



THE ADVISING APPROACH OF A SAI

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In terms of increased constraints in getting to economic resources, especially the ones used by the public sector, taxpayers throughout countries are questioning: How can the management of public assets be designed in a more efficient and effective way? For auditors of supreme audit institutions around the globe, this question is already on the agenda of the day. The audit of public functions is a precondition to elaborate solutions and proposals, aiming to enhance the efficiency and effectiveness of government management. These are more or less, the words with which Dr. Josef Moser, Secretary General of INTOSAI began his speech during the 22nd Symposium of INTOSAI, held in Vienna.

The modern and effective approach of a supreme audit institution (SAI), by serving good governance principles, is not limited to the audit function alone. The simple identification of infringements and deficiencies is no longer sufficient for a SAI. Such institution can fully realize its potential, if it develops a thorough advisory approach in its audits, offering to government managers specific, practical, detailed and scientific recommendations that can and should be implemented in the respective areas of public administration. In fact, the INTOSAI standards emphasize explicitly the provision of recommendations, in order to improve public functions, but without interfering in the formulation of objectives, strategies and policies. By addressing audit topics, which have an impact on the future of the country, a SAI should cover all important economic areas, including financial effectiveness of using public funds, educational systems, health and pensions, environmental protection, poverty reduction, sustainable development of the country, etc.

In our country, it is the responsibility of the Albanian SAI (ALSAI), to provide transparency and accountability through its audits, as well as to promote effectiveness and efficiency by its recommendations. According to the World Bank, over one thousand billion dollars a year are lost worldwide because of corruption. In Albania, for the year 2012, this figure exceeded 90 million Euros, according to ALSAI statistics. In my personal opinion and that of my institution, the cost of corruption is not just merely theft of public funds; the true cost is the sabotage of future,

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expressed in less hospitals, schools, water, roads and electricity. And it is not only that. The ability of a country to attract foreign investments, build-up professional human resources, facilitate trade and increase the wealth and well-being, depends critically on the transparency, efficiency and effectiveness of public institutions. Key parameter of good governance of these institutions is the increase of citizen's participation in the development and decision making. Three pillars of sustainable development are economic growth, social development and environmental protection. It is not excessive, it is even necessary, to add a fourth to these three pillars, the one of good governance. The latter strengthens the link between the first three pillars and ensures that the future we want might soon become reality. The SAIs belong to this pillar. By performing the three types of audits, the two traditional ones and the newly consolidated one, ALSAI guarantees the rule of law, fairness and accuracy of financial statements and the efficient, effective and economic management of public funds. In the future, we may add to this institutional agenda other types of audits, as the audit of information systems.

Ensuring positive impact through counseling

The notion that I present in this paragraph, is to ensure impact, because I do believe that the purpose of the existence of a SAI, I would say even of any



public institution, is to ensure a positive impact on the functioning of government in general and of public services in particular. This is a challenge, as well as a great opportunity. The potential risk that occurs in such cases is that of a SAI that generates brilliant recommendations, but is not heard from anyone. We in ALSAI keep the distance, aim to be objective and do not wish to become part of the design or implementation of policies. We do all this because we want to be as reliable and impartial as possible. But again, how can we realize the impact? First, by keeping in mind that *the SAIs, by not being part of political decision-making, still remain "owners" of accountability. To be more precise, "co-owner" along with other public authorities. The problem faced by such institutions not only in Albania, but everywhere, is that they are not heard enough. ALSAI carries out good audits, appropriate conclusions are drawn and practical value recommendations are given.*

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However, the impact is not at the aimed levels. I think it is time to reform the way of communication with stakeholders. Currently, there are two external communication channels existing in the ALSAI: the first one is the one with the auditees in the public administration, which is more formal and procedural; and the second one is that with the public and Parliament. Through both these channels, ALSAI follows a traditional pattern, which means the exchange of letters and lengthy reports with auditees, the publishing of reports on the website, press conferences and presentation of our annual report to Parliament. However, we must keep in mind that communication is a "two- sense way". It is not enough just to inform, but also to get feedback from our partners. We live in the epoch of information and communication. Being as much as possible communicative is of vital importance to a SAI that aims to continuously inform its citizens about the state of public services.

Communication between public institutions and society is one of the pillars of democracy. The co-governance between the citizens and their government should be informed, in order to take appropriate decisions. In a democratic society, citizens are governing through the public servants. Information from the audits of ALSAI represents a database that society needs to absorb, for a successful public decision making. We should try to have an impact in a democratic society, by making the Auditees associates in our work. If we succeed through our work to make stakeholders take the gauge of our audit the results, then they will be more willing to internalize our recommendations, into their daily work. The principle is simple: People are really involved when they feel they are helping and not only penalized in their work. As an illustration of the Albanian reality, let's bring the most recent audit conducted by our Department of Performance Audit on Albanian Railways, which is a State owned service. The findings from this audit clearly show that the expectances of users of this type of transportation, goes to the contrary with the service and development policies of the railway system. The resources allocated for the maintenance of railway infrastructure are not sufficient and are leading to further degradation of this network. The infrastructure maintenance requires more funds, no measures are taken for the rehabilitation of railway network, the sector of railway transportation is not developed and no investments are made for its maintenance and improvement of infrastructure. Under these conditions, the railway could not have a future, as the generated income does not cover the necessary costs to put this service into function. In front of such case, ALSAI gave advisory recommendations, aiming to the improvement of the service provided by this type of transportation. In recommending such, the ALSAI found the understanding of Railway managers. Our counseling will further contribute in drawing attention and incitement towards a sector which is almost forgotten by the actual decision-making. ■

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