



Review and Analysis of INTOSAI Standards for Good Governance

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Abstract:

The present study aims to review and analyze the standards of the International Organization of Supreme Audit Institutions and based on the standards provided by the expert working group to achieve good governance. Therefore, in this article, the potential capacities of these institutions to achieve good governance indicators are examined and the necessity of strategic development of the priorities of higher auditing institutions in this field is emphasized. This analytical article, based on the results of INTOSAI surveys, was extracted from 62 Higher Auditing Institutions in the world, and the responses to this survey showed that Higher Auditing Institutions, in addition to trying to develop new methods (39 %) Try to identify the main risks and trends (27%). The main question of this article is how the Court of Audit can participate effectively (and without compromising its independence) in advisory activities to strengthen good governance? Our hypothesis in the present article also states: Using the collective experience of the top audit firms in the world, which includes a set of factors, can lead to the strengthening of good governance. The method of data collection is a library and based on the results of the INTOSAI survey from 62 countries, which has been analyzed analytically and descriptively. In this article, suggestions based on the analysis of the results of the survey to apply the research are presented.

Keywords: Good Governance, INTOSAI, Audit, Development

Introduction

Today, public sector auditing activities should be proportionately organized in such a way as to enable public sector institutions

and institutions to perform their duties of operational transparency and accountability to the public while being effective, efficient,

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and economical. And ethically achieve their goals (EUROSAI, 2013)

While successful supreme audit institutions (SAIs), in different regions of the world, manage to become and remain agile, effective, relevant, and independent institutions of great value to society, there is no common recipe to follow. This paper is devoted to the discussion of how each SAI on a national level could relate to the public sector auditing developments to remain relevant, respond to the needs of stakeholders, and add value to the achievement of national priorities and goals. Thus, the paper discusses some key decisions to determine and lessons that can be learned from the SAIs experience in this domain .

SAIs plays a well-acknowledged role in promoting the efficiency, accountability, and transparency of public administration, which is crucial for the achievement of national development objectives, priorities, and internationally agreed development goals¹.

The fundamental changes in public auditing and public policy worldwide have created a new environment and new expectations for SAIs. These recent changes in the environment for SAIs include: (a) adoption of the 2030 Agenda for Sustainable Development (2030 Agenda) and the Sustainable Development Goals (SDGs) by all member countries of the United Nations; (b) the data revolution; (c) the adoption of the INTOSAO Framework of Professional Pronouncements (IFPP) by INTOSAI and the INTOSAI pronouncement of authoritative standards for auditing, and (d) expectations and obligations arising from ISSAI-P 12: Value and Benefits of SAIs - making a difference to the life of citizens. Modern circumstances call for a better quality of audit work, and new audit approaches and requires SAIs to further rethink their role in the governmental accountability processes .

Performance auditing reinforces these values by producing, providing, and disseminating reliable information on the efficiency, effectiveness, and cost-effectiveness of government activities and programs (INTOSAI, 2004).

To ensure value and benefits, SAIs needs to be able to apply new approaches and take advantage of opportunities to meet emerging challenges. SAIs needs to respond to a changing world of national governance and, in doing so, establish new priorities that respond to emerging challenges .

In line with the INTOSAI mission of continuous progress of government auditing and capacity development of SAIs, this Theme II Discussion paper builds upon the previous INCOSAI discussions regarding the role of Supreme Audit Institutions² and aims to elaborate on the necessity of SAIs' priorities to evolve strategically. The Theme II Discussion paper mostly relates to Crosscutting Priority 2 of INTOSAI's Strategic Plan 2017-2022 by contributing to the follow-up and review of the SDGs within the context of each nation's specific sustainable development efforts and SAIs' mandates .

The present article is a scientific analysis written based on the standards presented by the expert working group of the second main topic of the INTOSAI Congress, which is composed of the SAIs of Austria, Armenia, Azerbaijan, Belarus, Brazil, Cuba, Hungary, Indonesia, India, Italy, Kazakhstan, Mexico, Poland, Portugal, Saudi Arabia, Slovakia, Slovenia, South Africa, Spain, Turkey, UAE, USA, the IDI, GIZ, and chaired by the SAI of the Russian Federation .

The Expert group developed a tentative approach for discussing strategic approaches to auditing, which was used as the initial point for a survey of INTOSAI members. The survey was conducted from December

2018 to January 2019, based on a questionnaire sent out along with Principal Paper. Respondents submitting completed surveys included 62 SAIs, the European Court of Auditors, and GIZ. This Theme II Discussion paper builds on the results from the surveys .

Themes include «The Role of SAIs in Planning and Implementing Administrative and Government Reforms» and «The Role of SAIs in Auditing Administrative and Government Reforms» of XVII INCOSAI; «Performance Assessment Systems Based on Key Indicators» of XIX INCOSAI; Theme «National Audit and National Governance» of XXI INCOSAI; «How INTOSAI can contribute to the UN 2030 Agenda for Sustainable Development, including good governance and strengthening the fight against corruption?» of XXII INCOSAI .

Theoretical Framework

Ongoing and anticipated changes in roles of supreme audit institutions

Challenges faced by national governments in the achievement of their goals and the implementation of the 2030 Agenda brought to light a refocusing of accountability consistent with performance-based and results-oriented public management and essential to good governance. Good governance improves with increasing accountability and leads to continuous improvement in organizational performance (Osicioma, 2013)

In the INTOSAI community, the shift of accountability focus from «accountability for process» to «accountability for performance» has long been recognized .

Accountability, in terms of results and outcomes, is demanded by citizens and SAIs' other stakeholders as a result of increased discontent about government actions. To achieve objectives and the SDGs with their comprehensive and interconnected scope,

national governments need to innovate and constantly evolve to drive cross-cutting and interlinked policy. Therefore, if a government claims to have good governance, it can comment on the veracity of this claim by considering its budgeting system (Agbide and Agboud, 2012).

The growing complexity of public governance is characterized by uncertainty surrounding measures for and results from government interventions, measurement problems, multilevel interactions, numerous actors, and sophisticated relations with non-governmental organizations and civil society .

Although core functions, roles, and the independence of SAIs should not be affected by passing trends, some aspects of the role of SAIs might need to evolve with the ongoing transformations of governments. For example, for some SAIs, the contemporary challenge might be to form both an appropriate audit approach and a clear understanding of working mechanisms of governance and accountability, while remaining credible, objective, impartial, and independent organizations .

SAIs might consider the challenge of developing methods of public auditing consistent with the growing complexity of public governance needed for both the national objectives and the 2030 Agenda to be successfully addressed. By that, we mean challenges related to topics, objectives, questions, criteria, and methods for data collection and analysis defined in the individual audit .

Auditing the SDGs can affect the role of SAIs and what challenges SAIs will face in the future regarding SDG auditing .

SAIs can play different roles within their mandates that go beyond their traditional focus. Traditionally, the roles of consultant, researcher, and developer have been emphasized, but these are not the only possible roles. According to the results of the ques-

tionnaire sent out along with Principal Paper, 41 percent of SAI respondents (n=44) play the role of the advisor by developing recommendations based on the results of their audits, but 52 percent indicated that they also provide recommendations based on non-audit activities. The responses also showed that SAIs often play the role of researchers to develop new methods (39 percent) and identify risks and major trends (27 percent).

The engagement of SAIs in advisory activities has proven among the most arguable issues related to the discussion of the different roles of SAIs. On the one hand, audit work can be reinforced by SAIs' advisory activities aiming to reveal governance improvement potential as a result of the systematic review of audit findings and other results of SAIs' comprehensive work. On the other hand, SAIs should secure their independence and support a strong audit culture that is very different from the culture of advisory activities.

SAIs have accumulated a variety of diverse experiences in activities conducted beyond the traditional audit function due to their different mandates, resource allocation, and capacity as well as various accountability and performance regimes in their respective countries. SAIs are encouraged to share their experience and contribute to the achievement of national objectives by providing advice that is based on their audit work.

Research Question:

How can the Court of Auditors effectively (and without compromising its independence) engage in advisory activities to strengthen good governance?

Research Hypothesis:

Using the collective experience of the world's top auditing firms, which includes a set of factors, can strengthen good governance.

Variables:

Main variable: Court of Audit **Dependent variable:** good governance

Research method:

Our research method in this article is a descriptive library with an analytical approach, which is based on the results of the INTOSAI survey from 62 member countries.

Research Findings:

Strategic shift: considerations on strategic approach and direction for public auditing

While SAIs need to retain their traditional focus, there is an emerging role of being a strategic partner of the government with a unique view on the budget cycle and accumulated knowledge that can contribute to long-run strategic views and activities of the government needed to achieve national objectives.

Acknowledging the crucial effort of the INTOSAI community to move towards a common language for audit, the paper suggests discussing several concepts behind the strategic approach to auditing in greater detail in a search for common ground and language. At the early stages of conceptualization, tentative approaches are proposed to establish new priorities and offer possible ways forward for discussion.

In a broad sense, we focus the discussion on a comprehensive and rigorous examination of how successfully public governance and public entities operate and make use of resources to work toward their goals over time.

Most SAIs responding to the survey consider a strategic approach to auditing to be focused on various elements of the policy cycle – from agenda-setting to strategic planning, to program and policy implementation, to evaluation, accountability, and learning.³

This includes if the respective SAI's mandates and the context in which the SAI operates allow :

Addressing overarching issues of governance and strategic areas

a) Assessment of the maturity of the systems that underpin strategic governance (setting objectives, aligning strategies to national objectives, establishing controls, etc.) and assessment of overlaps or gaps in strategic plans in areas of public interest .

Assessment of whether government entities have sound and evidence-based strategies for achieving national objectives, whether performance information and evidence, as well as adequate control systems, are used for strategic governance; whether appropriate data is collected; whether monitoring, evaluation, and reporting are appropriate; and whether the allocation of public resources is efficient; etc.

SAIs might contribute to supporting a data-driven and evidence-based culture and values in government by paying due attention to the objective representation of performance measurement problems, transparency of performance information systems, public skills deficiencies, etc.

SAIs might play an important role in the assessment of the credibility of the government's reporting on the achievement of national goals by auditing and providing recommendations on the quality of reporting framework, gaps in statistical and vital records data, governance, and coordination of the reporting process, and the consistency and depth of the information reported .

b) Taking a high-level view of what the government is trying to achieve, identifying significant and systemic risks to the delivery of results and recommendations, where possible, on how these risks can be mitigated. SAIs can concentrate on (a) identifying risk areas of national and international interest

and addressing crosscutting issues such as climate change, social welfare programs, cyber security, demography, etc.; (b) raising awareness of risks, which is crucial for SAIs to remain relevant and help build citizens' trust in public policies and institutions, and (c) emphasizing the need for managing systemic risks in the government, in addition to operational, enterprise and other risks of a single entity .

c) Addressing nationwide issues, which could have many far-reaching spillover effects such as aging society, general economic tendencies (structural changes, public debt level, dependency on external markets and aids, etc.), level of innovation, and issues that may become major topics in the future, etc.

Assessment of policy coherence, including evaluation of positive or negative synergies between public programs, policies, and plans (strategies) and identification of policy interactions, spillovers, unintended effects, and conflicts .

A whole-of-government approach to auditing that examines three core elements of policy and program integration—horizontal (across ministries), vertical (with the levels of government), and cross-sectorial engagement (with civil society and stakeholders).⁴ A whole-of-government approach is required to ensure public policy coordination with different levels of government, as well as an agile integrated government response to constantly emerging challenges on the way towards the achievement of national objectives .

Audit of bodies and entities responsible for the development of strategies and performance plans, SAIs should find ways to address the problem of strengthening such bodies and entities' capabilities (for example, the center of government) in strategic management, guiding the implementation of crosscutting efforts, and fostering innovation .

Addressing public awareness, civic engagement, and data openness, governments need more systematic efforts and strategies for open government and civic engagement to foster constructive ways of communication between policymakers and the public. SAIs might stress both risks and opportunities of the digital transformation of society and the government and highlight the benefits and means of collaborative tools in the government to draw on the potential of the public (i.e. hackathons, data science meet-ups, and competitions, crowdsourcing, etc.). These collaboration tools catalyze communication and inspiration in the public community, enable a concentration of efforts and encourage innovative solutions to public challenges .

For more integration practices and challenges see United Nations, 2018, Working Together: Integration, institutions and the Sustainable Development Goals, World Public Sector Report 2018, Division for Public Administration and Development Management, Department of Economic and Social Affairs, (DPADM), New York, April .

The central role of SAIs in promoting transparency through public and civil society access to public information in open data formats was emphasized in the Recommendations of the 24th UN/INTOSAI Symposium

SAIs could inform and guide governments regarding the benefits of public data openness by delivering publications for civil servants to raise their awareness and disseminate the best practices related to open data. The discussion about the publication of SAIs' results in an open data format should also be facilitated .

SAIs could also promote the principle of availability and openness of data produced by the government if it is not ruled out by confidentiality laws or privacy concerns. This

principle contributes to a new analytical paradigm for the government, the public, the private sector, and the SAIs. Most importantly, the effective use of public data contributes to greater transparency and government accountability .

The unique position of SAIs within the public sector refers also to generated and published data. The advantage of SAIs is that they can verify the data obtained directly from the audited entities. The data explosion of available data generated by public administration (open data) is also demanding for SAIs. Their position and data analytics capacities provide a unique opportunity to ensure public data quality, reliability, and accuracy (veracity).

Auditing inclusiveness is a key point of the 2030 Agenda with its principle of «leaving no one behind». SAIs should take into account this crucial feature of the development agenda while conducting their audit work (by assessing inclusion as they examine the preparedness of national implementation mechanisms and statistical systems, government goals, performance information, and the implementation of specific SDGs and targets, etc.).

Also see results from the Supreme Audit Institutions Leadership and Stakeholders meeting on «Contributions of Supreme Audit Institutions to the Sustainable Development Goals (SDGs)» (The UN Department of Social and Economic Affairs, INTOSAI Development initiative), July 2018 .

A strategic approach to audit work based on the overall SAI strategy and the need for a management change is highlighted in the SAI Strategic management framework developed by the INTOSAI Development Initiative

A strategic approach to auditing could be considered from the point of view of an organizational setup, which might relate to :

Strategic planning: The stage of the identification of strategic issues to be considered in the process of SAI's strategic planning⁸. It is essential to tailor the SAI's program of audit activities to address systemic risks to the delivery of national programs and policy priorities. The planning and preparation stages are key phases of the audit process. For example, in the preparation and planning phase, an analytic report and/or a preliminary study could be prepared .

Way of implementation of audits: Some audits could be implemented in a coordinated manner and represent a coordinated set of audit assignments linked to the assessment of the government's ability to achieve its objectives. Such a set of audits could be focused on selected topics, performed independently from each other, and could even be based on different methodologies. When combined, the analyses of their results provide an opportunity to establish conclusions of strategic importance that are likely to yield a great impact on the quality of governance .

Way of combining audit types (financial, compliance, performance) to enhance audit opinion on achievement of national objectives or SDGs. thus, some audits might be mixed or combined types of audits, with an emphasis on performance audits and an integrated approach aiming to arrive at convincing recommendations. It might imply an in-depth review or research of certain topics or systemic issues that identifies root causes of governance gaps and failures and provides results that are not only limited to findings and performance assessment.

But can give the auditee, policymaker, and the public clearly outlined recommendations for the future .

Regarding the main challenges to be addressed in the implementation of a strategic

audit approach, most respondents agree on the following :

Strategic options: SAIs is facing a complicated dilemma of remaining independent, impartial, and relevant to the government. A strategic perspective and prospective analysis imply dealing with questions where the borderlines between technical policymaking decisions and political choices that SAIs must always avoid touching are blurred. The challenge is to establish a clear line between assessing performance, offering advice, and being seen to interfere in policy matters .

The scope of the SAI's involvement in strategic audit brings up the issue of the SAI's mandate. However, all SAIs under the limits of their mandates could contribute to the achievement of national objectives by implementing a strategic and integrated approach to auditing and advisory activities. This approach is particularly important for developing SAIs that struggle to fulfill their traditional mandate as it enables a feasible compliance stage and foundations for gaining, securing, and developing the performance audit mandate .

Professional capacity development: The skills, knowledge, and competence requirements for such audits (such as data analytics and visualization) exceed those needed for traditional ones (financial, compliance, and performance audits), i.e. there is a problem of lack of skills for the analysis of strategic subjects, such as the use of Artificial Intelligence (AI) and related emerging technologies)

Data access: Data access represents a significant challenge due to restrictions for obtaining information, as well as the variety of its resources and the diversity of content from one entity to another .

Audit design and methods: Challenges related to methods development imply that

SAIs need to develop new audit methods capacities and toolkits .

Communication: Another problem is the lack of an effective communication mechanism between the SAI and its stakeholders which limits the SAI's ability to identify and analyze matters of national interest for informed decision-making on a program, project, or activity .

Considerations on the use of non-audit products and enhancement of audit impact SAIs are strategically positioned in a constitutional set-up to overview and oversee the whole budget cycle and government activities which allow accumulating knowledge, advanced skills, organizational capabilities, and institutional power relevant to the stimulation of improvements and positive change in governments .

Keeping in mind the key requirements for an agile and strategic government, SAIs need to go beyond the role of «critic» and reinforce the impact of public auditing. Performance auditing is defined in a way that underlines the role of auditing in both accountability and improvement of results (ISSAI 3100, 22).

Problems that hamper performance should be explained in detail to encourage corrective actions, and audit reports should include constructive recommendations that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit (ISSAI 300, 39-40). According to the survey results, the majority of SAIs reported that they provide extensive recommendations for the improvement of public administration .

The fundamental principles of public sector auditing promote SAIs carrying out non-audit activities on any subject of relevance to the public governance and the appropriate use of public resources (ISSAI 100, 23) and

provide the parliament and the administration with their professional knowledge in the form of expert opinions but under the condition that the effectiveness of their audit is secured (Lima Declaration, 12).

According to the survey results, SAIs provide advisory services in the form of non-audit products. The range of non-audit products might include position papers, information appendixes, web-based platforms, best practice frameworks, internal control assessment methodologies, question-and-answer documents that promote understanding of technical issues, professional standards, etc. Non-audit products can enhance good governance while maintaining the integrity, objectivity, and independence that are vital for the SAI's work. However, additional attention should be given to the risks of joint provision of audits and non-audit products (for example, advisory activities).

In the course of their work, SAIs build up a wide range of expertise related to the accountability and efficiency of public governance (evaluation results, performance measurement, strategic planning, financial management, etc.) that should be exploited while carrying out advisory activities on issues related to the achievement of national objectives .

To ensure value and benefits and act as model organizations (ISSAI-P 12), SAIs could utilize the opportunity of beneficial integration of their advisory activities on solutions for more efficient governance with the audit functions. However, sometimes such integration might be considered a threat to the independence and credibility of SAIs. To mitigate such risks, SAIs need to be aware and take into account:

SAI's advisory activities should be conducted in a way that defends and promotes the principles of the Lima and Mexico Decla-

rations (ISSAI 1, ISSAI-P 10) – maintaining independence and ensuring the best possible use of public funds in a credible, neutral and objective manner. The provision of recommendations and advice should be grounded on and within the limits of SAIs' independent institutional position, audit responsibilities, and unique accumulated knowledge (fact-based and up-to-date audit results). It should be noted that citizens and the government respect the institutions that govern their social and economic relations (Kaufman, Cray, & Zvidot Laban, 2000, p. 1000).

SAIs need to maintain their professionalism and reputation and provide their positions to areas, which had been audited by the SAI. SAI's position should be based on proper analysis and verification of factual data. It

Providing advisory service without violating SAI's auditing functions requires finding the balance between the audit assignments and audit tasks. SAIs should draw clear boundaries of the audit or advisory activities and make clear that advisory activities do not impede oversight functions .

SAIs should secure their independence and position by avoiding interference in the decision- and policy-making process, management functions, and critics of government's objectives, but should not avoid strategic, complex, and sensitive topics if the significant value can be added. SAI needs to keep in mind and follow clear lines of responsibilities .

Though SAIs have a rich experience in advising governments to enhance good governance, their advisory activities have not necessarily been accomplished effectively enough. SAIs can engage in advisory activities to enhance good governance more effectively and without an independence risk. Some potential strategies are identified below .

SAIs could develop projects for the dissemination of knowledge and information, for example, by publishing best practice guides on various topics and stages of public policy (development, implementation, and evaluation). This could serve as a demonstration of ongoing participation in public governance through the identification of best practices examples that could serve as guidelines for other levels or sectors of government. However, it is important that best practice sharing is not perceived as setting standards that SAI uses to audit against .

SAIs could use their accumulated audit experience to develop frameworks of good practice to be applied in future audits. The more such efforts are applied, the better the performance of one auditee compared with others can be benchmarked. Such frameworks could be published on SAIs' official websites and promoted in meetings with auditees to get them familiar with good practice examples. Where applicable, SAIs can take advantage of meetings with auditees to make them aware of any expertise that might be able to assist them .

An increase in the share of non-audit products developed for external use could be one of the tools for a more effective contribution to good governance since they do not specify auditees and are usually well received by SAIs' stakeholders .

Assuming practices of exemplary professional and high-standard activities and a 'learning agenda approach', constructive and open dialogue with the auditees and other stakeholders contributing to finding valuable and adequate solutions, adapted to the administration's specificities and avoiding reproducing or copying inadequate solutions already applied .

Establishing good relationships and interaction with the auditee is an important step

for SAIs to better explain what they can offer and how this might help the auditee. Comprehensive cooperation with auditees includes not only the identification of errors but also correction assistance and follow-up. SAIs have a large body of evidence on what approaches tend to work when delivering major programs, and what the likely pitfalls might be. Interaction can be conducted in the form of seminars, presentations, engagement workshops, follow-up data collection, etc. Regular meetings might help to discuss opportunities and challenges, recommendations to be followed, and connect SAIs' subject matter experts to programs requesting assistance.

Benchmarking at the public sector level and the level of state-owned enterprises creates the necessary incentives for making changes that lead to greater efficiency in the management of the public sector, increased transparency, and prevention of corruption. Similarly, when the SAI develops advisory products to be sent to the parliament, they lead to changes in the constitutional and legal framework governing public finances and improve their management and social security.

Systematic follow-up of recommendations might help improve government operations.

SAIs need to increase the awareness of their audit role to have a positive impact by shrinking the gap between them and their stakeholders by sharing know-how, reporting recommendations and relevant findings clearly and effectively, and using the best communication tools to reach a wider audience. The forward-looking approach of SAIs calls for an advanced communication strategy that clarifies and explains complex issues related to integrated auditing, program evaluation, and advisory activities of SAIs.

Useful, well-formulated, and practical recommendations in audit reports require

knowledge of the theory of change in a policy field, i.e. the relationship between activities, output, outcomes, and ultimately impact, to ensure a comprehensive explanation of the consequences of policy failures and necessary corrective actions. SAIs highlight innovative approaches such as data integration and visualization: In many cases, SAIs' access to audit evidence and a unique cross-government perspective enables them to pull together performance data on how complex systems are working. In some cases, SAIs are also well-placed to produce a model of data analysis that the auditees themselves can then take over.

The SAI's advisory work should not be finished with the publication of a thematic report or a position paper as its position should be properly communicated to stakeholders and defended during discussions. A very important aspect is to hear out and accept as much as possible of auditees' feedback.

- Communicating results of the SAIs activities in plain and clear language, using different tools of communication and taking into account different demands of their target audience. SAIs should also look for new ways and tools for communicating their role and results (for example, mobile apps, social media, etc).
- Providing results in a more usable way, taking into account the importance of an open and preferably face-to-face dialogue on the results. In the modern environment target users should not only passively perceive information but also be actively engaged in SAIs' activities that aim to enhance good governance.
- Carrying out smaller reports for the senior management of the auditee to

present this type of work internally to auditee staff. Auditee senior management also realizes that a SAI can raise issues publicly that it is not always possible for the auditee to raise themselves. In addition, SAIs are well-placed to put auditees in contact with each other where doing so might promote finding better governance and program management solutions .

- Early sharing of information through publishing letters or blogs, social media posts, delivering presentations that summarize understanding of issues so that they add to the debate, learning and thinking about solutions, and helping others in holding public entities to account .
- Engaging in education to promote interest in the SAI's results and findings. Workshops and presentations for external entities are a valuable way to disseminate good practice and good governance. The World Bank believes that good governance is a situation in which power is used to manage economic and social resources to achieve development (Cardus, 2012, p. 1167).

And the financing of all programs and goals, including the achievement of good governance, is done through the budgeting system (Litvinchenko, 2014).

- Visualizing data and presenting it in a sound and efficient way that prevents information overload by making complex concepts simple. A user-friendly visual representation of the SAIs' work results is crucial for conveying main messages to stakeholders .

- Participation in different conferences or national forums could be considered a means of contributing to the strategic direction of the good governance realm .

SAIs should foster their relations with parliaments to be responsive to stakeholders' needs and expectations, as well as to implement a sound strategy of endowment and development of SAI's advisory and counseling mandate .

SAIs should enhance their communication with the expert community - a valuable source of relevant expert information and expert opinions. Governments need to be under pressure to provide evidence-based policy and collaborate more effectively with research. SAIs also could benefit from using research studies and developing their methodological work by applying research methods. SAIs might engage academic institutions to conduct cooperative research .

Being a trusted advisor requires such soft skills as effective communication, emotional intelligence, and building and maintaining trust based on a highly professional position. Continuous staff development should prepare auditors for advisory tasks (for example, through workshops on good governance, data analytics, digital transformation of government, etc.). The competency of auditors is a key success factor for advisory activities that supports successful change in public administration. If the auditor understands the audited area well and makes meaningful recommendations, which address real problems, then it is more likely to be followed and deliver a positive impact .

Reports and publications should take into account the various expectations when analyzing the root causes of identified failure, accompanied by recommendations or by identifying opportunities for improvement. It

is also possible to provide methodological tools and guidelines that would allow entities to analyze their problems, identify the root causes of problems and develop a road map with activities aimed at eliminating the deficiencies identified during the audit process .

The SAI should be proactively engaged with its advisory activities. As institutions, SAIs should not wait and respond to problems in their countries and the broader environment/society only after they occur but can take advantage of their advisory role even before, which means identifying challenges and offering current policymakers and legislators guidelines and recommendations. SAIs vision and targets should be proactive and far-reaching. SAIs have to be foresight-oriented that provide clear, understandable, and objective signals .

Conclusion:

Enhancing the quality of audits through analytics in SAIs

To maintain independence and ensure relevance, SAIs must understand that the SAI's relevance is predominantly determined by the quality of their work, which in turn depends on the competencies of the staff .

To realize SAIs' full potential, it is crucial to building the capacity to manage, analyze and interpret performance and evaluation data for audit purposes, to nurture the culture of evaluation and foresight within SAIs, to build skills in program evaluation, data analysis, and analytics, AI, system thinking, and assessment of policy coherence, etc. There is a need to embed data analytics in the whole audit process, from planning to report. Discussions on the facilitation and development of capacities in data and analytics in SAIs are encouraged.

Data analysis, analytics, AI, and machine learning are innovations that make data a re-

source for the promotion of the efficiency, accountability, effectiveness, and transparency of public administration. SAIs emphasized that the skills of problem-solving and data analytics that allow patterns to be seen can be hidden by the sheer quantity of data available.

Developing these skills is crucial for auditors

The ongoing technological changes associated with the increasing amount of audited information pose increased demands on the auditors' analytical capabilities, including qualitative analysis (for example, conducting interviews) and quantitative analysis (surveys, work with datasets and databases, data visualization, and the presentation of complex data). These should be followed by the development of SAIs' leadership and staff communication, emotional intelligence, flexibility, and other soft skills to ensure that audit results and recommendations to stakeholders are presented in a clear and easy-to-understand manner and imply further collaboration .

To integrate innovative approaches, it is essential for SAIs to bring up the «auditors of the future» – staff within SAIs, who can deal with the challenges of the future, including using data analytics, AI, and innovation, being knowledge exchangers, producers of foresight, etc.

SAIs should build the capacities of auditors and audit teams. Multidisciplinary teams can be useful as they can provide a diversified look at a problem. Staffing groups such as multidisciplinary teams are costly. Thus, it might be beneficial to have a central group of experts whom all audit teams can call. Senior officials should have broad experience in audit and soft skills to maintain a productive working environment in teams .

These were among the topics discussed at the 24th UN/INTOSAI Symposium on « Digitalization, open data, and data mining: re-

levance and implications for SAIs' audit work and for enhancing their contributions to the follow-up and review of the SDGs» in 2017. 19

SAIs requires a scientifically trained analytical team to build up the «receptive capacity» of SAI and harness the opportunities of the digital revolution and data analytics. To strengthen their analytical potential, SAIs can establish separate analytical units to address particular problems (risk management, science, and technology assessments, data analysis, and project and programs' effectiveness evaluation departments). SAIs might develop analytical materials and conduct research on economic policy, public debt, and sustainability of public finances and evaluate the public policy to deliver key information to decision-makers from a point of view differing from traditional oversight.

This can provide a complimentary analysis and additional perspectives to influence public governance. Some SAIs has units that identify trends, risks, and priority areas to be considered when selecting potential audit tasks. However, while setting up a centralized structure would be relatively easier, the decentralized structure has the availability advantage (analytical skills would be available with the personnel with domain expertise).

SAIs needs to find ways to enhance their innovative and experimental approaches. SAIs should constantly push innovation in audit concepts, summarize good audit practices and explore multi-dimensional and intelligent data analysis methods to provide useful instructions for audit practices .

When planning (selecting topics) and carrying out audits, auditors determine the areas of great public interest and containing systemic weaknesses and risks to the sound management of public funds. Based on the analysis of collected information, it is possi-

ble to define possible trends for future development in the audited areas. More recently, some SAIs established foresight groups and began to provide products with a foresight perspective through the compilation and analysis of audit and non-audit work in some areas and a broader list of high-risk themes .

The cross-cutting nature of tasks to be accomplished by modern SAIs also calls for adopting efficient staff training and recruiting policies. SAIs could recruit staff with multifaceted backgrounds, academic education, and skills (statistics, sociology ,economics, mathematics, etc.).¹⁰ Experience in and knowledge of these disciplines is required for processing big amounts of complex data, delivering valuable insights, and communicating with stakeholders. It is also essential to engage qualified IT specialists to set up necessary technological systems and tools .

Nurturing a community of experts that can share good practices and offer peer-to-peer support, supplemented by identifying a list of methods' specialists to whom all audit teams can have access (and using in-house activities to promote their work). SAIs should make use of experts, or organize panel group discussions to challenge audit work, as well as assumptions and recommendations. Participation of prominent experts in SAI's advisory bodies is also important. All audit and advisory teams could have the option to consult with such specialists when addressing complex issues .

Other forms of cooperation with researchers that could contribute to developing SAIs' analytical and evaluation capacities include the participation of researchers in thematic workshops and panel discussions within SAIs related to areas that demand specific expertise or the use of specialized analytical techniques; exchange of analytical materials and insights that could be used in the planning

stage/preliminary study phase of an audit and advisory activities; support of studies in areas of interest for SAIs, outsourcing researches and analytical assignments; personnel training, development of specific programs, support of university students projects, encouragement of internships in SAIs; joint preparation of large-scale dialogue platforms on core issues of public governance .

Another option could be conducting whole-office events to identify techniques that could be used in future audits. At the end of such events, lessons, which can be useful for other teams can be compiled and saved in a central database. Where possible, some data analysis patterns should be automatized to be reused in future work .

The accumulated experience of SAIs should be constantly summarized and reviewed to identify good practices and effective toolkits. This knowledge is to be used to develop auditing, evaluation, and advising guidelines, action frameworks, educational programs, and tutorials, which can be used internally and/or disseminated to SAIs' stakeholders .

Data integration is another area where the capabilities of specialized organizations might be required. However, as it is closely connected to overall public sector data access and quality issues, efforts in this sphere should not be regarded as a long-term substitute for governmental investments in data integration and sharing infrastructure .

The enhancement of SAIs' research and advisory activities and their role in assessing long-term government goals and policies also largely depend on methodological capacities. To build methodological capacities, SAIs can set up teams composed of key national researchers, who specialize in auditing and counseling theories. Methodological expertise is essential, first, for performing the audit

role of SAIs and, second, for maintaining credibility with stakeholders. SAIs is encouraged to set up a team composed of key researchers in audit theories after a rigorous nationwide selection of recommended audit researchers .

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