

Strengthening the role of supreme audit institutions in the prevention of and fight against corruption

Whilst Supreme Audit Institutions (SAIs) are not directly responsible for the prevention, detection and correction of fraud, they do form part of the established system of financial accountability in many jurisdictions, and as such are well placed in any fight against corruption. Training and capacity building activities are important means of enhancing the anti-corruption expertise of public auditors as well as promoting knowledge sharing and cooperation between SAIs. However, the importance of clear, relevant and robust auditing standards should not be underestimated.

Most SAIs are members of the International Organisation of Supreme Audit Institutions (INTOSAI), which brings them together for activities based around building capacity of SAIs, sharing knowledge between them and preparing professional standards. The International Standards of Supreme Audit Institutions (ISSAIs) are INTOSAI's formal and authoritative pronouncements or declarations on public sector audit. These standards – that also cover issues relating to an auditor's responsibilities in respect of fraud and corruption – draw on the collective professional expertise and experience of INTOSAI's members worldwide.

The INTOSAI standards consist broadly of founding principles and core principles. The founding principles have historical significance and specify the role and functions to which SAIs should aspire, while the core principles lay down prerequisites for their proper functioning and the professional conduct of their employees. Governments, national parliaments, as well as for the wider public may draw upon these principles to understand better the value of SAIs to society.

For example, one of the founding pronouncements clarifies the role of SAIs in society and lays down the principle that all SAIs should respond appropriately to the risks of financial impropriety, fraud and corruption, and promote ways of addressing the same¹. By the same measure, the independence, accountability and transparency of SAIs are essential in any democracy based on the rule of law. Another core pronouncement notes that, when applied consistently, transparency can help fight corruption, improve governance and promote accountability². The publication by a SAI of its audit reports is an important contribution to transparency.

One of the core principles exhorts auditors not only to assess the risks of fraud relevant to the objectives of their audit, but also to maintain an attitude of professional scepticism and be alert to the possibility of fraud

¹ INTOSAI P-12, The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens

² INTOSAI P-20, Principles of transparency and accountability

throughout the entire audit process³. Another core principle mandates high standards of integrity and ethics for staff of all levels in SAIs, not only to prevent internal conflicts of interest and corruption, but also to highlight the regular and sound running of their own operations⁴.

The credibility of any SAI is built on the quality achieved in its audits, and carrying out audits in accordance with globally accepted standards and principles ensures a level of consistency in audit work. SAIs are also required to operate extensive quality management processes, also based on international standards. This helps ensure that the conclusions and recommendations of an audit conducted in accordance with globally accepted standards can stand up to external scrutiny.

Over the next few years, INTOSAI will be working to strengthen its standards in relation to fraud and corruption, in close cooperation with its working group dedicated to this important issue. The important role of UNODC will help inform this process.

³ ISSAI 100, Fundamental principles of public sector auditing

⁴ ISSAI 130 - Code of Ethics