



ORGANIZATION OF LATIN AMERICAN AND THE CARIBBEAN SUPREME AUDIT INSTITUTIONS (OLACEFS)

Technical Committee of Accountability

SUPREME AUDIT INSTITUTIONS AND ACCOUNTABILITY

Draft Guideline Manual for the implementation of the principles on Accountability of Asunción Declaration,

2013





ORGANIZATION OF LATIN AMERICAN AND THE CARIBBEAN SUPREME AUDIT INSTITUTIONS (OLACEFS)

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GIZ COOPERATION PROJECT - OLACEFS' STRENGTHENING

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(*) The views expressed hereby are the sole responsibility of the author and do not involve GIZ's institutional position.





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INTRODUCTION

OLACEFS' Technical Committee of Accountability, with the support of GIZ, developed the study "Scope of Institutional Control and Accountability in Latin America" in 2013, in order to expand the applicability of Asunción Declaration and facilitate a better understanding of the matter by governmental, legislative and community sectors.

As a result of this study, which involved seventeen out of twenty two Supreme Audit Institutions (SAI) members of OLACEFS1, several challenges related to the need to strengthen accountability in the region were indentified, namely: 1. Expand the scope of the existing regulatory framework to improve the performance and results of institutional accountability; 2. Improve institutional technical capacity; 3. Open and strengthen opportunities for interaction with citizenship and the media; 4. Develop technological improvements in the information systems and increase the use of information technologies and communications; 5. Ensure the availability of physical, human and financial resources; and 6. Develop institutional and social incentives for the establishment of an integrity, transparency and accountability culture.

In response to the need to incorporate practical tools for the implementation of the *Accountability Principles* contained in Asunción Declaration, the present draft *Guidelines for Implementation of Accountability Principles of Asunción Declaration* is aimed at providing supplies to strengthen the leadership capacity of the Supreme Audit Institutions of the region in the implementation of an effective accountability system.

Following the principles of Asunción Declaration, this manual shall guide the action of the SAI through the proposal of actions for the implementation of these principles.

Note that this guideline manual is a practical tool referred to the actions the SAI may develop for the implementation of the principles of Asunción Declaration. Therefore, you may adapt or adjust the indications and recommendations suggested according to the institutional conditions, resources and opportunities.

Finally, we want to acknowledge the valuable contribution of the SAIs involved in the identification of good accountability practices developed in the region, which facilitated the preparation of this guideline manual and to the officers and employees of the General Audit of Argentina and to the Court of Accounts of the Dominican Republic and civil organizations that contributed to the various sessions for validation of the contents of this guideline manual which we submit hereby for your consideration.

In order to enrich the discussion on the usefulness, timeliness and relevance of the contents of this draft manual and incorporate the contributions of SAIs members of OLACEFS, kindly send us your comments to the Technical Committee of Accountability to the following institutional e-mail: INSAUSTI@agn.gov.ar





1The characterization of accountability was carried out from the analysis of information reported by SAIs of Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, México, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela contained in the document *Scopes of institutional control and accountability in Latin America*, prepared by the Technical Committee of Accountability.







I. Tools for application of the principles of accountability contained in Asunción Declaration

In this section you will find the "Principles on Accountability" established in Asunción Declaration at OLACEFS' XIX General Assembly held in 2009, in Asunción, Paraguay. You will also find the actions to be taken for the implementation of these principles.

Principle 1. Accountability is the basis of a good governance

The link between the political power and citizenship should have mechanisms to enable an interaction that guarantees governments respond to the interests of those they represent.

SAIs constitute the basic premise of accountability as they are responsible for the supervision of the Public Treasury.

SAIs play a surveillance role related to the adequate operation of the accountability system.

- 1. Promote, at government agencies level and before the legislative power, the analysis between the quality of accountability and the improvement of public policies.
- 2. Identify the limiting aspects of accountability.
- 3. Based on the results of the institutional control, generate synergies in order to improve planning of governmental management, taking into account as follows:
 - a. The consistency and coherence among the strategic objectives of the government, operational and government agencies plans.
 - b. The clarity in setting objectives and goals as well as the correlation among them.
 - c. The use of appropriate management indicators that allow the assessment of the scopes and results of public policies.
 - 4. Promote the improvement of accounting records and the creation of accountability standards to facilitate the correlation between forecasted and achieved goals.
- 5. Promote the institutionalization of specialized studies to improve understanding of accountability and its impact on public policies with the participation of scholars and experts as well as civil society organizations.





- 6. Promote, from SAIs, the implementation and execution of policies, programs and projects aimed at citizen participation regarding fiscal control according to the scope of the regulations in force in the country.
- 7. Promote the development of inter-institutional policies for dissemination of accountability as a principle of good governance, define the importance of reporting, explain and respond for the actions of public servers and individuals managing public resources. Pay special attention in spreading the scope of accountability to the media, legislative power, political parties and citizens.

What other additional aspects do you think should be considered?	
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Principle 2. Obligation to inform and justify

Every public officer is obliged to report on their decisions and justify them publicly in a clear and comprehensive way.

Citizens, control agencies and public authorities should be able to ask for explanations so that a dialogue may be established regarding decision making processes and evaluation of public policies, the use of public funds and the integrity in the public function.





- 1. Promote the use of institutional web sites to inform stakeholders about the institutional management. Request government agencies and the legislative power the publication, as appropriate, of the following information:
 - a. Expenses budget, corresponding, at least, to the two previous years, approved and executed. The inclusion of an explanatory text should be requested.
 - b. Annual Investment Plan in force. The inclusion of an explanatory text should be requested.
 - c. Revenue budget in force, approved and executed. The inclusion of an explanatory text should be requested.
 - d. Budget in force, approved and executed. The inclusion of an explanatory text should be requested.
 - e. Audit reports issued by SAIs.
 - f. Institutional improvement plans resulting from comments, recommendations or audit provisions and their progress.
 - g. Monitoring, follow-up and control reports generated by other supervisory authorities.
 - h. Perform control exercises based on the analysis of the accuracy of the information published.

Remember that this action is also applicable to the SAI, as appropriate.

- 2. Promote the generation of explanatory reports, which provide elements of analysis on accountability, addressed to different stakeholders. Note that the report should contain the objectives and goals laid out in detail; those actually achieved; the detail of the differences and the explanation or justification of differences in the results, in terms of efficiency, effectiveness and economy.
- 3. Support the accountability report before the legislative power and submit it for information to the President of the Republic and his team of ministers in order to make known first-hand, the results of the fiscal year assessed, with emphasis on its implications regarding public finance management and the impact on public policies.
- 4. Promote the implementation of mechanisms to optimize the scope of the sanction as part of the accountability exercise.

What other additional aspects do you think should be considered?





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Principle 3. Comprehensiveness of the accountability system

The accountability system is composed of different stakeholders who interact both at interinstitutional and civil society level.

Both SAIs and governments are responsible for the existence of a frequent and fluent coordination among stakeholders.

SAIs should encourage each stakeholder in the accountability system to play his/her role in a comprehensive way.

- 1. Develop an explanatory map of SAI mechanisms, dimensions, competencies and interrelationship with institutional and social actors to facilitate understanding of the accountability system in force in your country (see "Guide for Public Accountability of Institutional Management of SAIs to citizenship", Page 9).
- 2. Promote the implementation of information and training systems addressed to officers and citizens in order to facilitate the strengthening of the internal control of government entities and accountability before the SAI, generate institutional synergies for unification of the institutional training of officers and citizens.
- 3. Encourage the generation of better indicators for assessment, management and performance of public administration and show their impact in the citizens` quality of life. Ensure that accountability may determine a reasoned justification of expenditure.





- 4. Assess parameters and expand the scope of criteria for selection of entities to be audited based on the meaningfulness of the allocated budget and the risk involved therein. Clearly state the criteria applied when preparing the Audit General Plan.
- 5. Build and institutionalize the technical areas for training, consultancy, discussion and explanation of information related to accountability, both with governmental entities and the legislative power.
- 6. Perform a strict follow-up regarding fulfillment of institutional improvement plans resulting from the observations, recommendations and audit regulations. Promote commitments between the audited entity and citizenship, regarding the improvement plans adopted and deadlines agreed. Encourage social actors to become observers of the fulfillment of commitments by spreading the results of the institutional follow-up of the improvement plans.
- 7. Promote articulation of the observance of recommendations or audit regulations with the exercise of social control. Invite civil entities and citizens to share this follow-up.
- 8. Foster, along with civil society organizations and stakeholders, the creation of a ranking of control subjects who efficiently comply with accountability and management improvements.
- 9. Build institutional consensus with government entities and legislative power to ensure the availability of physical, human and financial resources for accountability.

hat other additional aspects do you think should be considered?	





Principle 4. Transparency of information

Advertising of public actions is essential for transparency.

The information submitted to the ends of accountability should be reliable, relevant, clear, accessible, understandable, complete, measurable, verifiable, timely, useful and released to the public.

The supervisory bodies should encourage institutions to submit the information according to the above mentioned characteristics.

- 1. Create an incentive program that may recognize good government practices related to the quality and accuracy of the information reported by the control entities.
- 2. Promote the implementation of quality Management Systems in governmental entities.
- 3. Make use of television and radio spots to communicate various aspects of accountability and auditing results.
- 4. Identify the major problems regarding transparency of information and establish agreements and strategies with the audited entity in order to solve them.

What other addition	nal aspects do yo	u think should be	considered?	





Principle 5. Sanction for noncompliance

Actors demanding accountability should be able to apply or request, before the competent authorities, sanctions to public officers who have violated their duties or failed to comply with their obligations.

- 1. Prepare a characterization of the most frequent and irregular facts presented in public administration related to the resource management of the treasury, indicating the associated illegal action and the penalty provided by law. Inform it to the government officers and the public for a better understanding of the system of sanctions and penalties.
- 2. Establish a characterization of frequent facts which are not illegal actions but factors that determine a poor administrative management. Spread this information in order to generate social sanctions.
- 3. Report on the competencies of your SAI to impose financial or administrative penalties.
- 4. Promote institutional coordination with other entities or control agencies for monitoring the implementation of the sanctions. Inform the public about these results.
- 5. Prepare a report containing evidence of civil, criminal and administrative responsibilities detected as a result of the audit process, indicating how they were treated or before which competent authority they were submitted. Spread this information and promote citizenship follow-up.
- 6. Periodically prepare and publish a report on the economic or administrative sanctions imposed as a result of the powers conferred by law, according to competency.

What other additional aspects do you think should be considered?			





Principle 6. Active citizenship participation

SAIs shall strengthen their strategies, links and mechanisms of communication and interaction with civil society.

SAIs shall train their officers to be real and effective "comptrollers" before citizenship.

SAIs shall contribute to the construction of an institutional framework that provides appropriate and effective access to state information.

SAIs shall carry out the necessary actions to improve public knowledge about the rationale of the control system in order to help citizens to properly exercise his/her role in the system.

- 1. Provide an office or unit for contact with the citizenship that performs information and guidance functions regarding institutional offer, citizen participation and accountability.
- 2. Promote the establishment of cooperative agreements with civil organizations based on the observance of confidentiality, objectivity and responsibility principles.
- 3. Lead a capacity building strategy addressed to public officers, citizens and civil organizations aimed at improving understanding of the accountability concept and scope.
- 4. Evaluate strategies regarding the approach to citizenship and strengthen programs in accordance with conceptual frameworks of citizenship participation in fiscal control and accountability, accepted by OLACEFS.
- 5. Encourage the establishment and strengthening of civil society organizations that promote social control, citizen monitoring and social audit, particularly of those interested in the citizenship observance of recommendations or regulations generated by SAIs.





What other additional aspects do you think should be considered?		

Principle 7. Comprehensive legal framework for accountability

EFSs shall ensure implementation, strengthening, continuous updating and effective application of a comprehensive regulatory framework including, inter alia, regulations on issues related to management assessment of public institutions, access to public information, internal control, anti-corruption fight and sanction.

- 1. Identify legal gaps related to accountability and determine the consequences thereof.
- 2. Lead the creation of an inter-governmental commission composed of the legislative power, accountability subjects and experts in order to address the analysis of the institutional framework and governmental practices on accountability, aimed at the identification and promotion of regulatory and procedural changes needed to ensure improvement in the quality of institutional accountability.
- 3. Promote the adoption of an accountability model that standardizes the minimum contents it should contain, type and characteristics of the information to be reported, including accurate dates for presentation of reports, ensuring their usefulness as a step forward the formulation of institutional plans and for the analysis of the budgetary process by the legislative power, among others.
- 4. Encourage discussion on opportunities during the accountability process to SAIs and from them to the legislative power, and propose improvements to optimize the use of





institutional reports in the process of decision making, especially those related to the budgetary process.

vnat other additional aspects do you think should be considered?			
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Principle 8. SAIs Leadership

SAIs should become promoters of principles, systems, practical improvements and efficient accountability mechanisms and monitor, together with the government, other agencies and the civil society, its adequate operation and permanent improvement, through the establishment of concrete actions to help strengthen the system and ensure a good governance.

SAIs shall strengthen their strategies, abilities and resources. They will also guarantee cooperation and national and international alliances in order to share knowledge and experiences and increase their potentialities.

- 1. Spread the principles on Accountability of Asunción Declaration, emphasizing its importance and the benefits of its application to improve governability.
- 2. Convene government, legislative, academics, citizens and the media to adopt in a public national event the "Principles on Accountability" established in Asunción Declaration.
- 3 Design an inclusive national strategy with the participation of government, legislative, academics, citizens and media sectors, which starting from a work plan having responsible officers assigned, allows the implementation and development of this





Guidelines Manual for the Implementation of Accountability Principles of Asunción Declaration.

- 4. Manage the physical, human and financial resources for the implementation of this strategy.
- 5. Periodically, disseminate the situation of the accountability practice in the country, detailing the improvements achieved, the remaining challenges and possible strategies to be implemented. Validate these strategies with governmental, legislative, academic, public and media sectors. Promote the generation of commitments across different sectors for their implementation and control. Report on commitments assumed and outcomes achieved.

hat additional aspects to the a	above do you think sl	ould be consi	dered?





II. Reference Material

In order to facilitate further knowledge of the topics covered in this guide, we suggest you to consult the following documents:

- ✓ Principles on Accountability Asunción Declaration -2009, available at: http://www.olacefs.com/Olacefs/ShowProperty/BEA%20Repository/Olacefs/Documentos/2009/DOC 200910 01
- ✓ INTOSAI GOV 9160 called "Strengthening Good Governability of Public Goods: Basic Principles for its implementation."
- ✓ INTOSAI GOV 9100: Guidelines for Internal Control Standards for the Public Sector, available at http://www.intosai.org/issai-executive-summaries/view/article/intosai-gov-9100-guidelines-for-internal-control-standards-for-the-public-sector.html
- ✓ ISSAI 20. "Principles of transparency and accountability" visit: es.issai.org/media/14499/issai 20 s .pdf
- ✓ ISSAI 21 "Principles of transparency and responsibility: Principles and Best Practices" available at: es.issai.org/media/14503/issai_21_s_.pdf
- ✓ Technical Committee of Accountability-OLACEFS. "Supreme Audit Institutions and Accountability: Generating a common ground for strengthening the external control in Latin America." 2013, in: http://ctrc.agn.gov.ar/?q=node/29
- ✓ Technical Committee of Accountability-OLACEFS. "Guide to Public Accountability of the Institutional Management of SAIs to Citizenship". 2013, at: http://ctrc.agn.gov.ar/?q=node/29