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**Basic Approaches and Challenges for
Ensuring Transparency and Accountability**

Country Paper

By

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Basic Approaches and Challenges for Ensuring Transparency and Accountability

Introduction

It is a well-established fact that transparency and accountability are two powerful forces in fighting corruption, ensuring good governance and promoting democracy. They are also indispensable factors for achieving sustainable development goals, as well as assuring justice for all, in any mature and civilized society.

To attain such challenging goals requires unshakable commitment on the part of all relevant international organizations governmental, non-governmental agencies, the media and civil society as a whole.

This global coalition must strive through effective planning, coordination and concerted efforts to strengthen the culture of transparency and accountability throughout the world. Such alliance is crucial to ensure world peace, stability, prosperity, as well as assuring respect for integrity and human dignity.

First: The role of (SAIs) and (INTOSAI) in enhancing and promoting transparency and accountability

The supreme audit institutions, undoubtedly, play an important role in promoting governance, enhancing transparency and enforcing accountability. They are in a unique position to serve the public good by ensuring that national resources, and public funds are spent economically, efficiently and are properly accounted for.

In this regard, cooperation between SAIs and citizens is a key element to enhance transparency and ensure public accountability¹. SAIs also need to clearly communicate their values and benefits so that they can be recognized by society as credible model institutions that make a positive impact on the lives of citizens and generate added value for the nation as a whole.

Furthermore, continuous dialogue and effective communication with citizens raises public awareness of SAI's work, strengthens confidence in administration, and stimulates interest and involvement of citizens in public affairs. Such a strong relationship between SAIs and their stakeholders can greatly contribute to promoting the culture of transparency and accountability in financial management of public resources².

Moreover, reporting on irregularities, and potential risks, improves public accountability and helps civil society organizations take informed decisions.

¹- Lima Declaration (1977); Mexico Declaration (2007)

²-The 21st UN/INTOSAI Symposium, Vienna (2011)

SAIs could perform such a critical role effectively through:

- Performing their duties under a legal framework that provides for full accountability and transparency.
- Having guiding legislations and regulations, which cover the audit authority, jurisdiction and responsibilities.
- Making public, their mandate, responsibilities, mission and strategy.
- Adopting audit standards, processes and best practices that are objective and transparent.
- Applying high standards of integrity and ethics for staff at all levels.
- Communicating timely and widely on their activities and audit results through the media, websites and other means.
- Maintaining the right balance between public access to information and confidentiality of audit evidences and other SAI's sensitive information.
- Maintaining the principles and core values of independence, impartiality, credibility and objectivity, through the professional conduct and discharge of their duties and responsibilities.
- Being proactive in demonstrating their ability to lead by example through their independence, objectivity and professionalism³.

During the past decade INTOSAI has made great strides in maintaining those principles by adopting the concept of strategic planning⁴. INTOSAI's first and second strategic plans (2005-2010 & 2011-2016) clearly stressed that INTOSAI should lead by

³ -The 20th UN/INTOSAI Symposium, Vienna (2009)

⁴ - INTOSAI's Plan (2005-2010 / 2011-2016)

example in fighting corruption, enhancing transparency and ensuring accountability. Furthermore, INTOSAI realizes that achieving such goals requires close international cooperation and coordination among various authorities, governmental and non-governmental organizations, as well as the media.

Therefore, INTOSAI took the initiative since 1962 to enhance cooperation with the UN economic and social council (ECOSOC), and other international and regional organizations. This initiative resulted in the organization of a series of seminars and symposiums, on various issues of common interest and global importance, such as:

- The 2007 Symposium on the value and benefits of government audit in a globalized environment.
- The 2009 Symposium on INTOSAI: as an active partner in the international anti-corruption network.
- The 2011 Symposium on effective practices of cooperation between supreme audit institutions and citizens to enhance public accountability.

Such forums have proven to be a critical force for enhancing transparency, accountability, good governance, INTOSAI's image and credibility at the global level as a model international professional organization, as well as promoting public trust in national SAIs.

Second: The Impact of Technological Developments on Strengthening Transparency⁵

The rapid technological development and its increasing use, is transforming the field of transparency and accountability to a dynamic space across the globe. Technology is helping to improve citizen's participation in decision-making, identifying public services and new challenges.

Such technological advancement is having far reaching impact on all aspects of modern life including how governments and citizens interact. It has revolutionized value chains in the business sector and convinced governments around the world that it can improve government too. Technology is perceived as having the potential to improve the internal working environment of government by fostering coordination, innovation, efficiency, reform, transparency and accountability. It is also perceived to be able to improve services to citizens and business, and to provide greater opportunities for citizens to influence governments, decision making process. Overall, it provides governments and citizens with a set of tools to transform the way that government operations take place, services are delivered, governance goals are met and relations are managed between governments and citizens.

⁵ -Global Mapping of Technology for Transparency and Accountability by The Transparency and Accountability Initiative, (2010)

Third: Saudi Laws and Regulations Aiming at Enhancing Transparency and Enforcing Accountability

The enhancement of transparency concept, safeguard of integrity, enforcing accountability, fighting corruption, and building trust in government are well-established principles in all by-laws and policies of the Kingdom of Saudi Arabia. These principles stem from a deeply rooted constitutional foundation in our Islamic Sharia, as well as a strong conviction on the part of both government and the people that those noble values represent the major pillars of good governance, economic prosperity and social justice⁶.

In Saudi Arabia, as the case in most countries, the task of ensuring transparency and enforcing accountability is a common duty and a shared responsibility of several governmental agencies including: audit control, investigation and judicial authorities.

They all strive through well planned and coordinated efforts to enforce relevant laws and implement state policies in a balanced and transparent manner. The common objective is to ensure that reform measures are effective in preventing all types of corruption and that the principle of accountability is applied across the board.

Such clear policies have surely enabled state agencies and civil society organizations, the media as well as the private sector in Saudi Arabia, to actively participate in the political, administrative and

6- General Auditing Bureau, (2007), *The Kingdom of Saudi Arabia's Message to The 7th Global Forum on Building Trust in Government for Further Participation and Transparency*

socio-economic decision making process, thereby improving the standard of living and the quality of services provided to citizens.

With the realization that transparency and accountability mutually boost good governance, this concept has been clearly and consistently reflected in all measures taken and procedures followed to reach the ultimate goal of protecting integrity and achieving justice for all.

Fourth: Different mechanisms for ensuring and strengthening transparency and accountability in Saudi Arabia

Recognizing the far-reaching negative impact of not ensuring transparency and accountability on the national economy, the society as a whole and the country's endeavor to achieve sustainable development; the government of Saudi Arabia has made strenuous efforts for ensuring transparency and accountability. Most notably through its signature of the UN Convention against Corruption, and its accession to the International Transparency Organization as well as the Arab Organization for enhancing transparency, good governance and fighting corruption.

Furthermore, a National Authority for Combating Corruption, has been created recently in Saudi Arabia. The Authority's main goals include⁷:

- Protecting integrity, ensuring transparency, enforcing accountability, and fighting corruption.
- Encouraging both public and private sectors to draw up plans and programs for protecting integrity and fighting corruption.

⁷ -National Anti-Corruption Commission's Charter, (2011)

- Making suggestions of new laws, regulations and policies for preventing corruption.
- Referring irregularities, once detected, to auditing or investigation agencies.
- Developing controls for financial disclosure.
- Cooperating with non-governmental organizations (NGOs) to develop a high sense of citizenship and raise awareness for protecting public properties and funds.

Fifth: The role of the Saudi Arabian General Auditing Bureau (GAB) in enhancing transparency and accountability:

The ability of any SAI to contribute positively and effectively to the enhancement of transparency and enforcement of accountability depends on the nature and scope of its mandate, the degree of its independence, and the extent of its ability to take the lead in carrying out such a huge mandate. It is a role that goes beyond the traditional mission - of SAIs of discovering mistakes and detecting violations of relevant financial rules - to the adoption of the modern concept of comprehensive audit, which aims to improve the efficiency of the state agencies, boost economic growth, utilize available resources effectively and enhance the principles of transparency, disclosure and accountability⁸.

⁸ -The Role of GAB in the Development of the State Agencies Performance, (2009), 2nd EUROSAT/ARABOSAI Conference, Paris

To keep pace with the latest developments in financial and performance audit, a royal order was issued in 1995, to broaden the Saudi SAI mandates to include performance audit of all governmental agencies in order to verify how efficiently and economically they are using the available resources and their ability to achieve the stated objectives⁹.

Based on this broader mandate, GAB has sought to improve its professional practices and exercise its new responsibility through the adoption and implementation of the comprehensive auditing concept. GAB has been able to contribute significantly in monitoring progress and the implementation of the state's economic and administrative reform programs. Moreover, GAB strives to point out deficiencies in usage of public funds, identify their causes, and negative impacts, as well as proposing appropriate solutions for such weaknesses.

GAB's Strategic Planning¹⁰:

- To perform its role effectively, professionally and objectively, in accordance to best practices, the Saudi SAI adopted in 2004 its first Strategic Plan (2004-2009) and then its second plan (2010-2014) with a number of major goals and objectives. Chief among them are:
 - ☞ Providing H.M. the King of Saudi Arabia, the Council of Ministers and the Shura Council (the Parliament) with a credible and objective annual report on the performance of each

⁹ -GAB's Charter (1971)

¹⁰ -GAB 1st Strategic Plan (2004-2009) & the 2nd Plan (2010-2014)

governmental agency and the financial situation of the state as a whole.

- ☞ GAB's annual report is submitted to H.M. the King in a live televised audience
- ☞ The annual report is discussed by the Shura Council (the Parliament) in an open session with the attendance of GAB's officials as well as the media, with the aim of informing the general public about the audit findings in a transparent manner
- ☞ Any findings of irregularities or misconduct are referred to the Bureau of Investigation and Prosecution as well as the National Authority for Combating Corruption
- Improve GAB's professional practices and performance to become a model organization that carries out its mandates independently, objectively and efficiently to be able to lead by example.
- Assisting state agencies in improving their financial and administrative procedures, to live up to new challenges and fulfill sustainable development and reform policies' objectives through:
 - ⊗ Updating the public accounting systems
 - ⊗ Adopting the concept of self-control through the establishment of an internal audit unit within each state agency
 - ⊗ Automating all financial and accounting processes
 - ⊗ Monitoring the implementation of financial rules and regulations, and making recommendations for improvements
 - ⊗ Ongoing evaluation of internal audit systems
 - ⊗ Promoting cooperation through dialogue with the audited entities management, to improve performance and rectify shortcomings using seminars and direct communication with the media and civil society organizations.

GAB's Initiatives to Promote Dialogue and Cooperation with the Audited Entities, Benefiting from Modern Technological Means:

Recognizing that the very nature of audit function could create a psychological barrier between any SAI and its auditees, the Saudi SAI has since 2003 taken the initiative to organize an annual seminar with the aim of consultation and dialogue, with senior financial management from all governmental entities, on the best practices to improve performance, increase efficiency and adopt practical solutions to overcome any obstacle.

GAB has also made considerable progress in utilizing modern technologies and communication tools through the following initiatives:

1-The Creation of a Computerized Environment at GAB

The Saudi SAI has created an IT environment to improve the computer skills of its professional staff, providing updated software and enforcing information security procedures. Moreover, GAB has recently started the process of connecting with audited entities to electronically exchange documents and data.

2 - Automation of All Financial and Accounting Processes

The Saudi SAI is mandated to request all government agencies to take action towards the gradual computerization of their financial and accounting operations, and to present their records and financials for auditing in an electronic form. It is gratifying to say that a number of audited entities responded positively and made good progress towards this goal.

3 - Contribution to the Kingdom's E-Government Program

GAB has also contributed to the Kingdom's E-Government Program (*Yesser*) through a task force that formulated specifications for accounting records and financial data for all governmental entities. These specifications meet GAB's auditing requirements as well as the directives of (*Yesser*) program.

Conclusion:

Transparency and accountability are very crucial forces to empower people and secure their fundamental rights in any mature and civilized society. The supreme audit institutions could play a leading role in promoting governance, enhance transparency, enforce accountability and fight corruption. They can conduct this role effectively and professionally while preserving their independence and objectivity. The Kingdom of Saudi Arabia has recognized the importance of enhancing transparency and accountability, and their great impact on the country's ability to achieve sustainable development goals, as well as economic and administrative reform objectives.

The Saudi SAI's roles and initiatives in this regard include:

- Working in close coordination with relevant national agencies,
- Actively participating in pertinent regional and international organizations,
- Attending conferences, forums and symposiums to share knowledge, best practices and gain experiences on the most

effective means to strengthen the culture of transparency and accountability,

- Building strong working relationships with non-governmental and civil society organizations as well as the media,
- Utilizing modern communication tools to inform citizens and raise their awareness in a very transparent manner.

I thank You for Your Kind attention.

References:

- 1) Lima Declaration (1977); Mexico Declaration (2007)**
- 2) The 21st UN/INTOSAI Symposium, Vienna (2011)**
- 3) The 20th UN/INTOSAI Symposium, Vienna (2009)**
- 4) INTOSAI's Plan**
- 5) Global Mapping of Technology for Transparency and Accountability by The Transparency and Accountability Initiative, (2010)**
- 6) General Auditing Bureau, (2007), The Kingdom of Saudi Arabia's Message to The 7th Global Forum on Building Trust in Government for Further Participation and Transparency**
- 7) National Anti-Corruption Commission's Charter, (2011)**
- 8) The Role of GAB in the Development of the State Agencies Performance, (2009), 2nd EUROSAI/ARABOSAI Conference, Paris**
- 9) GAB's Charter (1971)**
- 10) GAB 1st Strategic Plan (2004-2009) & the 2nd Plan (2010-2014)**