by the technical departments within the SAI.
- The entity subject to oversight of the SAI in which the violation occurred.
- The fraud reports received by the SAI anonymously.(whistleblower)

- *Investigation of acts of corruption:*

Based on Articles (17) and (18), the SAI may investigate acts of corruption that constitute the following financial violations:

- Any act, negligence, or evasion that leads to unlawfully disbursing sums of money that are guarded by the oversight of SAI, losing one of the financial rights of the state or one of the entity subject to the oversight of the SAI, or prejudicing any of its financial interests, or damaging the money or property directly or indirectly.

- Embezzlement and appropriation of funds guarded by oversight of SAI or credit misuse of them.
- Cybercrime or those involving fraud and are liable to harm the funds guarded by SAI oversight.

In addition, to investigate violations of financial regulations according to the following:

- Violation of financial rules and provisions stipulated in the Constitution, laws, regulations and regulations.
- Violating the provisions of the state's general budget as well as the budgets of bodies subject to the Bureau's control.
- Engaging in unnecessary expenditures that are not required by the public interest.

- *Precautionary measures:*

Based on Article (8), the SAI has the right to keep whatever documents, records or papers it deems fit, if the audits require that and until they are completed.

In addition, based on the text of the aforementioned Article (28), the SAI shall inform the Federal Public Prosecution to take the necessary measures to preserve public funds, such as:

- Travel ban.
- Confiscation of funds.

And based on the text of Article (60) of the Anti-Fraud and Corruption Regulation and the Investigation of Financial Violations, the SAI may request that the accused be suspended from work in the event the interest of the investigation so requires in order to prevent the accused from abusing his influence in influencing witnesses or tampering with evidence.

- *Disciplinary penalties:*

Based on Article (19) of the same law, an employee who commits during the service of one of the aforementioned acts is punished with one of the following disciplinary penalties:

- Verbal warning.
- Written warning.

- Deduction of half of the basic salary for a period not exceeding thirty days at one time, and for sixty days within a year.
- Suspension from work with the disbursement of half of the total salary for a period not exceeding three months.
- Suspension of work without gross salary for a period not exceeding six months.
- Reduction to a position/grade directly below their current one.
- Dismissal from employment while preserving the right to pension or remuneration.

- *Referral to the Public Prosecution:*

“Article (20)” the SAI undertakes the investigation of the aforementioned acts and violations, and if it involves a criminal offense, it refers it to the Federal Public Prosecution, after the incident is criminally adapted and those responsible are identified and referred with all evidences, the courts shall have jurisdiction. Federal penal code in the capital to adjudicate it, without prejudice to disciplinary responsibility.

• **Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable:**

As far as the process of reviewing the implementation of the UAE within the framework of the second cycle of the mechanism for reviewing the implementation of the convention is concerned , which deals with the implementation of the second chapter (preventive measures) and the implementation of the fifth chapter (asset recovery). The comprehensive self-assessment checklist was responded to by the SAI in cooperation with the competent representatives of concerned authorities including the national expert team.

- **Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International**

Organization of Supreme Audit Institutions:

The INTOSAI Code of Ethics is intended to constitute a foundation for the national Codes of Ethics. Each SAI has the responsibility to ensure that all its auditors acquaint themselves with the values and principles contained in the national Code of Ethics and act accordingly. The ISSAI 130 is based on five fundamental principles: integrity; independence and objectivity; competence; professional behavior; confidentiality and transparency. To promote integrity and honesty through the application of codes of conduct in the supreme audit institutions, SAI has updated internal code of conduct to become in alignment with internationally accepted code of conduct for public sector auditors. SAI is periodically issuing internal information circulars highlighting some provisions of the code of conduct as a reminder to the auditors on their ethical responsibilities.⁵

- **Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole:**

Based on Article (10) of the aforementioned law, it is permissible, by a decision of the President SAI, to publish the SAI's reports through the SAI's electronic network.

The open data system is also implemented in the United Arab Emirates, which provides a huge amount of files and documents that contain content for use and reuse and their inclusion on the websites and smart phone applications of government agencies. All information related to the organization of public administrations represented in ministries, bodies and public institutions, and in line with the strategy of the United Arab Emirates. The SAI publishes all information related to its organization, specializations, method of work, performance of its functions, including the publication of audit reports, laws, decisions, regulations, circulars, policies, issuances and bulletins related to it. In addition, to publishing

⁵ <https://www.issai.org/pronouncements/issai-130-code-of-ethics/#:~:text=The%20INTOSAI%20Code%20of%20Ethics,of%20Ethics%20and%20act%20accordingly.>

news and events related to its activities, with the aim of informing people, enhancing the participation of society and all stakeholders, raising the level of general and specialized knowledge of the work and practices of the SAI, and adhering to the principles of transparency, openness, cooperation and participation.⁶

This is in addition to enhancing communication with community members or stakeholders through various means of communication and providing any information they request, which facilitates the process of people accessing any information, and community members can communicate directly with the president of the SAI and senior staff of the SAI through various means of communication.

The SAI has effective communication and close cooperation with civil society organizations such as the Integrity Association, Auditors and Lawyers Groups, in order to enhance awareness and reporting programs in order to achieve the integration of the anti-corruption system through various stakeholders.

The SAI also periodically implements plans and programs to raise awareness of the dangers of corruption and its negative impacts on the individual and society, and the means to combat and limit it. This includes government agencies and civil society institutions, in addition to awareness programs that are presented to educational institutions in the UAE, such as the United Arab Emirates University, the University of Sharjah, Zayed University, and the Higher Colleges of Technology, to educate young people about preventing and combating corruption. SAI is also active on social media platforms under the name @uaesupremeaudit in Instagram and Twitter.

- **Measures taken to build and strengthen relations between national legislatures and supreme audit institutions and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions:**

⁶ <https://saiuae.gov.ae/en>

The SAI is the authority concerned with following up the implementation of the United Nations Convention against Corruption in the United Arab Emirates, as the SAI plays a supervisory and key role in all country review processes in which the United Arab Emirates participates in the framework of the first and second cycles of the Convention's Implementation Review Mechanism. In cooperation with the competent authorities in the country, the SAI also chairs the national expert team. The SAI submits its reports to the Federal National Council, as well as the Cabinet and its reports are discussed during their meetings, the SAI can suggest legislation to counterpart the deficiencies it observes conducting its audit work. The Cabinet and the Federal National Council are periodically informed of all SAI's reports and findings.

• **Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption:**

Cooperation at the national level:

The importance of cooperation at the national level is highlighted through coordination, direct partnerships, effective communication channels and joint platforms for exchanging information and data with various other bodies concerned with combating corruption, such as the Ministry of Justice, the Public Prosecution, various local judicial authorities and agencies including Ministry of Interior, the Central Bank, and Ministry of Foreign Affairs.

The SAI also communicates directly with the competent authorities to request taking precautionary measures aimed at preserving public money, such as:

- Travel ban.
- Confiscation of funds.
- Suspension from work.

Based on Article (45) of the Federal Law on Reorganizing the SAI, the judicial authorities may seek the assistance of the technical staff of the SAI to seek their technical views on

matters related to their experience of investigations. This is either in the form of verbal inquiries or written reports with the prior approval of the President of the SAI.

SAI employees also play major roles by providing their testimonies, opinions and technical expertise in criminal cases of corruption crimes referred to the Public Prosecution, and in various levels of litigation in the courts of first instance and appeals and the Federal Supreme Court.

Cooperation at the regional and international level:

The SAI has many partnerships aiming to enhance cooperation and exchange of knowledge, experiences and good practices with Supreme Audit Institutions and other relevant bodies at the regional and international level.⁷The SAI participates in most relevant annual regional and international gatherings and has signed bilateral cooperation agreements with many international bodies.

Cooperation with international and regional organizations:

- United Nations Office on Drugs and Crime:

The SAI is making great efforts to enhance cooperation with relevant international and regional organizations, as the SAI cooperates closely with the United Nations Office on Drugs and Crime (UNODC) to strengthen measures to prevent and combat corruption. Among the fruits of this cooperation is the organization of the eighth session of the Conference of States Parties to the Convention in Abu Dhabi on December of 2019, in addition to the meetings held prior to the conference, including the meeting between the Supreme Audit Institutions and Anti-Corruption Authorities.

The SAI also actively participates in the meetings of the working groups within the framework of the United Nations Convention against Corruption and its related activities.

⁷ <https://saiuae.gov.ae/en/Pages/international.aspx?term=62024a70-c7b0-48a4-b3eb-0fe4554bdf9e&item=1&arterm=8458e423-3615-43ec-b33d-1749f5081062>

The SAI has made in-kind donations to support the mechanism for reviewing the implementation of the United Nations Convention against Corruption within the framework of its first and second rounds of the review mechanism.

INTOSAI:

- The SAI is an active member of the INTOSAI organization of SAIs, and previously chaired the INCOSAI conference from 2016 to 2019. Thus, the SAI was the Chair of INTOSAI for the same period, and the SAI played an active role in signing the Memorandum of Understanding between the United Nations Office on Drugs and Crime and INTOSAI. To enhance cooperation between them to implement the agreement and achieve the goals of sustainable development Goals.

- Chairing the INTOSAI Global Expert Team:

The SAI chairs the INTOSAI global expert team concerned with implementing the Memorandum of Understanding between INTOSAI and the United Nations Office on Drugs and Crime (UNODC), which will strengthen international efforts in preventing and combating corruption.

- Chairing the Working Group on Impact of Science and Technology on Audit:

Within the framework of the SAIs efforts to keep pace with scientific and technological developments and its belief in the importance of employing information, technology to improve the performance of control tasks and uncover corruption. It aims to study the impact of scientific and technological progress on auditing (block chain, artificial intelligence, machine learning and quantitative computing) in the public sector. As well as, to contribute to finding methods and solutions Innovative to keep pace with the impact of these challenges, and to exploit opportunities to contribute to the performance of the for oversight tasks with high efficiency and effectiveness.⁸

Moreover, as mentioned above the SAI chairs FAAS. The SAI has participated in over 50 virtual events where a representative was either a presenter or an active participants. SAI has also hosted more than 20 events during 2020.

⁸ <https://wgista.saiuae.gov.ae/Pages/default.aspx>

The SAI participates in various international meetings and activities that promote the exchange of best practices and experiences in the field of preventing and combating corruption, including cooperation with regional organizations of INTOSAI as well as the GCC (Gulf Cooperation Council).⁹

• **Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, including for consultative purposes:**

As the Chair of the INTOSAI Global Expert Team, on the international anti-corruption day a virtual conference was held, in which a number (341) experts and specialists from the UNODC, SAIs, financial audit agencies, anti-corruption authorities, and civil society organizations participated.

In addition, as mentioned in 2019 a pre-CoSP event was held to increase cooperation between SAI's and ACA's prior to the eighth CoSP, an event that the SAI aims to also become pre-event to each CoSP.

Furthermore, the INCOSAI, which is held every 3 years by INTOSAI, is an opportunity where these two worlds would gather as well for side event to exchange knowledge, enhance collaboration and consult on matter of mutual interest in the field of combating corruption.

• **Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions:**

The SAI has published all the conference reports it has held through its online platform and informed strategic partners of the results of the meetings that brought together SAI's and ACAs. The most recent one is the report on the virtual conference held on ninth of December 2020.¹⁰ As mentioned as well, SAI uses social media, news outlets and online platforms to publish and inform the public of its activities and findings.

⁹ <https://saiuae.gov.ae/en/Pages/SAI-Activity.aspx?term=62024a70-c7b0-48a4-b3eb-0fe4554bdf9e&item=0&arterm=8458e423-3615-43ec-b33d-1749f5081062>

¹⁰ <https://saiuae.gov.ae/en/Pages/Conferences.aspx>

The SAI also published Guide to Best Practices in Fraud Control January of 2011, which was carried out in accordance with best practices and international standards in the detection of corruption and fraud, as it was circulated to the government bodies subject to SAI audit.

The guide also outlines the measures taken to uncover corruption and fraud, including reporting corruption and fraud, and protecting employees who report suspected corruption cases.

- **External reports on the operation of the supreme audit institutions;**

Most audit reports made available to the public and media through the SAI website. Criminal cases that has already dealt with by the concerned judicial authorities also published in the media.

Publications ¹¹

News ¹²

¹¹ <https://saiuae.gov.ae/en/Pages/Publications.aspx?currentpage=1#>

¹² <https://saiuae.gov.ae/en/News/Pages/Newshome.aspx?currentpage=1>