

Transparency, Accountability & Ethics in Public Institutions

The Role of Supreme Audit Institutions (SAIs) in Promoting
Transparent Accountable Use of Public Funds

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Overview



- ✓ The Legal Mandate of SAI
- ✓ Key players in public finance
- ✓ Transparency & the role of SAI
- ✓ Accountability & the role of SAI
- ✓ Some Stepping Stones

LEGAL MANDATE



S.184 (1) CRM(1994) “There shall be the office of the Auditor General who **shall audit and report on the public accounts of Malawi,**

S.6(1) PAAA(2018) ... **examine transactions, books and accounts, and other public records of every Ministry, statutory office, agency, board, commission and bureau of the Government, and public funds received by a non-profit organization, including relevant international organizations”**

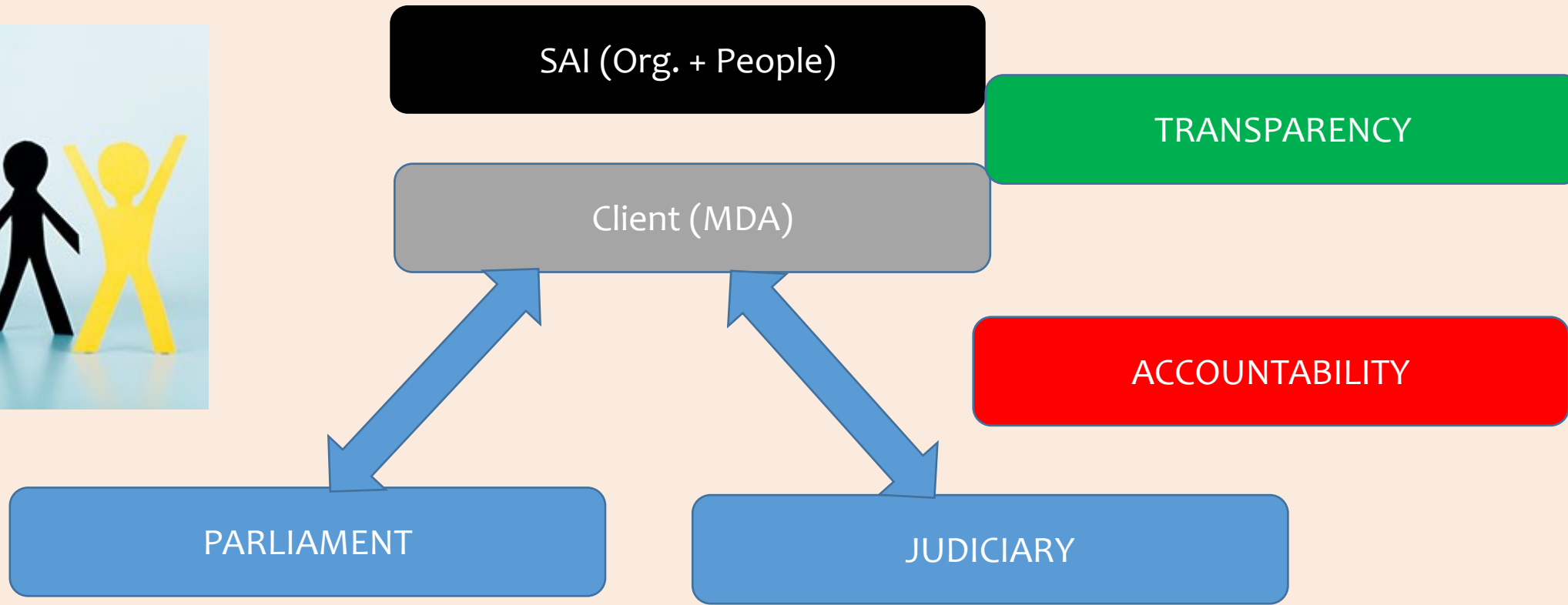
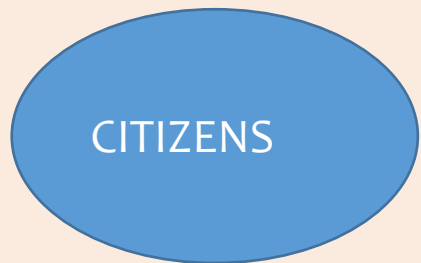
SAI ACCESS TO INFORMATION



S.7 (1) The AG ...shall have full access at all **reasonable time** to all documents, books and accounts, public funds, public securities, Government contracts and books and accounts relating thereto and subject to audit, and **to any place where they are kept**”

Auditor General has a MASTER KEY to ALL public financial information

KEY PLAYERS IN PUBLIC FINANCE



TRANSPARENCY DEFINED



§...widespread **availability** of **relevant/reliable** **information** about financial position, governance, value of public entities

e.g. MoH was funded \$10mIn to pay salaries

?...who was paid the salary and how?

?...Where the salaries rates correct ?

?...Did the target beneficiaries got the health service as expected

OUTPUT OF TRANSPARENCY CHECK



Transparency results:

- 1) Ghost workers
- 2) Overpayments
- 3) Diversion of salary funds
- 4) Balances not accounted for
- 5) Only 40% of the targeted group was vaccinated on COVID-19



SAI IS AN INDEPENDENT MOUTH PIECE TO THE ONWERS OF PUBLIC FUNDS

SAI IS AN INDEPENDENT WATCH DOG OF PUBLIC RESOURCES

Role of a SAI on transparency

- Clear KYC, thus, Auditee, on mandate, policies, laws, regulations, organogram, programmes, projects and even challenges
- Transparency check results should be clear, stubborn to be challenged, objective, evidence based
- Transparency check results should be timely reported with practical recommendations
- Transparency check results should be accessible to all stakeholders, e.g. the general public (*in a manner that is understood*)

ACCOUNTABILITY DEFINED



§...means by which individuals or organisations are held responsible for the actions/decisions they took

SAI produces a report to Parliament through MoF... S. 184(2) of the CoM (1994)

SAI produces a report and submits to the Head of Public Service and Secretary to the Treasury

The above two have accountability roles

ACCOUNTABILITY.....



Judiciary is another important accountability arm in public finance

Judiciary determines if the transparency check results are indeed linked to the person being alleged to be accountable for (balance of transparency and accountability)... pendulum of justice

e.g. Was Mr X overpaid or just paid more by MoH (legal processes can unhook a culprit on technicalities)

Role of a SAI on Accountability

- Clarify on the transparency check results to Parliament, Judiciary or Executive even to LEA e.g. ACB, fiscal police, FIA etc
- Provide timely and accurate evidence when required by the organs exercising accountability roles
- Acts as an expert witness where the matters in the transparency report requires technical demonstration/clarification

CRITICAL SUCCESS DETERMINANTS

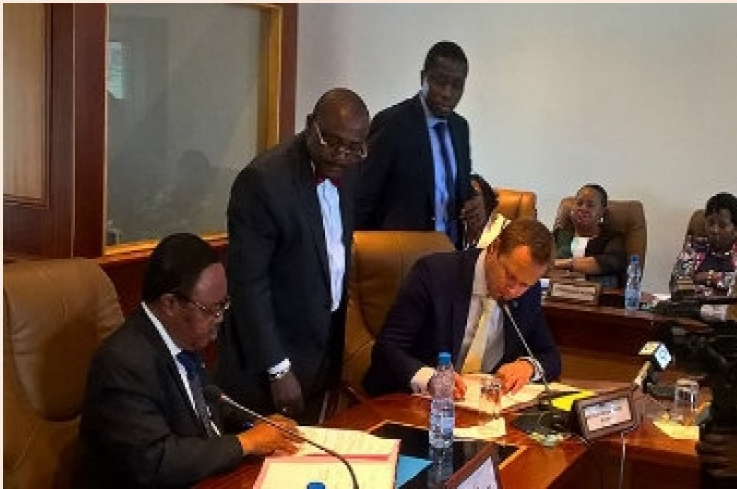


Ethics & integrity of auditors in bringing out what is not transparent

Ethics & integrity of officials in MDAs in putting the priorities of citizens first

Ethics of Parliament, Judiciary, LEA by being impartial in holding individuals and organisations accountable

SOME STEPPINGS STONES



Court of accounts arrangement where the Auditor General has a court and passes judgement (transparency and accountability done at the SAI)



Citizen engagement in audit planning, this will strengthen accountability arrangement at Parliament

SOME STEPPINGS STONES....



SAI to intensify follow ups of recommendations, this will strengthen the accountability role of the executive

thank
you