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The Role of SAIs in the Achievement of the National Development Goals

Supreme Audit Institutions (SAIs) are key contributors to the achievement of the national development goals. Their main duty in this regard consists of ensuring the execution of public finance management in compliance with the principles of efficiency, transparency, and accountability.

The economy's complex modes of operation, the development of new information technologies, the globalization of trade and the opening up of international borders have brought about significant political, economic and financial changes. In such a complex environment, SAIs are called upon to greatly improve their understanding of the current situation, so that they could successfully accomplish their mission with regard to the rationalization of public management.

In order to ensure good governance in the management of public affairs, SAIs should indeed develop the capacity to analyze the various activities at the micro and macro levels, and the sectoral and global ones, as well. SAIs should also master risk analysis techniques that would allow them to prevent and contain risks over the medium and long terms, and help public authorities avoid them in the future through viable and appropriate recommendations.

In this respect, SAIs should open up to their environment and consider some reforms that would help them cope with the world's constant evolutions and changes, hence contribute to the achievement of the different development goals set by their respective countries.

The present paper focuses on two main areas - the first being the prerequisites for the exercise of an effective supreme audit, and the second dealing with the role of Supreme Audit Institutions (SAIs) in achieving the national development goals.

I. The Prerequisites for the Exercise of an Effective Supreme Audit:

a. The Strengthening of SAIs' Independence and the Clarification of their Status and Attributions:

The exercise of an effective control over the achievement of the national development goals would not be attainable, unless if SAIs are recognized as independent and financially autonomous monitoring bodies, whose status and attributions are clearly defined.

Given the importance of SAIs' independence to the improvement of transparency in public finance management, SAIs' performance of an inclusive control of all public finance management acts should be granted by a legal and regulatory framework. In this respect, every manager shall report on his overall performance and management.

Owing to their global vision on public finance management, their accumulated experience and the know-how they acquired during their various audit missions, Supreme Audit Institutions have developed significant competences as to the identification of high-risk areas of management and activity.

In addition, SAIs would be more effective in understanding the risks of mismanagement if it had an overall competence in audit, and a constitutional right to access to all the information covering the different aspects of public finance management. In this respect, SAIs would ensure a greater scope of control over all public management aspects and sectors.

SAIs' contribution to good governance in safeguarding and sustaining the efficient control functions is tightly bound to SAIs' independence. This latter would be met through easy access to the needed financial and human resources, freedom of decision on the content and the dates of audit programs and missions, as well as on the publication and dissemination of audit reports.

Similarly, the independence of SAIs' officers and auditors is likely to promote the effectiveness and credibility of their actions.

Independence in this way is also crucial to promoting and expanding the culture of transparency and accountability, denouncing management anomalies, as well as ending impunity and practices causing risk of fraud or corruption.

Furthermore, SAIs' effectiveness is tightly bound to their credibility, which could only be reinforced through the competence and independence of auditors, as well as the maintaining of the image of a model institution in the accountable management and reporting of its audit work and own financial resources. In this respect, the credibility of SAIs is strongly associated with the extent to which their actions and management are accessible and transparent. In the same line, the strengthening of SAIs' institutional and professional capacities is also a pressing requirement for them to successfully carry out their missions.

b- Promoting Transparency and Integrity through Accountability:

The sound management of public affairs, in general, and public finance, in particular, requires that responsables provide an accountable reporting on their acts and establish a transparent framework for their management of public finances.

SAIs are a fundamental component of modern institutions that will continuously play a major role in improving good governance and promoting a culture of transparency and accountability.

The effective exercise of SAIs' audit missions would considerably contribute to transparency in the management of financial and public affairs. Therefore, by holding executives accountable, ensuring the execution of public finances in respect to the norms of conformity and transparency, and by facilitating public access to audit results and recommendations, SAIs would significantly take part in building a culture transparency. In the long term, this would also help promote good governance and citizens' trust in institutions.

In addition, the role of SAIs in both auditing and monitoring the results of public management highly contributes to enhancing transparency in accountability. It also helps ensure the implementation of adequate remedial actions to the identified anomalies and risks, including the ones related to the development of effective internal audit system.

By neutrally presenting their audit results to all public stakeholders, media outlets and the general public, SAIs' promote greater transparency in the management public finances. In this way, viable and objective access to such information helps keep the citizens informed about the ways in which public affaires and finances are managed, and provides them with the necessary means for performance evaluation and assessment.

In addition, SAIs that conduct an independent audit of the management of public institutions are able to ensure the appropriateness of the applied norms of management and their respect at the various levels of the management responsibility. This contributes to promoting greater transparency and responding to the expectations for good governance and proper use of public funds.

The effective achievement of the core missions of SAIs, particularly in ensuring the public manager's accountability and auditing the management of public institutions, has a significant effect on the improvement of transparency, as well as the promotion of the values of personal and professional integrity.

Thus, the dissemination of audit results, the reporting of inadequate practices and their punishment by SAIs – in cases where the identified mismanagement practices are part of their scope of competence –, or by the judicial or administrative authorities, are important actions to effectively combat impunity.

According to what has been stated above, SAIs actions are key contributors to the establishment of moral and professional integrity behaviour among the managers of public affaires and finances, and would help reveal the deficiencies and abnormalities of control, promote the values of honesty, and highlight exemplary behaviour.

Therefore, SAIs play a major role in ensuring integrity in public management, which encourages managers to be more attentive and less tempted by the use of non-regulatory practices.

II- The Expected Role of Supreme Audit Institutions (SAIs):

Every State chooses an audit system that copes with its institutional organisation, its culture, as well as its political, economic and social history.

Irrespective of SAIs' organization and mode of intervention, their ultimate purpose is the safeguarding of public funds by auditing the regularity of financial and accounting operations, the verification of the accuracy of public accounts, the assessment of performance and the proper use of public resources and the establishment of the culture of accountability.

a. Adaptation of SAIs to the current trends in management:

To efficiently contribute to public sector reforms, SAIs should adapt their working methods to cope with the management procedures of the public sector. They should also make sure that public funds are used in compliance with the standards of economy, efficiency, effectiveness and profitability to meet the national development goals.

In addition, SAIs are required to put their independence, expertise and professionalism at the service of the national community, in order to ensure a fair balance between profitability and efficiency and meet the public interest.

SAIs must also:

- Carry out their missions with full respects to the values of integrity and ethics;
- Set up an auditing strategy based on the standards of good performance which would guide them in the practice of their activities, as well as the evaluation of the efficiency and impact of their actions;

- Develop the professional capacities of their human resources;
- Set up an appropriate information and communication policy;
- Adopt and apply professional auditing standards in compliance with the internationally recognized and approved accounting, financial and performance standards;
- Adopt a strategy to assess the quality of the conducted audit missions.

b- The Experience of the Court of Accounts of the Kingdom of Morocco:

The Court of Accounts is the Supreme Audit Institution of public finances in the Kingdom of Morocco. Its independence is guaranteed by the Constitution. The Court of Accounts is responsible for protecting the principles and values of good governance, transparency and accountability of the state and public bodies.

The Court of Accounts is in charge of conducting an overall supervision of the execution of financial laws. It ensures the regularity of expenditures and revenues of the public organizations under its control and evaluates their management by virtue of the law.

It sanctions any violations of the rules governing such operations. The Court of Accounts monitors and controls assets declarations, it also audits the accounts of political parties and observes the regularity of the electoral expenditures.

The Court of Accounts is legally assigned the duty and responsibility to evaluate all the management aspects of public bodies, as well as their efficiency and performance. It particularly has the prerogatives to:

- Assessment of the set objectives, the achieved results, the acquisition's cost and conditions, as well as the use of the deployed resources;
- Control the regularity and fairness in the carried out operations;
- Control the provided services, the delivered supplies and the work performed;

- Evaluate the internal control systems. In this regard, the Court ensures that the established systems and procedures guarantee the optimal management and use of public enterprises' resources, the protection of their assets and the recording of all executed operations.

The ultimate objective of the control exercised by the Court of Accounts is to improve the management of public finances in order to protect public funds and help providing the best service to citizens. This can particularly be carried out through the recommendations it provides, as to improving the efficiency and effectiveness of public administration.

One of the strengths of supreme audit of public finances in Morocco lies in the fact that auditors of financial jurisdictions are granted a dual quality, both as magistrates and auditors. In this respect, the Court of Accounts may, in addition to the regular audit work, impose fines against public managers whose acts have revealed violations to the rules governing the management public finances, or pursue them in the justice system. The achieved results through their audit and jurisdictional investigations are intended to define the work of the Court of Auditors in terms of four main complementary dimensions:

- **An educational dimension**, which has led the Court of Accounts to achieve the fundamental goal of accountability, through deepening dialogue with its partners. Hence, the Court of Accounts can be proud of the achieved results at this level, as the public institutions under its control do largely adhere to cornerstone principles of the good governance and democracy;

- **A preventive dimension**, which is reflected not only by highlighting the strengths and weaknesses characterizing the audited public bodies, but also by correcting some irregular situations through recommendations to improve management quality and the review of some management practices that present latent risks;
- **A deterrent dimension** aiming at engaging the managerial and financial responsibility of managers in cases where their mismanagement results in prosecution at the Court of Accounts for violations of budgetary and financial discipline. Such prosecution is likely lead to the enforcement of heavy fines against the offenders. In addition, the public report of the Court of Accounts, is a strong deterrent measure for managers;
- **A repressive dimension** following the detection of serious infringements. Under the code of the Financial Jurisdictions, these facts are referred by the Attorney General of the Court of Accounts to the Minister of Justice.

Conclusion:

The global financial and economic crisis that shook the world has highlighted the importance of public authorities' intervention as a key player and an essential regulator, whose strong presence is imperative for the recovery and improvement of the performance of economic sectors.

The new complex missions assigned to the public sector require capacity building within public bodies, in general, and SAIs, in particular. In this way, SAIs shall gradually ensure audits that require qualified skills and high degree of technicality, and shall be expected to assess the potential risks associated with these activities.

SAIs are expected to reflect these changes by opening up to their environment and capturing the universally accepted best practices and adapting them to their own context.

SAIs who have demonstrated in the past an ability to adapt to changes facing their internal and external environment, must have the human resources and the technological capacities to meet these new challenges. They should also develop their capacities in analysis, evaluation and proposition to fulfil their expected role, namely in safeguarding public funds and meeting the general interest. To do so, they are called upon to leading by example through implementing analysis techniques and indicators to assess their performance and identify ways to improve the efficiency and effectiveness of their audits.

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