AFROSAI-E

Guidance on strengthening SAI - PAC relations

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1. Introduction: SAI and PAC - interdependent key actors in a system of accountability

The link between the Supreme Audit Institution (SAI) and the Public Account Committee (PAC) is a critical element of the accountability architecture of a country. **The guidance aims to support SAIs in building and improving their relationship with PACs**, to organise their work with a constant eye on their main partner`s needs, and to better understand the PAC's structure, demands, and perspective. To effectively promote government accountability in a parliamentary system, **SAIs and PACs depend on each other** – accordingly, they should regard each other as **partner institutions**. The PAC's work depends on the SAI´s findings and assessments concerning the financial statements of the government and other audit results (often covering compliance with laws and regulations as well as the performance/value-for-money public projects offered to society). Conversely, it will be difficult for the SAI to hold government entities to account without the PAC transmitting audit results into the sphere of parliament. Thus, capable and responsible institutions on both sides and a smooth mode of interaction between them are indispensable preconditions for an effective accountability system.

This holds, especially in countries following the Westminster Model, which is based on strong mutual relations between the SAI and the parliament – and is the dominant system within the AFROSAI-E region. In the Judicial or Court Model, present in two countries in the AFROSAI-E region, the relationship between the SAI and the parliament is distinct. In the Westminster Model, the SAI relies on parliament to give publicity to its findings and support the follow-up of its recommendations. At the same time, SAIs with a Court Model can sanction government entities if recommendations are not being implemented. This implies a different focus when it comes to SAI-PAC relations. SAIs following the Westminster Model focus on a strong relationship with Parliament as they rely on them to push for the implementation of recommendations. SAIs following the Court Model focus on strategic and organisational questions when liaising with parliament, for example, to strengthen the mandate and increase the financial and human resources of the SAI.

Fig. 1: Priorities for SAI-PAC cooperation in different audit contexts

Westminster Model

Court Model

SAI and PAC jointly working towards the implementation of recommendations

SAI lobbying PAC to strengthen its mandate and increase financial and human resources

This guidance will **focus mainly on SAIs following the Westminster Model**, but it will try to do justice to the Court Model in some references included throughout the document. We urge **SAIs following the Court Model** to pay specific attention to Chapter 6, "Exchange beyond the standard process", as it explores ideas to strengthen relations with parliaments concerning the goal of institutional strengthening.

Before going into concrete steps to strengthen the relationship between SAIs and PACs, it must be noted that good coordination and mutual understanding between the two institutions cannot be taken for granted. It is essential to acknowledge that both institutions - despite common goals and mutual dependency - are **different** in many respects:

- **Professional status**: While the SAI consists of public officials with clear job descriptions and clearly outlined responsibilities, the members of the PAC are politicians in the first place, accountable to their electorate and not embedded in an organisation with defined tasks. This may entail differences in capabilities and experience. For example, PAC members should be interested in financial management and accounting issues but are not necessarily professionals in that area. On the other side, they can have a broader understanding of the electorate and its requests for accountability.

- **Turnover:** SAI representatives remain much longer in their current work context than PAC members. It is usual for parliamentarians to either lose their mandate after one or two terms or shift between various committees within parliament.

- **Way of thinking**: Even if the basic ideas about accountability and efficiency are similar, the focus of PAC members will be different. They must include political aspects in their considerations, e.g., How might findings and recommendations affect my constituency – or my party? The SAI needs to realise that, to some degree, it is perfectly legitimate and necessary for Members of Parliament to consider such aspects. Parliamentarians might also be more interested in the structural challenges of accountability in a country than in single-case issues. Findings that continue over time and affect most government agencies are likely to have a higher priority in PACs.

- **Political affiliation**: It is natural for Parliamentarians to differ in their views on audit results depending on their political position. It makes a difference if a PAC member belongs to a majority faction backing the government or is part of the opposition. While facts should remain facts, and the wish to improve administrative processes should be common ground for all parties, some political bias in PAC members´ behaviour must be expected by the SAI.

The SAI needs to be aware of these differences in their interactions with the PAC to build **realistic expectations** and avoid alienation. SAIs should not regard the political nature of the PAC as a limitation.

On the contrary, the exchange between the "two worlds" of auditing and politics can be productive. Based on their political instincts, PACs or PAC members can help the SAI to be more effective, e.g., by being closer to citizens and having a better feel for their needs, perspectives, and priorities – or by their ability to shape messages effectively to broaden public awareness. By being different, SAIs and PACs can complement each other in enhancing accountability.

Governance, parliamentary culture, and political and developmental conditions differ widely between AFROSAI-E member countries. This holds for countries that have adopted the Westminster Model and more so for those that follow the Court Model. Accordingly, this guide will offer a choice of approaches and elements of advice that are suitable for **diverse environments**. Each SAI should choose those pieces of the guidance that suit their systems.

> **How to read this guidance:** Each chapter starts with a brief description of the topic (e.g., cooperation between SAI and PAC during the audit planning) and is followed by recommendations on how to proceed. These recommendations are indicated in blue writing and are placed in a box.

2. Relationship and Capacity-Building

The first step in building stakeholder relationships is understanding the stakeholder. SAIs should try to understand how the PAC functions within the Parliamentary structures in their respective countries. This will help the SAI to develop and maintain the SAI-PAC relationship further.

The PAC comprises two segments: the clerks and the PAC members. The clerks are also referred to as the secretariat, and the individuals remain for a longer term. The members of the PAC are members of Parliament, and the individuals may change regularly.

The PAC needs to understand the SAI and how it operates. The most crucial area of capacity-building for the PAC is understanding the SAI's audit reports.

An example of capacity-building initiatives for the PAC and SAI can be described as follows:

The Secretariat	The PAC Members	The SAI
Introduction to all SAI members who will engage with the PAC.	Meet the members of the SAI.	Meet the clerks in the secretariat and understand their roles.
Training on the role of the SAI, how it operates and what the SAI requires from the PAC.	Training on how to understand audit reports and recommendations.	Understand how the PAC operates.
Training on how to understand audit reports and recommendations.		Meet the PAC members and understand their roles and priorities.

The relationship between the clerks/secretariat and the SAI is essential to maintain a seamless relationship between the SAI and PAC. A good relationship will enable the SAI to be promptly informed of any changes in the PAC and allow better access to the PAC when needed. Any joint agreements or queries may be followed up on more smoothly through a good working relationship with the clerks.

3. Cooperation along the audit process and cycle

SAIs in the region engage with PACs at different stages of the audit process. There is no golden rule for SAI-PAC cooperation. Adequate channels and coordination mechanisms must be chosen based on the political system and reality in which the individual SAI operates. This chapter provides different approaches to involve PACs throughout the audit process. It aims to inspire the members of AFROSAI-E to engage in a way most suited to their context.

2.1 Audit planning

The intensity of SAI-PAC cooperation during the planning phase differs from country to country. More intense cooperation is not necessarily the best. It will depend on the context. The purposes and advantages of interacting with PACs are outlined in the following:

- **Legal right to request an audit:** In some countries, the PAC (or Parliament as a whole) is entitled to request specific audits from the SAI. This limits the space for the SAI to determine its priorities. *Some SAIs are free to decline such requests, and if the request seems politically charged, it should be declined. It is essential to balance creating a good working relationship with the PAC and maintaining a SAI's independence.*
  On the other hand, the SAI might appreciate audit requests as opportunities. An audit requested by the PAC will be taken up eagerly and, in many cases, can be expected to draw public attention. If the proposed content of the audit is relevant, the SAI can benefit from the audit-on-demand in terms of reputation and visibility. In any case, the SAI should establish a dialogue with the PAC about audits-on-demand, asking to be informed and consulted about intended requests early on. At the same time, SAIs must ensure that the PAC is aware of the current resource capacities and the required capacities to fulfil their wishes. This should include the impact of other audit work omitted.
- **Participation of the PAC in the annual audit planning:** In some countries, the PAC is already involved routinely in the SAI´s annual audit planning, e.g., via a consultative forum where the chairpersons of the PACs engage with SAI staff and share their expectations. This allows the PAC to inform the SAI´s decisions on audit topics and how they are tackled. Similarly, a dialogue at an early stage enables the SAI to identify topics of particular importance or with high political priorities. Considering the PAC´s proposals, the SAI could enhance its value, reputation, and relevance.

- **Informing the PAC of planned audits:** Where participation, as described in the previous paragraph, is not welcome or not offered by the PAC, a formal or informal dialogue informing the PAC of the planned audits serves to ensure that the PAC is aware of which audits are to be expected. This may ease the process at later stages. PAC members also better understand how the SAI works, especially regarding the selection of topics.

- **Case by case dialogue:** A different level of involvement is to include the PAC in planning specific audits. Here, PAC members can share their insights to enhance the quality of the planned audit. They might also hint at audit risks that the SAI is unaware of. For this kind of engagement, it is adequate to invite only the individual members of the PAC most linked to the topic at hand to participate in a planning dialogue.

- **No involvement during audit planning:** In some countries, the involvement of the PAC in the planning stages is not a common practice. One of the reasons is that the SAI might fear for its independence, e.g., if the PAC intervenes in decisions due to political motivations. In addition, the lack of interest from or availability of either the SAI or the PAC for engagements is another reason there may be no involvement. While this may not affect the quality of the audit, there is a possibility of missing the added value such engagements may provide. Therefore, if a SAI is not engaging with the PAC, an evaluation of the reasons becomes a matter of importance.

Overall, the involvement of the PAC in audit planning can be beneficial for the reasons stated in the previous paragraphs. Yet, given the potential downsides concerning independence, this guideline recommends the following:

> ➢ **Discuss the pros and cons of intensifying SAI-PAC cooperation in the planning stage.** When discussing the intensification of their cooperation with the PAC in the planning stages, SAIs should carefully weigh the pros and cons:
> - What exactly do we want to achieve?
> - What expectations regarding the PAC must be met to reach that goal?
> - Are these expectations sound, even in the long run?
> - Which risks might be involved?
>
> ➢ If there is no involvement of the PAC during the planning of an audit, and there are no requests from the PAC for specific audits either, the SAI should find other ways to **make sure it meets the PAC´s needs and expectations**. For example:
> - o Through **feedback loops** the PAC uses to reflect on what the SAI has produced. The feedback can be requested in writing or received during a meeting – after individual audits or annually.
> - o The SAI could also analyse which audits have been addressed promptly or have produced significant debate in parliament and discuss the reasons with the PAC.

> o   Another option would be to organise **joint workshops** on the main accountability issues PAC members see in society. The SAI can then discuss whether specific issues debated during these workshops can be addressed with an audit.
>
> ➢ In addition to such formats, an essential part of satisfying the PAC as the vital client lies in producing **well-structured, easily accessible reports** with consistent findings and clear recommendations. As the report is the most prominent communication tool between SAI and PAC, it deserves special attention.

2.2   PAC session

This chapter guides the role of a SAI during and in preparation for a PAC session. After outlining the steps for preparing and organising SAI presence in parliament, the guidance will give further ideas on how to deal with a delayed take-up of audit reports by parliament – a challenge that lots of SAIs around the world must deal with.

The SAI in the PAC session - goals

In most countries, the SAI will attend PAC meetings with audit reports on the agenda. However, the role that SAI representatives are allowed or expected to play may differ. For example, while presenting their findings in some cases, they might be confined to an observer´s position in other settings, taking the floor only for clarifications on demand. These roles may be defined as part of the Parliament´s standing order or have evolved traditionally.

Either way, the session is within the committee´s sphere, while the SAI can only be a guest. Therefore, the **PAC and its leadership** must own the proceedings, even if the SAI is entitled to play a dominant part. Given this, what is the **purpose and benefit** of the SAI´s attendance at the meeting? There are several answers to this question:

> ➢ **Ensure main messages are understood:** The SAI must ensure that the content of its audit reports is understood correctly and that its principal messages are clear. If PAC members need additional information, SAI representatives can deliver it orally. The better the audit reports are, the easier this task becomes. The need for further clarification should be limited if the reports are clearly structured, prioritised, and include solid evidence. However, if there is a lack of competence or sound preparation on the part of the PAC, there may still be many questions, even if the report is near perfect.
>
> ➢ **Clarify inconsistencies:** For the SAI representatives, the meeting offers an opportunity to observe whether the statements of responsible government officers are consistent with their own exchange with the auditee and clarify if this is not the case. During the audit,

> the SAI will have gained deeper insight into the matter than the PAC can have after just reading the report.

> ➢ **Foster mutual understanding and join forces:** The attendance of the SAI in the PAC meetings can foster mutual understanding. The more both parties manage to give an impression of being in alignment with each other, the more difficult it will be for the auditees to blur their responsibility.

Who should represent the SAI in the PAC session?

It is vital for the SAI to be represented by an official who is thoroughly familiar with the audit matter and report. Normally, this would be the **leader of the audit team/senior official from the SAI**. In addition, an official whose work is dedicated to the PAC and the SAI-PAC relations (e.g., a liaison officer) should also be present to support the colleague´s content knowledge on the formal side. Such a liaison officer will also know the PAC members and understand their interventions better.

In addition, if there are several reports on the agenda of the same meeting requiring several content specialists from the SAI, the **liaison officer** will be the one to ensure continuity.

Apart from that, depending on the rules and habits that prevail in a country, it might be necessary or advisable for the SAI to be represented on a **leadership level**. If it is mandatory for the Auditor General or someone else from the SAI´s management to be present, these officials should know the PAC and its way of working well enough. It might not be necessary to have a liaison officer present in such cases, but the liaison officer (if the SAI has one) should brief the leadership as needed before such an engagement. The responsible auditor should always accompany the SAI leader, even if they are prohibited from taking the floor. This officer will ensure that the leading representative is ready to respond to any kind of question or confusion that might arise.

Preparation of the PAC session

Preparation for PAC sessions should happen internally in the SAI and with the PAC.

> ➢ **Preparatory meeting with the PAC.** No matter what the environment looks like, there should always be an opportunity for SAI to brief the PAC and share relevant information on specific audits before the PAC officially meets with the auditee. A preparatory meeting with the PAC is helpful to:
> - sort out any needs for clarification in the audit reports in advance,
> - verify if there is a joint understanding of the most important findings and recommendations,
> - exchange on what both parties know about the auditee´s statements, positions, and intentions,

- consult on questions to be asked in the session to enable the auditees to clarify their position and intentions,
- discuss the recommendations the PAC intends to include in its resolution and
- identify additional information or documents to be provided.

The **timing of the preparatory meeting** is essential, and competing aspects must be weighed against each other. While the last point above requires some distance between the preparatory meeting and the PAC session itself, there may be other reasons to schedule the meeting immediately or on the eve of the session. For example, short-term preparation might be more effective or increase the PAC members´ attendance rate, especially with weaker PACs. If there is not much time between the preparatory meeting and the PAC session, PAC members should be contacted and encouraged to ask for additional information before the preparatory meeting.

➢ **Internal preparatory meeting.** Internally, the SAI should schedule a preparatory meeting before exchanging with the PAC. The goal is to understand the main messages the SAI wants to highlight during the PAC meeting. Apart from the officials attending the PAC session, the larger audit team can be included here. They might contribute with more knowledge concerning specific findings. Being involved in preparing a PAC session also brings auditors closer to one of the most critical stakeholders of their reports.

Some general rules for the SAI on how to act in the session

Guidelines for the SAI representatives regarding the PAC session itself follow from the **purpose** of their presence, as discussed above. The following rules for the **actual** engagement should be considered:

➢ **Do not dominate the discussion**. In cases where the SAI is allowed to take the floor without limitations, its representatives might overwhelm the PAC with too much detail as they have all the information on hand. The risk is that the critical message that you want the PAC to understand and support you on may be lost.

➢ **Stick to what you have agreed on in the preparatory meeting**. Adding new aspects spontaneously can lead to confusion and disturb the alignment between SAI and PAC.

➢ **React to surprising statements by auditees** as clearly as possible. Auditees might wish to blur the facts to avoid facing the consequences or changes in their practice. Do not give them a chance to stir confusion. You are present in the session to point out any contradictions or omissions in what they tell the PAC and what they have communicated during the audit process or what the audit reveals.

> ➢ **Keep your statements as clear and straightforward as possible.** You cannot assume that all PAC members are familiar with the topic or have read your audit report very carefully (only the sector specialists among them might have done so). If the session is public, even visitors without prior knowledge should have a chance to understand your messages, at least to some degree. Focus on the few simple messages agreed upon in the preparatory meeting.
>
> ➢ **Focus on recommendations.** While it is essential to get the main findings across and discuss them carefully, the **recommendations** are the final output of the session. They should receive the maximum attention in the session and be understood by the PAC because the recommendations affect change. Auditees who will have to implement the recommendations eventually must also have a chance to comment. In many cases, they might have valid objections to be considered or valuable ideas to refine the recommendations.
>
> ➢ **Know your priorities.** Focus on the most critical messages and recommendations identified during the preparatory meeting. An audit report might include numerous recommendations, and there might not be time to go into detail on all of them.

2.3 The PAC report

The PAC report is the most crucial document for parliamentarians outside the PAC and, in many cases, the first one they read, as not everyone reads the SAI's audit report. They will be more inclined to look at the full audit report if the PAC report can catch their attention. Therefore, the PAC report should be a more condensed format of the audit report, bearing in mind that **clarity, focus, and solidity** are essential. Ideally, the report includes clear, realistic, and monitorable recommendations grounded in the findings and evidence gathered.

It is worthwhile for **SAI and PAC to work together** to ensure the quality of this vital document. Depending on habits, capacities, and expectations, this element of cooperation can take different forms:

> ➢ The SAI can **submit a draft** for the PAC to adopt or consider.
> ➢ The PAC can steer the writing process, with the SAI giving **inputs on demand**. In some cases, a SAI liaison officer is placed at the PAC and can support directly.
> ➢ The PAC produces the report but shares it with the SAI for **comments before finalisation**.

On a different level, the SAI can consider enhancing the PAC´s capacity by offering **training** in report writing. It would make sense to develop such activities from the SAI´s internal guidelines or training on writing audit reports. It cannot be taken for granted that a PAC is interested in this kind of support, so

awareness raising by the SAI leadership would be the first step towards increasing the quality of the PAC report.

2.4   Follow-up mechanism

Many SAI officials in the region and elsewhere are dissatisfied with the **tangible effects** of their work. In many countries, the SAI's findings and recommendations do not seem to bring about actual change on a larger scale. Deficiencies in the chain leading, from detecting shortcomings to implementing measures to overcome them, seem common. While parts of that problem are beyond the SAIs capacities, there are **steps the SAI can take to maximise its effectiveness**. In principle, the **cycle of effective auditing** should function as depicted below.

Figure 2: Effective audit implementation cycle

The picture shows that the **follow-up on recommendations is part of a much bigger context**. Therefore, to optimise the perspective of effective change, all the steps above should be taken with care.

An essential precondition for the follow-up process will be in place if the SAI formulates recommendations that meet the criteria within the report writing guidance. The recommendations must also relate to the findings clearly and logically.

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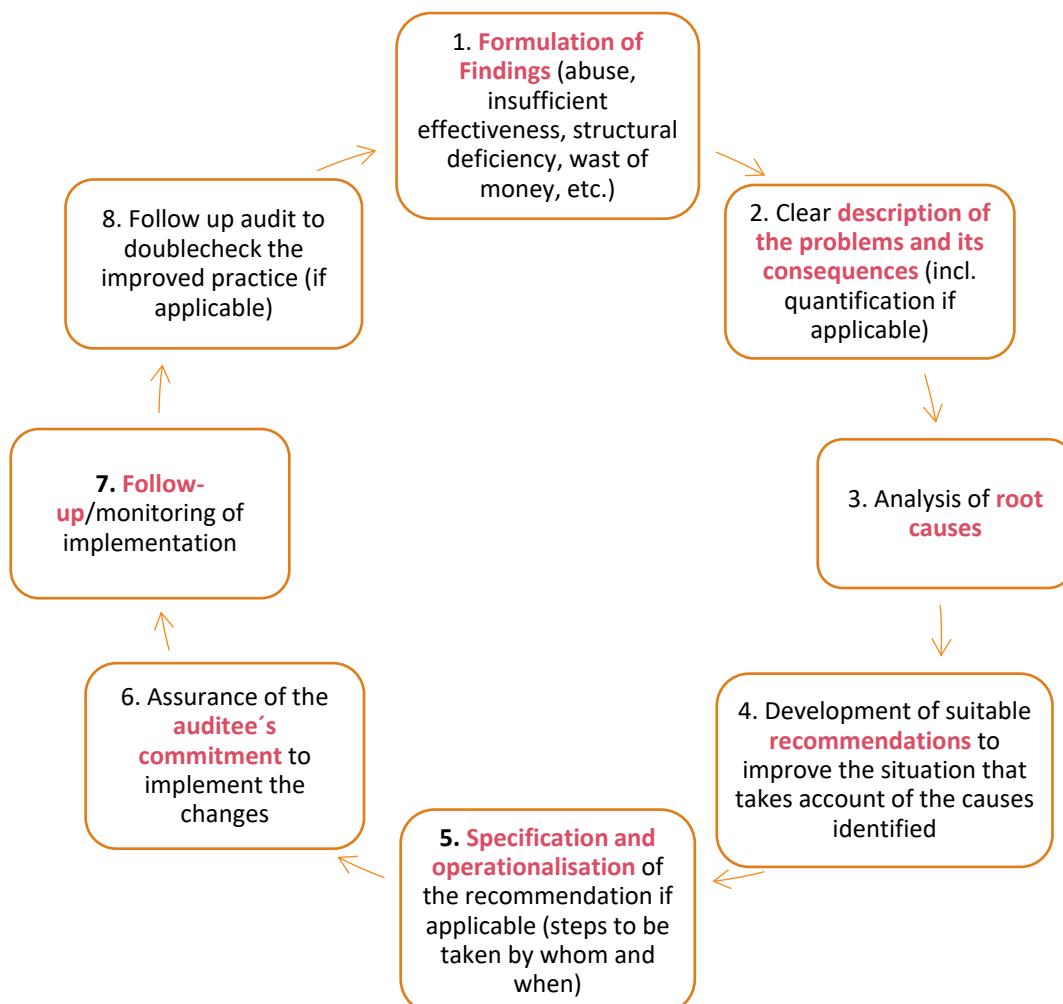
Steps 5 and 6 focus on the testing and further refinement of recommendations. This is done during the concluding talks with the PAC and the auditee. While auditees will react to the SAI's findings in their response to the management letter, the conversation continues during the PAC session on the respective audit. In some instances, the PAC may be closer to the administration of the audited entity and can assist in fine-tuning and specifying a recommendation. The PAC is in the position to conduct the follow-up, so it must fully adopt the recommendation proposed by the SAI or modify it according to its view. It is worth finding a consensus on a specific recommendation with the PAC and the auditee as this significantly increases the chances of implementing a recommendation. The auditee should explicitly commit to executing the recommendation if an agreement is reached. Overall, the exchange between the three parties involved should lead to a version of the recommendation that is clear, realistic, and easy to monitor in its implementation. For specific steps to be taken, feasible timelines should be agreed upon.

Steps 7 and 8 constitute the **follow-up process itself**. The SAI and the PAC must be involved in the follow-up process, with tasks being sensibly shared between them. The following actions can support the follow-up process.

> ➢ **Introduction of a (digital) monitoring system:** A monitoring system tracking all recommendations still considered open should be introduced and maintained. The SAI does this in many cases, as they are better prepared to do so than the PAC in terms of resources, capacities, and continuity. Therefore, it should not be too difficult and will be helpful to, in principle, use a digitalised system.

While technical instruments are the basis for a sound follow-up system, the stocktaking performed by an automated system must also be translated into a **procedure that ensures attention and sufficient motivation** for the audited entities. Solutions must fit the **country's context** regarding governance and oversight culture, media and public awareness and be chosen locally. The following steps and approaches can be helpful.

> ➢ **Production of a regular monitoring report on implementation progress for PAC and parliament.** Such a document should contain an overview of which recommendations have not yet been (entirely) implemented despite being due or overdue. The monitoring (or follow-up) report should be a document of its own rather than just an appendix to the annual audit report that might be overlooked. Essential items of information are:
>   - the content and its relevance (quantified if possible),
>   - the time since the deadline has expired,
>   - the steps that have already been taken (if any),
>   - latest statements of the auditee (announcements, excuses…), if any.

- If the context of the issue has changed in a relevant way, this should also be added.

To attract the attention of legislators, it might be necessary to structure the report in a catchy way that differs from a long and bureaucratically organised list. Options might be:

- to list cases by duration.
- to highlight particularly appalling cases or of the highest factual importance.

➢ **Repeated hearings of former auditees regarding unsolved issues in the PAC.** To motivate government entities to comply with recommendations resulting from audit reports, it should be possible to schedule dedicated hearings, especially in serious cases. In addition, for the auditee, attending and informing the PAC about the implementation progress should be mandatory. As a result, the PAC could modify, specify, or tighten its recommendations, with the SAI being consulted and involved.

➢ **Public exposure of unresolved issues.** If auditees repeatedly fail to implement recommendations, it might be possible to increase pressure by publicly exposing the shortcomings. However, it should be noted that going public in a targeted way is a confrontative approach that might also do harm and needs to be considered carefully. The following questions should be asked first:

- Are we sufficiently sure we are judging the situation correctly?
- Are we fair in the selection of the principal targets?
- Do we focus on issues of high relevance?
- Have we given the auditees sufficient opportunity to justify their behaviour?
- Have we carefully weighed the potential benefits and risks of blaming auditees publicly?

➢ **Ask parliament to impose sanctions directly:** For the system to be effective, especially in difficult cases of persisting reluctance on the part of responsible entities, sanctions will have to be imposed. While sanctioning individuals or whole entities is mostly not within the mandate of the SAIs in the Westminster Model, some parliaments have the right to impose sanctions on non-compliant government entities. Most SAIs can only advocate for a system of sanctions and incentives to be established and imposed by parliament. Interesting exceptions are the SAI of South Africa, which can issue debt certificates on auditees that fail to act upon recommendations and remedial actions and the SAIs in Angola and Mozambique, which follow the Court Model. Their mandates include the possibility of imposing sanctions.

2.5 How to deal with Parliamentary Oversight Committees (POCs)

In several countries with SAIs following the Westminster model, several committees are assigned to different types of entities to be audited. Where the (central) SAI also covers local (and/or provincial) administrations, it is common to have **separate POCs in charge of the audits on subnational level(s)**. Sometimes, there is also a **dedicated committee for state-owned enterprises (SOEs)**. Where both separations apply, the number of POCs amounts to three.

From a SAI perspective, several POCs have pros and cons. On the one hand, the **overall capacity of several committees should be higher than just one**. In this case, the POCs have specific focus areas and may be able to monitor the implementation of recommendations more effectively.
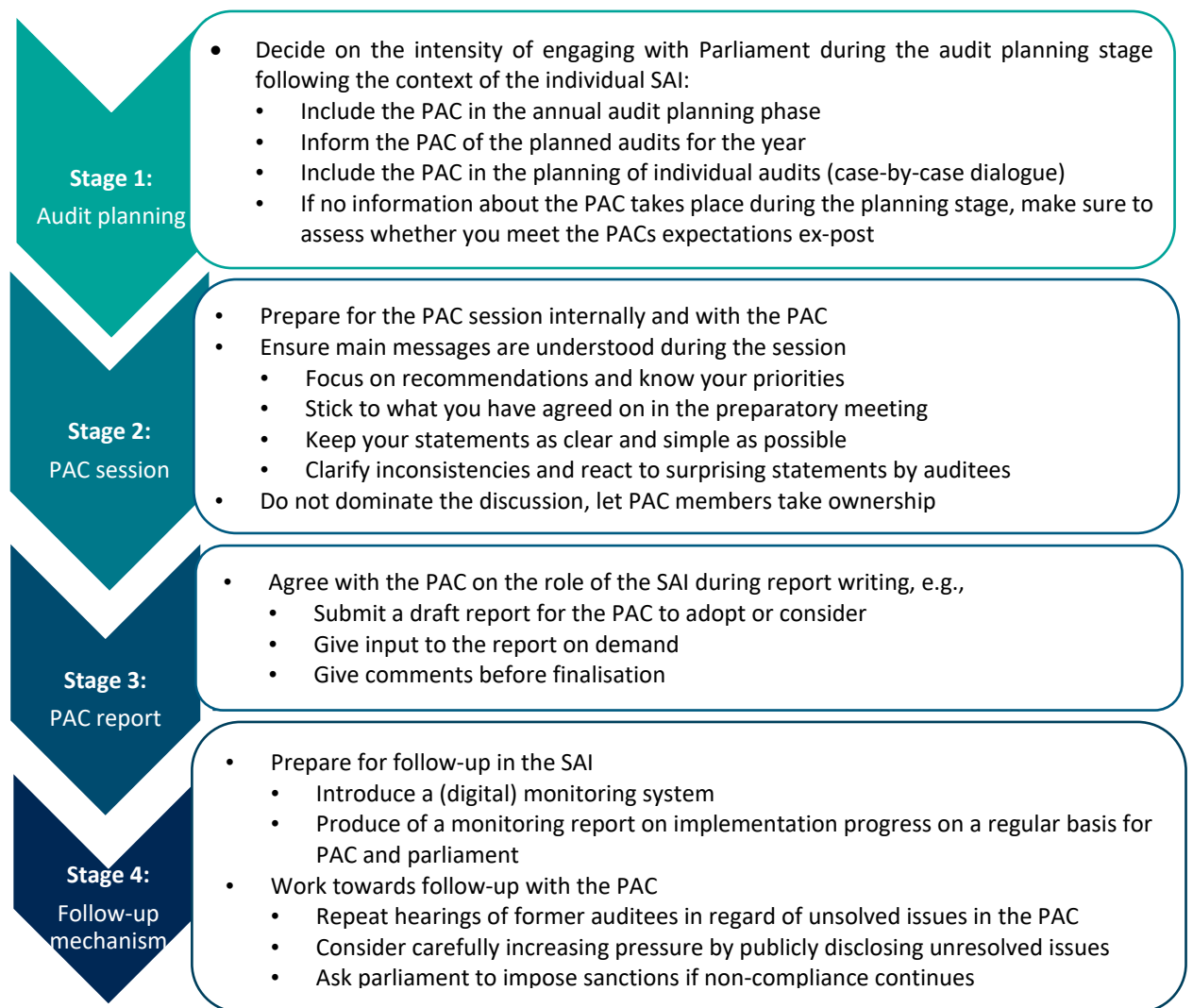
On the other hand, serving more than one oversight committee renders the **SAI-PAC relationship more complex** and requires additional effort and resources for communication and coordination. While the SAI must strive to avoid unnecessary overlap between the work of the POCs, some degree of duplication (or triplication) will be hard to avoid as there are overarching issues that must be negotiated with all POCs. The SAI must also ensure that all the POCs understand the standards and methodology to maintain consistency and effectiveness.

Differences between POCs within one country are to be expected. This could be due to differing personalities and agendas of the respective POC members or to the different tasks assigned to the committees. For example, local administrations could be more involved with service delivery and are therefore closer to the citizens, which subjects them to a higher degree of scrutiny. Accordingly, POCs supervising the local level might cooperate with citizens or CSOs to assess and monitor the performance of service delivery units for effectiveness and efficiency. In addition, a SAI doing its work on the local level may encounter a lower risk of political intervention than in its dealings with central ministries that are part of the central government. Similarly, for a POC specialising in SOEs, it might be easier to measure efficiency, e.g., by using private sector benchmarks, than it is regarding ministries. Conversely, in countries where SOEs are closed shops and are prone to corruption, their job might be more complex than the work done by those overseeing government entities.

While different approaches between POCs covering different types of auditees are normal and cannot be levelled out, the **committees can still learn from each other** and organise productive peer exchange processes between themselves. Therefore, the SAI should foster and encourage such options to strengthen the committees and harmonise the POCs to make it easier for the SAI to interact with them. Going further, the SAI might even instil some competition between the POCs that might incentivise them to work better. Against that background, here are **some ideas for the SAI to consider** for how to engage better with POCs where there is more than one:

> - **Avoid generating silos within the SAI**. While there may be different teams auditing entities overseen by the different POCs, these teams need to be aware of each other's work and be able to find common trends or distinct differences on topics of joint interest within their respective audits. There should only be one SAI-PAC liaison unit at the SAI covering all existing POCs.

> - **Encourage joint sessions of all POCs**, especially if a specific audit affects the mandate of different POCs (e.g., audits on service delivery implemented at the local level yet regulated at the national level, audits on decentralisation processes) or to engage on overarching issues like corruption, performance measurement, etc. Training workshops are another means of engaging members of all POCs in one session. This allows the various POCs to understand the cross-cutting topics and how you engage with each of them. It may also encourage collaboration on audit matters between the respective POCs.

> - **Ensure that information on common interest issues for all POCs is aligned**.
> - **Support coordination between POCS** in case there are interfaces or overlaps.
> - **Create opportunities** for the chairpersons or the members of all POCs **to meet informally**.

Graph 3: The SAI-PAC cooperation process at a glance

Stage 1: Audit planning	• Decide on the intensity of engaging with Parliament during the audit planning stage following the context of the individual SAI:
	    • Include the PAC in the annual audit planning phase
	    • Inform the PAC of the planned audits for the year
	    • Include the PAC in the planning of individual audits (case-by-case dialogue)
	    • If no information about the PAC takes place during the planning stage, make sure to assess whether you meet the PACs expectations ex-post

Stage 2: PAC session	• Prepare for the PAC session internally and with the PAC
	 • Ensure main messages are understood during the session
	    • Focus on recommendations and know your priorities
	    • Stick to what you have agreed on in the preparatory meeting
	    • Keep your statements as clear and simple as possible
	    • Clarify inconsistencies and react to surprising statements by auditees
	 • Do not dominate the discussion, let PAC members take ownership

Stage 3: PAC report	• Agree with the PAC on the role of the SAI during report writing, e.g.,
	    • Submit a draft report for the PAC to adopt or consider
	    • Give input to the report on demand
	    • Give comments before finalisation

Stage 4: Follow-up mechanism	• Prepare for follow-up in the SAI
	    • Introduce a (digital) monitoring system
	    • Produce of a monitoring report on implementation progress on a regular basis for PAC and parliament
	 • Work towards follow-up with the PAC
	    • Repeat hearings of former auditees in regard of unsolved issues in the PAC
	    • Consider carefully increasing pressure by publicly disclosing unresolved issues
	    • Ask parliament to impose sanctions if non-compliance continues

Levels and representatives of the partnership

It is necessary to include members of both the **operational and the leadership levels** for a productive institutional relationship between SAI and PAC. The former is needed to ensure practice-related exchange and effective management of the interface in both the institutions´ daily work, the latter for steering both agencies in the same direction, for strategic and political coordination, and to manage arising conflicts.

> ➤ **Regular meetings**. As mentioned above, regular meetings on both the operational and the leadership levels, apart from those in preparation for the PAC session, are recommended. However, it should not be necessary to formalise these meetings.
>
> ➤ **Responsibilities and goals at the leadership level.** A member of the SAI´s management should take responsibility for the cooperation with the PAC. This can be the head of SAI or one of its directors. Within the PAC, the focal point should be the chair or their deputy, accordingly. The main goal is to create trust between the two managements and build a basis for mutual work towards stronger accountability. The responsible persons in the SAI

and the PAC should meet or talk regularly to inform each other about news or to discuss current strategic matters trustfully and openly. As part of their responsibility, the person in charge of leadership coordination at the SAI should inform their colleagues in management about significant developments. It can be helpful if spontaneous calls between the SAI and the PAC at the leadership level are possible between meetings.

The leadership representatives can decide to include others, in particular, the SAI liaison officers and the PAC's leading clerk, either regularly or case by case, given the topics to be discussed. The presence of these staff members will make the engagement more formal, which has pros and cons. For example, trust might be easier to build in an informal environment, and sensitive issues might be easier to address between two persons. A formal arrangement, however, elevates the documentation and dissemination of results and gives less room for misunderstandings. If liaison officers and clerks are not present, they should be informed by the responsible manager about the main outcome of the meeting.

➢ **Responsibilities and goals at the operational level.** It is essential to establish a connection between the liaison office or officer on the part of the SAI and – ideally - the PAC chair, who could also be represented by a designated member of the PAC, accompanied by the leading clerk. This allows for any observations, problems, or new ideas about the daily work of SAI and PAC to be discussed or clarified. If decisions need to be taken or conflicts are still unresolved, the leadership level should become involved.

The situation is different if a SAI official is **based with the PAC** to ensure a constant link. In that case, the official will often interact with the PAC, especially via the clerks. They may also be able to reach out to the PAC chair if necessary. In such a setting, ensuring the dispatched official stays sufficiently connected to the SAI is necessary. Regular briefings/debriefings of the liaison officer can take place on one fixed day per week that the officer will spend at the SAI Headquarters.

4. Starting the cooperation with new PAC or new members

The following chapter gives recommendations on how to maintain the relationship when the membership composition of PACs changes and advises on how to start building the relationship when the entire PAC is new.

4.1   Changes at the collective level

When a parliamentary term ends, the **composition of PACs can change fundamentally**. Either former members do not have their mandates renewed and leave Parliament, or they are assigned to other

committees. The result could be that a majority or even all members of the PAC are replaced at once. The chairmanship can also change after elections due to new majorities. In these cases, the SAI must take **action to avoid a disruption** of its institutional relationship with the PAC. In cases where this relationship did not work well before, the new term with new members offers an opportunity for a fresh start. In some countries, a **PAC is still being established** and will be an entirely new committee within parliament. Starting on good terms with the newly institutionalised PAC potentially increases the impact of the SAI and strengthens the whole accountability cycle within the country.

Early steps

Interaction should focus on creating mutual understanding and trust, building cooperation, and defining and clarifying common objectives. Concrete ideas and activities for a good start or to achieve continuity or improvement in the relations with the PAC include the following:

> **Anticipation**: Well before a parliamentary term ends (approx. one year), the SAI should try to get an idea of the extent of change to be expected.
>   o   Which MPs are planning to leave?
>   o   What are the plans of the current chairperson?
>   o   Is the majority in parliament bound to shift?
>
> If it seems clear or probable that changes will be profound, the SAI will start planning for the transition immediately (see steps below).
>
> **Transition management:** The SAI should be aware if there is a transition of management in place at the PAC itself. For instance, will there be a meeting including old and new members? Does the chairperson intend to brief their successor in case of a change? Is there a helpful set of onboarding documents? If the answer to such questions is no, the SAI might encourage the PAC to consider such measures – or intensify its efforts as suggested below.
>
> **Elements of continuity:** In the same vein, the SAI can approach the PAC´s permanent staff, who will be especially important to warrant continuity in a situation of change on the MPs´ level and support a smooth transition management within the PAC.

Initial interactions

When the new PAC is constituted, the SAI should start to build contacts on both individual and collective levels. Different approaches and instruments can be distinguished regarding the **purpose and content** of approaching the new PAC and its members:

> **Provide information on the SAI itself, its mandate, its mode of working, and its services**: The SAI can explicitly introduce itself to the PAC, thus underlining the importance of the SAI and PAC partnership. That introduction should include several steps and not primarily

build on documents but on face-to-face encounters. The Head or the management of the SAI can visit the PAC – and invite the committee to visit the SAI in return. The formats of self-presentation must give an impression of the quality and usefulness of the SAI´s products. It will be helpful to also include information on the quality of the SAIs governance, especially its performance on transparency and accountability. This can be done, e.g., by sharing the SAI performance measurement framework (PMF) scoring or the Institutional Capacity Building Framework (ICBF) assessment. The underlying message should be that the PAC can use the SAI´s work to ensure the committee´s standing and reputation – working to benefit citizens.

➢ **Sensitise the PAC regarding the committee´s tasks**: The SAI is not in a position to lecture parliamentarians on what they must do. However, the SAI can explain its ideas and expectations, present good practice examples of earlier effective collaboration, etc. A more personal or exclusive meeting between the leadership of PAC and SAI might be a suitable setting for this kind of conversation.

➢ **Building trust on a personal level**: For a robust working relationship between partners who do not know each other before, it is essential to establish links on a personal level to some degree. In the case of SAIs and PACs, the process needs some acceleration to avoid the risk of relevant representatives reaching a sound level of trust and understanding just before the PAC composition changes again. Therefore, it might be helpful to arrange early meetings that include a social element, be it between the entire PAC and a SAI delegation or on a leadership level. If a two-day retreat or full-day workshop is feasible, in-depth exchange and socialising elements can be combined easily. Such formats also allow the SAI to better understand the new PAC members´ ideas, profiles, expectations, etc.

➢ **Provide a welcome package**: A well-structured set of documents is also important for an effective relationship. Units and officials in charge of the liaison with the PAC should compile and regularly update a welcome package that is not too large and filled with formalities but rather catchy, easy to access, and practical. Its content cannot be defined by a general "packing list" but depends on many aspects of the local context. Typically, the collection might include the following:
  • An annotated template of an audit report (what information is where, how to read it, examples, etc.)
  • The SAI mandate and mission statement.
  • A graphic overview depicting the steps in the auditing process.
  • An organogram of the SAI, including the most important names.
  • Summaries of selected success stories.

4.2   Changes at the individual level

While the end of a term and new elections frequently lead to changes, as addressed above, there may also be some degree of **change during the term**. For example, it is normal for members to move on to other functions or committees, to join cabinet, etc., resulting in the need to replace them as a member of the PAC.

The SAI should have a **standard procedure** to apply in such cases, as each new member offers an opportunity for the SAI to become more effective. Any new member deserves attention and support. The following activities can be part of the **onboarding** routine:

> ➢ If necessary, **help arrange a meeting between outgoing and incoming members** (provided the new one will inherit the specific tasks or areas of the old one).
> ➢ **Invite the new PAC member to the SAI** for a briefing and showing around.
> ➢ **Discuss their professional background, political areas of interest**, etc.
> ➢ **Encourage them to ask questions**.
> ➢ **Provide them with a welcome package** as above.
> ➢ **Assign a focal person** to them for spontaneous contact in case of questions or need support.

5. Exchange beyond the standard process

If the regular cooperation between SAIs and PACs is well established in a system following the **Westminster Model**, additional interaction may deepen mutual understanding and trust and collaborate on accountability challenges. For SAIs following the **Court Model,** an exchange with parliament focuses on the institutional strengthening of the SAI, especially concerning its mandate, institutional setup, and resource endowment. The following ideas can inspire actions to support a country's broader accountability system and strengthen the institutional structure of a SAI.

5.1   Strengthening the accountability system of the country

Suppose SAI and PAC are operating as partners and consider themselves and each other as promoters of accountability and improvements in public governance and administration. In that case, they should consider transcending the sphere of their daily business to increase their outreach and impact. This can happen either by jointly presenting insights, ideas, or demands around important topics – or by including or joining third parties to form a broader **cluster of accountability** and good governance. In the first place, such third parties might be **anti-corruption agencies**, ombudsman institutions, or think tanks and research institutions that are devoted to good governance or public management. Such coalitions between various kinds of public institutions can be very helpful in several respects.

- **Technically**, linking the capacities, knowledge, and networks of diverse institutions pursuing similar objectives can add to the scope and quality of their statements and action plans.
- **Politically**, such a coalition can be more visible and gain more traction than the SAI (or the PAC) alone. Even if the messages to be disseminated are uncomfortable for some vested interests, it might become much more difficult to ignore, undermine, or even discredit such statements if there is a broad coalition behind them.

Non-official bodies like **CSOs** operating in the field of good governance or anti-corruption might also become part of a coalition, especially if certain CSOs have established themselves as trusted partners of public entities. However, in other cases, SAI and PAC may be reluctant to partner with civil society actors for reasons of their mandate, status, or reputation.

> ➢ SAI and PAC should make sure that third parties they plan to embark with on joint activities should be:
>   - **Sufficiently close to SAI and PAC in their agenda**, at least regarding the content and messages of the joint activities envisaged.
>   - **Trustworthy and transparent** regarding their information, leadership, motivation, and funding sources.
>   - **Well-established and sustainable.**
>
> ➢ **Identify topics**. The topics to be dealt with jointly depend on the situation in the country and can be many. Code of Conduct issues for the public service, budget transparency, environment and climate change, debt policy and management, or matters of Value for Money are only a few examples.
>
> ➢ **Define formats.** The possible forms of joint activities can differ (from a press briefing to a full-fledged public conference or an awareness campaign). The individual mandate and self-perception of the SAI on how close the relationship with third-party actors can be respected. While building long-term coalitions might be seen in dispute with the independence of a SAI, temporary interactions and joint activities with other accountability actors become increasingly common among SAIs.

Without relating to third parties or the public, SAI and PAC can use new formats of exchange to deepen their partnership and define their common objectives more precisely. In such activities, the communication works both ways, with SAI and PAC reasserting their identity as accountability and good governance players. Here, **the institutional setup and financial and personnel endowment of SAIs can be a topic to lobby on**. For example, a SAI that has broad competencies in gathering evidence and following up on recommendations, including the possibility to sanction non-compliance, but remains limited in its impact due to a limited mandate or insufficient resources can use the established contacts to raise awareness on the existing limitations and lobby towards remedies. As a next step,

that may lead to improving the reputation of both institutions not only in terms of their mutual relationship but also towards other stakeholders and the public at large.

5.2   Safeguarding SAI independence

Parliaments are relevant to SAI independence. This is especially true in countries following the legislative or board models where parliamentary committees are part of the audit process. Looking at the principles of the **Mexico Declaration on SAI Independence**, parliaments play an important role in supporting the safeguarding of SAI independence:

- **Principle 1 "The existence of an appropriate and effective constitutional/statutory/legal framework and de facto application provisions of this framework":** Parliaments oversee formulating/reviewing an adequate legal framework for SAIs.

- **Principle 2 "The independence of SAI heads and members (of collegial institutions), including the security of tenure and legal immunity in the normal discharge of their duties.":** For example, the government might want to remove and replace the Head of SAI before the end of their term for reasons that lie in the due execution of their mandate. Depending on the rules that prevail in a country regarding the appointment and removal of the AG, such activities can take different forms of bending, misuse, or outright violation of rules by the government. It might also occur that an AG is prosecuted improperly. Whenever the PAC considers these activities inappropriate, it should raise its voice and safeguard the independence of the SAI. The PAC should insist that a Head of SAI must neither be appointed nor removed without the legislature's approval.

- **Principle 3 "A sufficiently broad mandate and full discretion, in the discharge of SAI functions":** Parliaments are positioned to support a sufficiently broad mandate, empowering the SAI and its management to choose what to audit, how to audit, and when to audit.

- **Principle 4 "Unrestricted access to information":** If auditees do not grant access to documents requested by the SAI, the parliament can act during the follow-up process, demanding the auditee to be more cooperative and (in case of continued incompliance) potentially sanction the auditee in question.

- **Principle 5 "The right and obligation to report on their work":** If SAIs are restricted in reporting the results of their audit, parliament can help to strengthen the legal basis and mandate of the SAI, requiring it by law to report at least once a year on the results of their audit work.

- **Principle 6 "The freedom to decide the content and timing of audit reports and to publish and disseminate them":** If SAIs are restricted in publishing audit reports, parliament can help to

strengthen the legal basis and mandate of the SAI, allowing for public disclosure of the audit work (except where information is classified based on security reasons).

- **Principle 7 "The existence of effective follow-up mechanisms on SAI recommendations":** Parliament usually has powers to follow up on recommendations that SAIs lack (except in the court model), e.g., sanctions.

- **Principle 8 "Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources":** Parliaments control whether SAIs have adequate budgets to fulfil their mandate.

> The SAI has little influence over parliament's actions towards more robust SAI independence. Yet,
>
> ➢ the SAI should be aware of the importance of the legislature's role concerning independence and
> ➢ advocate the parliament to act whenever a principle of independence is under threat.

5.3 Development of a joint strategy

Based on a sound relationship and shared ambition to improve the impact of the SAI-PAC axis on good governance, the institutions can embark on developing a joint strategy. Again, the if, why, and how of such a project depends on both partners' capacities and the institutional and governance context in which they operate. **NB: a joint strategy is an optional route, and the outcomes may also be realised through a Memorandum of Understanding (MoU) or a working agreement.**

The following sections outline **preconditions, structural requirements, and options for the process** leading to a joint strategy.

Preconditions. Developing a joint strategy is **not a priority** in all circumstances. Therefore, costs and potential risks and benefits must be weighed before investing valuable resources in such a process.

> ➢ The SAI should check whether the following preconditions are in place before embarking on the effort of developing a joint strategy:
> - **Genuine appetite and ownership on the part of both organisations**. This includes understanding and a willingness to engage on the leadership level and within both institutions. If the strategic process is driven by the SAI alone, or by isolated individuals or units only, or inspired by external parties like development partners without genuine uptake within SAI and PAC, the chances for a substantial outcome are slim.

- **A clear idea of the difference the strategy is meant to make**: There must be a common understanding of the problem to be addressed (like the insufficient impact of the institutions´ work) – and reasons to believe the strategy will contribute to its solution. Accordingly, there must be an agreement on specific, tangible, and relevant objectives to be achieved (e.g., increased visibility of audit results leading to reform dynamics in government entities).
- **SAI and PAC must be aware of the resources required** in terms of time and staff capacity to run the process effectively (e.g., an official in charge of the management of the process, x employees from various levels attending project meetings with frequency). Someone also needs to take responsibility for the process to continue. To be able to do so, such officials must be released from parts of their usual obligations.

Structure*. With the preconditions in place, the process could be structured along the following basic steps:

- ➤ **Analysis of the status quo**. An analysis of the status quo should be conducted to get a clear and shared understanding of the strengths and shortcomings of the SAI-PAC cooperation and its effectiveness. Not only representatives from both institutions should be involved in this analysis, but also neutral and knowledgeable parties from outside the system, e.g., a research institution or a CSO. The description of the current situation will naturally show where there is a need for improvement. The joint strategy can then be directed to cover and address these weaknesses.

- ➤ **Outline the strategy**. Guided by the first step, a bilateral project team should sketch a first table of contents for the strategy document. The structured document might eventually encompass items like:
  - goals and intentions, the purpose of the strategy,
  - the exact tasks and obligations of the SAI and the PAC in a coherent system,
  - the interactions between SAI and PAC (rules, formats, risk, and conflict management),
  - interactions with government and others (roles of SAI and PAC, exchange, and coordination),
  - indicators measuring the success of the strategy and
  - an action plan operationalising the strategy is to be laid out with concrete steps, milestones, actors to be involved, timelines, etc. It is important that both sides have their tasks assigned and contribute to the process.

Process - The strategy as a living document. Strategy papers, even substantial ones, always risk ending up in a drawer without having too much impact on real life. Therefore, the strategy development process must reach beyond adopting a joint document and include arrangements for monitoring, impact assessment, and revision of the strategy. The following elements might be considered:

> ➢ **Assign roles and responsibilities**. The strategy should include an implementation plan indicating who will have to do what and when.
>
> ➢ **Monitor the implementation**. The assignment of tasks will be linked to some timelines. Therefore, it must be monitored in its implementation, preferably by the joint project team, which must not be dissolved with the completion of the strategy document. As measuring impact in accountability and governance is not trivial, some indicators will be qualitative, with instructions on how they will be applied sensibly.
>
> ➢ **Revise the strategy when necessary**. At a specific interval, a revision of the strategy considering its implementation and the effects observed should be envisaged.

5.4   Creating opportunities for mutual learning

Different formats for joint learning are possible and are being implemented in several SAIs in the AFROSAI-E region. These range from one-time events to more institutionalised modes of cooperation and include:

> ➢ **Joint training.** One way to strengthen the bond between SAI and PAC is to organise activities in which people from both institutions are invited to participate. Usually, there will be various training formats, at least for SAI officials. Some might also interest PAC members and/or clerks and could be opened accordingly.
>
> ➢ **Peer learning events** are organised mainly by AFROSAI-E for SAI staff and by AFROPAC for PAC members or clerks. Such activities could be combined with an agenda that is deemed attractive for both sides.
>
> ➢ **Workshops or roundtables.** Besides regular training, SAI and PAC can organise workshops or roundtables on topics of mutual interest to be discussed with expert academics. Topics to be covered could be, for example:
> - Budget transparency
> - Methods of assessment regarding the budget outcome and performance
> - Anti-corruption approaches
> - Aspects of IFF
> - Etc.
>
> ➢ **Memorandum of Understanding (MoU).** As a different type of activity, SAI and PAC could jointly develop an MoU. As opposed to a joint strategy as discussed above, this document would serve to regularise and define standards for the cooperation between both institutions, with the relevant laws and regulations guiding the work of SAI and PAC as a

6. Challenges in practice – and how to respond

Challenges that the SAI itself can resolve are covered in the previous sections and other guidance documents (e.g., the report writing guidance). However, the focus here is on externally occurring challenges.

African SAIs are operating in very **different national environments**. Depending on the political system and culture, the level of economic development, and the administrative tradition in a country, the SAI will face various **external challenges**. It is beyond the SAIs' capacity to change these framework conditions directly. Nevertheless, SAIs in all parts of Africa are coping with challenging contexts and keep trying to work around obstacles they cannot remove. This chapter collates various **options and strategies** for SAIs confronting challenges typically arising in an imperfect yet real world.

6.1 Lack of cooperation and transparency on the part of the government

Obviously, what the SAI or the PAC have to say will not always be received with enthusiasm by the government. It is the very idea of audit reports hinting at **administrative weaknesses** that lead to a lack of transparency, inefficiency, and waste in public financial management. Thus, government agencies are criticised for not having done their work properly. Sometimes, this will not be appreciated as a chance to improve but instead meet **resistance**. While this happens worldwide, the consequences can be dire in countries where institutional settings and the rule of law are not fully established and universally accepted. Under such conditions, the **costs of non-compliance** for the auditee will be lower, and government entities can expect to get away with abuse or mismanagement.

Apart from that, the **reasons for rejecting the SAIs findings** and advice are numerous. They include, but are not confined to, the following:
- Auditees identify with what they are doing and, therefore, think they know better than any outsider how things should be done.
- Audit findings threaten engrained procedures officials cannot imagine or even fear to change.
- Consequences to be drawn from audit findings would mean additional work for the unit in question.
- The audited unit follows a different logic from the systematic one applied by the SAI, e.g., for political reasons.

- Current practice benefits certain people within the administration, be it by increasing the power to decide or by outright corruption.

With all these potential sources of resistance, it is essential to distinguish whether they specifically refer to the audited unit or reflect a common **governance culture** that dominates the country´s government agencies.

It is essential to develop an **understanding or a theory of the causes of a lack of compliance**. This will make developing suitable strategies to encourage or enforce more constructive cooperation easier. One or more of the following options can be used to respond to the challenge:

> **Deliberate jointly between SAI and PAC on how to activate government**: If the PAC shares the view of the SAI that government compliance is insufficient, the PAC will be interested in remedies just as much. Being part of the political system, the PAC might be better positioned to understand and address the weaknesses in the government's response to audit findings. From a joint assessment of the situation, SAI and PAC can proceed to intensify their coordination and develop collaborative strategies for their interactions with government entities. More effective involvement of parliament may be part of such strategies. However, if the reasons for non-compliance appear political and the PAC is politicised, this approach might not be the most promising.

> **Cooperate with other public accountability actors**. Ignoring the SAI´s or PAC´s statements will be more difficult when they join forces with other actors that follow a similar agenda. Depending on the institutional settings in the country, the SAI's mandate and the self-conception of the SAI, this can be other public institutions (like internal audit bodies, anti-corruption agencies, public protectors, advisory bodies in matters of administration or reform, etc.) or civil society actors. When a group of such institutions and/or CSOs speaks up publicly, the government and the public might listen more carefully. Collaboration with CSOs must be calibrated carefully to avoid an impression of political instrumentalization of the SAI (see AFROSAI-E guidance on SAI-CSO relations). To be effective, it is essential for such an initiative to not complain on a general note but be clear about what needs to change for which reasons, who is required to act and how to make that change happen.

> **Improve follow-up mechanisms.** As mentioned above, the reasons for non-compliance of government agencies with recommendations do not always imply bad intentions. There are many other things to attend to, and some reluctance to accept criticism and enact change can be considered natural. However, even an honest willingness to improve can easily be "forgotten" if doing so makes life easier. Therefore, SAI and PAC must maintain a relentless follow-up system. Agencies not implementing parliament-approved recommendations must be reminded and eventually face the consequences.

> **Recognise good practice.** As a positive counterweight to the previous approaches, SAI and PAC can also publicly recognise good examples of authorities implementing SAI/PAC recommendations to benefit taxpayers or the recipients of public services. To citizens and non-complying government entities alike, this will convey that improving financial management is possible and valuable and will result in reputational benefits.

> **Advocate for stricter transparency standards and regulations.** In many countries, monitoring government responses to recommendations is difficult due to a lack of transparency. This is a crucial issue complicating the follow-up of audit work and auditing itself. Therefore, to keep their work from being undermined, SAI and PAC must advocate for stricter transparency standards and regulations and improved public access to government data as a precondition of accountability. The approaches to any potential partners for such a campaign will be similar to what has been outlined above. Tax-paying citizens should usually appreciate and support it.

6.2   Deficiencies in the parliamentary system or procedures

Governments will respond to the SAI´s findings and recommendations only if parliament fulfils its task of holding the **government accountable**. However, this cannot be taken for granted. In many countries, the SAI is, for example, facing long delays in the PAC's uptake of their audit reports. Often, this seems to be the main bottleneck in the accountability chain. Thus, even if the PAC is willing to improve governance and management, the SAI´s demands and ideas can get stuck without a chance to become effective. The problem can take several forms. Either the PAC itself does not manage to process SAI reports in a timely and consistent way, or the PAC´s reports are not taken up in plenary, or there is no follow-up on recommendations. In all these cases, there is a risk of the SAI´s work being fruitless. Its **consequences are severe**:

*   If the PAC has not officially taken note of findings and adopted recommendations, the chance of detected shortcomings being addressed by the audited government entities is slim. Thus, **inefficiencies remain** unaltered. In addition, responsible officials within the auditee may have left and cannot be taken into account anymore.

*   When audit reports are tabled months or even years later, their **content may be outdated** for many reasons. For the PAC, it will be challenging to get a clear picture of the status, of which findings and recommendations are still valid, etc. As a result, the chances of the report being effective are diminished.

*   In cases of audits on issues of public interest, the **attention of citizens may have faded** when the report is debated in parliament. But, again, this will reduce the report´s chances of making a difference.

What can the SAI do in such a situation?

> **Analyse the root causes of the shortcomings**. Like in the case of government lacking compliance, the first step should be understanding the root cause of parliament´s failure to fulfil its oversight function. Causes to be identified can be capacity issues, a general dominance of the executive over the legislative body, a predominance of politics or, factional polarisation at the expense of issues of common interest, etc. Guided by the results of such an analysis, the SAI will be able to **select appropriate remedies** (and rule out the less promising ones, given the root causes that have been identified).

> **Support parliament´s capacities**. Suppose the main reason seems to be a lack of capacity or competence. In that case, the SAI can advocate for or directly support a strengthening of the legislature, e.g., through training, technical equipment, or additional staff. It can also discuss with the PAC ways to **prioritise** particularly relevant reports at the expense of earlier ones that are less important. Most importantly, the SAI should support the PAC by writing easily understood reports and clearly summarising the most important findings and recommendations in an executive summary (see guidance on report writing). A strong SAI with an established network of partners and public relations can also try to include the PAC or Parliament in its activities or advise them on how to strengthen their position. For example, if the SAI is auditing local authorities, engaging with regional parliamentarians can be helpful. With the backing of their constituency, they might be more motivated and effective than their colleagues in overseeing the central government.

> **Engage with Parliament and potentially with society**. If the reasons seem political, the SAI must consider carefully how to react without jeopardising its standing. As a first step, the SAI can contact the PAC to better **understand the reasons for the delay**. Based on that, suitable remedies can be considered. If these efforts are fruitless, the SAI should consider ways to work around the dysfunctional parliamentary mechanism by directly engaging with other stakeholders or citizens to make itself heard (see guidance on SAI-CSO relations and public relations). This will be easier if the **SAI can publish audit reports that have not yet been tabled in parliament**. Engaging citizens instead of parliament will only work with matters that are sufficiently clear, not overly complicated, and of immediate relevance for citizens. The latter will be the case, for example, with service delivery issues or blatant wastage of revenues. Suppose the SAI is inhibited by national regulation from publishing reports that have not yet been processed in parliament. In that case, it might still be possible to engage informally with CSOs or media, not by leaking audit reports but by pointing at shortcomings in the accountability system. If that leads to public awareness and debate, parliament and government might be less reluctant to deal with an uncomfortable audit report per the rules.

6.3 Diverging views between SAI and PAC or outright conflicts between SAI and Parliament

This section elaborates on a situation where the challenge lies within the relationship between SAI and PAC. Diverging views or expectations can lead to conflicts that overshadow the natural alliance between the two institutions in their strife for better governance. Such differences can occur at the level of individual audits if the PAC has its own ideas about the audit approach or focus or is dissatisfied with the results. If there is a trustful and stable communication culture, discussing and dissolving such disputes in time should be possible. However, even a minor conflict can escalate if such a bond does not exist. In such a case, or for other reasons, conflicting views can lead to a more fundamental alienation between SAI and PAC. A full-fledged conflict will be detrimental to both parties and their effectiveness and must be prevented whenever possible.

The following examples illustrate typical sources of disagreement between SAI and PAC that do not necessarily disclose deficiencies but can be regarded as normal or even healthy:

- **The PAC may be dissatisfied with the selection of audit matters by the SAI**. The PAC might expect specific audits in vain as the SAI makes its choices based on different criteria. If the PAC– as is the case in many countries – is entitled to request audits on demand, the SAI may be frustrated if such orders prevent it from following its own priorities.

- **The PAC may focus on specific aspects of an audit matter because they are drawing public attention or** have been debated in parliament before. However, this can easily collide with the SAI´s more systematic and comprehensive approach.

- **The PAC may take a more political view** and regard certain activities differently. For example, running a local hospital in every constituency might be politically necessary. At the same time, technical analysis by the SAI reveals that bigger hospitals in only half as many locations would be the more efficient solution. The PAC might be reluctant to adopt such a recommendation in such a case.

- **The PAC may not want to engage with the SAI if the ruling party dominates it.** The PAC might not want to scrutinise the government if most of its members are part of the party holding power. Critical SAI reports might not be tabled in the Committee to avoid public attention towards government deficiencies.

- **The PAC may feel overwhelmed** by the amount, detail, or complexity of information the SAI is delivering. In addition, the information load may exceed the PAC members' capacity as parliamentarians have more obligations than just digesting audit reports.

The following ideas can help to handle such disagreements:

- **Take precautions via regular communication.** The most important way to avoid conflicts is to communicate not only regularly but in an open manner. As explained above, SAIs and PACs are, by nature, different entities that belong to different spheres. Therefore, perfect harmony cannot be expected and should not be pretended to be. Such openness requires some degree of mutual trust. For each of the sources mentioned above of disagreement, in-depth conversations between the parties can lead to a better mutual understanding and dissolve the conflict in one way or another. However, there must be some culture and practice of constructive dialogue as a precondition. Accordingly, it is vital to lay such foundations *before* a severe conflict arises. Establishing a good relationship between SAI and PAC on both leadership and practitioners' level in peaceful times (see Chapter 3) helps create a space for dialogue that will prove valuable in a crisis.

- **Involve the PAC's view in the planning stage**: Conflicts of the type covered by the first two bullet points above can usually be avoided if the PAC is involved in the annual planning of the SAI and/or the preparation of individual audits. If such an early exchange works well, the PAC should typically not be surprised or disappointed by what the SAI is doing or not. While this element of cooperation is common in some AFROSAI-E member countries, this is by far not the case in all of them (see Chapter 2 for pros and cons on the intensity of cooperation in the planning phase).

- **Consider whether progress can be made in non-politicised areas.** The third bullet point refers to a classical disagreement around auditors' work that can strain the relations between SAI and governments. While political practice tends not to put efficiency first in many cases, politically motivated deficiencies are difficult to solve in the short term. These are natural and cannot and should not be dissolved completely. However, if parts of the system are highly politicised, it might be a strategy for the SAI to focus on other less politicised areas that could use improvement. This does not mean being silent about complex topics, but other accountability topics could move up the priority list of the SAI.

- **Prioritise your messages and recommendations**. Regarding the PAC being overwhelmed, SAI and PAC should jointly find ways to prioritise audits or findings of the highest relevance. This will include a well-structured organisation of the submitted audit reports, with meaningful executive summaries highlighting the most critical aspects, quantifying the financial volumes at stake, clear markers for urgent matters, etc. (see guidance on report writing). On its part, the PAC might modify its standing order to ensure that the most critical issues can be debated timeously and carefully.

7. Indicators for successful SAI-PAC relations

The goal of SAI-PAC relations is to increase the impact of the audit work done and improve the overall accountability of government entities. However, measuring progress towards relationship building and accountability is not trivial. Methods must be balanced between feasibility and comprehensiveness, e.g., qualitative surveys are time-consuming and potentially expensive. At the same time, the mere counting of meetings between the two institutions might not capture the envisioned impact adequately.

The present guidance proposes a set of indicators to measure **improvements in relationship building** with the PAC (process indicators) and **progress towards the goal of stronger accountability** (impact indicators). It will be the task of each SAI to choose those indicators and methods most suited for its local context.

Potential impact indicators:
- percentage of recommendations being implemented by auditees
- percentage of recommendations being implemented within one year after issuing the audit report
- the perception citizens have of the SAI/PAC/accountability system has improved

Potential process indicators:
- number of audit reports reviewed by the PAC per parliamentary session
- time lapse between submission of audit reports and review by PAC
- number of audit reports discussed in plenary
- number of PAC sessions with SAI staff present
- number of joint media briefings held by the SAI and PAC

While some indicators simply require counting recommendations implemented, others will need a more refined **methodology to collect the data** necessary to assess progress. These can include the following:
- Qualitative surveys in the PAC (or SAI) assessing the satisfaction of PAC members (or SAI staff) with the SAI-PAC cooperation, its development over time, and its effect on accountability
- Quantitative public surveys of citizens´ perception of SAI and Parliament as well as on accountability improvements

To see progress, indicator assessment will have to be compared to a **baseline** that should be established within the individual SAI. For example, if a SAI wants to know if its impact has improved, it could assess how many recommendations have been implemented during the past year (baseline) and set a goal to increase this number for future years (target value for indicator).