



Supreme Audit Institution (SAI)- Parliament Cooperation



Port of Spain, Trinidad and Tobago

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Legal and constitutional positions of SAIs in the Caribbean



- Most PACs in Caribbean are structured according to the Westminster or “Auditor General” model as opposed to the Cour des Comptes or Board models.
- In many countries, the role of the SAI and/or PAC is enshrined in the constitution.
 - i.e. Barbados, The Bahamas, St. Lucia, the British Virgin Islands, Cayman Islands, Jamaica, St. Kitts and Nevis
- SAIs tend to have their own act or are part of the public administration act.

Relationship with the Auditor General

(1 of 2)



- In the Auditor General model, Parliament is the principal audience of the auditor. All audit reports are addressed to Parliament
- While parliament depends on high quality audit reporting to exercise effective scrutiny, the Auditor General in turn requires that the legislature takes action to ensure departments take audit findings and recommendations seriously
- Legislatures are the fora in which reports receive public attention, creating pressure on government to respond to and address issues of concern
- In a number of countries, Supreme Audit Institutions (SAIs) have established parliamentary liaison offices which support audit-related work of legislatures on an ongoing basis

PAC's Relationship with the Auditor General (2 of 2)



Practices to Consider

- Play a role in addressing concerns regarding mandate, resources, access to information and independence of the legislative auditor.
- Meet annually with the auditor to review plans, provide input to the audit office's work plan (where desirable), and discuss any concerns the PAC or the Auditor General might have.
- Invite the Auditor General to be present during meetings or hearings, whether the Auditor General is acting in an advisory capacity or as a witness to the PAC
- Ask the Auditor General to brief the PAC in advance of committee hearings on the legislative auditor's reports.
- Invite the Auditor General to make opening statements and concluding remarks at committee meetings.
- Work closely with the Auditor General to follow up on recommendations of the auditor and the PAC.

CCAF Attributes of an Effective PAC

Mexico Declaration on Independence I



- Passed at the XIX Congress of the International Organization of Supreme Audit Institutions (INTOSAI) meeting in Mexico (2007)
- While the Lima Declaration (1977) contains a comprehensive list of all goals and issues relating to government auditing, the Mexico Declaration sets up eight core principles on SAI Independence

Mexico Declaration on SAI Independence II



1. The existence of an appropriate and effective constitutional/statutory/legal framework and of de facto application provisions of this framework
2. The independence of SAI heads and members (of collegial institutions), including security of tenure and legal immunity in the normal discharge of their duties
3. A sufficiently broad mandate and full discretion, in the discharge of SAI functions
4. Unrestricted access to information

Mexico Declaration on SAI Independence III



5. The right and obligation to report on their work
6. The freedom to decide the content and timing of audit reports and to publish and disseminate them
7. The existence of effective follow-up mechanisms on SAI recommendations
8. Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources

In assessing its level of independence, an SAI needs to consider:



- Whether the SAI carries out executive functions?
- Is there transparency in the appointment of its head?
- Are its head and/or Members of the SAI protected against arbitrary removal?
- Can it select subjects to audit?
- Is it able to report publicly and unfettered?
- Can it appoint, reward, promote and dismiss its staff?
- Whether its audit staff are dependent on the audited organisations?
- Is it provided with the financial means to accomplish its tasks?

Source: Building capacity in Supreme Audit Institutions:
A Guide. INTOSAI, 2007

In assessing its level of independence, an SAI needs to consider:



- Some SAIs will fall short of the independence expected by the Lima.
- To surmount this barrier, the SAI needs to develop and implement a realistic strategy to work with its legislature, Ministry of Finance, executive and civil society organisations, including the media, to persuade them of the advantages that will arise from having an effective, well resourced, independent SAI.
- This strategy needs to be informed by and related to the wider context within which the SAI operates, and ongoing reforms (if any) of public financial management and public administration. At the same time, an SAI can make an important contribution in promoting reforms in these areas.

Source: Building capacity in Supreme Audit Institutions:
A Guide. INTOSAI, 2007

SAI Independence:



SAIs in the Caribbean

- Many SAIs “face tremendous challenges in the areas of legislation and mandates, operations, budgets, methodologies, inactive Public Accounts Committees (PAC), and the failure to be recognized as fully independent organizations within the governance modality”.

The Cayman Islands:

- “While the Auditor General of the Cayman Islands has constitutional independence, in reality the government controls the financial resources and the appointment of staff. The Ministry of Finance sets the OAG’s budget. The Auditor General must seek approval for contract renewals, pay rates, and any new staff from the head of the civil service. Thus, the OAG is technically part of core government”.

Source: Developments in the CAROSAI Region. International Journal of Government Auditing – January 2012

Questions for Discussion

