

# SURVEY ON THE INDEPENDENCE OF SUPREME AUDIT INSTITUTIONS

Horcsin Attila Auditor counsellor

Budapest, 28 March, 2014

### **Outline**

- 1. Independence of SAIs project (INTOSAI 2001)
  Target and methodology
  Main message
- 2. Survey on Independence of SAIs (EUROSAI 2013)

  Background

  What is the questionnaire based on

  Schedule

  Main results

EUR SAI **EUROSAI** STRATEGIC PLAN 2011-2017 Lisbon

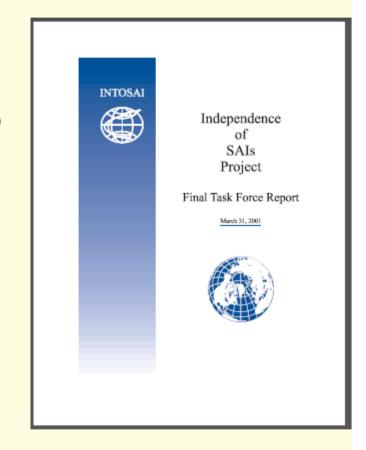
### Independence of SAIs project (2001)

Target: Supreme Audit Institutions except those of the EUROSAI region Addressed 137 SAIs (reached 126 SAIs /113 responded)

**Methodology:** questionnaire and consultations with experts of selected SAIs

#### Main message:

"It can be concluded that a considerable number of the SAIs surveyed are not really in a position to fulfil their mandates in a manner consistent with the requirements of the Lima Declaration of Guidelines on Auditing Precepts."



### **Background**

- EUROSAI Strategic Plan 2011-2017
- 4 Strategic Goals 4 Goal Teams
- Goal Team 1 Capacity building
- Subgroup of GT1 focuses on Independence
- The responsible SAI is Hungary
- Highlighted tasks in the Operational plan:

Survey on Questionnaire Workshop in Budapest



Goal Team 1 Capacity building:

SG 1 - Availability of data

SG 2 - Identification of needs and innovations

SG 3 - Strategic support

SG 4 – Independence of SAIs

### Questionnaire based on

- Final task force report on "Independence of SAI project" – INTOSAI (2001)
- Resolution A/66/209 "Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions"
   UN General Assembly - 22 December, 2011
- Experiences of SAO on independence
- Proposals from Goal Team 1 members

STRATEGIC GOAL 1

CAPACITY BUILDING

Facilitate the development and the strengthening of institutional capacity of EUROSAI members.

EUR®SAI

### Schedule

- 15 February 2013: questionnaire sent to 50 EUROSAI members
- 31 July 2013: deadline for submitting: 34 questionnaires returned
- 31 October 2013: analysing the answers
- 2 December 2013: information booklet
- 2014: Workshop on independence – publication of booklet

Name of Institution:  Country:  Name Title of Head of SAI:  Name Title of person's completing the questionnaire:  Telephone:  Email:  1. Organizational independence  11. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law:  When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?  Organizational law:  When did the latest modification of the organizational law concerning on your SAI's independence take place?  11. When did the latest modification of the organizational law concerning on your SAI's independence take place?  12. Does your SAI work as an autonomous organization?  VES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. "Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch – please specify  None of the above – please specify  1/4. As a part of which organization (if any) does your SAI work?  VES  NO (please specify)	SURV	EY ON THE INDEPENDENCE OF SUPREME AUDIT INSTITUTIONS
Country:  Name/Title of Head of SAI:  Name Title of person's completing the questionnaire:  Telephone:  Email:  1. Organizational independence  1/1. Where does your SAI derive its andit mandate from?  Constitution / Fundamental law:  When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?  Organizational law:  When did the latest modification of the organizational law concerning on your SAI's independence take place?  *If the Constitution / Organizational law bean't bean modified yet, when did it enter into force or was adopted by the National Assembly?  1/2. Does your SAI work as an autonomous organization?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. Please specify the bodies/persons your SAI is accountable/subordinated to??  Legislative  Judiciary  Head of State  Other part of the Executive Branch — please specify  None of the above — please specify  1/4. As a part of which organization (if any) does your SAI work?  YES  NO (please specify)	Name of In	shittion
Name/Title of Head of SAI:  Name/Title of person's completing the questionnaire:  Telephone:  Email:  1. Organizational independence  11. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law:  When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?  Organizational law:  When did the latest modification of the organizational law concerning on your SAI's independence take place?  If the Constitution / Organizational law bean't bean modified yet, when did it enter into force or was adopted by the National Assembly?  1/2 Does your SAI work as an anistonomous organization?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch - please specify  None of the above - please specify  1/4 As a part of which organization (if any) does your SAI work?  YES  NO (please specify)	_	
Telephone: Email:  1. Organizational independence  11. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law: When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?  Organizational law: When did the latest modification of the organizational law concerning on your SAI's independence take place?  *If the Constitution / Organizational law beam't beam modified yet, when did it enter into force or was adopted by the National Assembly?  1/2. Does your SAI work as an autonomous organization?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative Judiciary Head of State Other part of the Executive Branch - please specify None of the above - please specify  1/4. As a part of which organization (if any) does your SAI work?  1/5. Is your SAI independent from any other organizations during its audit activity?  YES NO (please specify)		of Head of SAI:
1. Organizational independence  11. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law: When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?  Organizational law: When did the latest modification of the organizational law concerning on your SAI's independence take place?  *If the Constitution / Organizational law how't bean modified yet, when did it enter into force or was adopted by the National Anomaly?  12. Does your SAI work as an autonomous organization?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  13. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative Judiciary Head of State Other part of the Executive Branch — please specify None of the above — please specify  1/4. As a part of which organization (if any) does your SAI work?  1/5 Is your SAI independent from any other organizations during its audit activity?  YES NO (please specify)	Name/Title	of person/s completing the questionnaire:
1/1. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law: When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?*?  Organisational law: When did the latest modification of the organisational law concerning on your SAI's independence take place?  *If the Constitution / Organisational law been't beam modified yet, when did it enter into force or was adopted by the Natural Assembly?  1/2. Does your SAI work as an authonomous organisation?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative Judiciary Head of State Other part of the Executive Branch - please specify None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5 Is your SAI independent from any other organisations during its audit activity?  YES NO (please specify)	Telephone:	Email:
1/1. Where does your SAI derive its audit mandate from?  Constitution / Fundamental law: When did the latest modification of the Constitution / Fundamental law concerning your SAI's independence take place?*?  Organisational law: When did the latest modification of the organisational law concerning on your SAI's independence take place?  *If the Constitution / Organisational law been't beam modified yet, when did it enter into force or was adopted by the Natural Assembly?  1/2. Does your SAI work as an authonomous organisation?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative Judiciary Head of State Other part of the Executive Branch - please specify None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5 Is your SAI independent from any other organisations during its audit activity?  YES NO (please specify)		
Constitution / Fundamental law:  When did the latest modification of the Constitution / Fundamental law concerning your SAT independence take place?*  Organisational law:  When did the latest modification of the organisational law concerning on your SAT independence take place?*  *If the Constitution / Organisational law keen't been modified yet, when did it enter into force or was adopted by the National Amenthy?  172. Does your SAT work as an autonomous organisation?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  173. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch - please specify  None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  YES  NO (please specify)	1. Organis	tional independence
When did the latest modification of the Constitution / Fundamental law concerning your SAT's independence take place?*?  Organizational law:  When did the latest modification of the organizational law concerning on your SAT's independence take place?*  *If the Constitution / Organizational law bean't bean modified yet, when did it enter into force or was adopted by the Natural A search!y?  1/2. Does your SAT work as an authonomous organization?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. 'Please specify the bodies/persons your SAT is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch - please specify  None of the above - please specify  1/4. As a part of which organization (if any) does your SAT work?  1/5. Is your SAT independent from any other organizations during its audit activity?  YES  NO (please specify)	1/1. Where	does your SAI derive its audit mandate from?
Organisational law:  When did the latest modification of the organisational law concerning on your SATs independence take place?  "If the Constitution / Organisational law hom't bean modified yet, when did it enter into force or was adopted by the National Amenbly?  172. Does your SAT work as an autonomous organisation?  YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  173. "Please specify the bodies/persons your SAT is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch — please specify  None of the above — please specify  1/4. As a part of which organisation (if any) does your SAT work?  1/5. Is your SAT independent from any other organisations during its audit activity?  YES  NO (please specify)	_	When did the latest modification of the Constitution / Fundamental law concerning
SAI's independence take place*?  * If the Constitution / Organizational law hum? been modified yet, when did it enter into force or was adopted by the National Assembly?  1/2. Does your SAI work as an autonomous organization?  (**YES - Go to 1/3, skip 1/4*)  NO - Skip 1/3, go to 1/4*  1/3. *Please specify the bodies/persons your SAI is accountable/subordinated to '?  (**Legislative**)  Judiciary  Head of State  Other part of the Executive Branch – please specify  Nome of the above – please specify  1/4. As a part of which organization (if any) does your SAI work?  1/5. Is your SAI independent from any other organizations during its audit activity?  YES  NO (please specify)		
was adopted by the National Assembly?  1/2. Does your SAI work as an autonomous organisation?  \[ \text{YES} - Go to 1/3, daip 1/4 \]  1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  \[ \text{Legislative} \]  Usdiciary  \[ \text{Head of State} \]  Other part of the Executive Branch - please specify  \[ \text{None of the above - please specify} \]  1/4. As a part of which organisation (if any) does your SAI work?  \[ \text{YES} \]  NO (please specify)		When did the latest modification of the organisational law concerning on your
YES - Go to 1/3, skip 1/4  NO - Skip 1/3, go to 1/4  1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative  Judiciary  Head of State  Other part of the Executive Branch - please specify  None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  YES  NO (please specify)		
NO - Skip 1/3, go to 1/4  1/3. "Please specify the bodies/persons your SAI is accountable/subordinated to ?  Legislative Judiciary Head of State Other part of the Executive Branch - please specify None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  YES NO (please specify)	1/2. Does y	our SAI work as an autonomous organisation?
1/3. 'Please specify the bodies/persons your SAI is accountable/subordinated to'?  Legislative Judiciary Head of State Other part of the Executive Branch – please specify Nome of the above – please specify 1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity? YES NO (please specify)		
Legislative Judiciary Head of State Other part of the Executive Branch - please specify None of the above - please specify 1/4. As a part of which organisation (if any) does your SAI work? 1/5. Is your SAI independent from any other organisations during its audit activity? YES NO (please specify)		NO - Skap 1/3, go to 1/4
Udiciary  Head of State  Other part of the Executive Branch – please specify  Nome of the above – please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  YES  NO (please specify)		
Head of State  Other part of the Executive Branch - please specify  None of the above - please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  OTES  NO (please specify)		
Other part of the Executive Branch – please specify  None of the above – please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  VES  NO (please specify)		
None of the above – please specify  1/4. As a part of which organisation (if any) does your SAI work?  1/5. Is your SAI independent from any other organisations during its audit activity?  YES  NO (please specify)		
1/5. Is your SAI independent from any other organisations during its audit activity?  YES  NO (please specify)		
O YES O NO (please specify)	1/4. As a pa	at of which organisation (if any) does your SAI work?
O YES O NO (please specify)	1/5. Is your	SAI independent from any other organisations during its audit activity?
	0	YES
1		NO (please specify)
1		
1		
1		
1		
1		
		· ·

# Main results of the survey

### 1. Organisational independence

- mandate derived from (constitution, organisational law)
- autonomous organisation
- independence during the audit acitivity
- accountable/ subordinated to which organisation
- independence from any other organisation
- structure (single head, or collegial body)
- mandate to set up the organisational structure

# Main results of the survey

### 2. Personal / administrative independence

Absolute conflict of interest

- who can be appointed (such as member of government,...)
- possibility of positions beside SAI
- possibility of another employment beside SAI
- possibility of familial relationship

Relative conflict of interest

- possibility of participating audits of specific organisations Nomination, election, appointment, removal of Heads of SAI Legal mandate of Heads of SAI

# Main results of the Survey

#### 3. Statutory independence

Mandate on audits

- constitution, organisational act
- audit plan
- audit approach, and methods
- selection of auditees

Report on audits

- right to contest (dispute) of the content, findings of reports
- deciding on contents of reports
- report to which organisation
- publicity of reports

Auditing of accounts and/or performance of SAIs

# Main results of the Survey

#### 4. Financial independence

Independent chapter
Planning of the budget
Implementation of the budget

### 5. Questions relating to EUROSAI Strategic plan

#### Main conclusion:

"SAIs of the EUROSAI community are in a position to fulfil their mandates in a manner consistent with the requirements of the Lima and Mexico Declaration and UN General Assembly Resolution according to their answer given in 2013." Thank you for your attention!

Further information: international@asz.hu