

Republic of the Sudan

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National Audit Chamber  
(NAC)

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Paper on

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*Responsibilities of Supreme  
Public Authorities Arising  
From Challenges of UN  
General Assembly  
Resolution A/66/209/22  
December 2011*

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- On 22 December 2011 the 66<sup>th</sup> United Nations General Assembly adopted the Resolution A/66/209 "promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions".
- The implications that stemmed from the General Assembly Resolution are as Follow :
  - The expressed recognition that SAIs can accomplish their tasks objectively and effectively only if they are independent from the audited entities and are protected against outside influence.
  - The important role of SAIs in promoting the efficiency, accountability, effectiveness and transparency of public administration which is conducive to the achievement of national development objectives and priorities as well as the international agreed development goals , including the UN millennium development goals .
  - The UN appreciation of the work of INTOSAI in promoting greater efficiency, accountability, effectiveness, transparency and efficient and effective receipt and use of public resources for the benefit of citizens.
  - The encouragement of member states:
    - ✓ To apply, consistent with their national institutional structures, the principles set out in LIMA and MEXICO declarations,
    - ✓ To continue and intensify their cooperation with INTOSAI including in capacity building,
    - ✓ To promote good governance by ensuring efficiency, accountability, effectiveness and transparency through strengthened SAIs.
  - Against this background:
    - ✓ All UN member states,
    - ✓ Their legislative bodies,

✓ And other decision –makers,

Are called upon to implement the principles set out in the Declaration of LIMA and MEXICO to strengthen SAIs.

- All entities concerned are invited to take correct measures and apply the basic principles of independence of SAIs in order to safeguard the proper functioning of external government audit and to ensure transparency, accountability, good governance and public trust in government.

### ***Responsibilities of supreme public Authorities arising from Resolution A/66/209/22 December 2011***

- The UN 66<sup>th</sup> General Assembly Resolution A/66/209/22 December 2011 encourages Supreme Public Authorities to effectively promote efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions.
- LIMA Declaration has laid down the ideal external public audit. It is demonstrated in INTOSAI's Mission Statement and Strategic Plan. External public audit is:
  - Promoting Good Governance,
  - Enhancing transparency,
  - Guaranteeing accountability,
  - Maintaining credibility, fighting corruption,
  - Strengthening public trust,
  - Ensuring the efficient and effective use of public resources for the benefits of the citizens.
- All government operations must be audited in an impartial manner by individual SAIs. Taking into account the need for sustainability in the way government delivers its tasks, there must be objective reporting on the utilization of public funds.
- SAIs play an important role in reaching international goals. Growing interests on the part of international development organizations in cooperating with external public audit shows the role of SAIs which, through their work, ensure public accountability and create the

framework for achieving international goals, in particular the United Nations Millennium Development Goals. With their transparent, independent and objective work, SAIs:

- Contribute to alleviating poverty and hunger,
  - Improve education,
  - Strengthen gender equality and the role of women,
  - Reduce infant mortality, raise the quality of health care,
  - Combat serious disease, promote sustainability,
  - Reinforce global development cooperation.
- International development organizations are interested in cooperating with INTOSAI and its member SAIs as external public audit, to ensure better accountability. The United Nations Millennium Development Goals will be reached if all players, including effective external public audit contribute positively.
  - As public authorities are the repository of information which the citizens have right to access, UN resolution 66/209/22/12/2011 casts important obligation on public authorities so as to facilitate the citizens to access the information held under their control. The obligations of the authority are basically the obligations of the head of the authority, which should ensure that these are met in satisfactory manner.
  - Transparency and accountability are both critical for governments to perform effectively in modern societies, for the efficient functioning of a modern economy and for fostering social well – being .In most communities, powers are delegated to public authorities, which requires that some assurance must be provided to the society at Large – that this transfer of power is effective and directed towards the welfare of the society and is not abused.
  - Public authority's promotion of transparency to ensure that information is available to measure the authorities' performance and guard against any possible misuse of powers; it also serves to achieve

accountability. Promoting these values helps maintaining trust between public authorities and the public at large, enhancing both social stability and a conducive environment to sustainable economic growth.

- Adequate transparency and accountability are therefore critical for ensuring that resources are managed for the benefit of the whole population, the supreme public authorities, the government – the parliament play an important role in promoting these values.
- In recognition of the importance of these issues, there have been many recent initiatives at the international level which are aimed at promoting transparency in natural resources management which exhibits affirm commitment of the international community to promote efficiency, effectiveness, transparency and accountability, examples :
  - IMFs new guide on resource revenue transparency.
  - Extractive industries transparency initiative.
  - Group of eight countries (G8) transparency and anti-corruption initiative.
  - New partnership for Africans' development (NEPAD).
- The adoption of transparency, accountability, efficiency and effectiveness should lead to real reform; on the other hand the adherence to the principles of accountability should lead to achieving better economic results.
- Responsibilities of supreme public authorities to promoting these values requires:
  - Sound management of natural resources so as to yield tangible benefits to the citizens,
  - Proper planning and management,
  - Access of a vast amount of information to citizens.
- Given the increasing role of parliament in economic policy making, the parliament should be engaged in promoting these values, this

will help to promote awareness of the importance of good governance and enhance reform efforts.

- Supreme public authorities can make use of the value added inherited in the outcomes of the Supreme Audit Institution's work, and of the fruitful partnership between parliaments and Supreme Audit Institutions, in order to achieve efficiency and effectiveness in finance and economic performance.

### ***Strengthening Supreme Audit Institutions:***

- The external public audit function entrusted to SAIs is a key component of Good Governance. Any act which:
  - Impairs their independence,
  - Subordinates them to the authority of the state,
  - Deprives them of resources needed for their work,
  - Restricts the impact of their findings,

Is detrimental to transparency, state accountability and the public's right to efficient and effective government.

- Governments wishing to show themselves to society and their peers as trustworthy will find in external auditing an important tool for:
  - Improving performance, avoiding waste,
  - Effectively planning state programs and policies,
  - Correcting deviations in the attainment of objectives and goals,
  - Punishing those who commit unlawful acts in public service.
- The 66<sup>th</sup> UN General Assembly Resolution A/66/209 effectively recognizes the important role of SAIs in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national

development objectives and priorities as well as the international agreed development goals, including the UN Millennium development goals.

- As SAIs can only accomplish their tasks objectively and effectively if they are independent from the audited entities and are protected against outside influence, following Resolution A/66/209, all UN member states, their legislative bodies, and other decision makers are called upon to strengthen their respective Supreme Audit Institution by implementing the principles set out in the declarations of LIMA and MEXICO.

### ***Requirements for external public audit to achieve an "ideal" delivery of tasks***

- Effective external public audit hinges on the fulfillment of certain requirements and demands, this means:
  - Ensuring independence,
  - Providing sufficient material and staff resources,
  - Developing and applying professional audit standards and methods,
  - Targeted training and development,
  - Effective sharing of knowledge and experience and,
  - Communicating the value and benefits of external public audit.

### ***Independence of External Public Audit***

- SAIs independence is a cornerstone and laid down in the LIMA Declaration, the *Magna Charta* of government audit, as well as in the MEXICO Declaration. Independence requires the realization of the following eight fundamental principles:
  - An adequate legal basis defining the scope of independence;

- Independence of SAI heads, their non-dismissability and immunity in the normal exercise of their functions;
  - A sufficiently broad audit mandate and full discretion in delivering the tasks entrusted to the SAI;
  - Unlimited access to information;
  - The right and duty to report;
  - Freedom to decide on the content and timing of audit reports and on their publication;
  - Effective follow-up mechanisms to assess to what extent SAI recommendations have been implemented,
  - The provision of sufficient human, material and financial resources as well as financial and economic independence.
- As no SAI is in a situation which would fully satisfy all of those principles, all SAIs must make a contribution towards reaching the described ideal of external public auditing.

### ***Capacity Building***

- Independence also requires SAIs to have the required material and staff resources and hence qualified staff of moral integrity. SAIs must therefore devote their full attention to capacity building.
- A lot of efforts have been done since the establishment of cooperation between INTOSAI and the Donor Community. This initiative for the global strengthening of institutional and material capacities of SAIs will surely make a remarkable success in these areas.

### ***Professional Audit Standards***

- Independence requires sound and well-founded knowledge, as well as professional audit standards and methods that meet international quality standards. In recent years, INTOSAI has been increasingly accomplishing this task under Goal 1 (professional standards) and has become a standard-setting body of external public audit. A wealth of international standards of



Supreme Audit Institutions (ISSAIs) and INTOSAI Guidance for Good Governance (INTOSAI GVs) constitutes the current set of rules of professional standards.

- All INTOASI member institutions should make sure that these standards are being increasingly applied. Cooperation with other international organizations, erg International Federation of Accountants (IFAC) and the Institute of Internal Auditors (IIA) is essential.

### *Training and Development*

- Competent staff, as well as training and development, are vital for the effective delivery of government auditing tasks.
- In order to work effectively, SAIs need:
  - Independence,
  - Audit standards and methods and a practical application of them,
  - Sufficient material and staff resource.
- Thanks to the IDI which :
  - Defines training needs,
  - Trains auditors,
  - Contributes its international knowledge network,
  - Helps develop strategies and procedures regarding quality.

### *Knowledge Sharing*

- INTOSAI calls under Goal 3 (knowledge sharing/knowledge services) all members to Learning from one another. In order to develop:
  - An international knowledge management,
  - Best-practice studies,

- Benchmarks,

A substantial commitment by every single SAI and a willingness to avail this knowledge and to allow self-improvement is eventually required. Further requirements are:

- Raising the level of knowledge of INTOSAI members with the aid of existing communication tools to a uniform level and promoting convergence.
- An awareness raising through external communication among:
  - ✓ Decision-makers,
  - ✓ Representative of legislative bodies,
  - ✓ Opinion-leaders,

That efficient external public audit which lives up to its tasks:

- ✓ Creates transparency,
- ✓ Fights corruption,
- ✓ Promotes accountability,
- ✓ Enhances public trust in the way in which government delivers its tasks,
- ✓ Contributes significantly towards the credibility and existence of the state as a whole.

### ***Value and Benefits of SAIs***

- A guarantee that the value and benefits of SAI work is visible, perceptible and understandable can only be secured by establishing an effective, credible and sustainable external public audit. This is the only way to make others recognize and appreciate SAIs role, it is also a pre-requisite for others, in particular decision-makers and the major partners of SAIs, the citizens, to endorse the cause of government audit in the interest of credible, transparent and efficient delivery of tasks .

## ***Sudan National Audit chamber (NAC) experience***

### ***NAC: History and Evolution***

- 1920 established as an audit department under the finance secretary.
- 1933, the first Act for Auditing was established, whereby an independent audit department was established headed by an auditor general.
- 1955, the temporary constitution for the Republic of the Sudan set aside special part for the Auditor General and guaranteed its independence and subordination to the Parliament and the Supreme Council .
- 1970' Auditor General Act, replaced and updated the 1933 Act, determining rights and duties of the chamber incorporating the economic and administrative development of the state.
- 1986 Act' replaced and updated 1970' Act introducing performance audit in addition to financial audit in the previous Act.
- Finally the last update was the 2007 Act that replaced the 1999 Act and widely embowered the chamber.

### ***NAC Mandate***

- The 2007 Act mandates NAC to audit all Government institutions and corporations and State owned enterprises.

### ***Relationship with the Parliament***

- The Auditor General and his deputies are appointed by the parliament.
- The Auditor General addresses the parliament annually and submits summary reports on the results of the audit.
- Coordination with parliamentary committees through trilateral partnership between NAC, Parliament and presidency of the republic.

## ***Recent Developments***

- New departments established in 2012:
  - IT Audit,
  - Quality Assurance,
  - International Organizations,
- Trained 25 professionals on It Audit.
- Quality Assurance Assessment at the SAI and Financial Audit levels.
- Developed new Manuals for :
  - Financial Audit,
  - Performance Audit,
  - Regulatory Audit,

This was achieved through the technical assistance program provided by the Sudan Multi Donor Trust Fund, administered by the World Bank.

- As Sharing of knowledge and experience, a visit was made to the National Audit Office (NAO) (U.K).This was done following the INTOSAI recommendations on the importance of sharing of knowledge and experience.
- Established links with Donor Organizations (World Bank, UNDP etc.).

## ***Conclusion***

### ***Challenges arising from UN Resolution A/66/209***

- The challenges emerged from UN Resolution A/66/209 are:
  - Strengthening supreme Audit institutions, for implementing functions within their mandate with maximum efficiency under

the current circumstances which are characterized by changing environment.

- Promoting effectiveness, accountability, efficiency and transparency of public management for achieving national development goals and targets on priorities determined in Millennium declaration.
- Strengthening the position of external government auditing worldwide, the promotion of strong independent and interdisciplinary government audit institutions, their capacity building and knowledge exchange.

### *Way forward*

#### *Such challenges can be faced through:*

- Political will among UN member states to promote the values of efficiency, effectiveness, transparency and accountability.
- Sharing practices and experience on determining responsibilities of Supreme Public Authorities, the sharing of the good results and benefits that come from enhancing efficiency, effectiveness, transparency of public management, which lead to better utilization of public fund.
- The support and fruitful cooperation of all UN member states, and the efforts contributed by the INTOSAI, creating a common understanding of the current challenges, will surely contribute to developing a common approach to achieve an independent, effective external government auditing function.
- An effective worldwide communication of the concerns of external government auditing to strengthen their position in order to enhance transparency, accountability, public trust in the delivery of government tasks, fight corruption and promote Good Governance.

- The need to a joint commitment in the areas of independence, capacity building, audit standards and methods, training and development, knowledge transfer, as well as value and benefits.
- Whilst respecting the autonomy of all INTOSAI regional working groups, Develop a realistic, forward looking and productive solutions for all SAIs.

*End of paper*