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Building”**

**Contribution of the Tunisian Court of Accounts on :  
“Role of SAIs in Achieving National Development  
Goals”**

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## **Role of SAIs in Achieving National Development Goals**

The international environment shows today deep changes at all levels, whether political or economic, technological or environmental occurring faster than what humanity knew during its successive civilizations. As a result of the communication revolution, these transformations are having impact on the internal affairs of each country either directly or indirectly, positively or negatively.

The events that occurred during the last two years and founded what has been termed the “Arab Spring” show the evidence on the strength of changes and the speed of their deployment in an area, in which no one expected any change in the course of its history.

To ensure strategic positioning in the current context, it is now imperative that each operator embraces the principles of continuous improvement and especially adopts any initiative for change towards the best.

Progress and excellence cannot be ensured by resisting the change but by adopting a positive interaction towards novelties and by having the ability to convert them into benefits.

In this context, capacity building in the broad sense, is in fact a form of initiative for change towards the best. In relation with SAIs, it has been proven that capacity building is the area where these institutions can play a key role towards positive change, initiate the desired effect and bring an added value in the areas of their intervention.

During the last few years, we notice an increase in the awareness about SAIs' role mainly in the area of accountability and good governance. In fact, it prevails now a wide conviction that SAIs are “model institutions” that could serve as a locomotive for positive change. The United Nation Resolution on SAIs' independence issued in 2011 is the best proof of that. This increases the burden of responsibility placed on our institutions to accomplish their tasks with professionalism and efficiency.

More than ever before, SAIs are nowadays supposed to deal with the latest developments and present their perceptions on possible solutions for any raised problems. Among these problems there are the development approaches and their capability to reach the intended objectives and cause the expected effects.

SAIs remain the best to conduct controls on achieving national development objectives since they usually enjoy higher degree of independence in comparison with other oversight bodies of the executive. This is essential in order to guarantee objective output in a very sensitive issue. In fact, auditing national development objectives returns in some way to bring judgment on the performance of the ruling party and could then be a room for political interactions and have consequences during the elections.

Also, the reports of SAIs, when are published, have usually more influence compared to the reports of the rest of oversight bodies and especially towards the legislature and thus help to bring about the desired change.

On the other hand, missions on auditing national development goals are in line with taxpayers' expectations that need to identify the results of development policies financed by them. This will in turn contribute to promote the SAI's image in society and highlight its role in supporting accountability and protecting public funds.

So, what is required today from our institutions in order to provide an added value in the field of achieving national development goals? What obstacles prevent them from playing an effective role in this area? And how they can build distinguished capacities at this level?

To answer these questions we will discuss first the requirements for an effective role of SAIs in auditing national development goals, we will present second the difficulties and constraints that prevent SAI from having an active role in this area and we will focus last on the experience of the Tunisian Court of Accounts in auditing national development objectives.

## **1- Requirements for an Effective Role of SAIs in Auditing National Development Goals**

The audit of national development goals could be classified as a form of performance audit that is performed by most SAIs. Providing an added value in this field depends on the extent of compliance with good practices at every stage of audit's phases i.e. planning, investigation, drafting and publication.

### **1-1- The Planning Phase**

The planning process of the audit mission starts first with the selection of the topic. In the field of auditing development goals it comes usually with auditing a

plan, a strategy or a program. To be successful it is essential to choose the topic on basis of SAI's ability to achievement. In fact, auditing a strategy on the national level requires higher resources than any other audit, in terms of qualifications, experience and materials. Experience has shown that underestimation of the needs required to accomplish a large audit mission, inevitably affects the SAI s' ability to achieve the objectives of the mission, both in terms of content and deadlines.

The issue of assessing the audit's needs is among areas in which SAIs capacities should be developed. In the absence of any flexible distribution of human resources, many SAIs affect their members to audit mission on basis of a static appartenance to their various structures (chambers or sectors) and not on basis of the specific needs of each audit. By this way, each internal structure of the SAI is thus obliged to exploit its proper human resources exclusively without taking advantage of human resources available in the other structures.

The experience has also shown that the shortage or the inadequacy of human resources is generally noticed by the audit teams in advanced stages. This leads to the sacrifice of certain audit objectives or to uncompleted investigations and will in turn affect the ability of the SAI to provide the required added value and may damage its image in the society.

Depending on its accumulated experience, the SAI can adopt a gradual choice of the audit topics. At the beginning, the choice should be made on development programs with a narrow scope and can then be expanded to plans involving a limited number of actors leading to an integrated strategy including a large number of programs and actors.

Given the complexity of the audits on national development goals, due to the multitude of actors and often the overlapping roles between them it would be useful before setting any audit objectives to understand the philosophy of the plan or the strategy the specific role of each intervener. Therefore, it is recommended to conduct a preliminary diagnosis including the review of studies and regulations, interviews with key operators and on-site observations. This helps to identify the type and volume of expected work and the added value required and thus facilitates the assessment of the appropriate needed resources.

In terms of content the SAI can adopt audit objectives that are focused either on verification of the extent to which development objectives are reached and

explain variances, or if resources permit, consider also the appropriateness of the adopted processes for planning, implementation, follow-up and disclosure.

## **2-1- The Investigation Phase**

Investigation is the most difficult phase in auditing national development goals. The main challenges in this regard include the following :

- The need for audit teams to be familiar with the best practices adopted not only at the academic level, but also on the practical and international level. The development field is in fact, full of comparative experiences that can be learned. The responsibility of the SAI to achieve an added value makes it necessary to push towards adoption of global best practices through considering them as standards and underlining their advantages ;
- Taking into consideration that the requirements in the gathering of evidence phase for such audits comprises in addition to the examination of documents a fieldwork through observations and interviews with targeted parties as well as the processing of questionnaires ;
- The need for the SAI to have an effective framework for monitoring and coordinating audit missions especially as this type of audits requires generally a geographic dissemination of the audit team between different actors. For example, when a questionnaire has to be prepared, all audit team members should participate in its formulation ;
- The need for the audit team to have enough IT Audit skills in order to handle the available databases, operate sampling and make analysis on the results of questionnaires ;
- Interaction with components of civil society, particularly development associations is useful, because they have a precise knowledge of the ground and they often have databases besides the fact that they are away from any administrative or political background ;
- It is important that the regulatory framework of the SAI allows the possibility to make use of expert services since many technical aspects may not be familiar to the audit team.

### **1-3- Drafting and Publication**

It would be preferable in the field of drafting and publication of audit reports dealing with national development goals that the following practices are adopted :

- It is important that the report includes a clear statement about the achievement of the objectives of the plan or the strategy, that amounts to a certification of the results. The deviation that is often noted is that the reports put too much emphasis on the managerial aspects of the plan or the strategy and disregard the quantitative aspect of measuring the level of achievement of goals ;
- Causes behind the failure in achieving goals should be particularly precised in order to facilitate corrective measures. Audit reports often omit to treat sufficiently this aspect. It is also preferable to include the controlled parties' vision in order to enhance transparency. Critics are often addressed to SAIs for issuing strict judgments about the achievement of goals regardless of the specific constraints on managers ;
- It is useful that the report presents the unintended results which impact may exceed the expected results of the implemented plan or strategy. For example a Dams building policy to encourage agricultural activities may lead to an intensive migration to cities of the residents whose lands were expropriated creating, thus additional development problems which were not anticipated ;
- It is preferable that comparison with best practices appears in the final report and in the summary report so it can reach the decision-making authority ;
- It is important to adopt an active communication policy including especially the legislative authority so that the SAIs' recommendations could be properly concretized. It would be appropriate on this level, to prepare a summary of the report highlighting the main observations and recommendations and held debate meetings with members of the legislature.

### **2- Difficulties and constraints preventing an active role of SAIs in auditing national development goals**

The audit of national development goals is considered as the most complex category of performance audits. This is mainly due to the multiplicity of actors and often to the overlapping roles assigned to them. In fact, one development objective may include several partial goals with a heterogeneous group of actors.

In addition to this distinctive difficulty, there are also other difficulties that could be grouped into difficulties related to the audit environment and difficulties related to the SAI itself.

### **2-1- The difficulties related to the audit environment**

The main difficulties related to the audit environment that impede completion of audits on the achievement of national development goals comprise essentially the following :

- The absence of an integrated planning framework in order to determine the strategies at the national level including needs assessment, needs prioritization, setting of objectives, formulation of operational programs, coordination and monitoring ;
- While there are sometimes national goals within a clear strategy, the appropriate means for implementing each goal remains absent ;
- Sometimes the main development goal is not split into sub-goals at each intervenor level ;
- Sometimes a time frame for achieving the development goal is not specified ;
- The absence of an information system or a statistical system to monitor and measure the results ;
- In many cases programs are tightly related to the organizational structures of the implementing entities at the expense of their alignment with the major policies of the country ;

### **2-2- The difficulties related to SAIs**

There are multiple difficulties related to SAIs which prevent the achievement of audits on national development goals with the required effectiveness. They include mainly :

- The lack of independence : This prevents the SAI from selecting any audit topic and reduces its ability to express and disseminate all its findings ;
- The lack of available resources : this is in terms of the availability of the adequate number of qualified human resources and the means of logistical support ;

- The absence/weakness of a long-term planning system directed towards raising gradually the capacities of the SAI in the field of performance audit ;
- The inadequacy of training programs : Carrying out an audit on the achievement of national development goals requires a multiple-skills audit team. That can only be acquired through specialized and continued training courses especially in the areas of performance audit, IT audit, sampling, questionnaires processing, etc. So If the training sessions are not inclusive of all specific needs for such audits and are not regular within an integrated program it would be difficult to carry out such mission with the required effectiveness ;
- The misunderstanding of the particularity of the audits related to the achievement of national development goals : In fact, the audit team does not take the time to understand the philosophy of the development plan or strategy which will in turn lead to omission of critical aspects where the SAI can have an added value.

### **3- The experience of the Tunisian Court of Accounts in auditing national development goals**

The Tunisian court of audit has been attributed large prerogatives in performing ex post audits on public funds. From a structural point of view, the court reviews the accounts and management of central and local governments, state-owned enterprises and every entity in which the State or the local governments hold a participation in its capital. Functionally, the court performs all types of audits i.e. compliance audit, financial audit and performance audit.

With regard to performance audit the court has accumulated a rich experience for more than fifteen years and has adopted a gradual approach. In fact, the court started by evaluating the performance of public structures in their particular areas of intervention and then moved to assessing public programs before arriving finally to auditing public strategies involving national development goals.

Today, performance audits are regular component of the annual audit program of the court. In this regard, the court performed many audits on achieving national goals in the various areas of development among them, energy saving, creation of small and medium sized enterprises, mobilization of water resources, compensation cost containment for basic commodities, development of the olive



sector, production and distribution of electricity, protection of cities against floods, creation of industrial zones, etc.

It should be noted that development objectives in Tunisia are included in a five-year plan which is documented and often supported by comprehensive strategies and programs. This greatly facilitated the task of the court especially in selecting audit topics and determining the appropriate scope.

The court has also adopted a training approach based primarily on the exploit of its internal experience and expertise to hold internal training sessions. A large proportion of the training programs has been dedicated to performance audit which enabled the audit teams to acquire distinctive capabilities in key areas such as information technology, risk analysis, statistical techniques and questionnaires processing.

The court's role is not limited to measuring the achievement of goals and to raising breaches but includes also the submission of proposals for reform and the alert on potential risks arising from raised breaches.

For example, in the light of the delays noticed by the court concerning the achievement of investment objectives related to the production of electricity the audit report warned that there are imminent risks of black-out, which happened two years after the issuance of the report. So was the case for the protection of cities against floods where the court has stood on the failure to achieve the national strategy objectives in this area and alerted on the risk of large floods which happened on several occasions.

Among the most important difficulties that the court faced in the audits on achieving national development goals we mention in particular the absence in many cases of monitoring and assessment systems at the level of interveners.

A problem still remains concerning the follow-up of the court s' recommendations as enough resources mainly in terms of human resources are not available. Currently this task is entrusted to a committee of the executive. The lack of financial resources has also prevented the court from using experts' services, although this possibility is permitted by the law.

It should be noted also that although the court has created four Chambers in the regions, this opportunity has not yet been seized in order to carry out joint performance audits or to offer assistance to central chambers in fulfilling audit tasks at the regional level.

On the other hand, and despite the fact that no consultative role is attributed to the court, public authorities have submitted to it several draft texts for opinion and have enabled it to participate to many sectorial committees (pharmaceutical sector, energy sector,...) so its experience could be shared.

After the revolution and during the transitional phase, the court has made many achievements, the most important of which is the explicit mentioning in the draft constitution of its judicial character. This supports the independence of the court. The attributions of the court have also been included in the draft constitution and all its reports are published.

The publication of the court's reports contributed effectively in animating the national dialogue on a range of development issues especially in the media. In fact these reports are referred to as credible references. This increases the burden of responsibility of the court in order to improve its capabilities and raise the professionalism of its reports.

## **Conclusion**

As a conclusion for this paper we will present a set of proposals aimed to enhance the capacities of SAIs in auditing national development goals. They concern the following :

- It is necessary that SAIs put more emphasis on audits in the areas of national development by programming missions aimed to verify the achievement of goals ;
- The regular programming of audits related to achievement of national development goals is the best way to raise SAIs' capacities at that level where they benefit from self-learning experience ;
- The complexity of the audits in the development field is the most prominent challenge facing SAIs. And it is important for SAIs which are in lack of capacities to adopt a gradual approach by starting with narrow scope audits until arriving to large scope audits ;
- It may be useful that SAIs review their organizational basis and examines some options to ease the accomplishment of audits on national development goals. We mention for example the creation of task force which will be in charge of conducting audits in this field, the adoption of flexibility in

distributing members of the SAI between the different audits and conducting joint audits with the different internal structures of the SAI ;

- SAIs should take advantage of available external expertise especially in technical and complex domains ;
- It would be useful to consider the possibilities of cooperation with other oversight structures in the public sector by building partnerships. That would provide the human resources and expertise required to complete large audits in the field of development;
- It remains necessary to review the internal training programs in order to suit the requirements of the audits in development fields. At this level it is recommended to discuss possible areas of cooperation with IDI to profit from its expertise, especially in the field of designing typical training programs suited to the specific area of auditing development goals and training the trainers in performance audit ;
- Consider the possibility of launching a joint initiative between ARABOSAI and EUROSAI to exchange experiences and to provide technical support for SAIs and adopt a common guide in this area.