

## **Country Paper Framework**

### **Challenges to Transparency and Accountability of Public Financial Management**

#### **Introduction**

Transparency is a newly emerged concept within society and a democratic practice that involves accountability for information and free access to information. It has risen as a result of development of the human thought trends, reflecting proper and true information of the financial events taking place in business domain. SAIs has a major role in the spread of values of transparency and clarity of government operations to enhance the public confidence, interaction and contribution and resist and fight different forms of fraud. Following are the main topics:

#### **Changes and Challenges to the Public Sector Management and Accountability**

Lack of successful management, transparency, and accountability is the most material reason behind the higher rates of corruption in public sector-wide institutions, and is connected with the following changes and challenges to the different aspects of transparency and accountability:

1. Political challenges. These are the key challenges relating to the nature and policy of political system.
2. Social challenges. Transparency and accountability should focus on building an anti-corruption system, and not to attack the corrupted individuals.
3. Economic challenges. The openness to the public in terms of selecting the proper economic and financial policies, and introducing these to the public so as to provide accountability and establish credibility.
4. Administrative challenges. Reflected in the need of institutions within society for openness to the society.

## **The Role of International Audit Standards in Enhancing Transparency and Accountability.**

SAIs have role in enhancing transparency and accountability. Many clarifications have mentioned for these concepts in standards issued by professional assemblies and organizations, adopted in this field.

## **The Role of SAIs in Raising Awareness in Parliament and Society to Enhance Accountability and Transparency in General Administration**

Supreme Audit Institutions (SAIs) are considered as constitutional Institutions work within all legal and legislation framework which require transparent environment to enable these SAIs to implement their work objectively independently and neutrally for clarifying breaches, identifying their own responsibilities, capabilities and weaknesses to avoid them according to their own legal and constitutional duty. Therefore, this matter requires obvious legislations in which the SAIs work on and laws that govern auditees. These legislations and laws should be understandable, sound, consistent, objective, clear, flexible language developed according to economical, social and administrative changes which comply with our time. Moreover, procedures and publishing, disclosing and accessing information should be simplified in order to be available for everyone. These are the essential requirements of transparency and raising awareness in society and parliament to enhance accountability and transparency in general administration

## **Facing the Challenges of SAI's Communication Methods and Strengthening Relationships with Media and Non- Governmental Organizations**

Due to consecutive challenges and changes that SAI's face ,an effective communication system must be provided, through which SAI's can build effective communication channels among them due to modern communication methods on one hand and between them and the media and civil society organizations on the other hand .as the communication channels provide the possibility of sharing information , experiences and expertise for each party in its specialty to promote cooperation in the field of combating corruption or limiting it in order to consolidate transparency.

## **The Effect of Technological Developments in Promoting Transparency and Public Accountability**

The development of communication methods ,the internet and information transferring methods played an important role in promoting transparency and accountability as transparency involves setting a behavior that creates confidence and stresses it so supporting transparency could lead to combat or limit corruption and promote integrity ,that is why it is necessary to develop indicators and standards to use the modern methods so that the publishing of information is kept on the right track towards its goal ; transparency and accountability are closely related as accountability is considered an indication of transparency . So, SAI's must adopt new trends in the fields of audit for example: audit using computers and technical development and comprehensive monitoring method through which all the performance systems are being monitored.

## **The Importance of Enhancing the Role of Accountability and Transparency in the Conflict Against the Financial Crisis and the Role Played by SAIs**

The global financial crisis has cast away many large companies, banks and organizations. Managements were blamed for that due to the fact that they adopt standards that lack an ethical transparent framework. This together with the prevailing of financial and managerial corruption led to the need to rely upon the principles of accountability and transparency to put an end to the wrong. Practices and minimize the financial and managerial corruption. Being constitutional and specialist institutions ,the SAIs should shoulder its responsibility i.e. maintaining the public fund and upraising the governmental performance in away that serve the comprehensive development process to achieve the public interest .It goes without saying that the success of the development plans and programmes hinges on combating corruption and establishing values of integrity , accountability and transparency . These values are the main objectives that SAIs aims to achieve .Thus; they play a vital role in combating corruption.

## **The Iraqi BSA Role in Strengthening Accountability and Transparency in Iraq**

The BSA role in strengthening accountability and transparency in Iraq stems from its being a governmental institution that is financially and administratively independent. The BSA is distinguished by its activities and audit results as well as taking measures that support this. Starting with developing an audit plan and ending with preparing financial statements in away that ensures managing audits economically, efficiently and effectively based on BSA law no. 6 of 1990 (amended) as well as regulations and reporting it to enhance accountability and transparency in light of the SAIs' two standards of auditing and accountancy no. 21, 20 issued by INTOSAI