EUROSAI GT1 SEMINAR ON INDEPENDENCE
March 28th, 2014

Main ideas and Lessons for the future
A tentative summary – as an addendum to the GT1’s survey

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FIRST ROUND TABLE

The prerequisites of independence
GENERAL ISSUES

• Necessary inscription of the SAI mandate and independence in the Constitution or highest level of law

• Necessary limitations of political influence regarding the nomination and mandate duration of the SAI Head to avoid collusion risks

• Necessary focus on rules against conflict of interest (possible need for international standards regarding declarations of interest)
NEW CHALLENGES

- There may be new developments that affect our authority to perform our tasks; reality is moving on while we are standing: no independence without power and authority
  - Necessary enlargement of the SAI mandate (for ex: charities?)
  - Clear rules needed regarding audit of the public/private sector: what to do when public funds are involved but (co-) managed by private sector? What thresholds?
  - No independence without access to data: new challenge regarding digital databases
  - New international obligations or mechanisms (ex: central bank, international operations and stakeholders...)

- Impact of the financial crisis:
  - Oversight by IMF and heightened interest by public on how the money is used
  - New ways of selecting SAI Heads and staff (new areas of expertise: on banks for ex)

We have to be independent from and to (be able to)
New tasks should mean new powers; new challenges, new answers: resources and tools
SECOND ROUND TABLE

The consequences of independence in terms of real capabilities
GENERAL ISSUES

• Necessary liberty of:
  o programming (including possible but limited requests from Parliament and Executive)
  o drafting conclusions
  o and publishing

• Necessary financial independence without budget reduction and limited involvement of the Executive in determining salaries of auditors
NEW CHALLENGES

• Critical masse of ressources : prioritisation of expertise and possible need for private sector auditors – implying strict rules of recruitment

• Added value for the citizen : an increasing need for communication through direct and indirect means

• The audited auditor ? Who should monitor us ?
  o Private audit firms ?
  o Parliamentary Committees ?
  o Other public bodies ?
  o Peer reviewers ?

  Not only the word but the thing
Statutory situations may vary from one country to another according to history but we must all « prove our independence » and respect a transparency/ exemplarity principle
THIRD ROUND TABLE

The roadmap to (more) independence
GENERAL ISSUES

• Priorities for public financial management are constantly evolving – focus on public spending

• Better applying the ISSAIs

• …a progressive process linked to historical backgrounds (hence the diversity of « models » - audit offices and judicial organizations…)
NEW CHALLENGES

• Transfer of competences at the EU level and possible audit gaps

• Accepting new tasks (new economic, fiscal etc frameworks) AND maintaining resources for auditing (new fees for services ?)

• Improving quality of the risk analysis process / the final reports for more demanding stakeholders

The « unstable » and fragile independence, always to be preserved

Independence at the service of the citizen : public financial accountability must remain our core objective (audit as a means towards an end – not an end in itself)
IF YOU REMEMBER…THREE QUESTIONS, A PROGRAM

ARE EUROPEAN SAIS IRREPROACHABLE?

Certainly not, independence as a tension and not a result

WHAT WOULD BE THE IDEAL SAI?

The best features of each model?

WHAT POSSIBLE ROADMAP?

Vigilance, benchmark and movement
MIND THE GAP!
BETWEEN

FORMAL - THEORETICAL
AND

REAL – PRACTICAL
INDEPENDENCE

What now? Do not hesitate to transmit all requests and/or ideas (new activities, surveys etc.) to GT1… Membership is open to all: please indicate your willingness to participate for 2014-17 before the Hague Congress.