

The Challenges for Ensuring Transparency and Accountability in Specific Areas of Public Financial Management

By

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It is a great pleasure to be among you and participate in ASOSAI and EUROSAI First Conference resulted from a common interest to increase cooperation among our SAIs to support their capabilities and provide them with the required experience and skills to perform their control roles effectively.

This meeting is an achievement of the INTOSAI's motto "Mutual Experience Benefits All", assures our continuous commitment towards exchanging knowledge and experience to enhance the financial control of public funds, and realizes the best results to fulfill our communities hopes, aspirations and ambitions and sustainable development.

Issues on challenges facing transparency and accountability in public funds management addressed by our communities are considered of high importance. Due to the increase of corruption methods and complexity at the national and international levels and the connection between them, specially by the rising and development of Information Technology, therefore, it is a national duty to all community members and entities to act effectively to fight and eliminate corruption and its renewable forms that are difficult to detect, and to enhance transparency and accountability.

Nowadays, SAIs are required to perform their tasks effectively in fighting corruption and enhancing transparency and accountability through their presence as control commissions with the appropriate powers and functions. SAIs must also cooperate with the communities organizations concerned with this matter to preserve the society wealth from illegal exploitation.

State Audit Bureau role in protecting public funds and guarantee transparency and public accountability

SAB is not the only organization Kuwait that is responsible of exposing, fighting and reducing corruption, and guarantees transparency and public accountability. It is a joint responsibility for the state different authorities (legislative, executive and Judiciary authorities) along with community members, and civil organizations especially those who are concerned with protecting public funds, accountability and transparency.

The State of Kuwait is keen to protect public funds and provide the appropriate factors for this purpose. Article no. (17) of Kuwait Constitution states that "public funds is inviolable and its protection is the duty of every citizen."

That State and community efforts are combined through both the executive and legislative authorities to issue laws that ensure public funds protection and achieve the maximum protection. In addition to guarantee public funds optimal use within the framework of

transparency and accountability, and that every public employee who has the authority to use or dispose public funds should be held accountable for his assigned responsibilities.

The State Audit Bureau practices its missions, powers and assigned control tasks based on its law of establishment no. (30) of the year 1964 and the amendments. This law provides SAB with administrative, financial and functional independency, and protects it from any pressure that may be practiced by both the legislative and executive authorities while performing its missions. The said law also provides SAB with appropriate financial requirements that contribute to attracting qualified employees who are able to perform their professional mission effectively. The functional independency along with SAB President administrative and technical supervision and the issued regulations and decisions to organize and administrate SAB missions specified in its law of establishment, lead to supporting SAB capabilities and increasing its independency to perform its mission effectively and transparency.

Accountability and transparency in public procurement

Due to the huge expenses in public procurement, there is a need to develop simple and clear administrative and legal procedures to regulate procurement that provide equal and fair opportunities to all competitors. SAB is keen to follow-up and evaluate the present legislations suitability to the current development. In the meantime, there is a review to tenders law no. (37) of the year 1964 to meet the present situation based on the previous experiences. SAB is contributing through its specialized committees in considering the submitted suggestions and providing its opinion in this regard with consideration of the actual implementation in the previous periods.

Articles included in the Public Tenders Law on Central Tenders Committee powers, organization and functions, in addition to clarifying public tendering, bidding and contracting procedures, and other detailed matters, lead to the foundation of effective systems compatible with public levels on the basis of transparency, competitions and objective standards to prevent corruption and power exploitation.

SAB protective role to prevent and expose corruption.

SAB applies methods and ways to prevent and eliminate corruption before its occurrence. It also prevents any person wishing to get benefit from the public funds illegally, by applying the following:

- 1- All tenders for supplies, public works, and every commitment, agreement and contract project the conclusion of which may entail rights or financial commitment on the State or any other public legal entity in case the value of each is one hundred thousand Kuwaiti Dinars or more, are subject to the State Audit Bureau pre-audit, whereas any concerned entity cannot engage in any commitment or conclude any contract without obtaining SAB approval after considering all related papers and document. The pre-audit is a protective method that helps in preventing mistakes.
- 2- Detect fraud, negligence and financial irregularities sources to discover gaps in the working systems that lead to and facilitated their occurrence, helped in committing them and find the suitable solutions.

- 3- Check the adequacy of the administrative, financial and accounting procedures and suggest methods to avoid deficiencies. SAB has significant role in checking the applied laws, regulations and working systems, present recommendations to overcome gaps and find solutions for the existing deficiencies, either by amendments or by issuing new legislation. SAB also has special committee to study laws, regulations and legislations drafts before they are issued and provide its opinion in cooperation with both the legislative and executive authorities.
- 4- SAB is keen to apply new control methods and means specially those that are related to corruption disclosing, qualify its staff to practice those methods effectively and efficiently, and use up to date methods and techniques in performing its missions.
- 5- SAB cooperates with entities and encourages them to develop working methods and new techniques to early detect deviation and realize transparency in the performed procedures and transactions. SAB reports on its review findings and results are considered important indicators that demonstrate the financial work progress in the State different departments and highlights deficiencies that contribute to accountability of officials from all levels. SAB reports contribute in achieving transparency and accountability and support the public financial department performance efficiency, through the concern and the follow-up of both the legislative and executive authorities, consider the included comments, violations and recommendations to take the necessary actions by amending current legislations or issuing new ones, and avoid that in entities future plans.

There is an urgent need to increase the international and regional cooperation among all of the control organizations to exchange experience and create new methods to eliminate corruption, promote transparency, provide fair competition opportunities and guarantee the optimal use of the public funds to achieve the communities objectives